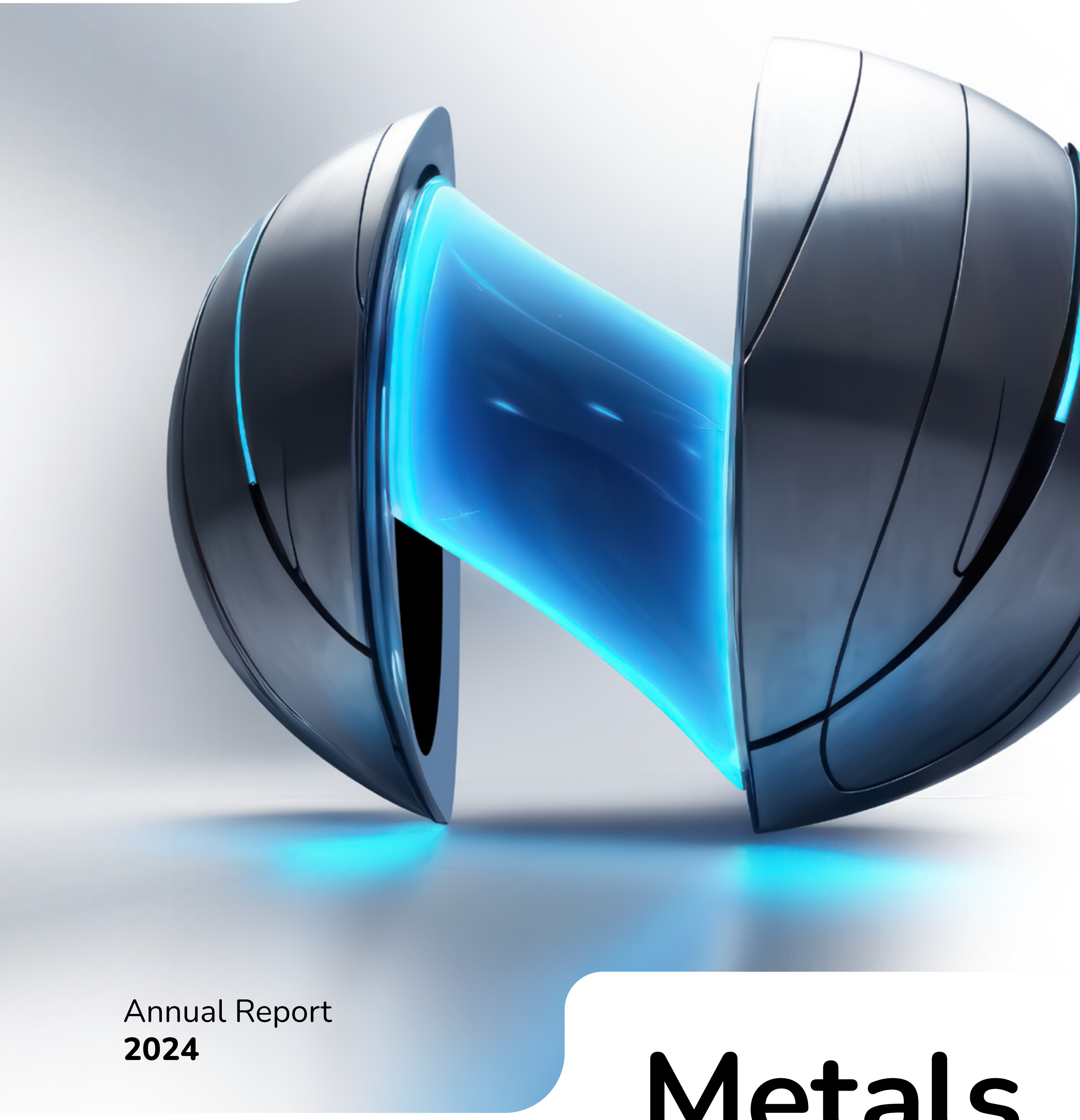


Annual Report
2024

Metals for Progress

About the Report

We are pleased to present to you the Annual Report of MMC Norilsk Nickel and subsidiaries comprising the same group of companies (collectively, the “Group”, “Nornickel”, or the “Company”) for 2024. Nornickel is a Russian vertically integrated metals and mining company producing non-ferrous and precious metals.

The Report discloses all aspects of Nornickel’s operations both from a strategic standpoint and in the context of sustainability. Nornickel has a unique resource base underpinning its strategy of production growth and operational excellence as well as its environmental programme. This environmentally friendly growth strategy not only lays out long-term production targets but also sets out specific action plans to reduce the Company’s environmental footprint in its regions of operation.

Contents

Nornickel’s supplementary reports for 2024

In addition to the Annual Report, Nornickel prepares the following reports:

Sustainability Report

Human Rights Report

Responsible Supply Chain Report

Climate Change Report

Standards

This Annual Report was prepared by the Investor Relations Department, taking into account the requirements and recommendations of:

- the Bank of Russia’s Regulations No. 714-p, On Information Disclosure by Issuers of Issue-Grade Securities, dated 27 March 2021
- the Bank of Russia’s Letter No. IN-06-28/102, On Disclosure of Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint Stock Company, dated 27 December 2021
- the Bank of Russia’s Letter No. 06-52/2463, On the Corporate Governance Code, dated 10 April 2014
- the Bank of Russia’s 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 Bank of Russia’s Letter No. IN-06-28/96, On Recommendations for the Board of Directors of a Public Joint Stock Company to Consider ESG Factors and Sustainable Development Issues, dated 16 December 2021; the Bank of Russia’s Letter No. IN-06-28/57, On Recommendations for a Public Joint Stock Company to Disclose Information on the Remuneration of Members of the Board of Directors (Supervisory Board), Executive Bodies, and Other Top Management of the Public Joint Stock Company in Its Annual Report, dated 11 December 2017
- Resolution of the Russian Government No. 1102, On the Specifics of Disclosure and/or Submission of Information Subject to Disclosure and/or Submission Under the Federal Law On Joint Stock Companies and the Federal Law On the Securities Market, dated 4 July 2023
- the Listing Rules of PJSC Moscow Exchange.

Scope

The scope of disclosure and financial metrics align with the Group’s IFRS consolidated financial statements for 2024, audited by Kept in accordance with International Standards on Auditing.

Approved by the Annual General Meeting of Shareholders (Minutes No. 1 dated 27 June 2025)

Pre-approved by the Management Board (Minutes No. GMK/14-pr-p dated 22 May 2025)

Pre-approved by the Board of Directors (Minutes No. GMK/9-pr-sd dated 11 April 2025)

Accuracy of information confirmed by the Audit Commission (Opinion dated 28 April 2025)

Vladimir Potanin
President

Sergey Malyshev
First Vice President — Chief Financial Officer

Indispensable for progress

Our metals are essential for the development of a low-carbon economy and green transport and play a critical role across a wide range of industries, from stainless steel and battery production to power cables, electrical wires, process equipment, and catalytic converters. These metals are used in microelectronics, semiconductors, medicine, and chemistry.

Pt Pd

Electronics

Pd is used in the production of capacitors and motherboards

Pt is used in hard drives

Rh is used in coatings for connectors and contacts

Automotive industry

Pd Pt Rh are used as active materials in automotive exhaust gas catalysts to minimise the vehicles' environmental impact

Chemical and petrochemical industries

Pd Pt Rh are used as catalysts in chemical and petrochemical processes, helping industry players achieve high operational efficiency

Healthcare

Pd Pt Rh are used as catalysts in pharmaceutical synthesis

Pd is used in dentistry

Pt is used in medical devices such as pacemakers

Glass fibre and optical glass

Pt Rh are used to manufacture bushings for making glass fibre and optical glass

Hydrogen solutions

Pt Pd Ir Ru are used as catalysts in low-carbon hydrogen production as well as in hydrogen purification, transportation, and use as an energy source in fuel cells

Ni

Machine building, chemical and petrochemical industries, construction

Nickel is used in stainless steel production. Adding nickel as an alloying element to stabilise the austenitic structure enhances steel's corrosion resistance, high-temperature strength, weldability, ductility, and resistance to aggressive environments

EV batteries

Nickel is a key element used in the production of precursor cathode active materials for EV batteries.

Aerospace industry

Nickel-based heat-resistant alloys offer strong resistance to aggressive environments and are used in the production of aircraft engine components

Renewable energy

Nickel alloys are used in wind, solar, and geothermal energy generation

Cu

Electronics and home appliances

Copper is used in electronics and home appliances owing to its superior electrical and thermal conductivity

Renewable energy

Copper is widely used in the construction of wind, solar, and other types of renewable power plants

Construction and air conditioning and cooling systems

The construction sector uses copper in pipes and tubing, heating and cooling systems, and as a cladding material. Electrical and communication cables are also mostly made of copper

Network infrastructure

Copper is used in power generation, transmission, and distribution as well as in all types of electrical wiring

Automotive industry

The automotive industry uses copper in batteries, electric motors, inverters, wiring, and charging infrastructure

Powering the future

Nickel and copper for electric vehicles

Ni, Cu

Nickel is a key element used in the production of precursor cathode active materials for EV batteries. Nickel-intensive NCM and NCA batteries are considered the dominant technologies. EV batteries containing nickel are light, fast-charging, and offer greater energy storage capacity. Nickel-based batteries are also more suitable for recycling and reuse than other types of battery systems.

Copper is used in electric engines, charging systems, and other components of EVs due to its high conductivity, ductility, and durability. In addition to its use in EV manufacturing, copper plays a key role in the supporting infrastructure.

01. About Nornickel

Overview

The Norilsk Nickel Group is Russia's largest metals and mining company and a major global producer of palladium, nickel, platinum, and copper, which are essential for the development of a low-carbon economy and green transport. The Company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, and selenium.

No. 1 Global leader in palladium production

No. 1 Industry leader in terms of production cost per tonne of nickel

9.1% Share of Russia's metals production

2.2% Share of Russia's industrial output

ABOUT 30 COUNTRIES Geography of the Company's supplies

The Company views its people as the key asset and is willing to invest in their professional and personal development while enabling a corporate culture that would help it and its people to successfully achieve their core mission

>79 THOUSAND EMPLOYEES

RUB 207 THOUSAND average pay

RUB 1.3 BN invested in employee development in 2024

Mission and values

Our mission is to supply the world with non-ferrous metals, efficiently and safely using natural resources and capital to realise people's aspirations for development and technological progress.

Efficiency

The Company's primary aspiration and a driving force behind the development of each employee's professional qualities

Safety

A fundamental priority shared by the Company and all employees

Care for people

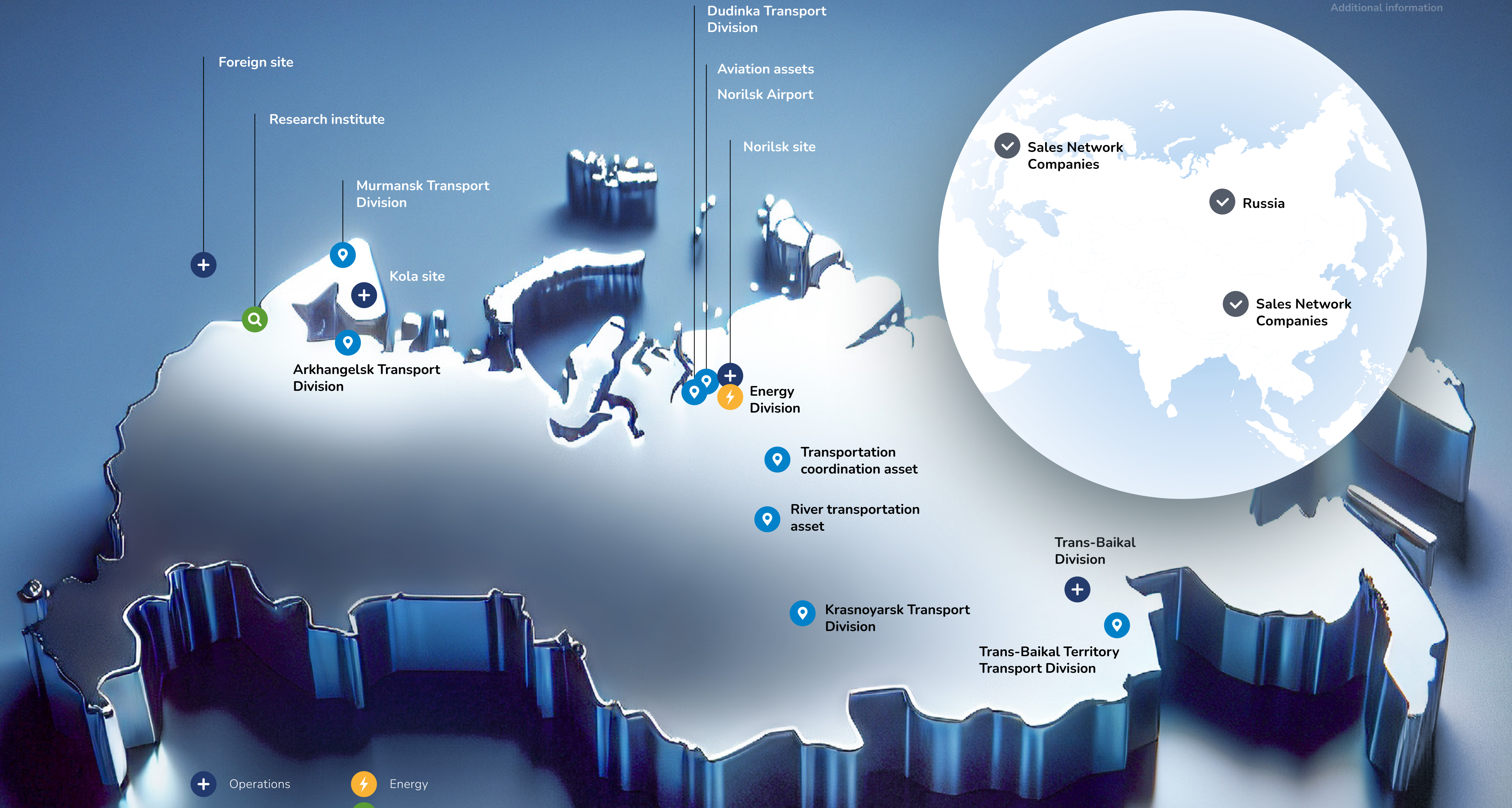
The cornerstone of collaboration and interaction within our teams

Footprint

Nornickel is focused on the exploration, mining, and processing of minerals as well as the production and sale of non-ferrous and precious metals.

Regions of operation across Russia

- Krasnoyarsk Territory
- Trans-Baikal Territory
- Arkhangelsk Region
- Murmansk Region
- Moscow
- Moscow Region
- Krasnodar Territory
- St Petersburg
- Saratov Region



Nornickel's core business units are vertically integrated metals and mining operations. Since 2020, the main Company's operations have been consolidated into divisions to accelerate decision making and improve accountability of production site management. In September 2024, two divisions – Norilsk and Kola, comprising the Group's core operating assets, – were merged into the Polar Division to enhance operational efficiency and financial stability, streamline internal processes, and eliminate organisational barriers.

Production divisions: The Polar Division, located on the Taimyr and Kola Peninsulas in Russia, and the Trans-Baikal Division, located in the Trans-Baikal Territory.

The Energy Division comprises Nornickel's own energy assets, most of which are located in the Arctic Circle.

Sales Network Companies manages its own international network of sales companies, distributing the Company's products across the globe.

The Group also has an R&D facility based in Saint Petersburg, with branches in Norilsk and Monchegorsk. Other Group entities include geological enterprises, transport logistics entities with port terminals and a unique Arctic sea fleet, as well as a number of other auxiliary units.

The Group's operations are managed and coordinated by its parent company, PJSC MMC NORILSK NICKEL, incorporated in Dudinka, Krasnoyarsk Territory. The Company's Head Office is based in Moscow. As of the end of 2024, the Group comprised 105 companies, including foundations.

Performance highlights

Operational

Production of nickel and copper, from own feed (KT)

Nickel: –1.6% y-o-y; Copper: +1.7 y-o-y

Year	Nickel	Copper
2024	205	433
2023	208	425
2022	219	433
2021	190	407
2020	233	487

Production of palladium and platinum, from own feed (KOZ)

Platinum: +0.5% y-o-y; Palladium: +2.6% y-o-y

Year	Platinum	Palladium
2024	667	2,762
2023	664	2,692
2022	651	2,790
2021	641	2,616
2020	693	2,820

Sustainability

Average monthly salary

RUB thousand: +12.4% y-o-y; USD thousand: +3.5% y-o-y

Year	RUB thousand	USD thousand
2024	207	2.2
2023	184	2.2
2022	183	2.7
2021	145	2.0
2020	132	1.8

Social expenses for employees (USD MLN)

Year	Housing programmes	Health resort treatment	Pension plans	Other social expenses	Total
2024	12	27	16	123	178
2023	10	29	14	140	193
2022	16	36	17	153	223
2021	14	28	14	123	179
2020	11	11	14	93	129

GHG emissions from production assets (MLN T)

Scope 1: –0.3% y-o-y; Scope 2: –9.9% y-o-y

Year	Scope 1	Scope 2	Total
2024	7.1	0.4	7.5
2023	7.1	0.5	7.6
2022	7.1	0.5	7.6
2021	7.5	0.5	8.0
2020	7.0	0.5	7.5

Injury rates (PER MILLION HOURS WORKED)

FIFR: –25.0% y-o-y; LTIFR: –1.5% y-o-y

Year	FIFR	LTIFR
2024	0.03	0.64
2023	0.04	0.65
2022	0.03	0.58
2021	0.10	0.38
2020	0.08	0.21

Financial

Revenue and net income (USD BN)

Net income: –36.8% y-o-y; Revenue: –13% y-o-y

Year	Net income	Revenue
2024	1.8	12.5
2023	2.9	14.4
2022	5.9	16.9
2021	7.0	17.9
2020	3.6	15.5

EBITDA and EBITDA margin (USD BN)

EBITDA: –24.5% y-o-y; EBITDA margin: –7 p.p. y-o-y

Year	EBITDA	EBITDA margin
2024	5.2	41%
2023	6.9	48%
2022	8.7	52%
2021	10.5	59%
2020	7.7	49%

Debt (USD BN)

Net debt / 12M EBITDA: +0.5x y-o-y; Net debt: +6.1% y-o-y

Year	Net debt / 12M EBITDA	Net debt
2024	1.7x	8.6
2023	1.2x	8.1
2022	1.1x	9.8
2021	0.5x	4.9
2020	0.6x	4.7

CAPEX (USD BN)

Year	Stay-in-business	Growth and development	Sulphur Project	Total
2024	1.5	0.6	0.3	2.4
2023	1.9	0.6	0.5	3.0
2022	2.5	0.9	0.9	4.3
2021	1.4	0.8	0.5	2.8
2020	1.0	0.6	0.2	1.8

Investment highlights

Unique resources

The Company's unique mineral resource base (in terms of high metal content) secures the most advantaged position in the global mining industry.

Copper-nickel sulphide ore

Polar Division

7 MINES

Proven and probable reserves

1,373 MLN T

Ni	9 mln t
Cu	16 mln t
6PGMs[1]	176 Moz

Measured and indicated resources

1,995 MLN T

Ni	15 mln t
Cu	23 mln t
6PGMs[1]	255 Moz

Reserves life at the current production rate

OVER 70 YEARS

Gold-iron-copper ore

Trans-Baikal Division

2 OPEN PITS

Proven and probable reserves

272 MLN T

Cu	1.4 mln t
Au	6 Moz
Ag	24 Moz
Fe	51 mln t

Measured and indicated resources

292 MLN T

Cu	1.7 mln t
Au	6 Moz
Ag	30 Moz
Fe	64 mln t

Reserves life at the current production rate

OVER 20 YEARS

[1] The six platinum group metals (6 PGMs) are platinum, palladium, rhodium, ruthenium, osmium, and iridium.

Position in the global metals market

Position in the metals and mining industry[1]

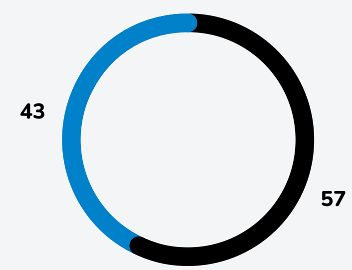
40%	Palladium	No. 1
16%	Nickel metal	No. 2
11%	Platinum	No. 4
2%	Copper	No. 13

- **Low carbon footprints of nickel production**
  The carbon footprint according to international standards totalled
  8.8 KG
  of CO_2 equivalent per kg of of Class I nickel production.
- **High degree of vertical integration:**
  from ore to finished products (100% self-sufficiency).
  The Company's reliance on own logistics, energy, fuel, and water supply translates to a significantly smaller share of these expenditures in cash costs vs peers.
- **Best-in-class feedstock mix:**
  natural diversification and solid long-term fundamentals.

Highly liquid stock

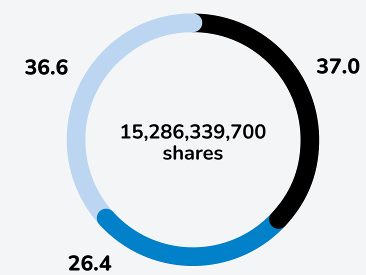
Nornickel shares have been traded on the Russian stock market since 2001. Since 2014, Nornickel shares have been included in the first-level quotation list of the Moscow Exchange (ticker: GMKN).

The Company's analyst ratings (%)



- Buy
- Hold
- Sell — 0

Shareholding structure as of end-2024 (%)



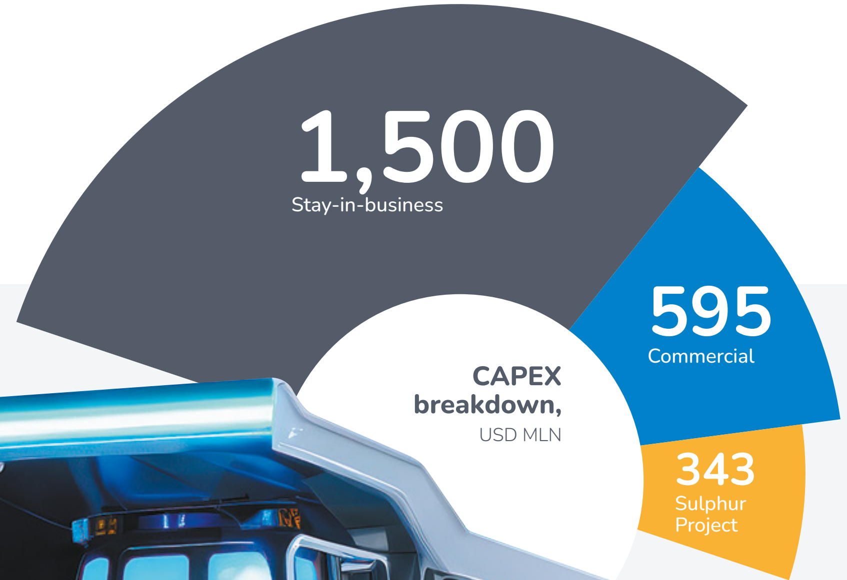
- Interros
- EN+ GROUP IPJSC
- Other shareholders

Proportion of Nornickel shares in the main indices of the Moscow Exchange[2]:

Metals and Mining Index	14.40%
Blue Chip Index	4.76%
Moscow Exchange index	3.69%
Sustainability Vector Index	6.17%

[1] Data as of early March 2025. Based on refined metal (including tolling) output for palladium, nickel, and platinum; based on contained metal production for copper.
[2] As at 28 December 2024.

Business model



Contribution to the UN SDGs

Capital

Mineral resource base

Proven and probable reserves

1,373 MLN T
of copper-nickel sulphide ores

272 MLN T
of gold-iron-copper ores

7 existing deposits

Workforce

>80 THOUSAND
employees

Mining and metallurgical assets

7 mines

2 open pits

4 concentration facilities

4 metallurgical plants

Auxiliary assets

- Transport enterprises
- Energy enterprises
- Network of sales companies
- R&D institute

Performance

Mining

Norilsk site

20.1 MLN T
of ore

Ni	Cu	PGMs
1.15%	1.87%	6.28 g/t

Kola site

7.0 MLN T
of ore

Ni	Cu	PGMs
0.52%	0.21%	0.08 g/t

Trans-Baikal Division

13.6 MLN T
of ore

Cu
0.63%

Energy Division

2,650 MCM
of natural gas

102 KT
of gas condensate

USD **2,438** MLN
Capital expenditures

Group's metals production

Ni	Cu	Pd	Pt
205 KT	433 KT	2,762 KOZ	667 KOZ

Financial highlights

USD **12.5** BN
Revenue

USD **5.2** BN
EBITDA

USD **1.8** BN
Net income

41%
EBITDA margin

1.7x
Net debt/12M EBITDA

Environment and climate

7.5 MLN T
GHG emissions from operations (Scope 1 + 2)

6.7 MLN T
GHG emissions (Scope 3)

99%
of the Company's industrial waste is non-hazardous

54%
Share of renewables

81%
Share of reused and recycled water

Value

Shareholders

RUB **131** BN
(USD 1.5 bn)
Total dividends paid in 2024

Employees

RUB **16.5** BN
(USD 178 mln)
Spending on social programmes for employees

>USD **2.2** THOUSAND
Average monthly pay

RUB **1.4** BN
(USD 16 mln)
Spending on pension plans

Suppliers and contractors

98%
Share of Russian companies in supplies to Nornickel

2.96 POINTS
Customer satisfaction

Local communities

RUB **249** BN / USD 2.7 BN
Tax and other payments to budgets

RUB **12** BN
(USD 126 MLN)
Social expenses

A 20%–30% increase in ore output by 2030

Reduced environmental footprint across regions of operation

Deeper integration into emerging value chains and diversification of production capacities

History and highlights of the year

The Company's history

Nornickel is the leader in Russia's metals and mining industry and a trusted social partner.

1935–1959

Construction of Norilsk Metallurgical Plant on the Taimyr Peninsula and of Severonickel Plant on the Kola Peninsula commenced. The first batches of converter matte and saleable nickel were produced in 1939.

By late 1953, Norilsk Plant produced[1]

- Ni 35%
- Cu 12%
- Co 30%
- PGMs 90%

1960–1992

New deposits were developed and new facilities put online

- Major sulphide deposits of copper-nickel ores of the Talnakh Ore Cluster were discovered.
- The construction of mines and the town of Talnakh started on the Taimyr Peninsula.
- The first batch of carbonyl nickel was produced at Severonickel Plant.
- Komsomolsky, Oktyabrsky, and Taimyrsky Mines were launched; Talnakh Concentrator and Nadezhda Metallurgical Plant were commissioned. Severonickel Plant celebrated first production of electrolytic copper.

1993–2012

Company transformation

The Norilsk Nickel State Concern for the Production of Precious and Non-Ferrous Metals was transformed into RJSC Norilsk Nickel and privatised. In 2001, the Company was restructured, with shareholders owning a combined 96.9% stake in RJSC Norilsk Nickel exchanging their shareholdings for shares in OJSC MMC Norilsk Nickel. Company shares started trading on the RTS and MICEX stock exchanges, and first American Depositary Receipts (ADRs) were issued in June.

2013–2020

Implementing a new strategy

Vladimir Potanin and his new management team took the helm of the Company. The Board of Directors adopted a new long-term development strategy focused on world-class assets. A mining and processing plant, the largest greenfield project in the Russian metals industry, was constructed from scratch in the Trans-Baikal Territory.
At that time, a programme was launched to improve the environmental conditions across the Company's footprint, including the shuttering of Nickel Plant in Norilsk, the launch of the Sulphur Project to drastically reduce sulphur dioxide emissions, and the closure of obsolete metallurgical facilities in the Murmansk Region.

2021–2030

Moderate growth strategy

The Company is pursuing a strategy of moderate growth amid global uncertainty, while continuing to comprehensively develop its mining capabilities and expand its processing capacities. Nornickel is also focused on implementing its environmentally friendly growth strategy, which includes the completion of the Sulphur Project in 2027 and a drastic reduction in emissions across all production sites. Nornickel is doubling down on operational efficiency by transforming its governance system. Notable accomplishments to date include the launch of the Sulphur Project at Nadezhda Metallurgical Plant, the development of Eurasia's deepest ore horizons, and first production at the Glubokaya shaft of Skalisty Mine from a depth of almost 2 km.

The Company's commitment to transparency is demonstrated by the publication of its inaugural Climate Change Report, detailing its climate action and climate adaptation initiatives from 2021 to the present, and the launch of an automatic air quality monitoring system in Norilsk. Nornickel's strong commitment to social responsibility is evidenced by both a 10% wage indexation and the full retention of its benefits package as well as by the launch of the Digital Investor corporate programme, which awards employees digital financial assets linked to the market value of Nornickel shares.

[1] Of the Soviet Union's total output.

2024

Highlights of the 2024 year

An updated environmental and climate change strategy was approved, comprising more than 150 initiatives worth over RUB 500 billion to be implemented by 2031.

A flash smelting furnace revamp was completed at Nadezhda Metallurgical Plant, resulting in a 25% capacity increase.

New wells launched at the Pelyatkinskoye field helped enhance the reliability of gas supply to the Norilsk Industrial District. For the first time in a decade, the Company commenced drilling new wells. This large-scale project, with investments of approximately RUB 10 billion, is a key component of development strategy of Energy Division.

Hundreds of thousands of sturgeon fingerlings were released into the Yenisei River. The fish stocking project for the Yenisei River, implemented under a cooperation agreement with the Russian Federal Agency for Fishery, plans to release 510 million juvenile fish of valuable species – including sturgeon, muksun, broad whitefish, whitefish, and nelma – into water bodies of the Norilo-Pyasinskaya lake and river system between 2033 and 2050.

The governance model was amended, with the two key operational units – the Norilsk and Kola Divisions – merged into the Polar Division to establish a flatter management structure that enables faster decision making. In addition to the Polar Division, three other divisions continue to operate within Nornickel's structure: the Trans-Baikal, Energy, and Sales Divisions.

Nornickel has implemented its first climate project and issued carbon units. Under the project, the main ventilation units at Severny Mine in the Murmansk Region were converted to electric heating, enabling the retirement of the legacy fuel oil-fired boiler plant while also reducing GHG emissions by nearly 17,500 tonnes of CO_2 equivalent.

The Company inaugurated a Battery Technology Centre in Saint Petersburg, marking a new phase in its efforts to advance technological capabilities in the promising field of nickel-bearing cathode active materials (CAMs) – a key component in modern batteries.

A major deal was signed with RusHydro to purchase 10 thousand carbon units generated by RusHydro's climate project for converting Vladivostokskaya CHPP-2 from coal to gas. The Company can retire carbon units from its balance sheet as needed, thereby reducing its reported gross greenhouse gas (GHG) emissions and potential future carbon tax liabilities.

The Moscow Exchange launched trading in Nornickel's platinum and palladium, providing investors with portfolio diversification opportunities and direct access to the PGM market. The new instruments will allow investors to respond effectively to market shifts and capitalise on the upside potential of platinum and palladium prices.

Nornickel and its employees have extended the Collective Bargaining Agreement until 2027. The Company's social commitments continue to go beyond the requirements of labour legislation, and its benefits package remains one of the best in the industry. The new version of the collective bargaining agreement embodies one of Nornickel's core values – care for people – and complements traditional support measures with new initiatives based on employee suggestions.

An air quality monitoring system was launched in Norilsk, integrating various sensors and devices into a single platform to provide round-the-clock monitoring of ambient air across different districts of Norilsk, Talnakh, and Kayerkan. The system enables real-time assessment of air pollution levels.

A major milestone in 2024 was the validation of the Sulphur Project's effectiveness at Nadezhda Metallurgical Plant after its first line was launched in late 2023. Throughout 2024, Nornickel gradually commissioned core gas recovery equipment to support the project's ramp up to design capacity and successfully launched the second process line. The project helped reduce sulphur dioxide emissions by 390 kt, with a 99.1% efficiency in treating sulphur-rich gases, as confirmed by the Federal Service for Supervision of Natural Resources (Rosprirodnadzor). The Sulphur Project is aimed at dramatically reducing sulphur dioxide emissions in the Norilsk Industrial District and improving the quality of life for Norilsk residents.

Metal that blazes the trail

Copper for electronics

Cu

Copper was the first metal processed by humans, with smelting from ore beginning approximately six thousand years ago. Today, copper is the third most widely used metal, after iron and aluminium. Copper is often used in alloys, which offer greater strength and resistance than the pure metal.

In electronics, copper plays a crucial role as a conductor – primarily in wires, interconnects, microchips, and circuit boards. Copper is found in nearly all modern electronic devices. For example, a standard laptop contains 700 grams of copper.

02. Strategic Report

President’s letter

Dear shareholders,

Let me briefly summarise our performance in 2024 and outline Nornickel’s near-term plans and priorities.

Sanctions pressure on our business, new financial infrastructure restrictions, and a continued low-price environment for nickel and palladium had a significant negative impact on our financial results.

> **The Company continued to expand sales into new markets and launched production of premium nickel brands for the electroplating sector in China.**

Our revenue decreased 13% to USD 12.5 billion, while EBITDA was down 25% to USD 5.2 billion. In this context, Nornickel’s management focused on operational measures to partially offset the impact of macroeconomic and geopolitical headwinds. Thanks to the record-fast completion of furnace repairs at Nadezhda Metallurgical Plant and the successful rollout of our operational efficiency programme, we exceeded our production guidance, maintaining metal output at near 2023 levels. Cost control efforts helped reduce cash operating costs by 3%, almost completely offsetting inflationary pressures. We also managed to reverse the negative, upward trend in working capital, which had been one of the biggest challenges over the past three years due to mounting sanctions pressure on Russian companies.

The Company continued to expand sales into new markets and launched production of premium nickel brands for the electroplating sector in China. At the Kola site, the carbonyl nickel section was successfully brought back online following repairs, and the production of specialty nickel powders commenced. Additionally, we increased the share of premium copper cathodes to 84.3%. We stayed on track with our USD 2.4 billion investment programme, focusing on mining projects, debottlenecking in concentration and metallurgy, and, naturally, environmental protection. A major milestone in 2024 was the verification of the Sulphur Project’s effectiveness at Nadezhda Metallurgical Plant, which has already reduced sulphur dioxide emissions in Norilsk by nearly 390 kt. The Sulphur Project is aimed at dramatically reducing sulphur dioxide emissions in the Norilsk Industrial District and improving the quality of life for Norilsk residents. The Company has developed and launched an automated air quality monitoring system – one of the first such urban-focused projects in Russia providing real-time air monitoring.

Our top priorities include occupational health and safety as well as social stability. This commitment goes beyond safe operations – we are equally focused on creating conditions that foster productivity and providing opportunities for professional growth and development. In 2024, employee salaries were increased by 10% to reflect the cost-of-living adjustment. Between 2019 and 2024, total wage growth amounted to 69%. We also extended our collective bargaining agreement for the 2024–2027 period, aligning the interests of both employees and the Company. This agreement remains one of the best in the industry, with Nornickel continuing to offer support well beyond statutory requirements.

We have successfully adapted to the challenges and constraints brought on by the discontinuation of equipment supplies from foreign vendors. Recently, we signed a partnership agreement to pursue a promising new line of business – the production of state-of-the-art mining equipment that meets the highest global standards. We launched the development of a mining equipment production facility in the Krasnoyarsk Territory, which will also offer repair services for the equipment produced.

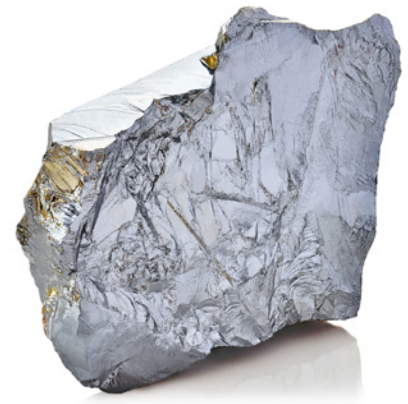
Last year, we launched an operational efficiency programme covering all aspects of the Group’s operations – from boosting labour productivity and ore output to improving recovery rates, enhancing finished product quality, and reducing both production and non-production costs. We are confident that its successful implementation will enhance the Company’s resilience to external pressures and improve its financial performance over the coming years.

Managing debt amid limited capital market access and in an exceptionally high key rate environment warrants special mention. We continue to take a conservative approach to debt metrics, with a comfortable repayment schedule in place for our debt portfolio over the next few years and sufficient capital reserves to meet all obligations – even in the event that new financing becomes completely unavailable.

In conclusion, I wish to reiterate our unwavering commitment to honouring all obligations to our employees and the state. In the face of ongoing commodity market volatility and elevated geopolitical risks, we believe that maintaining the Company’s financial strength, improving operational efficiency, and investing in future markets and products serve the best interests of all our shareholders.

Vladimir Potanin
President,
MMC Norilsk Nickel

Commodity markets



Nickel market

Key market trends

The nickel rally that started at the London Metal Exchange (LME) in late March was driven by delays in issuing nickel ore mining permits in Indonesia, the LME's ban on Russian-origin nickel produced on or after 13 April 2024, the state of emergency in New Caledonia, and a broad-based price rally across all base metals, particularly in copper.

However, the price lost all the gains and declined to USD 17,000/t as early as June amid the announcements by the Indonesian government that additional nickel ore production quotas had been issued, which triggered the liquidation of long speculative positions. Despite subsequent closures of production assets, including BHP's Nickel West in Australia and IGO's Forrestania, the bearish sentiment continued to dominate the LME trading, so the price plunged to USD 15,500/t by the end of July.

In September, the LME nickel price rebounded to USD 17,000/t as the US Federal Reserve System lowered interest rates by 50 b.p., exceeding market expectations, and the Russian authorities announced potential restrictions on the exports of nickel in retaliation to Western sanctions. Later on, the People's Bank of China unveiled the most aggressive financial stimulus since the pandemic to achieve the government's growth target.

As a result, the price reached a three-month high of USD 18,000/t at the beginning of October as these measures significantly boosted market sentiment. Still, the price fell again after the Golden Week holiday as, after a more detailed look at the proposed stimulus package, the market found it insufficient.

By mid-November, the prices slumped to USD 15,300/t, despite news of Ambatovy's technical issues, Eramet's production cuts in Indonesia, and reports of curtailments by one of the largest Indonesian NPI producers due to tight nickel ore supplies. At year-end, the price fell below USD 15,000/t – its lowest level since 2020 – as it remained under pressure from weak market fundamentals.

As a result, the LME nickel price averaged USD 16,812/t in 2024, down 22% from the 2023 average of USD 21,474/t.

World's largest Class 1 nickel producers in 2024 (%)
Nornickel – No. 2

Sources: producer reports, Company analysis as of early March 2025

Producer	%
Jinchuan	18
Nornickel	16
Glencore	13
Vale	11
Huayou	11
Sumitomo MM	6
Tsingshan Group	4
BHP	3
Sherritt	3
Sumitomo Corp. / KOMIR	3
Other MMCs	12

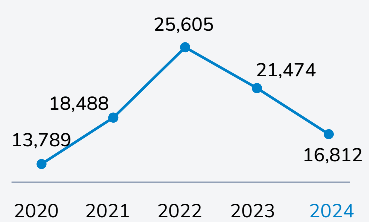
World's largest primary nickel producers in 2024 (%)
Nornickel – No. 4

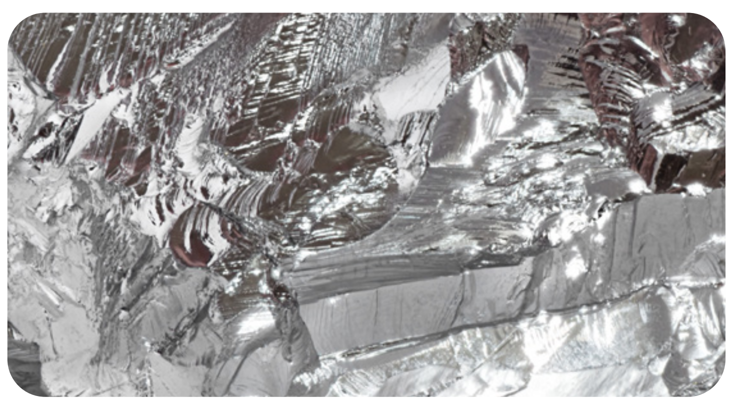
Sources: producer reports, Company analysis as of early March 2025

Producer	%
Tsingshan Group	19
Delong Group	12
Jinchuan	7
Nornickel	5
Xinhai Technology	4
Glencore	4
Lygend	4
Vale	4
Zoomwe	4
Huayou	4
Other MMCs	34

LME nickel price in 2024
(USD/T)

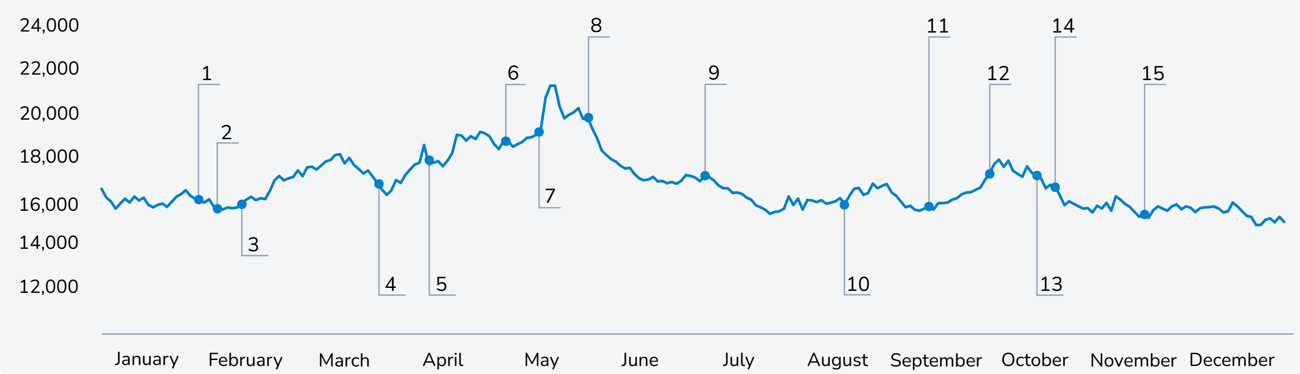
Source: London Metal Exchange, Company analysis





LME nickel price in 2024 (USD/T)

Source: London Metal Exchange, Company analysis



1. New Caledonia's Prony Resources faces cash crunch.
2. BHP flags possible production cuts at Nickel West in Australia.
3. Glencore to exit Koniambo, to place plant into C&M.
4. Indonesia issues production quotas for 65% of annual nickel ore demand.
5. LME bans new Russian-origin metal.
6. First Quantum Minerals puts Ravensthorpe into C&M.
7. State of emergency in New Caledonia.
8. Indonesia issues production quotas for 85%–90% of annual nickel ore demand.
9. BHP to close Nickel West.
10. IGO puts Forrestania into C&M.
11. Russia considers export restrictions on nickel.
12. China's government unveils new economic stimulus package.
13. Eramet cuts Indonesia ore production on mining permit setbacks.
14. Ambatovy suspends nickel output.
15. Indonesia considers changes in nickel ore royalties.

Market balance

In 2024, primary nickel demand increased by 4% y-o-y to 3.39 mln t on the back of higher use in the stainless steel (+4% y-o-y), special steel (+8% y-o-y), and alloys (+8% y-o-y) sectors due to a robust environment in the aerospace and oil and gas industries, while consumption in the battery sector fell short of expectations (+4% y-o-y) due to low sales of non-Chinese NEVs (new energy vehicles: battery electric vehicles and plug-in hybrids) and a higher share of nickel-free LFP batteries.

Refined nickel output grew by only 3% y-o-y to 3.54 mln t as higher Indonesian NPI (+9% y-o-y) and Class 1 (+15% y-o-y) production was offset by lower supply of Chinese NPI (–15% y-o-y), ferronickel (–24% y-o-y), and low production of nickel chemicals (+1% y-o-y) which turned out to be lower than expected due to slower EV sales and lower share of nickel-based battery chemistries in China.

As a result, in 2024, the global nickel market had a surplus of approximately 150 kt, or 5% of annual consumption (compared to a surplus of 183 kt in 2023). The surplus was mainly concentrated in China-origin high-grade nickel, accumulated in LME-approved warehouses in Asia and other off-warrant inventories.

Overall, around half of all nickel producers were loss-making in the end of 2024, as surging Indonesian supply is weighing on high-cost operations all over the globe, predominantly in Australia and New Caledonia, which could be a potential upside for the nickel price. Considering the scale of potential supply curtailments in Indonesia and elsewhere, as well as the robustness of nickel use in the stainless steel, alloys, and special steel sectors, the market may become more balanced going forward.

Demand

The largest nickel-consuming countries are China, Indonesia, EU member states, Japan, the USA, and South Korea.

Stainless steel remained the key sector of primary nickel use in 2024 (about 65% of total demand).

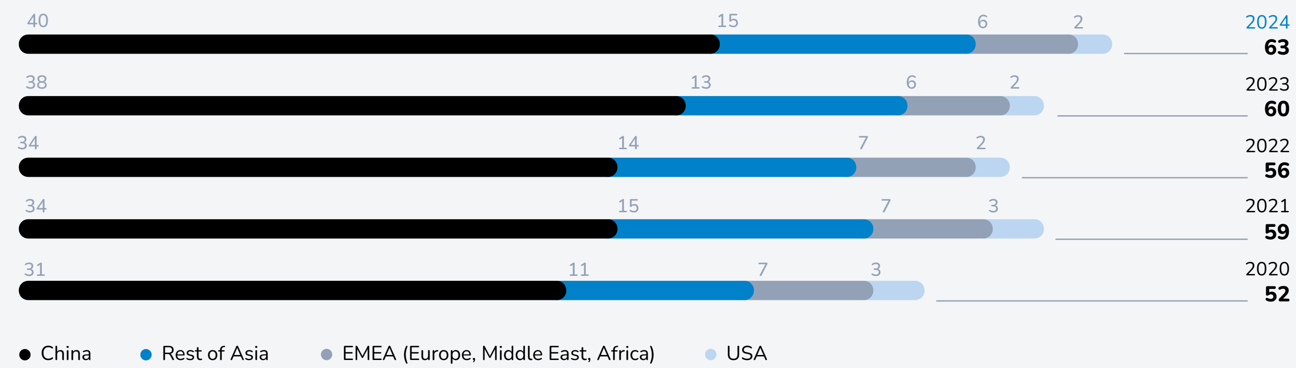
Stainless steel production uses almost all types of nickel feed (except for certain special products, such as nickel powder and compounds). However, since the quality of nickel used has almost no effect on stainless steel quality, steelmakers primarily use cheaper low-grade nickel such as NPI, ferronickel, and nickel oxide. As a result, the share of high-grade nickel used in stainless steel has decreased in recent years.

In 2024, global stainless steel production rose by 5% y-o-y to 63 mln t, driven by output growth in China (+4% y-o-y) and the rest of Asia (+9% y-o-y) amid a recovery in Indonesian production and new capacity additions in India. Meanwhile, stainless steel output in Europe grew by just 2% y-o-y due to destocking, operational issues at multiple facilities, and weak consumer demand. Stainless steel production in the Americas rose 3% y-o-y, also pressured by uncertainty in end-user demand.

The battery industry uses nickel as a key element in the production of precursor cathode active materials for batteries. In 2024, nickel use in the battery sector increased by only 4% to 0.5 mln t amid a slowdown in BEV sales and a surge in sales of plug-in hybrid electric vehicles (PHEVs), which have lower battery capacity and thus lower nickel content, as well as a growing share of nickel-free LFP batteries.

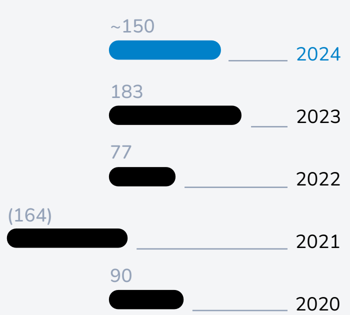
Stainless steel production (MLN T[1])

Sources: Eurofer, ISSF, USGS, SMR, METI, TSIIA, Company data



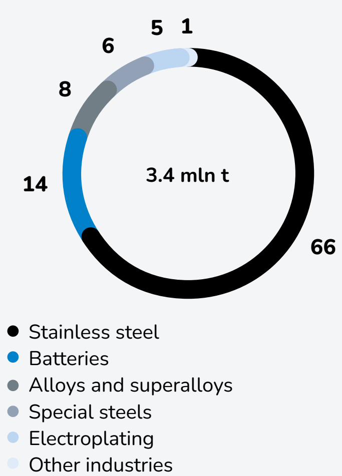
Nickel supply and demand balance, excluding changes in current reserves (KT)

Source: Company estimate as of March 2025



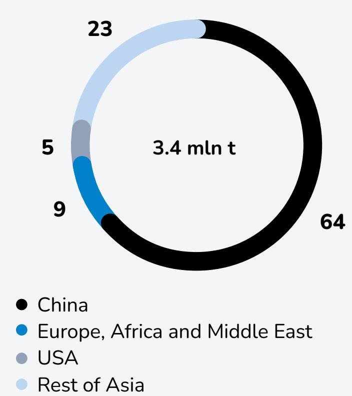
Primary nickel consumption by industry in 2024 (%)

Source: Company data



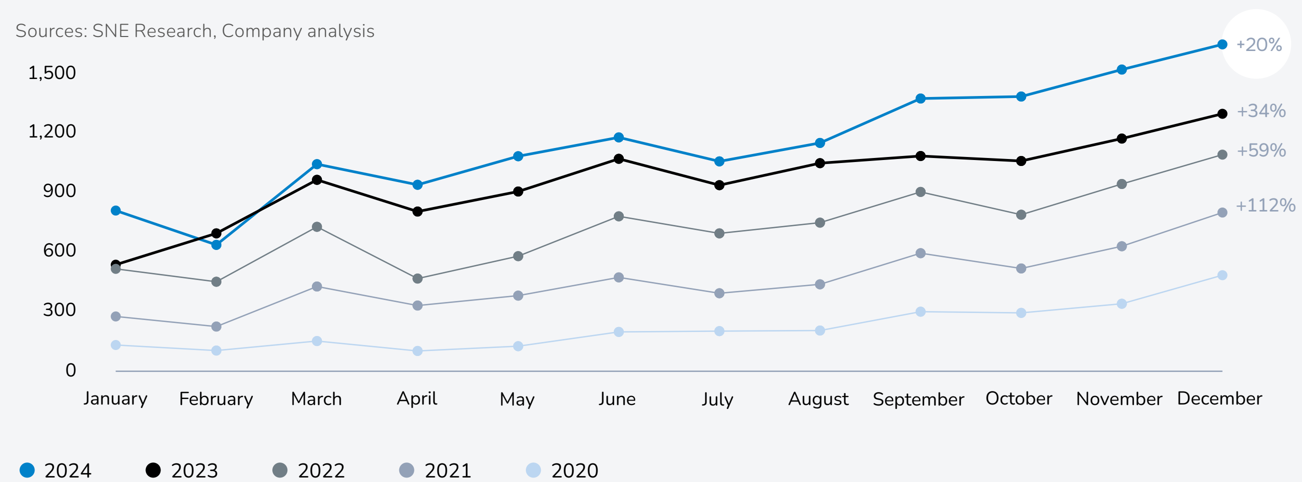
Primary nickel consumption by region in 2024 (%)

Source: Company data



Global sales of electric vehicles
(THOUSAND UNITS)

Sources: SNE Research, Company analysis



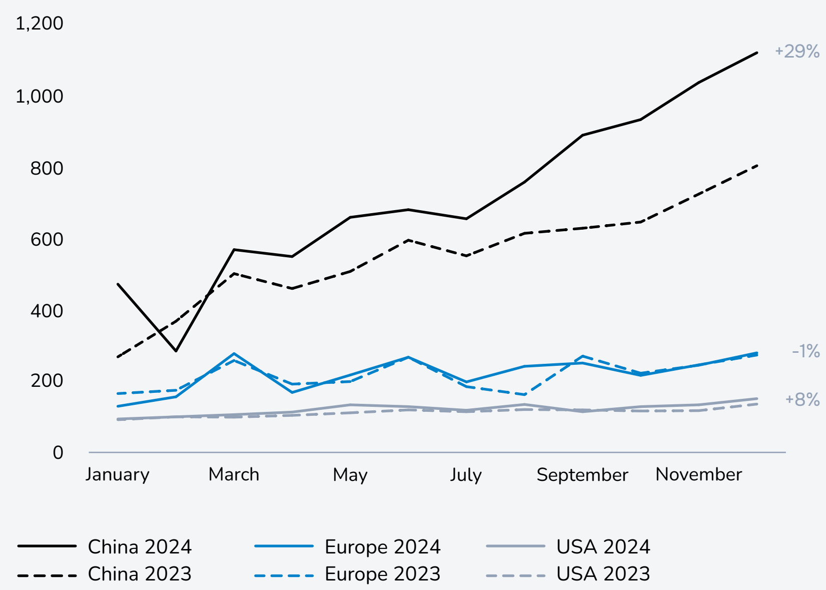
[1] Figures may not sum up due to rounding.

In 2024, global BEV-equivalent sales[1] grew 20% y-o-y. Sales in China jumped by 29% y-o-y, primarily driven by rising PHEV sales, which surged by 79% y-o-y, while the growth rate of BEV sales was materially smaller (+21% y-o-y). In 2024, NEV sales in China reached a record penetration rate of 48%, being almost on par with internal combustion engine (ICE) vehicles, prompted by the intensive rollout of new models by domestic automakers as well as state support. For example, the Chinese government continued to promote vehicle trade-in subsidies during the year by doubling the cash handout for consumers who replace their ICE cars or old EVs with a new NEV.

However, as some metrics suggest, the domestic market might have reached a state of saturation given the intensifying competition, so China turned its attention to foreign markets by raising its vehicle exports from 500 thousand units in the 2010s to 6.4 million in 2024, over 20% of which were NEVs. We expect this trend to continue in the medium term as Chinese OEMs are likely to boost low-cost EV exports to developing economies, including Southeast Asia, the Middle East, and Latin America.

Sales of electric vehicles by region in 2024 (THOUSAND UNITS)

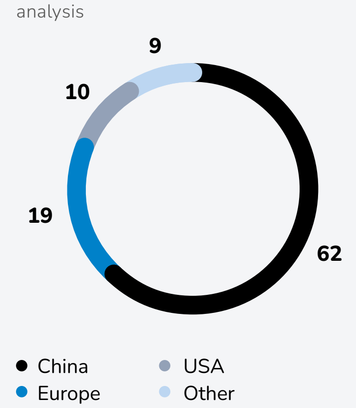
Sources: SNE Research, Company analysis



In Europe, 2024 recorded a remarkable deceleration in electric vehicle adoption efforts. European BEV-equivalent sales declined by 1% y-o-y due to a withdrawal of policy support in some countries (notably in Germany and France) and lower affordability of EVs for consumers as the ICE counterparts remain more price competitive.

Sales of electric vehicles by region in 2024 (%)

Sources: SNE Research, Company analysis



Moreover, companies like Northvolt, which have long been considered the backbone of Europe's battery sector, filed for bankruptcy as they struggled to compete with Asian producers. They are also grappling with an unexpected drop in demand for electric vehicles, which points to an uncertain future.

In 2024, the European Union imposed tariffs on Chinese-made EVs as the concerns about unfair trade practices and the impact of Chinese subsidies on the EU market grew. These tariffs, which could range from 17% to 35% depending on the manufacturer, were implemented on 31 October 2024. We expect this decision to constrain European EV sales even more, which will have a negative impact on the EU transport electrification plans in the medium term.

The US EV market was sending similarly mixed signals throughout the year, with growth continuing, but slower than previously anticipated (+8% y-o-y).

After Trump's re-election, there have been some developments regarding the future of the Inflation Reduction Act (IRA) and the US electric vehicle sector. Trump has declared his intention to roll back significant portions of the IRA, particularly focusing on unspent funds. His administration may also reduce and divert some of the funding planned for similar projects and EV adoption incentives. However, certain aspects of the IRA, especially those supporting US-based manufacturing of EVs, could be preserved, as some Republicans recognise the value of fostering local production.

The overall growing popularity of electric and hybrid cars, along with the evolution of cathode technology towards nickel-intensive types, adds to the tailwinds for significant growth in primary nickel demand in batteries in the long run. Despite the mounting competition across technologies, high-nickel formulations will remain the preferred option for automakers owing to their higher energy density, longer range, and better recyclability. Meanwhile, this figure may require further upward revisions given the continuous introduction of more ambitious carbon neutrality goals, subsidies-driven transport electrification, and cost optimisation of battery cell production.

In 2024, nickel use in **other industries** (alloys, special steels, plating, etc.) increased by 6%, or 0.7 mln t, amid the steady recovery in industrial demand and robust economic performance in the aerospace and oil and gas sectors.

Supply

High-grade nickel is produced in the form of nickel cathodes, briquettes, pellets and powder, rounds, and other small special forms as well as chemical compounds, both from sulphide and from more common and available laterite raw materials. In 2024, the leading producers of high-grade nickel were Jinchuan, Nornickel, Huayou, Glencore, Vale, Zoomwe, and Sumitomo Metal Mining (SMM).

Low-grade nickel includes nickel pig iron, ferronickel, nickel oxide and utility nickel, which are produced from laterite raw materials only. In 2024, the key producers of low-grade nickel were Indonesian and Chinese NPI smelters, owned by Tsingshan and Delong, as well as the largest ferronickel producers: South32, Anglo American, POSCO, Eramet, etc.

The nickel market had been fundamentally divided into the low-grade and high-grade segments. However, these markets became interconnected once the practical implementation of the NPI-to-matte conversion started in early 2021 along with the massive HPAL[1] capacity additions, and the launch of nickel cathode production from low-grade Indonesian feed sources in 2023.

[1] Under this methodology, HEV and PHEV are recalculated according to their relative battery capacity ratio: HEV 2 kWh vs PHEV 20 kWh vs BEV 60 kWh.

[1] High pressure acid leaching processes.

Refined nickel production increased by 3% y-o-y to 3.5 mln t in 2024, according to our estimates.

Supply growth in 2024 was mainly driven by the ongoing expansion of Indonesian NPI and HPAL intermediates projects as well as increased production of nickel cathodes in China and Indonesia from Indonesian materials. On the other hand, this growth was offset by a decline in Chinese NPI output, global FeNi and non-Chinese Class 1 production cutbacks as well as a slowdown in global nickel compounds output.

At the same time, potential production curtailments due to an unstable price environment and operational challenges faced by many producers could serve as a balancing factor in the oversupplied market, as around half of all nickel producers are loss-making at the 2024-end price.

Production of high-grade nickel grew 11% to 1.4 mln t in 2024.

Class 1 nickel output grew by 15% y-o-y to 1 mln t, surpassing both the absolute and relative growth rates of NPI production for the first time in a long while. Class 1 nickel production was steadily growing, mainly due to the launch of new nickel cathode capacities in China and Indonesia.

On top of this, Class 1 nickel production grew in Japan (driven by higher converter matte exports from Indonesia), South Africa (due to a release of built-up work-in-progress inventory at Anglo American Platinum), and Norway (as Glencore ramped up to design capacity following supply chain disruptions caused by strikes in 2022). However, output declined in Australia (due to the shutdown and subsequent mothballing of BHP's operations) and Madagascar (due to persistent operational difficulties and high production costs).

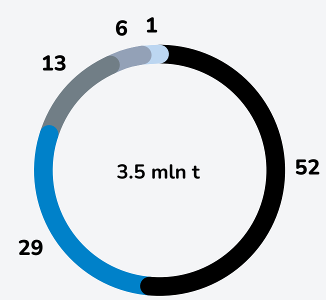
Nornickel slightly reduced its nickel output in 2024 due to the full overhaul and subsequent ramp-up of flash smelting furnace No. 2 (FSF-2) in the second half of 2024. Despite this, nickel output exceeded the Company's full-year production guidance.

During the year, **production of nickel compounds**, including nickel sulphate from primary sources (excluding sulphate produced by Class 1 nickel dissolution), increased only marginally by 1% y-o-y. This was largely due to lower demand from the battery sector amid slowing EV sales and a declining share of nickel-containing batteries as well as a shift from nickel sulphate to Class 1 production in China and supply reductions by a number of Western producers.

Low-grade nickel output declined by 1% y-o-y to 2.2 mln t.

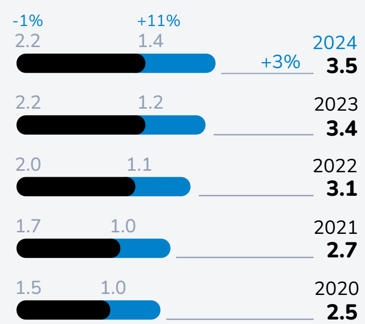
Primary nickel production by product in 2024 (%)

Source: Company data



Primary nickel production (MLN T[1])

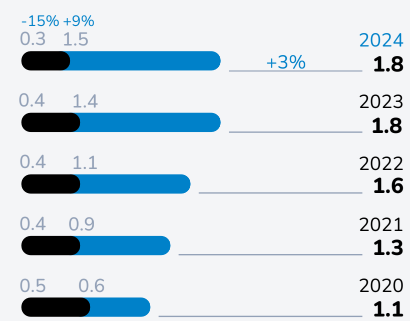
Source: Company data



PRIMARY NICKEL PRODUCTION CAN BE DIVIDED INTO THE HIGH-GRADE AND LOW-GRADE NICKEL SEGMENTS.

NPI production (KT[1])

Source: Company data



Indonesia continued to grow its NPI production capacities. Since 2015, Indonesia's NPI output had been steadily increasing at double-digit rates annually. However, 2024 marked a shift in this trend as growth slowed to 9% y-o-y over 12M 2024 amid delays in issuing new nickel ore mining quotas, which began to emerge in the second half of 2023.

In addition to restricted ore availability, producers are facing declining nickel grades as high-grade ore reserves in the country are being rapidly depleted. This trend is evident in the decreasing nickel content of Indonesia's exported NPI. As a result, consumers are forced to rely on ores with high Mg and Si content, which presents additional metallurgical complexities. To mitigate these issues, nickel ore imports from the Philippines have been significantly increased in order to use those for blending purposes.

As a result, Indonesia's NPI output was 1.5 mln t in 2024.

China's NPI production continued to decline in 2024, falling by 15% y-o-y to 0.3 mln t, due to increased competition from cheaper Indonesian NPI and the fact that most producers were operating at negative margins.

In 2024, **ferronickel output** continued to decline rapidly, falling to 0.2 mln t of nickel (down 24% y-o-y). The primary factors behind the decrease are the continuing negative price dynamics (FeNi is traded at a discount to the LME nickel price), high production costs, and low capacity utilisation rates shown by multiple major producers. For instance, there were production shutdowns across several sites, including facilities in New Caledonia, North Macedonia, Serbia, and the Dominican Republic. Technical, operational, and financial difficulties were also observed at projects in Japan, Myanmar, and Brazil.

[1] Figures may not sum up due to rounding.

[1] Figures may not sum up due to rounding.

Copper market

Key market trends

In 2024, copper demand showed a positive trend, rising to 26.4 mln t, up 3% y-o-y, on the back of electricity grid expansion drive, the development of renewable projects, and the continued push for transport electrification. The start of monetary policy easing in the world's major economies also generally supported industrial production and associated copper consumption.

At the same time, demand growth was weaker than previously expected due to a slowdown in the global economy, primarily in China – the world's largest copper consumer. Total exchange inventories on the LME, SHFE, and CME jumped 103% to 432 kt, while bonded stocks in China surged 136% from the start of the year, reaching 19 kt.

During the year, copper prices showed positive trends, remaining within the USD 8,100–10,800/t range. The price hit a record high in May amid market concerns over concentrate shortages caused by the shutdown of the Cobre Panama mine due to local protests as well as Anglo American's reduced production plans and Vale's operational difficulties. These factors put significant downward pressure on copper concentrate TC/RC rates, prompting Chinese smelters and refiners to revise their production plans and increasing the risk of refined copper shortages. This, combined with increased investor activity, drove prices to a record high of USD 10,860/t at the end of May.

World's largest copper producers in 2024 (%)
Nornickel – No. 13

Sources: producer reports, Company analysis as of early March 2025

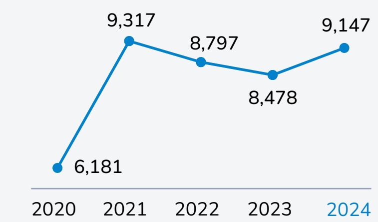
Towards mid-year, the market trend reversed. Weaker-than-expected demand growth, mixed economic signals from China, and a rise in exchange inventories to multi-year highs negatively impacted the metal price, driving it down to USD 8,600/t in early August. By September, the price had recovered to USD 9,800/t on the back of lower interest rates in the USA, an economic stimulus package announced by the Chinese government, and a decline in global exchange inventories.

However, market optimism had waned by October as participants changed their views about the effectiveness of the Chinese government's economic stimulus package in bolstering industrial demand. As a result, prices followed a downward trend for the remainder of the year, hitting USD 8,700/t in December.

In 2024, the LME copper price averaged at USD 9,147/t vs USD 8,478/t in 2023 (+8%).

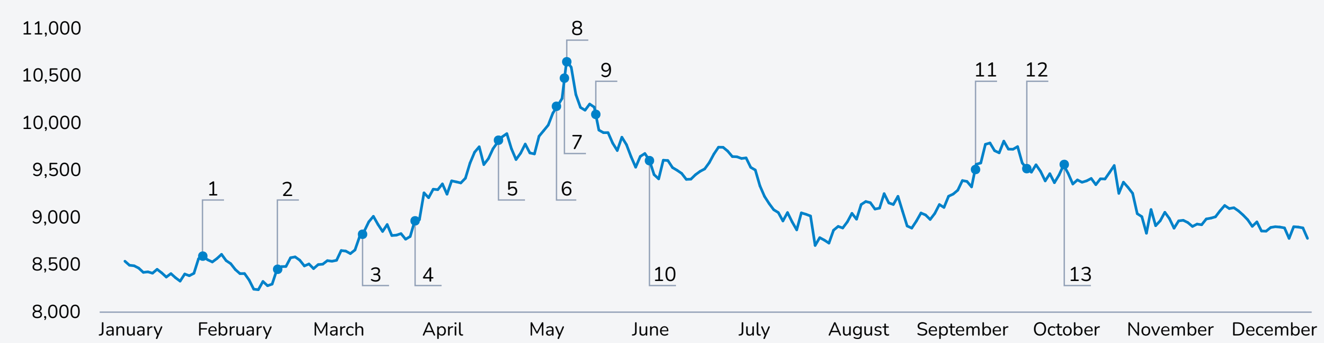
Average annual copper prices (USD/T)

Source: London Metal Exchange (cash settlement)



LME copper price in 2024 (USD/T)

Source: London Metal Exchange, Company analysis



1. First China Smelters Purchase Team's (CSPT) meeting, discussing output cuts.
2. Vale's Sossego mine licence suspended.
3. CSPT announces postponements in commissioning new smelting capacities and expansion projects, discusses production cuts.
4. CSPT decides to cut production by 5%–10%.
5. BHP makes a USD 39 billion bid for Anglo American.
6. Anglo American rejects BHP's takeover offer.
7. COMEX copper short squeeze.
8. Record high copper price.
9. Indonesia issues copper export permits for Freeport and Amman.
10. Record-high refined copper exports from China buoyed by the open arbitrage window (global prices higher than domestic price levels).
11. China announces a new economic stimulus package.
12. Fire at Freeport's smelter.
13. China announces a new economic support package, worth USD 1.4 trillion.

Market balance

In 2024, copper mine output increased by 2% to 22.9 mln t, and refined copper production by 3% to 26.6 mln t. Global refined copper consumption totalled 26.4 mln t, up 3%. Overall, the copper market was balanced in 2024, with a statistical surplus of 0.2 mln t, or less than 1% of global consumption.

Demand

In 2024, global refined copper consumption totalled 26.4 mln t, up 3% y-o-y.

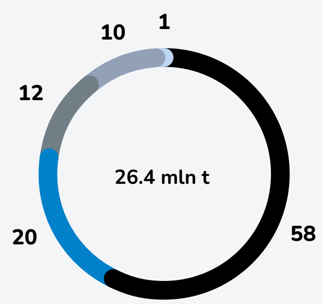
China demonstrated positive growth momentum in consumption, increasing it by 4% to 15.3 mln t.

Despite the government's aggressive stimulus efforts, demand growth was weaker than expected due to the ongoing construction crisis and mixed macroeconomic data in the country. Imports of refined copper to China increased 7% y-o-y to 3.8 mln t, while imports of scrap and concentrates grew 13% and 2% to 2.2 mln t and 28.2 mln t, respectively.

In Europe, consumption slightly declined by 1% to 3.1 mln t, while North America showed a positive trend with a 2% increase to 2.2 mln t. Consumption in Asia (excluding China) also grew by 2%, reaching 5.3 mln t. In Russia, apparent primary copper consumption is estimated at 360 kt.

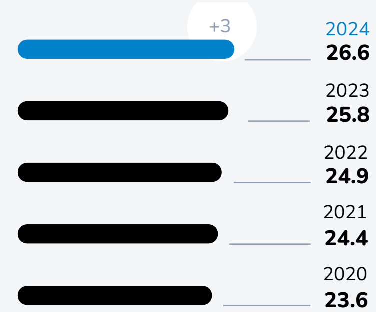
Refined copper consumption by region in 2024 (%)

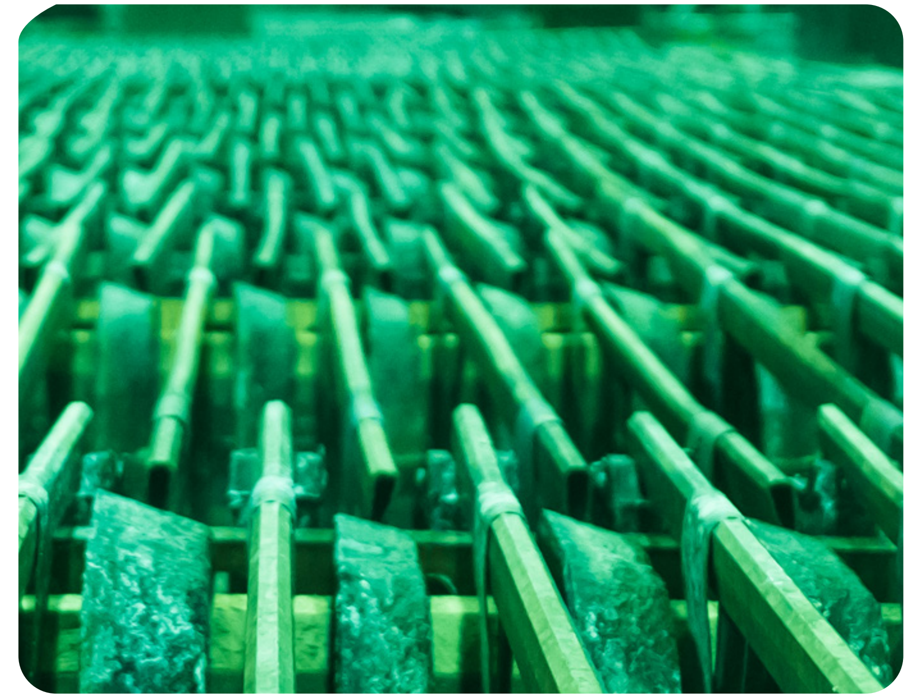
Sources: Company data, CRU



Production of refined copper (MLN T)

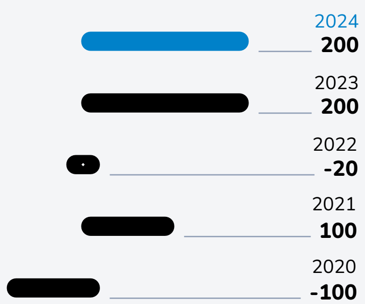
Sources: Company data, CRU





Refined copper market balance (MLN T)

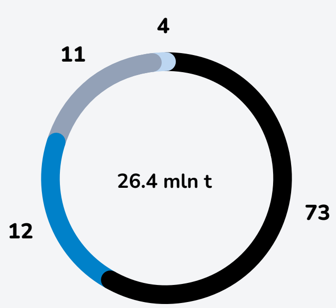
Source: Company analysis as of February 2025



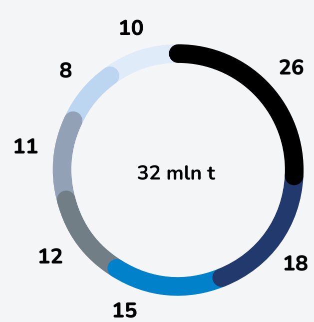
Refined copper consumption by industry in 2024 (%)

Sources: Company data, CRU

First use



End use



Supply

Global copper production increased by 2% to 22.9 mln t driven by the launch of new and expansion of existing projects.

Chile, the world's top copper producer, increased mine output by 3% to 5.4 mln t in 2024, while Peru's output fell 2% y-o-y to 2.7 mln t.

The world's largest copper mining countries are Chile, Peru, the Democratic Republic of the Congo, China, and the USA.

Africa managed to increase production by 9% to 4.1 mln t, with the Democratic Republic of the Congo (DRC) contributing most of the growth through Ivanhoe's Kamoa-Kakula project and overtaking Peru to become the world's second-largest copper producer.

China increased its copper-in-concentrate production by 2% to 1.9 mln t, while Indonesia's copper mine output rose to 1.1 mln t, up 13% y-o-y.

In North America, mined production of copper declined by 4% to 2.2 mln t. In the USA, output fell by 5% to 1.1 mln t; in Canada, by 3% to 400 kt; and in Mexico, by 2% to 0.7 mln t.

Refined copper production grew 3% y-o-y to 26.6 mln t amid new capacity launches in China. In South and Central America, copper cathode output fell by 6% to 2.4 mln t, with Chile recording the largest decline in refined copper production. Africa saw a 9% increase in production to 2.6 mln t, while Asia (including China) ramped up its output by 5% to 16.3 mln t. China's refined copper output increased by 9% to 12 mln t, while in Japan it decreased marginally by 1% to 1.5 mln t. Production in Europe was flat year-on-year at 3.5 mln t, while copper output in North America increased by 2% to 1.5 mln t.

PGM market

Key market trends

Palladium

The palladium price moved predominantly within the USD 900–1,100/oz range during the year. In summer, it hit a low of USD 858/oz, pressured by unprecedentedly large short speculative positions on the exchanges and lower metal inventories at automakers and autocatalyst producers. In October, the price responded to a sharp reduction in short speculative positions and a request by US administration officials for G7 members to consider an import ban on Russian palladium and titanium, pushing it to USD 1,232/oz for the first time in 2024.

The PGM basket price found its strong fundamental support as half of South African PGM mines are unprofitable at the current prices. No project closures were announced in 2024 as almost all PGM producers had sufficient financial resources and were able to cross-subsidise. However, Sibanye-Stillwater announced plans to cut production at its high-cost Stillwater mine in the USA starting from 2025. Price increases are limited by the significant volumes of spent autocatalyst scrap hoarded by recyclers, which can be released once more favourable price levels are reached.

The average annual price of palladium fell by 26% y-o-y to USD 984/oz in 2024.

Platinum

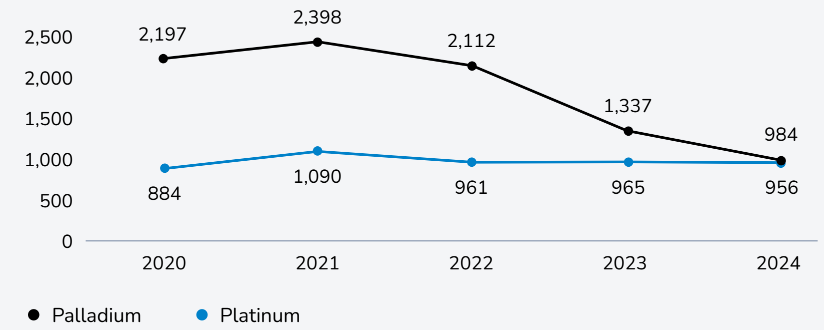
Throughout in 2024, the platinum price remained within the USD 900–1,100/oz range. A rally in the gold market, mainly driven by central bank purchases, dragged along silver but had no effect on platinum prices. This was largely due to market optimism about continued growth in industrial demand for silver, while expectations for platinum consumption growth were more subdued amid a slowdown in the rollout of hydrogen technologies.

Shrinking margins of South African PGM mines and the possibility of price-elastic palladium-for-platinum substitution in certain industrial applications put a cap on both upside and downside platinum price movements.

The average annual price of platinum fell by 1% y-o-y to USD 956/oz in 2024.

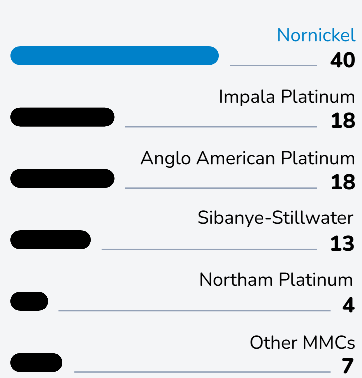
Average annual PGM prices (USD/OZ)

Source: Company analysis



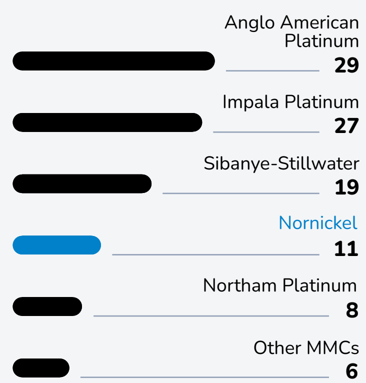
World's largest palladium producers in 2024 (%)[1]

Nornickel – No. 1

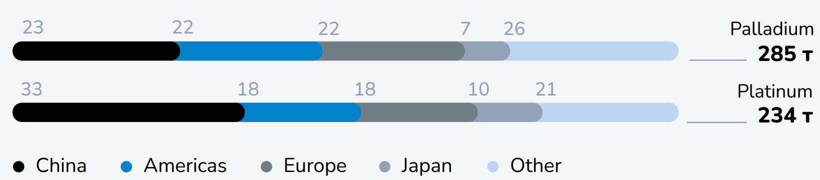


World's largest platinum producers in 2024 (%)[1]

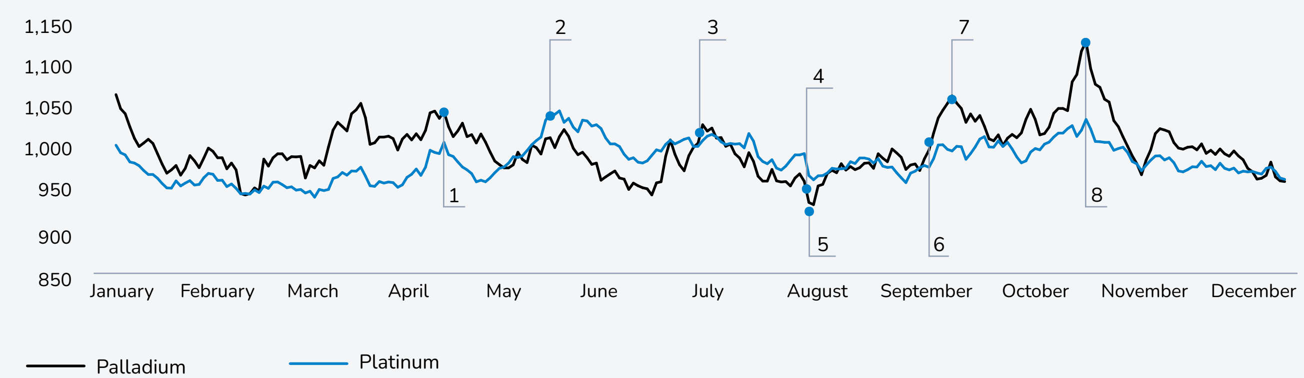
Nornickel – No. 4



PGM consumption by region in 2024 (%)



Palladium and platinum prices in 2024 (LPPM)



1. The anticipation of mine supply cuts in the South African PGM mining industry drives platinum's price to a nearly 12-month high.
2. A pro-business coalition government is formed in South Africa, strengthening the South African rand, which increases MPG production costs in dollars and supports PGM prices.
3. Lack of spot metal availability, growth of palladium leasing companies coupled with an upcoming NYMEX futures rolling.
4. Rising US recession fears.
5. China's net imports of palladium plunge to the lowest monthly level since August 2023.
6. Russian President Vladimir Putin raises an issue of possible uranium, titanium, and nickel export restrictions, which increases the fear of palladium being drawn into the discussion too.
7. Sibanye-Stillwater to halve PGM production at its Stillwater mine in 2025.
8. Reports of US administration officials asking G7 members to consider an import ban on Russian palladium and titanium. Palladium short positions on NYMEX shrink drastically.

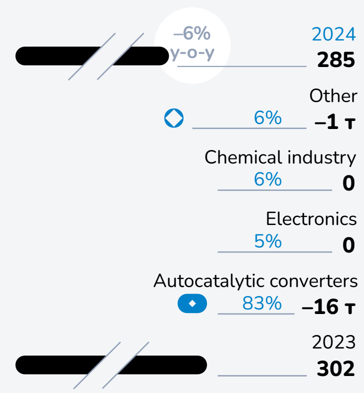
[1] Refined metal output including production from third-party feedstock and production from own feedstock by third parties under tolling agreements. Sources: producer reports, Company analysis as of early March 2025.

Market balance

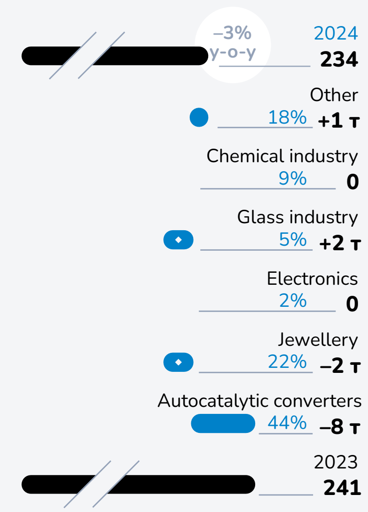
In 2024, the palladium market moved from a deficit to balance amid an accelerated decline in demand relative to supply. Demand was under pressure mainly due to PGM thrifting programmes in autocatalyst production in China, Japan, and the USA. The overall weak performance in the automotive industry, along with ongoing – albeit slowing – transport electrification, also took their toll. At the same time, the decline in metal supply was less pronounced, primarily due to reduced recycling volumes, while primary production remained stable: lower metal mining in North America and South Africa was offset by higher output in Russia.

The platinum market was nearly balanced amid stagnation in both supply and demand. Metal consumption was under pressure due to stagnant auto production, a declining market share of diesel vehicles coupled with lower overall PGM loadings per vehicle, and weakening demand for jewellery.

Palladium: consumption by industry (%) and by application (T) in 2024



Platinum: consumption by industry (%) and by application (T) in 2024



Demand

In 2024, industrial consumption of palladium declined by 17 tonnes (down 6%) y-o-y to 285 tonnes, while industrial demand for platinum decreased by 6 tonnes (down 3%) to 234 tonnes.

Automotive industry. Exhaust treatment systems account for the bulk of total PGM consumption. In this sector, palladium and platinum are used in catalytic converters, which are mandatory for road transport and legally regulated in most countries. These solutions drastically reduce emissions of hazardous substances.

Due to their unique catalytic properties ensuring effective chemical reactions throughout the entire vehicle life cycle, there are almost no alternatives to PGMs in this sector.

ICE-powered vehicles continue to account for 85% of production, while all-electric vehicles make up only 15% of total vehicle output. That said, the trend throughout 2024 was that transport electrification was driven primarily by hybrids rather than all-electric vehicles, which do not use catalytic converters. Sales of all-electric vehicles increased by only 15% compared to an increase of over 20% for plug-in hybrids.

The main consumers of PGMs are China, EU countries, Japan, and the USA.

In addition, 2024 saw a softening of transport electrification policies as the new US administration took office and tax credits for EV purchases were scrapped in Europe.

Palladium consumption by the industry was down by 16 tonnes to 233 tonnes, while platinum use also fell, down 8 tonnes to 98 tonnes.

Electronics. Palladium has found its way into the electronics industry primarily as a material for capacitors and motherboards, while platinum is used in hard drives. In 2024, palladium consumption in the electronics industry increased slightly to 16 tonnes on the back of stronger sales of household appliances. Platinum demand from the industry stayed flat at 5 tonnes.

Despite manufacturers' efforts to optimise the use of precious metals in electronics, market growth has been strong enough to support steady consumption volumes.

Chemical industry. Platinum use in chemical catalysts rose slightly to 21 tonnes in 2024, while palladium consumption also increased, reaching 19 tonnes The key drivers of consumption were capacity additions for the production of pyroxene (using platinum-based catalysts) and purified terephthalic acid (using palladium-based catalysts) in China.

Healthcare. Palladium consumption in this industry declined by 1 tonne to 5 tonnes, driven by a shift to alternative materials in dental prosthetics, primarily in Japan. Platinum consumption in this sector increased by 1 tonne to 9 tonnes on the back of growth in the usage of platinum-based medical devices, including platinum-based pacemakers, stents, implants, and cancer medicines.

Jewellery. Platinum demand in China – the world's largest platinum jewellery market – declined as consumers shifted towards gold amid rising gold prices and limited marketing support for platinum jewellery sales. At the same time, slowing inflation and consequent lower interest rates in Europe and the USA support jewellery demand in developed economies, which partially offsets negative trends in the Chinese market. Platinum use in jewellery decreased by 2 tonnes to 52 tonnes in 2024, while palladium consumption in the industry remained unchanged at 5 tonnes.

Glass industry. Bushings are platinum components used in the production of various types of glass products, including fiberglass and optical glass. Platinum demand in this industry increased by 2 tonnes to 14 tonnes in 2024, driven by both the growth in fibreglass production and the substitution of rhodium with platinum in these applications.

Investments. Palladium and platinum are widely used as an investment instrument. Physical investments may vary from coins and smaller bars to investments in ETFs. Palladium stocks in ETFs increased by 8.2 tonnes to 24.4 tonnes in 2024, while platinum stocks also grew by 7.7 tonnes to 103.2 tonnes.

Supply

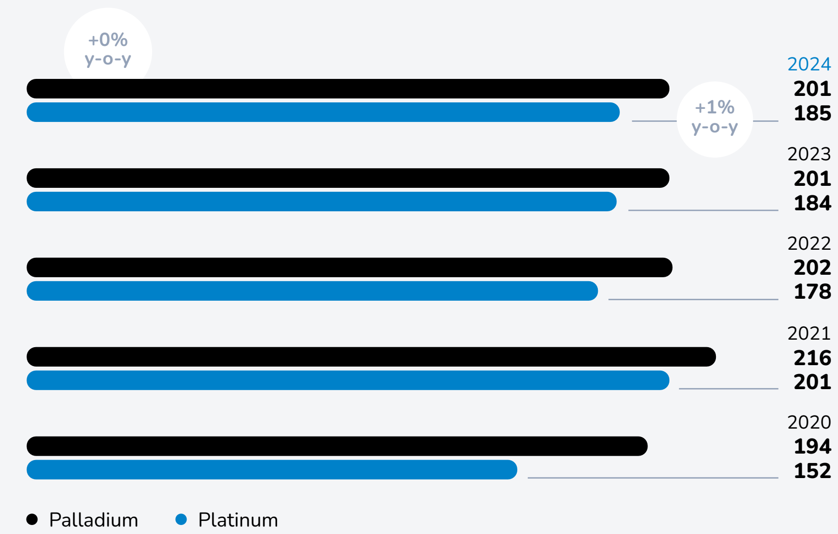
In 2024, primary refined palladium production remained unchanged from the prior year at 201 tonnes, while platinum output grew by 1% to 185 tonnes.

In Russia, the world's leading palladium producer, Nornickel completed repair work on Nadezhda Metallurgical Plant's flash smelting furnace No. 2 (FSF-2) ahead of schedule in the third quarter of 2024, increasing its throughput by 25% and exceeding production targets.

In South Africa, the world's largest producer of platinum, a drop in metal mining production was offset by a decline in work-in-process inventories. As a result, palladium and platinum production was flat at 75 and 133 tonnes, respectively.

Primary PGM production (T)

Source: Company data



Similarly, Zimbabwe's primary palladium and platinum output in 2024 remained almost unchanged from the previous year, totalling 13 and 18 tonnes, respectively.

Palladium production in North America rose by 1 tonne to 27 tonnes, while platinum output was flat at 9 tonnes. The recovery in production came on the back of a low base in 2023, when the Stillwater mine experienced technical difficulties.

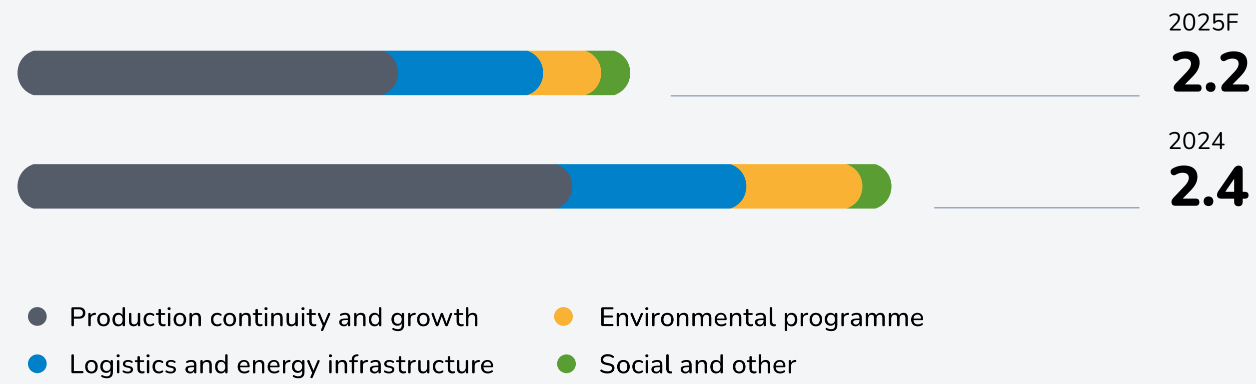
The main sources of secondary PGM supply are spent automotive exhaust catalysts as well as recycled jewellery and electronic devices.

In 2024, recycled palladium and platinum production decreased by 4 tonnes and 2 tonnes to 83 tonnes and 44 tonnes, respectively. This marked decline in recycling volumes was driven by higher interest rates, which led consumers to postpone new vehicle purchases until prices normalise. For this reason, the flow of used vehicles to scrapyards has declined, reducing the supply of recycled metals as well. In addition, in a low PGM price environment, auto recyclers have been postponing the release of spent catalysts or metal recovery in anticipation of a price rebound.

Nornickel's development strategy

Nornickel pursues a moderate growth strategy. The Company is committed to maximising efficiency and ensuring the liquidity of all current and future products.

Structure of the Company's investment programme for 2024–2025 (USD BN)



The Company's development strategy is focused on:

- Growth in mining production and concentration volumes
- Maintaining market positions
- Upgrading processing facilities

The Company upholds its commitment to sustainability principles, implementing:

- Environmental and Climate Change Strategy
- Socially Sustainable Development Strategy

Growing mining production volumes, upgrading processing facilities, and maintaining market positions

Norilsk site

Mining production growth (MTPA OF ORE)

+20%–30%
2030 growth strategy
Current volume ~20

Concentration (MTPA OF ORE)

+38%
2030 growth strategy
Current volume ~20

Upgrades of metallurgical assets

Smelting capacity (MTPA OF CONCENTRATE)

2030 growth strategy 3.2
Overhaul of FSF[1]-1 — 2027F +0.4
Overhaul of FSF-2 — 2024 +0.4
FSF-1, FSF-2 — Current volume 2.4

BY **8** MPTA OF ORE
Talnakh Concentrator's capacity increase

Maintaining leading positions in metals production:

No. 1	Palladium
No. 2	Nickel metal
No. 4	Platinum
No. 13	Copper

Kola site

Severny Mine

Maintaining production at
7 MTPA OF ORE
until 2048 through the development of reserves down to a depth of 730 metres

Infrastructure

- **Increased throughput capacity of** the Dudinka port and the Company's own terminal in Murmansk
- **Renovation of** generation capacities
- Comprehensive **reduction of energy losses**

Trans-Baikal Division

Mining and processing plant (MMP)

One of the mining industry's largest greenfield projects, built in record time

The MMP processes ores from the Bystrinskoye deposit into copper, magnetite ore, and gold concentrates.

Production volumes for 2024

Ore processing — 11 MLN T

Cu in concentrate — 70 KT

2025 forecast:

Cu in concentrate — 66–70 KT

Production volumes for the Group[1]

	2024	2025F
Ni	205.1 KT	204–211 KT
Cu	363 KT	353–373 KT
Pd	2,762 KOZ	2,704–2,756 KOZ
Pt	667 KOZ	662–675 KOZ

[1] FSF – flash smelting furnace.

[1] Excluding the Trans-Baikal Division.

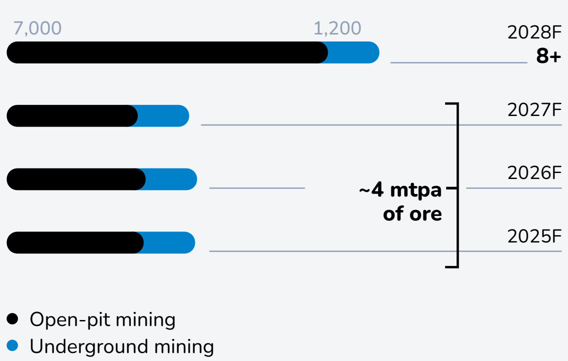
South Cluster: growing production volumes

A large existing deposit with a long reserve life (over 20 years) in the bottom quartile of the PGM cost curve.

137 MLN T

Disseminated ore reserves[1]

Ramp-up to design capacity in 2025–2028
(MLN T)



* The production schedule within the pit perimeter is aligned with the development plan for the Group's processing facilities.

- In 2024, **a positive opinion was obtained from Glavgosexpertiza** following the re-examination of the design and cost estimate documentation. Subsequently, the development of optimisation measures for mine construction commenced.
- **Mine development** and construction works are ongoing for the underground mine and related infrastructure facilities.
- In 2025–2026, **the Company intends to secure positive opinions from Glavgosexpertiza as well as a certificate of compliance** for the mine and related infrastructure construction project.

2028 production targets

Ore	**8.2** MLN T
PGMs	**750–850** KOZ
Ni	**13+** KT
Cu	**20+** KT

[1] Proven and probable reserves according to the JORC Code as of 1 January 2025.

Upgrade of Talnakh Concentrator: the third start-up facility

The project's goal: major capacity expansion based on proven technology to process growing Talnakh ore volumes and unlock strategic optionality for the South Cluster development project.

Project status

- In 2024, the design documentation was adjusted, and the execution of supply contracts for flotation and thickening equipment was completed.
- Tendering is currently underway for ore dressing units and ore feeders, covering a range of activities to complete construction and installation, including the installation of metal frames and fences.
- Installation of foundations for the blower and reactor process equipment is currently underway.
- In 2025, the Company plans to secure a positive opinion from the Main Department of State Expertise (Glavgosexpertiza) on the amended design documentation.

Projected implementation timeline

Commissioning of the third start-up facility is expected in the fourth quarter of 2028, with subsequent ramp-up through 2029.

Capacity additions

+8 MPTA

Expected increase in metal recovery

+4–7%

Upgrade of flash smelting furnaces at Nadezhda Metallurgical Plant (NMP)

- In 2024, NMP completed an overhaul of FSF No. 2, a unique project comparable in scale and effort to constructing a new furnace.
- Despite the logistical challenges and constraints caused the disruption of equipment supplies from foreign vendors, the project was completed in less than 60 days.
- The project resulted in a 25% increase in the furnace's capacity for concentrate processing.
- The Company is currently developing a set of measures to upgrade FSF No. 1 with a waste heat recovery boiler, planned for implementation in 2027.
- The FSF No. 1 upgrade also includes production capacity expansion at NMP.

The Trans-Baikal Division's mining and processing plant

Life of mine
OVER **20** YEARS

50.01%
owned by Nornickel

EBITDA for 2024 totalled
USD **1.1** BN

- **In 2024, the first projects under the long-term efficiency and capacity expansion strategy** came online: magnetic separation capacity additions and a gold concentrate dehydration unit. The development of main technical solutions was also completed, and the preparation of detailed design documentation commenced for the gold mill project.
- **In 2025, projects to upgrade** the grinding circuit, flotation section, and thickening section of the concentrator are scheduled for commissioning. Plans are also in place to commence construction of a gold mill.

One of the largest greenfield projects in Russia's mining industry.

Ore reserves
272 MLN T

Cu	Fe	Au
~0.52%	~18.7%	~0.65 g/t[1]

Production volumes

	2024	2025F
Ore [2]	11.3 MLN T	11.5 KT
Cu in concentrate	70.0 KT	66–70 KT
Iron ore concentrate	2.9 MLN T	2.75–2.85 MLN T

Mining capacity expansion at Severny Mine

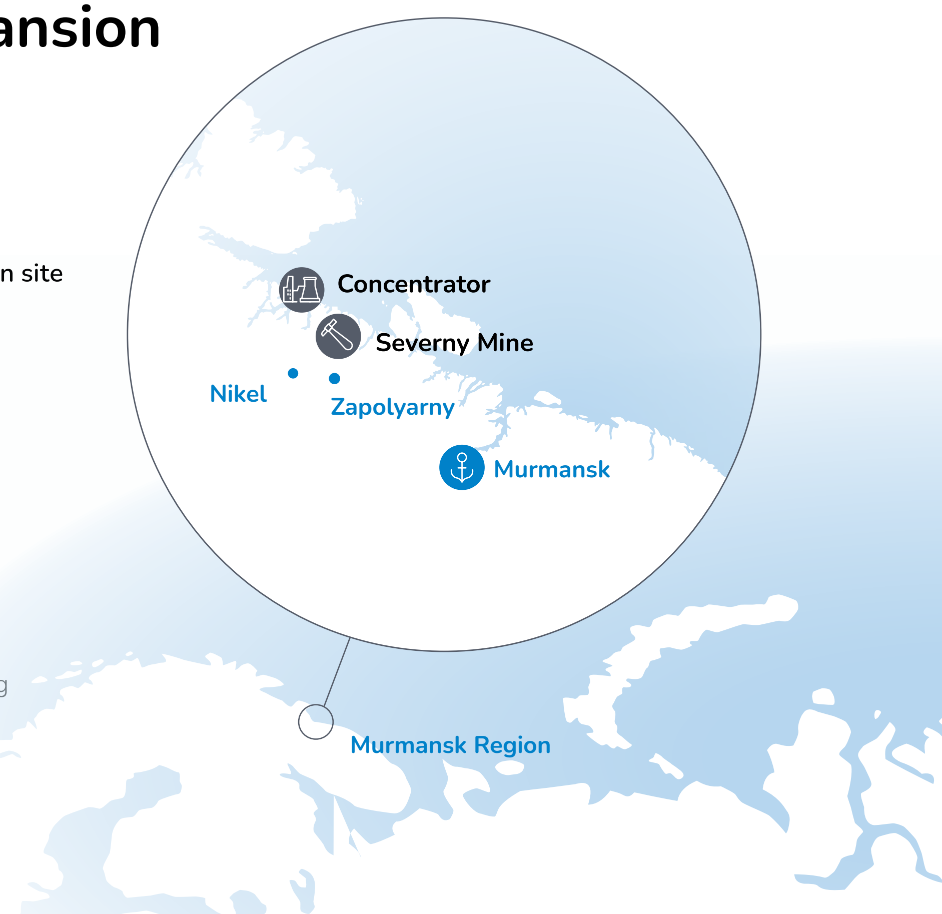
Site overview

Active complex-sulphide concentrate production site comprising several assets:
- Severny underground mine
- Zapolyarny Concentrator
- Concentrate shipment section
- Auxiliary infrastructure facilities

Location: Murmansk Region, ~250 km from the Murmansk sea port, access by rail.

Existing key customers include leading manufacturers of battery materials in China.

In 2024, a project was launched to develop reserves down to a depth of 730 metres, enabling ore production at a rate of 7 mtpa until 2048.



Production volumes for 2024

7+
MLN T OF ORE

250+
KT
OF CONCENTRATE

Ni	Cu	Co
25 kt	11 kt	0.8 kt

Mineral resource base

	Measured and indicated resources	Inferred resources
Ore	422 MLN T	55 MLN T
Ni	0.66% 2,796 KT	0.75% 408 KT
Cu	0.33% 1,376 KT	0.36% 198 KT

[1] Ore reserves as per the 2023 CPR as of 1 January 2025.
[2] Processed ore volumes.

Infrastructure expansion and upgrades

Logistics Infrastructure Development Programme

Programme rationale

- **Increased volumes** of westward shipments of semi-products once the copper production chain reconfiguration programme is completed.
- **Adjusted pace** of fixed asset replacement in the Norilsk Industrial District, reflecting the optimisation of the investment programme.
- **Expansion of Northern Sea Route** operations and increased freight volumes for major investment projects of other companies using the NSR in the Russian Arctic.

Major projects

UP BY **50**% Y-O-Y

Increase in the throughput capacity of the Dudinka port (the Gateway to Taimyr) and the terminal in Murmansk[1]

Contribution to energy efficiency:
reinforced emphasis on higher output of the new units at CHPPs and HPPs and comprehensive energy loss reduction throughout the electricity value chain

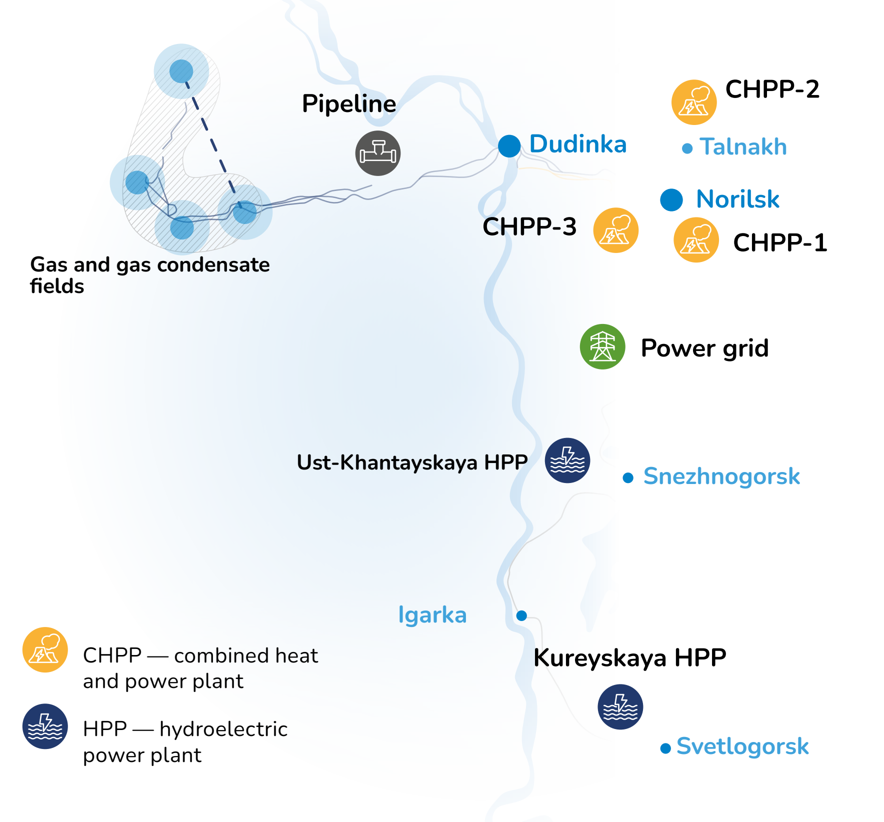
Energy infrastructure upgrade programme

Programme goal: renovate generation facilities and energy grid infrastructure to ensure the reliable supply of all types of energy to consumers in the Norilsk Industrial District.

Gas and gas condensate exploration, production, and transportation

- **In 2024, a retrofitting project** was completed for a gas pipeline's underwater crossing of the Bolshaya Kheta River.
- **Drilling** operations continue on five wells at well pad No. 4 of the Pelyatkinskoye gas condensate field, expected to come online in 2025.
- **Pre-commissioning operations are underway** at the booster compressor station of the Severo-Soleninskoye gas condensate field, with commissioning planned for 2025.

Energy infrastructure



NGV fuel

In 2024, a CNG filling station was commissioned in Norilsk.

Combined heat and power plants

- **In 2024, construction and installation activities** were completed for the revamp of Unit No. 2 of CHPP-2, with pre-commissioning operations ongoing and commissioning scheduled for 2025.
- **The tank farm revamp programme** continues, with five new tanks constructed since its start:
  - 2 tanks at CHPP-1
  - 2 tanks at CHPP-2
  - 1 tank at CHPP-3

[1] At peak, cargo traffic is expected to increase by 50% compared to the average level by 2030.

Sulphur Project at Nadezhda Metallurgical Plant

The Sulphur Project 2.0 at Nadezhda Metallurgical Plant includes technological upgrades to recover SO_2 from off-gases of the main smelting units (flash smelting furnaces) by converting them into sulphuric acid and then neutralising it with limestone to produce gypsum – environmentally non-hazardous waste to be placed in a gypsum storage facility.

Throughout 2024, Nornickel gradually commissioned core gas recovery equipment **to support the project's ramp-up to design capacity and** put the second process line into operation**.**

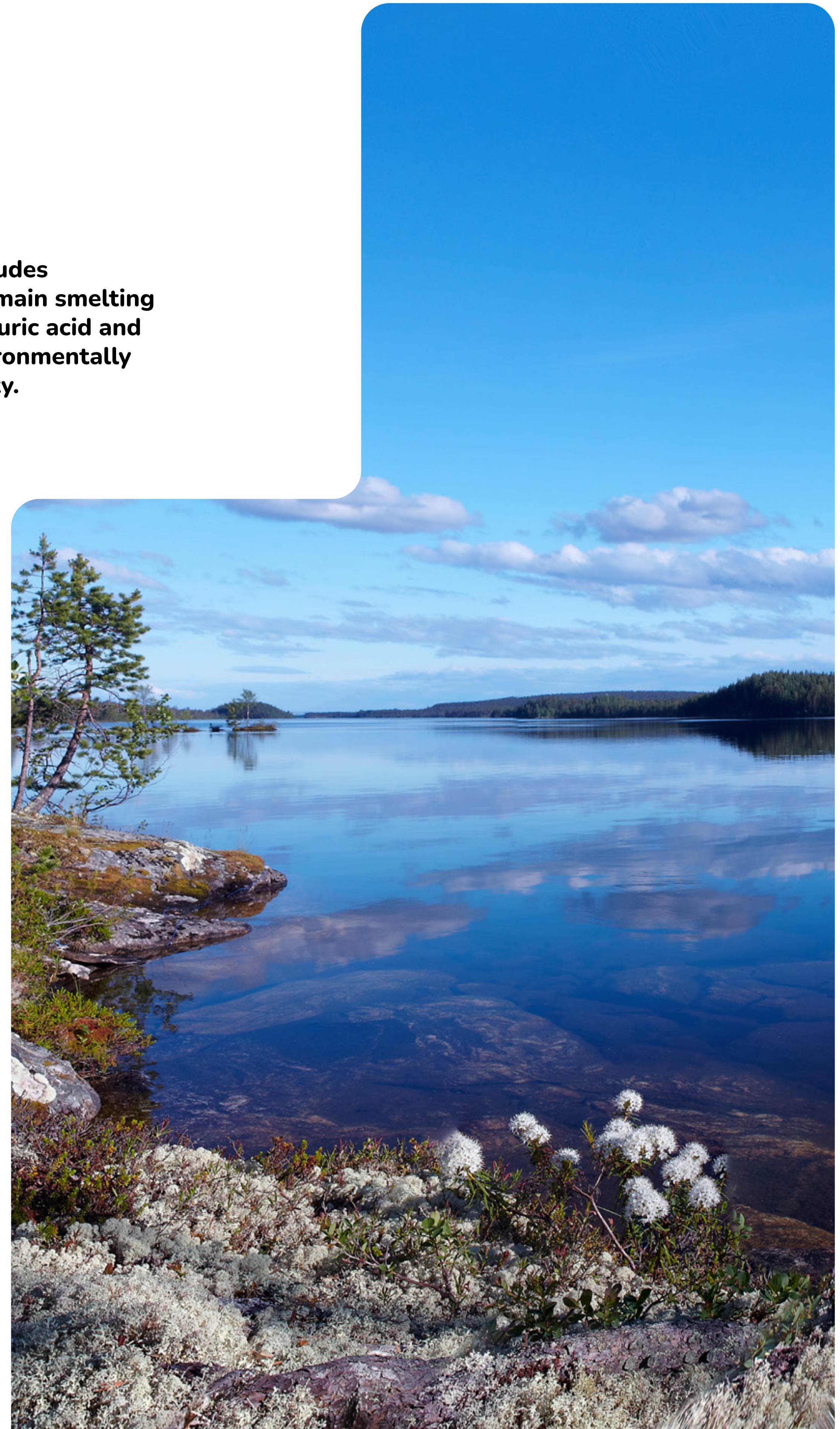
All items in the 2024 emission allowance compliance plan have been completed.

Control (supervisory) activities by Rosprirodnadzor **confirmed the high efficiency** and successful ramp-up of the sulphur complex across sulphuric acid production lines 1 and 2.

In 2025, construction and installation works on process line 3 are scheduled for completion, to be followed by comprehensive testing to ensure stable and efficient sulphur dioxide recovery and create the necessary production reliability margin.

In 2024, the Company recovered **~390** KT of sulphur dioxide

Gas recovery efficiency confirmed at **>99**%



Environmental programme

Reducing environmental impact remains one of the Company's strategic priorities.

	2024	2031 goal
Air	SO_2 emissions **1,269** KT	–90% vs 2015 Reduction of SO_2 emissions, up to **213** ktpa
Water	Freshwater withdrawal **222** MCM	**100%** compliance with regulatory requirements for pollutant concentrations in wastewater **100%** compliance with freshwater withdrawal limits
Land	Total land rehabilitated **235** HA	Rehabilitation **3,996** HA of disturbed land [1]
Tailings storage facilities and waste	Waste **174** MLN T	**100%** compliance with regulatory requirements for waste disposal facilities

For more details on Nornickel's Environmental and Climate Change Strategy targets and measures to achieve them, please see the Environment and Climate section and the Company's Sustainability Report.

[1] From the 2022 base year.

Social

The 2030 Socially Sustainable Development Strategy covers four focus areas:

1 Health and safety

2 Talent management and corporate culture

3 Developing technologies and products to foster technological and social progress

4 Involvement in the lives of local communities and society at large

The Socially Sustainable Development Strategy supports Nornickel's strategic priorities

	Safety and environment	Strategy for sustainable development	Modernisation and technology-driven growth
Priorities	• No major accidents and employee fatalities across Company assets • Minimisation of environmental impacts across key areas, including climate, water, air, land, and biodiversity	Maximisation of the current capacity potential of mines, concentrators, and metallurgical assets	• Equipment upgrades and restoration of buildings and structures • Energy infrastructure upgrades • Technology-driven expansion of production capabilities
Key challenges	• Development of new capabilities in environmental impact reduction technologies • Transformation of an employee safety culture and enhancement of safety risk management	Ensuring the availability of qualified personnel to match production configuration of approved projects	• Deployment of new technologies to reduce human labour requirements • Training for new employees
Socially Sustainable Development Strategy goals supporting the Company's priorities	1 Achieving zero fatalities and reducing workplace injuries and occupational diseases 4 Minimising social risks related to the Company's operations 4 Fostering sustainable social and economic development across the Company's footprint 4 Contributing to the well-being of society nationally and internationally	2 Attracting young talent and experienced professionals and reducing the turnover rate to 8% by 2026 4 Fostering sustainable social and economic development across the Company's footprint	1 Mitigating physical risks through process upgrades and automation 1 Aligning workplace conditions with employee needs 2 Driving talent retention through professional growth and development opportunities, with the goal of reducing the turnover rate to 8% by 2026 3 Developing technologies and products to foster technological and social progress 4 Minimising social risks related to the Company's operations

x Focus area of the Socially Sustainable Development Strategy

For more details on Nornickel's Socially Sustainable Development Strategy targets and measures to achieve them, please see the Company's Sustainability Report.

Higher, faster, stronger

Nickel for the aviation industry

Ni

Nickel is a key material in the production of aircraft engines and components such as turbines and blades.

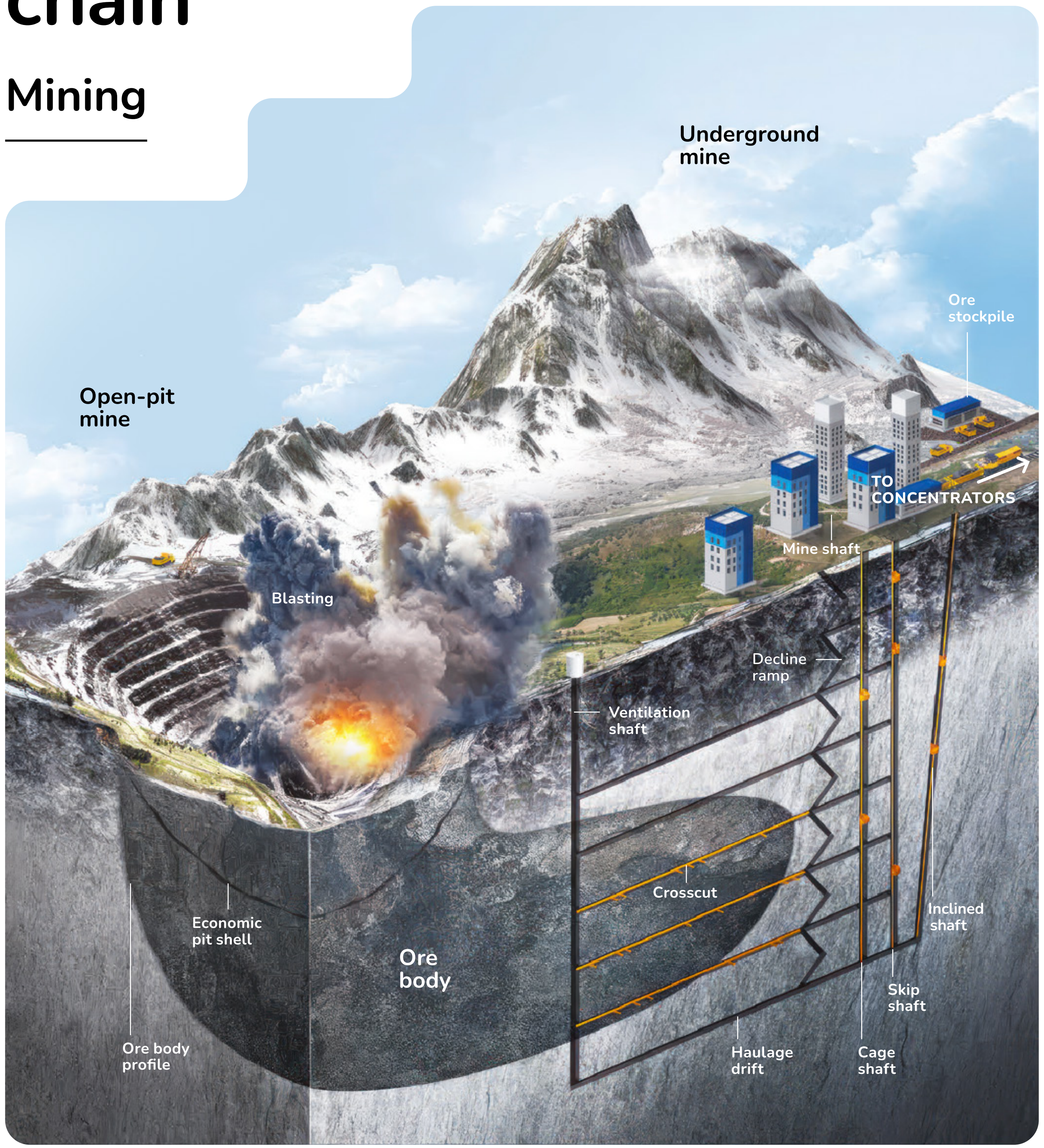
Nickel's benefits:

- High temperature resistance
- Strength and corrosion resistance
- Low density
- Good thermal conductivity
- Resistance to high mechanical loads

03. Business overview

Production chain

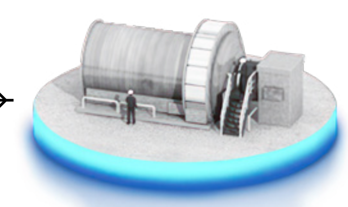
Mining



Concentration

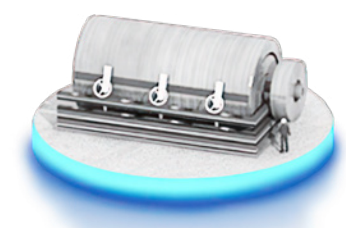
Crushing

Pieces of ore are crushed and ground in crushers



Milling

Crushed ore is ground in mills with water



Filtering and drying

Reduction of concentrate moisture content to 7%–15%, then further to 2%

Smelting

Concentrate

Finished products for sale

Concentrates (nickel sulphide, iron ore, copper)

Pulp (finely ground ore mixed with water)

Concentrate

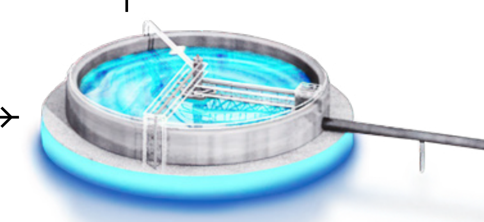
Flotation

Mineral separation by selective attachment of mineral particles to air bubbles. Hydrophobic mineral particles rise with air bubbles, while hydrophilic one remain in the slurry

Tailings transported via a slurry pipeline

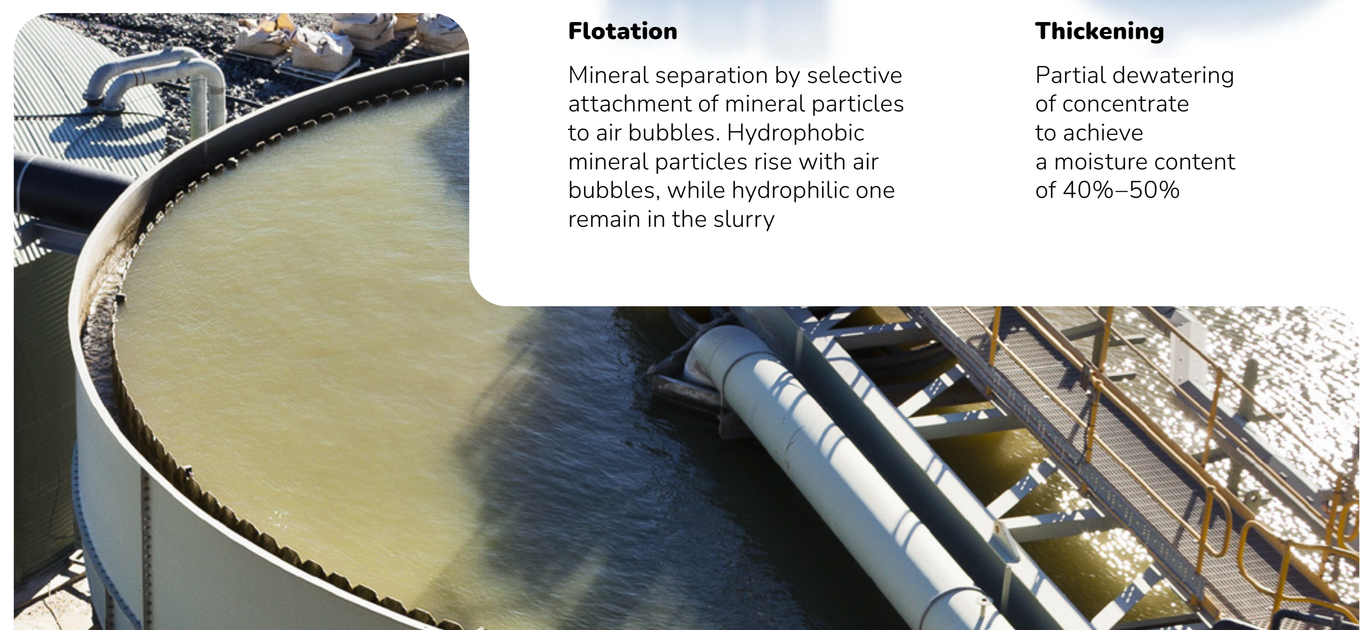
Tailings storage facility

Concentrate



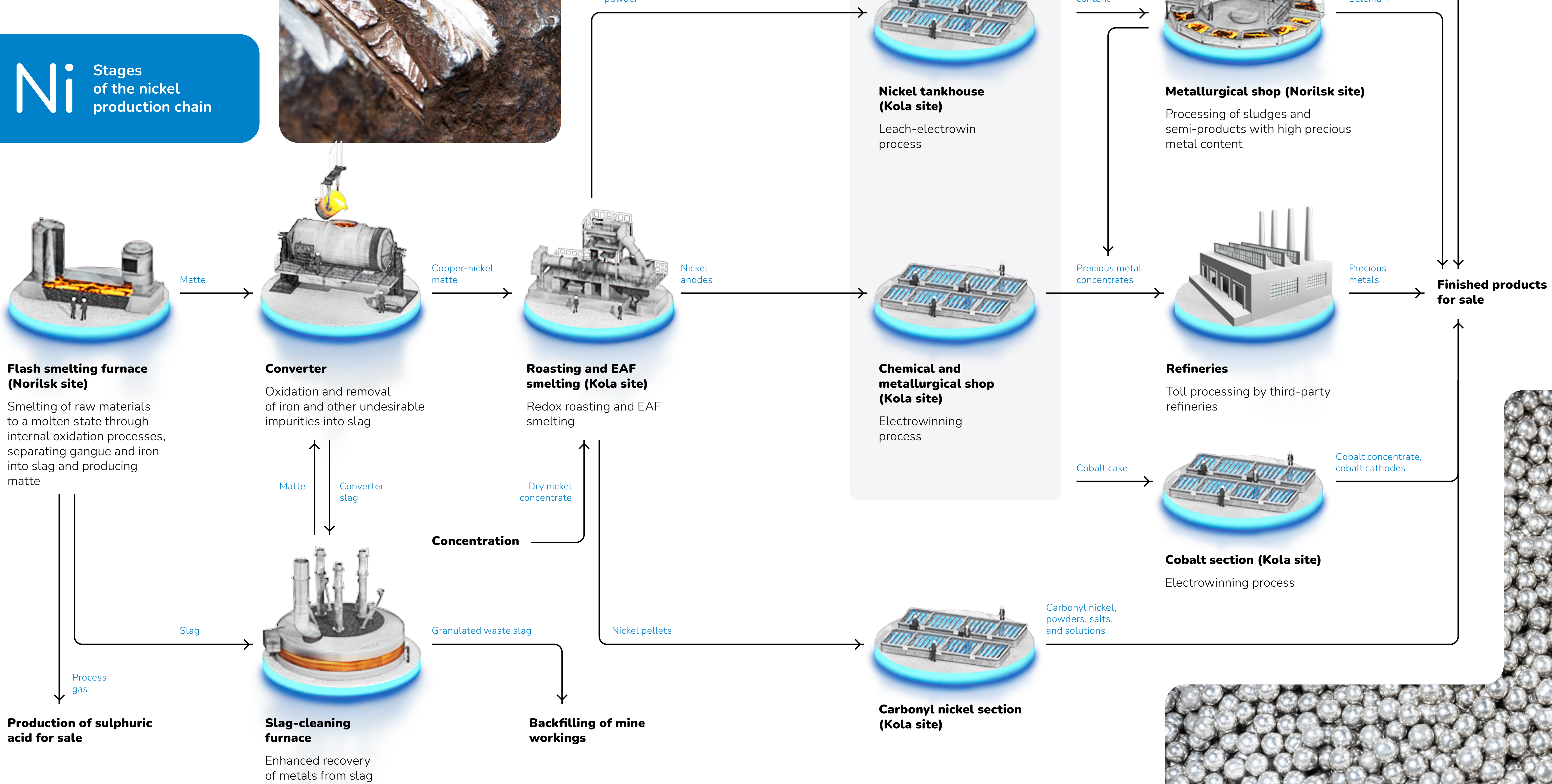
Thickening

Partial dewatering of concentrate to achieve a moisture content of 40%–50%

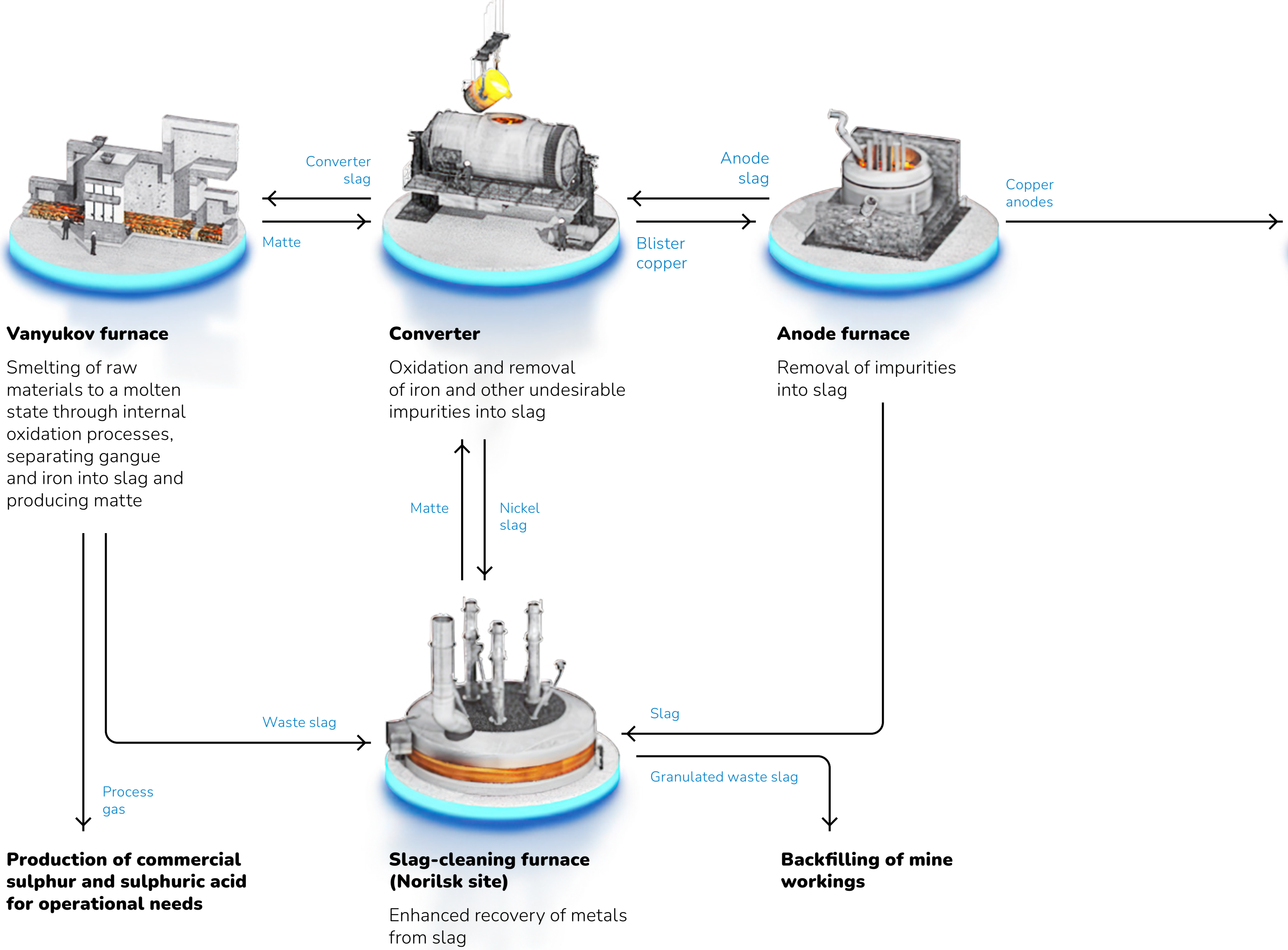
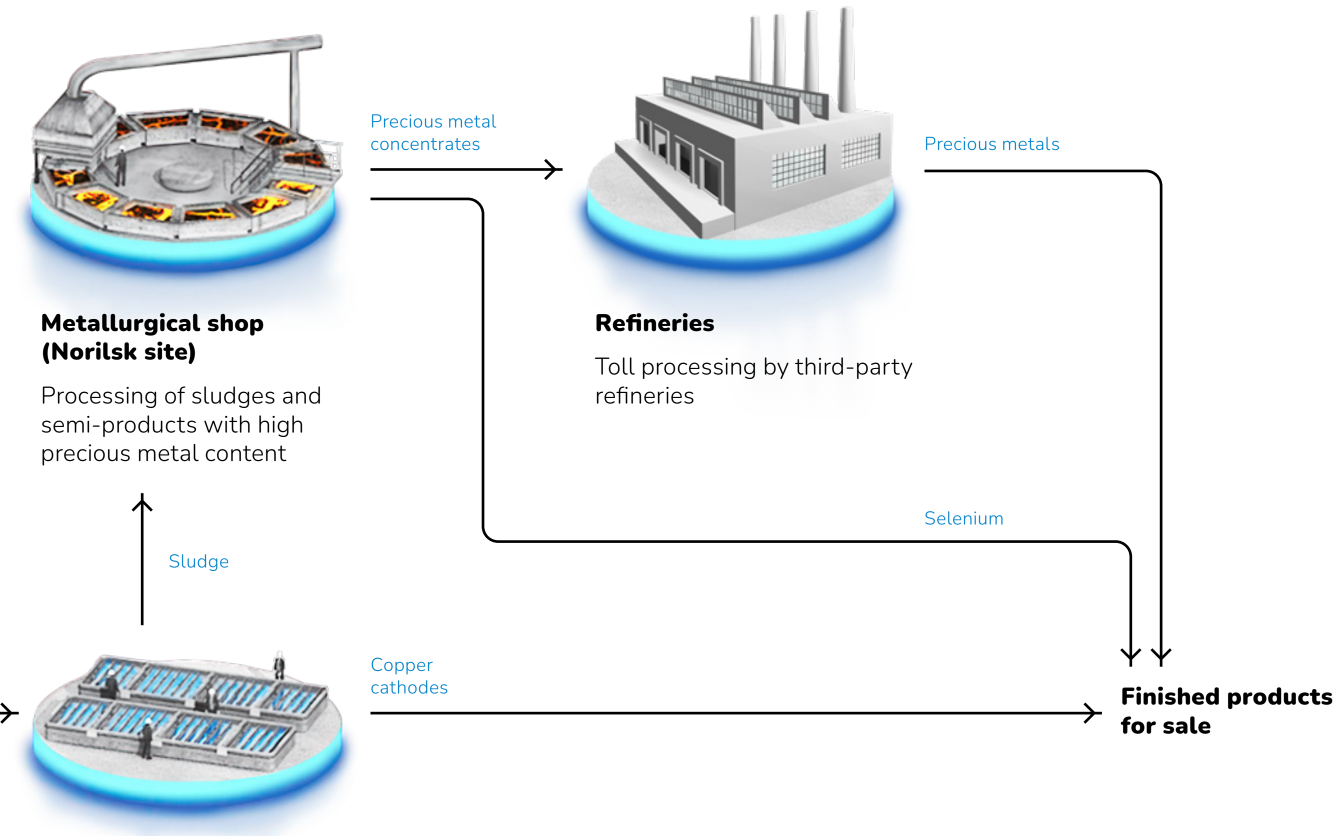


Smelting

Ni Stages of the nickel production chain



Cu Stages of the copper production chain

Mineral resource base

The Group's mineral resources and ore reserves as at 1 January 2025

POLAR DIVISION[1] (copper-nickel sulphide ores)	Ore (mln t)	Metal grade: Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Au (g/t)	6 PGM (g/t)	Contained metal: Ni (kt)	Cu (kt)	Pd (koz)	Pt (koz)	Au (koz)	6 PGM (koz)
Total proven and probable reserves	1,373	0.69	1.18	3.03	0.82	0.17	4.00	9,460	16,216	133,721	36,272	7,311	176,391
Total measured and indicated resources[2]	1,995	0.73	1.17	3.00	0.83	0.17	3.98	14,552	23,289	192,604	53,282	10,837	255,292
Total inferred resources	837	0.67	1.17	3.00	0.80	0.18	3.97	5,590	9,793	80,632	21,579	4,808	106,925
Taimyr Peninsula													
Proven and probable reserves	1,206	0.70	1.31	3.45	0.93	0.19	4.54	8,477	15,754	133,564	36,165	7,263	176,115
Measured and indicated resources	1,573	0.75	1.39	3.80	1.05	0.21	5.03	11,756	21,913	191,969	52,875	10,565	254,179
Inferred resources	782	0.66	1.23	3.20	0.86	0.19	4.24	5,181	9,595	80,531	21,513	4,760	106,742
Kola Peninsula, disseminated ore[3]													
Proven and probable reserves	167	0.59	0.28	0.03	0.02	0.01	0.05	983	462	157	107	49	276
Measured and indicated resources	422	0.66	0.33	0.05	0.03	0.02	0.08	2,796	1,376	636	407	272	1,114
Inferred resources	55	0.75	0.36	0.06	0.04	0.03	0.10	408	198	102	66	48	182

TRANS-BAIKAL DIVISION[4] (gold-iron-copper ores)	Ore (mln t)	Metal grade: Cu (%)	Au (g/t)	Ag (g/t)	Fe (%)	Contained metal: Cu (kt)	Au (koz)	Ag (koz)	Fe (kt)
Proven and probable reserves	272	0.52	0.65	2.73	18.7	1,429	5,728	23,937	50,914
Measured and indicated resources	292	0.59	0.66	3.16	22	1,732	6,213	29,658	64,294
Inferred resources	43	0.61	0.4	3.41	4.15	258	544	4,671	1,768

1 According to the JORC Code. In 2021, SRK Consulting (Russia) completed an estimate of mineral resources and ore reserves using its proprietary methodology.
2 Proven and probable ore reserves are included in measured and indicated resources.
3 Mineral resources and ore reserves at the deposits developed by the Kola site were estimated based on an updated methodology using resource modelling.
4 In 2021, CSA Global completed an estimate of the Trans-Baikal Division's mineral resources in line with the JORC Code based on an updated resource model, which reflects both the complexity and diversity of the deposit's ore types.

Existing deposits

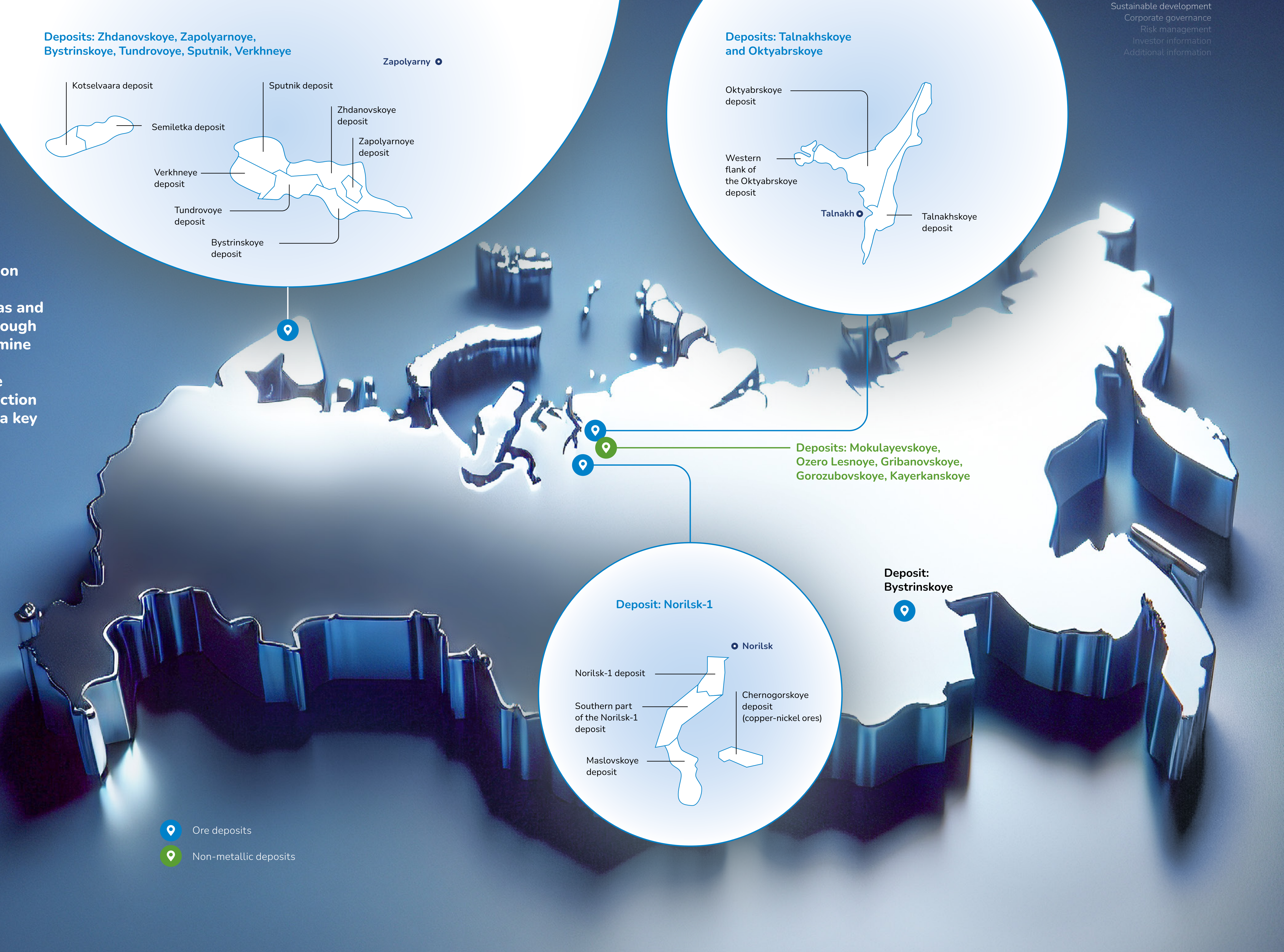
The Company conducts exploration in three regions of Russia – on the Taimyr and Kola Peninsulas and in the Trans-Baikal Territory. Through exploration at new and existing mine sites, Nornickel drives increases in its high-grade and cuprous ore reserves to support future production from existing sites, viewing it as a key driver of its long-term growth.

Given the current production rate, the available resources of copper-nickel sulphide ores will last for

>70 YEARS,

and those of gold-iron-copper ores – for

>20 YEARS



Existing ore deposits

Deposits: Talnakhskoye and Oktyabrskoye

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Norilsk. Geologically, they form part of the Talnakh Ore Cluster and are being developed by the Norilsk site of the Polar Division.

The Company has been developing the Talnakhskoye and Oktyabrskoye deposits since the early 1960s, when multiple deposits of high-grade, cuprous, and disseminated ores were discovered within the area. Nornickel is still well supplied with non-ferrous and noble metals from the uniquely rich and vast resource base of the Talnakh Ore Cluster deposits.

Reserves and resources of the Talnakh Ore Cluster deposits

Proven and probable reserves

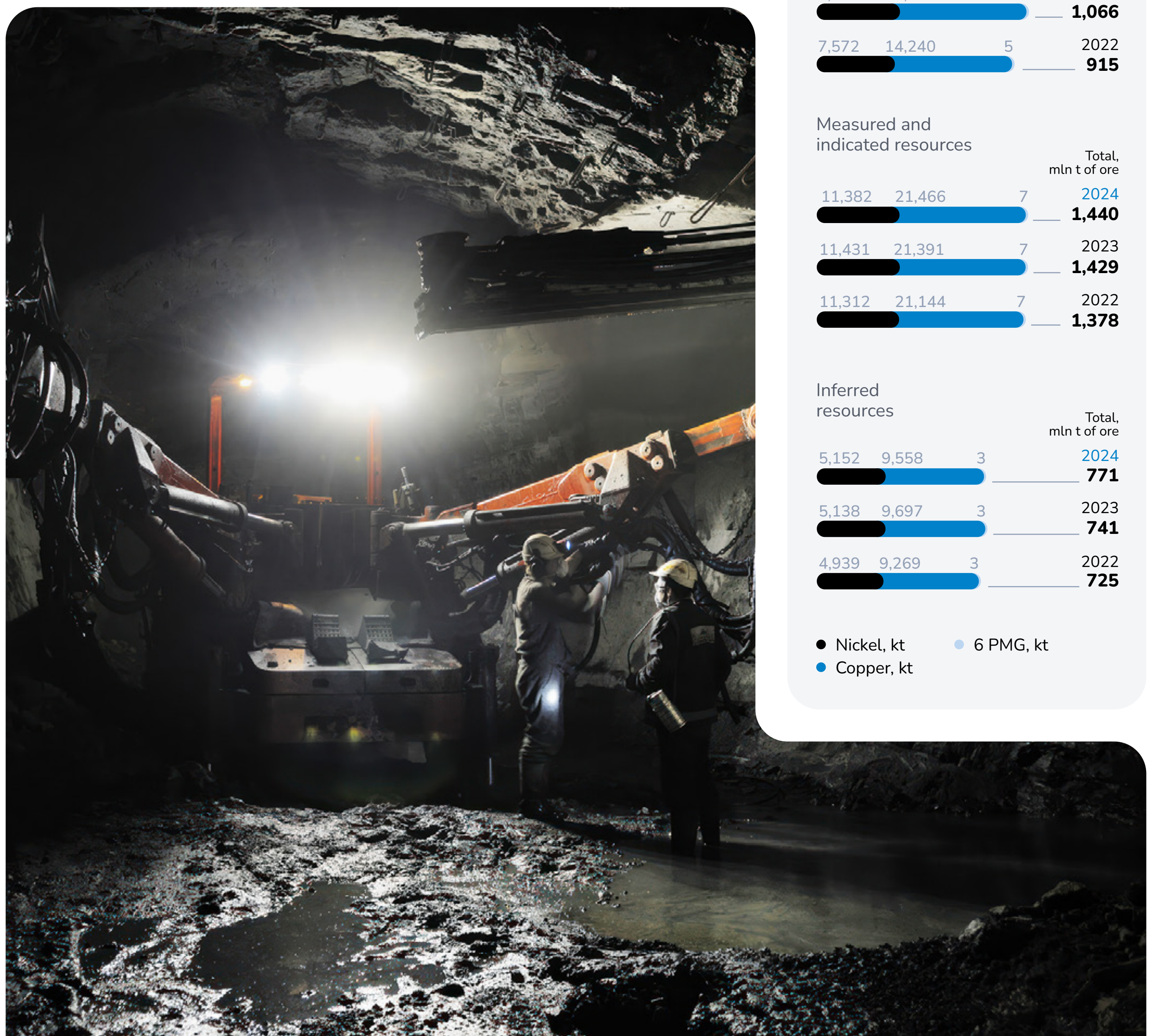
Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	8,169	15,387	5	1,069
2023	8,197	15,361	5	1,066
2022	7,572	14,240	5	915

Measured and indicated resources

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	11,382	21,466	7	1,440
2023	11,431	21,391	7	1,429
2022	11,312	21,144	7	1,378

Inferred resources

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	5,152	9,558	3	771
2023	5,138	9,697	3	741
2022	4,939	9,269	3	725



Deposit: Norilsk-1

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Norilsk. Geologically, it forms part of the Norilsk Ore Cluster and is being developed by the Norilsk site of the Polar Division.

The Company has been developing Norilsk-1 since the 1930s, currently mining disseminated ores from the deposit's northern portion. In 2020, the deposit's resource estimate was updated against new permanent exploratory conditions for open-pit and underground mining.

Reserves and resources of the Norilsk-1 deposit

Proven and probable reserves

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	308	367	1	137
2023	314	379	1	137
2022	337	412	1	144

Measured and indicated resources

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	374	446	1	133
2023	392	474	1	140
2022	419	512	1	143

Inferred resources

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	29	38	0.1	11
2023	22	30	0.1	9
2022	36	47	0.1	12

Deposits: Zhdanovskoye, Zapolyarnoye, Bystrinskoye, Tundrovoye, Sputnik, Verkhneye

Minerals:
copper-nickel sulphide ores.

Location: Murmansk Region, Pechengsky District.

The deposits are located within a 25 km strip between Nikel and Zapolyarny and are grouped into two ore clusters: the Western cluster (the Kotselvaara-Kammikivi and Semiletka deposits, whose reserves were classified as off-balance following a state expert review and excluded from the 2024 estimate) and the Eastern cluster (comprising the Zhdanovskoye, Zapolyarnoye, Bystrinskoye, Tundrovoye, Sputnik, and Verkhneye deposits). The deposits in the Western and Eastern clusters have been developed since the 1930s and 1960s, respectively. The deposits are developed by the Kola site of the Polar Division.

Reserves and resources of the Kola site

Proven and probable reserves

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	983	462	0.01	167
2023	407	206	0.003	64
2022	437	219	0.003	69

Measured and indicated resources

Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	2,796	1,376	0.03	422
2023	2,068	1,010	0.03	300
2022	2,102	1,025	0.03	305

Inferred resources

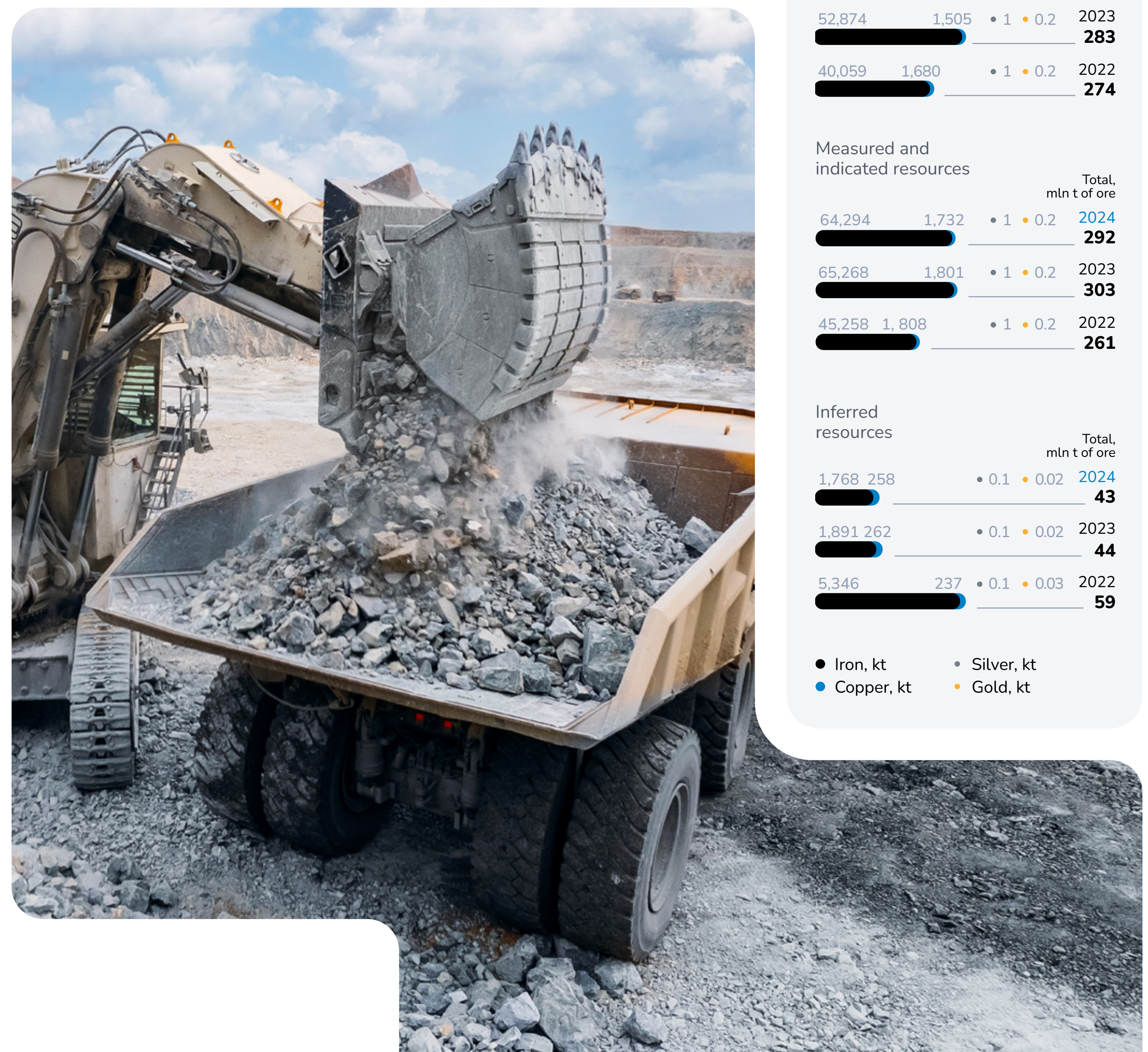
Year	Nickel, kt	Copper, kt	6 PMG, kt	Total, mln t of ore
2024	408	198	0.01	55
2023	873	430	0.01	138
2022	880	433	0.01	139

Deposit: Bystrinskoye

Minerals:
gold-iron-copper ores.

Location: Trans-Baikal Territory, Gazimuro-Zavodsky Municipal District.

The Bystrinskoye deposit has been developed by the Trans-Baikal Division since 2017. Mining operations are carried out at two open pits: Verkhne-Ildikansky and Bystrinsky-2, with two more — Medny Chainik and Yuzhno-Rodstvenny — scheduled to come online in 2030.



Reserves and resources of the Bystrinskoye deposit

Proven and probable reserves

Year	Iron, kt	Copper, kt	Silver, kt	Gold, kt	Total, mln t of ore
2024	50,914	1,429	1	0.2	272
2023	52,874	1,505	1	0.2	283
2022	40,059	1,680	1	0.2	274

Measured and indicated resources

Year	Iron, kt	Copper, kt	Silver, kt	Gold, kt	Total, mln t of ore
2024	64,294	1,732	1	0.2	292
2023	65,268	1,801	1	0.2	303
2022	45,258	1, 808	1	0.2	261

Inferred resources

Year	Iron, kt	Copper, kt	Silver, kt	Gold, kt	Total, mln t of ore
2024	1,768	258	0.1	0.02	43
2023	1,891	262	0.1	0.02	44
2022	5,346	237	0.1	0.03	59

Existing non-metallic deposits

Deposit: Mokulayevskoye

Minerals: limestone.

Location: Krasnoyarsk Territory, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2018, following the discovery of the Mokulayevskoye limestone deposit located 10 km north-west of the production sites of the Oktyabrsky and Taimyrsky Mines, an exploration and mining licence was obtained for its development. In 2018, the State Commission for Mineral Reserves of the Russian Ministry of Natural Resources reviewed the feasibility study of permanent exploratory conditions and the reserve statement for the deposit. The deposit's limestone reserves — amounting to approximately 136 mln t — were entered into the State Register of Mineral Reserves for potential use in cement and lime production as well as for sulphuric acid neutralisation. The deposit can be developed through open-pit mining.

In 2022, an exploration campaign was conducted to look into dolomite overburden within the Mokulayevskoye limestone deposit, and since 2023 the Company has been mining limestone at the site.

Deposit: Ozero Lesnoye

Minerals: magmatic rock (basalts).

Location: Krasnoyarsk Territory, Norilsk.

Located 22 km to the north of Norilsk, the deposit consists of two adjacent licence areas (No. 1 and No. 2) which share a common boundary. The deposit is developed within licence area No. 1. In 2017, Nornickel obtained a survey, exploration, and mining licence for the magmatic basalt reserves at licence area No. 2.

In 2022, Nornickel updated its reserve estimate for the deposit's two licence areas to 189.2 Mcm. In 2023, a technical project was prepared for the further development of the deposit, enabling mining the two licence areas as one open-pit mine to ensure continuous production, and mining operations commenced at the deposit.

Deposit: Gribanovskoye

Minerals: sand.

Location: Krasnoyarsk Territory, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2020, Nornickel obtained an exploration and mining licence upon the discovery of the Gribanovskoye deposit, located on the Yenisei River, 22.5 km south of Dudinka. In 2020, the exploration phase was completed and pilot production was launched at the deposit. A state expert review of the feasibility study of permanent conditions and the reserve statement was conducted in 2021, and sand production was launched in 2022.

Deposit: Gorozubovskoye

Minerals: anhydrite.

Location: Krasnoyarsk Territory, Norilsk.

In 2020, following further examination of the deposit's flanks carried out as part of follow-up exploration of the Gorozubovskoye anhydrite deposit, the reserves were converted from C2 to C1. A certificate issued by the State Commission for Mineral Reserves confirmed the parameters of the updated conditions and the anhydrite reserves. The deposit is currently under development.

Deposit: Kayerkanskoye

Minerals: quartzose sandstone, coal, tuffaceous argillite.

Location: Krasnoyarsk Territory, Norilsk.

Since 1967, the Kayerkanskoye deposit has been supplying the needs of the Company's Norilsk site in materials used to produce fluxes for concentration and metallurgical processes at the metallurgical plants, as well as to manufacture building materials. The deposit is currently under development.

Growth projects

Deposit: Maslovskoye

Minerals:
copper-nickel sulphide ores.

Location:
Krasnoyarsk Territory, Norilsk. Geologically, the deposit is part of the Norilsk Ore Cluster.

The Company obtained a licence to explore and mine the Maslovskoye deposit upon its discovery in 2015.

A feasibility study of permanent exploratory conditions and a reserve statement for the Maslovskoye deposit were approved by the State Commission for Mineral Reserves, and its copper-nickel ore reserves were included into the State Register of Mineral Reserves. B + C1 + C2 ore reserves: 206.8 mln t.

Deposit: Kolmozerskoye

Minerals:
beryllium, niobium, lithium, lithium ore, tantalum.

Location:
Murmansk Region, Lovozersky District.

In 2023, an exploration and mining licence (under a 50%/50% JV arrangement) was obtained for the Kolmozerskoye deposit, located within an area of federal significance. The balance (economic) reserves of the deposit were confirmed through exploration in 1960 at 75 mln t of ore and 844.2 kt of lithium oxide. In 2024, follow-up exploration fieldwork was completed at the deposit to verify the quality and quantity of the minerals present. The development of a feasibility study of conditions and the approval of reserves by the State Commission for Mineral Reserves are scheduled for 2025.

Deposit: Bugdainskoye

Minerals:
beryllium, niobium, lithium, lithium ore, tantalum.

Location: Trans-Baikal Territory, Alexandrovo-Zavodsky Municipal District.

The deposit's mineral reserves, comprising 813 mln t of B + C1 + C2 ore reserves, including 600 kt of molybdenum, were included into the State Register of Mineral Reserves in 2007.

Deposit: Bystrinsko-Shirinskoye

Minerals:
gold ore.

Location: Trans-Baikal Territory, Gazimuro-Zavodsky Municipal District.

In 2024, a geological exploration project was developed to study the flanks and deep horizons of the deposit, which are characterised by a highly complex ore body structure. Geological exploration is scheduled for 2025, with a feasibility study and a reserve statement to be prepared based on its results.

Deposit: Western flank of the Oktyabrskoye deposit

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Norilsk. Geologically, the deposit is part of the Talnakh Ore Cluster.

Licensed for prospecting in 2017, the area shares a boundary with the earlier licensed mining area at the Oktyabrskoye deposit. In 2022 and 2023, appraisal activities were carried out at the Zapadny section, where prospecting had earlier confirmed the presence of copper-nickel ores. In 2024, a final report with reserve estimates was prepared and successfully passed the state expert review at the State Commission for Mineral Reserves. Following expert evaluations, reserve approvals anticipated in the second quarter of 2025 are as follows: rich ores — 225 kt, cuprous ores — 2,287 kt, and disseminated ores — 667 kt.

Promising areas and prospects

Area: Yuzhno-Norilskaya

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2019, the Company obtained prospecting licences for the Morongovsky and Yuzhno-Yergalakhsky copper-nickel sulphide ore prospects within the Yuzhno-Norilskaya area. In 2021 and 2022, prospecting of the areas was conducted, including prospecting drilling. An estimate of inferred copper-nickel sulphide ore resources was completed. The resources total 46 mln t, are located on the flanks, and have potential for extension beyond the boundaries of both prospects. In 2023, a subsoil use licence was obtained for the adjacent Mezhdurechensky licence area.
In 2024, a geological exploration project was developed. Exploration work is scheduled to commence in 2025.

Area: Mikchangdinskaya

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2019 and 2020, the Company obtained exploration licences for the Neralakhsky, Yuzhno-Neralakhsky, Snezhny, Yuzhno-Ikensky, and Medvezhy prospects within the Mikchangdinskaya area. Prospecting drilling was carried out in 2021–2023. In 2024, an assessment was conducted to evaluate the viability of mining the identified disseminated copper-nickel mineralisation, which demonstrated negative economic viability.
A prospecting programme for the properties has been completed.

Area: Arylakhskaya

Minerals:
copper-nickel sulphide ores.

Location: Krasnoyarsk Territory, Taimyrsky Dolgano-Nenetsky Municipal District.

In 2020, the Company obtained prospecting licences for the Yttakhsky, Samoyedsky, and Mastakh-Salinsky prospects within the Arylakhskaya area. In 2021 and 2022, prospecting drilling was conducted at the prospects identified by geophysical and geochemical prospecting across areal zones. In 2024, an assessment was conducted to evaluate the viability of mining the identified disseminated copper-nickel mineralisation, which demonstrated negative economic viability. A prospecting programme for the properties has been completed.

Area: Alenuyskaya

Minerals:
gold-copper porphyry ores.

Location: Trans-Baikal Territory, Alexandrovo-Zavodsky District.

In 2020, the Company obtained prospecting licences for the Severo-Alenuysky and Yuzhno-Alenuysky prospects within the Alenuyskaya area. In 2023, prospecting drilling was conducted at the Tsentralno-Alenuysky area. In 2024, an assessment was conducted to evaluate the viability of mining the identified gold-copper porphyry mineralisation, which demonstrated negative economic viability.
A prospecting programme for the properties has been completed.

Area: Mostovskaya

Minerals: gold-silver ores, copper ore, molybdenum ore.

Location: Trans-Baikal Territory, Mogochinsky District.

In 2020, the Company obtained prospecting licences for the Zapadno-Mostovsky and Vostochno-Mostovsky prospects

within the Mostovskaya area.
In 2022, prospecting drilling was conducted at prospects identified by geophysical and geochemical prospecting across areal zones.
In 2024, an assessment was conducted to evaluate the viability of mining the identified gold and copper mineralisation, which demonstrated negative economic viability. A prospecting programme for the properties has been completed.

Area: Dogyinskaya

Minerals:
gold-copper and gold-silver ores.

Location:
Trans-Baikal Territory, Gazimuro-Zavodsky District.

In 2021, the Company obtained prospecting licences for the Severo-Dogyinsky and Yuzhno-Dogyinsky prospects within the Dogyinskaya area. In 2022 and 2023, prospecting drilling was conducted at prospects identified by geophysical and geochemical prospecting across areal zones. The prospectivity of the area has not been confirmed, and exploration programme has been completed.

Area: Shamyanskaya

Minerals:
gold ore, copper-molybdenum ore.

Location:
Trans-Baikal Territory, Trans-Baikal District.

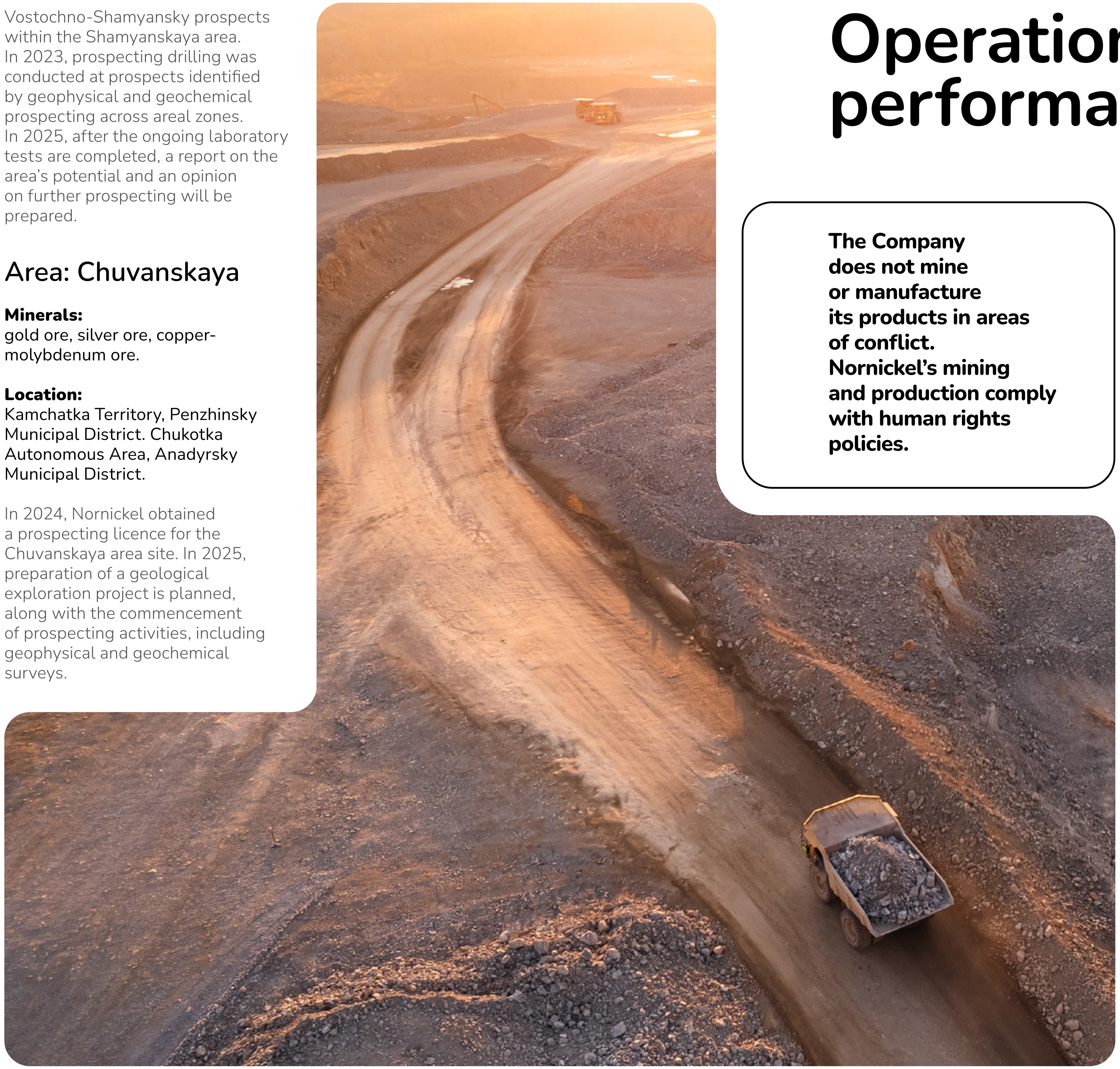
In 2021 and 2022, the Company obtained prospecting licences for the Zapadno-Shamyansky, Tsentralno-Shamyansky, and Vostochno-Shamyansky prospects within the Shamyanskaya area.
In 2023, prospecting drilling was conducted at prospects identified by geophysical and geochemical prospecting across areal zones.
In 2025, after the ongoing laboratory tests are completed, a report on the area's potential and an opinion on further prospecting will be prepared.

Area: Chuvanskaya

Minerals:
gold ore, silver ore, copper-molybdenum ore.

Location:
Kamchatka Territory, Penzhinsky Municipal District. Chukotka Autonomous Area, Anadyrsky Municipal District.

In 2024, Nornickel obtained a prospecting licence for the Chuvanskaya area site. In 2025, preparation of a geological exploration project is planned, along with the commencement of prospecting activities, including geophysical and geochemical surveys.



Operational performance

The Company does not mine or manufacture its products in areas of conflict. Nornickel's mining and production comply with human rights policies.

One of Nornickel's core business areas is the production of non-ferrous and precious metals. The Group has two production divisions: the Polar Division, which mines copper-nickel sulphide ores at the Norilsk and Kola sites, and the Trans-Baikal Division, which develops gold-iron-copper ores.

The Norilsk site is located on the Taimyr Peninsula in the north of the Krasnoyarsk Territory. This is where the Company's largest deposits are being developed. This production asset operates a full metals production cycle — from ore mining to the shipment of finished products. Given its location in the Arctic Circle, the site is connected to other regions of the country via the Yenisei River, the Northern Sea Route, and by air.

The Kola site is located on the Kola Peninsula in the Murmansk Region where ore is mined and nickel concentrate is produced. The Kola site serves also as the Company's nickel refining hub.

The Foreign site hosts a nickel refinery with a total production capacity of up to 65 ktpa of nickel products. The plant processes the Company's own feedstock as well as nickel-bearing raw materials from third-party suppliers.

The Trans-Baikal Division is located in the Trans-Baikal Territory of Russia, 500 km away from Chita. The mining and processing plant was launched with commercial operation in 2019. The asset includes open-pit mining operations and processing facilities with full infrastructure, including a power line, a 227-km Borzya–Gazimursky Zavod railway line (25% held by Nornickel and 75% by the government), as well as a rotation camp.

Polar Division

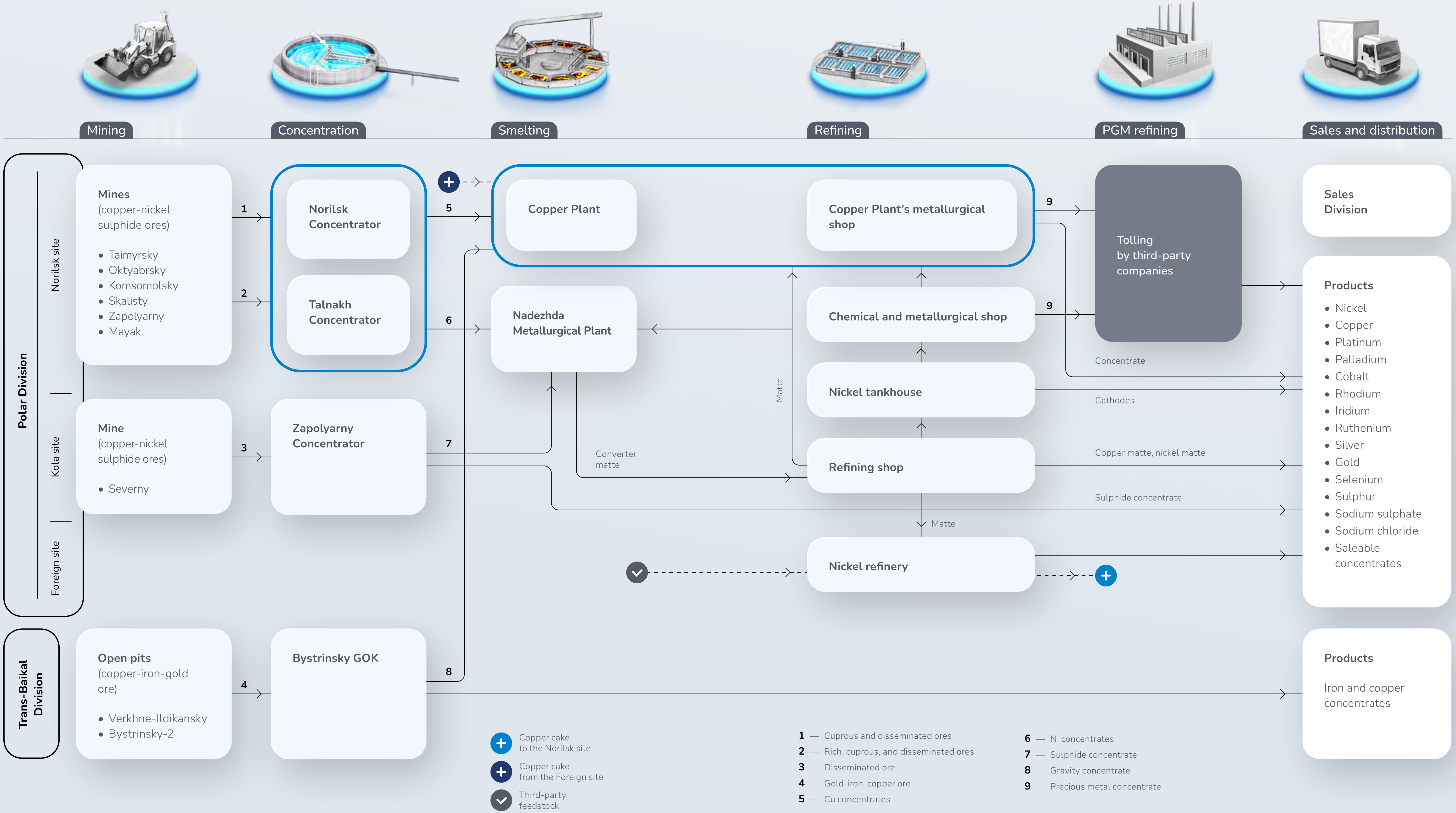
Norilsk site
Taimyr Peninsula, Krasnoyarsk Territory

Kola site
Kola Peninsula, Murmansk Region

Trans-Baikal Division

Trans-Baikal Territory

Production flow



Mining

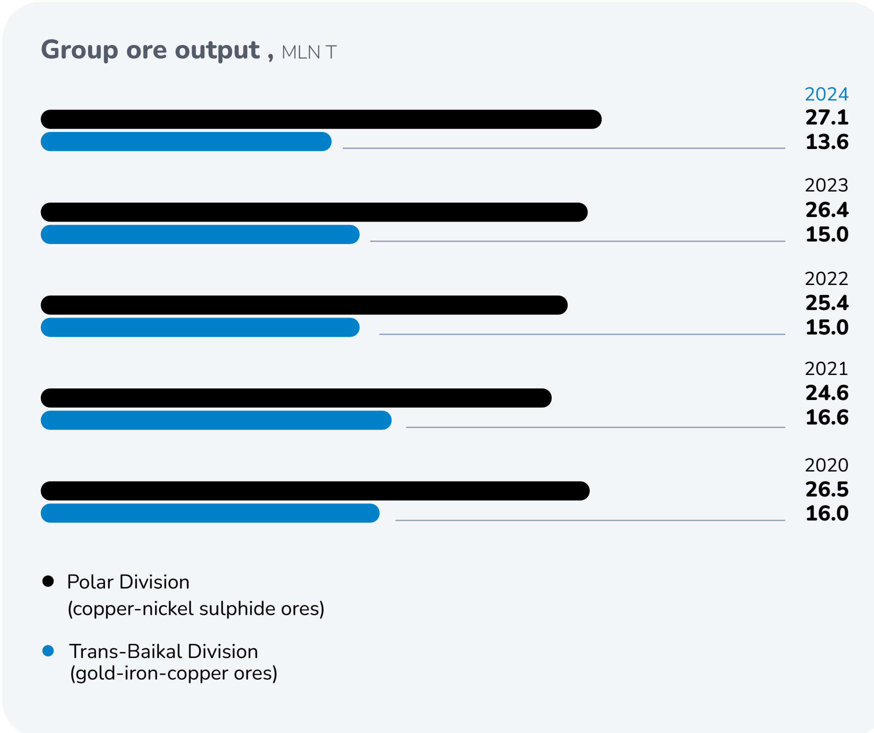
Existing deposits:

Talnakhskoye, Oktyabrskoye, Norilsk-1, Zhdanovskoye, Zapolyarnoye, Tundrovoye, Bystrinskoye

Mines / open pits:

Taimyrsky, Oktyabrsky, Komsomolsky, Skalisty, Mayak, Zapolyarny, Severny, Verkhne-Ildikansky (open pit), Bystrinsky-2 (open pit)

For more details on ore production, metal content, and metal recovery rates, please see the Data Book section on the Company website.



In 2024, the Polar Division mined copper-nickel sulphide ores at six deposits. The ores are classified into three categories.

Metal content by ore category

Ore categories / Metal	Ni (%)	Cu (%)	PGMs (g/t)
Rich ores — high in non-ferrous and precious metals	1.31–2.63	1.57–6.34	4.00–23.74
Cuprous ores — elevated copper content relative to nickel	0.59–0.74	1.21–3.57	5.82–9.85
Disseminated ores — lower overall metal content	0.24–0.56	0.29–1.30	4.31–7.53[1]

[1] Excluding the Kola site, as PGMs are not detected in the disseminated ore mined there based on sampling data.

The Norilsk site develops the Talnakhskoye and Oktyabrskoye deposits through underground mining at the Taimyrsky, Oktyabrsky, Komsomolsky, Skalisty, and Mayak Mines. The mines employ slicing and room-and-pillar methods with the cut-and-fill system, with stopes refilled with solidifying backfill mixtures. The Norilsk-1 deposit is developed by the Zapolyarny Mine through open-pit and underground mining. Underground mining is carried out through sublevel caving using front ore passes and diesel-powered self-propelled equipment.

In 2024, total ore production by the Norilsk site was 20.2 mln t, up 1.0 mln t y-o-y (up 5%). High-grade ore output increased by 9% (+0.6 mln t), while production of cuprous ores decreased by 3.3% (–0.2 mln t). Changes in ore production volumes were due to delayed deliveries of mining equipment. Disseminated ore production increased by 7.1% (+0.5 mln t), as planned under the efficiency improvement programme.

In 2024, **the Kola site** mined disseminated ores at the following deposits: Zhdanovskoye, Zapolyarnoye, and Tundrovoye. Kola MMC used various ore mining methods. The Zhdanovskoye and Zapolyarnoye deposits use three mining methods: gravity caving with front ore passes, sublevel caving with room-and-pillar ore removal, and room-and-pillar mining.

In 2024, Kola site produced 7.0 mln t of ore. A decrease in ore production by 3.5% (–0.2 mln t) was due to the suspension of mining operations at the Kotselvaara-Kammikivi and Semiletka deposits after the Kaula-Kotselvaara shaft was put on care and maintenance in 2024.

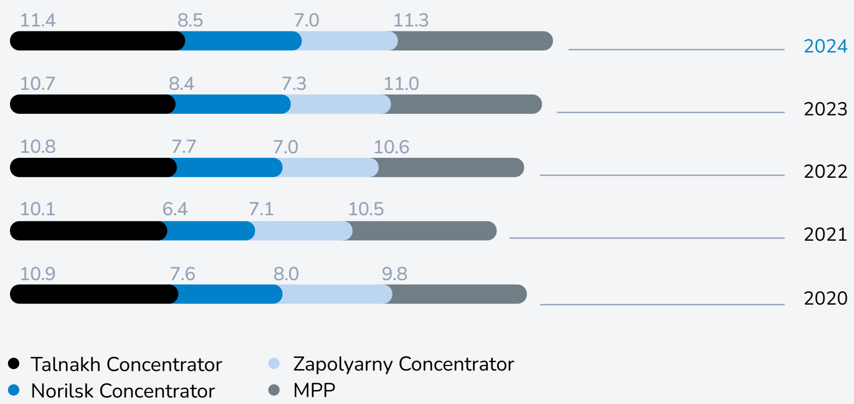
The Trans-Baikal Division mines gold-iron-copper ores of the Bystrinskoye deposit at the Verkhne-Ildikansky and Bystrinsky-2 mines. In 2024, total ore production was 13.6 mln t, down 1.4 mln t (–9%) y-o-y. Lower ore mining volumes were due to the processing of stockpiled primary and mixed ores at the concentrator.

Concentration

Concentrators

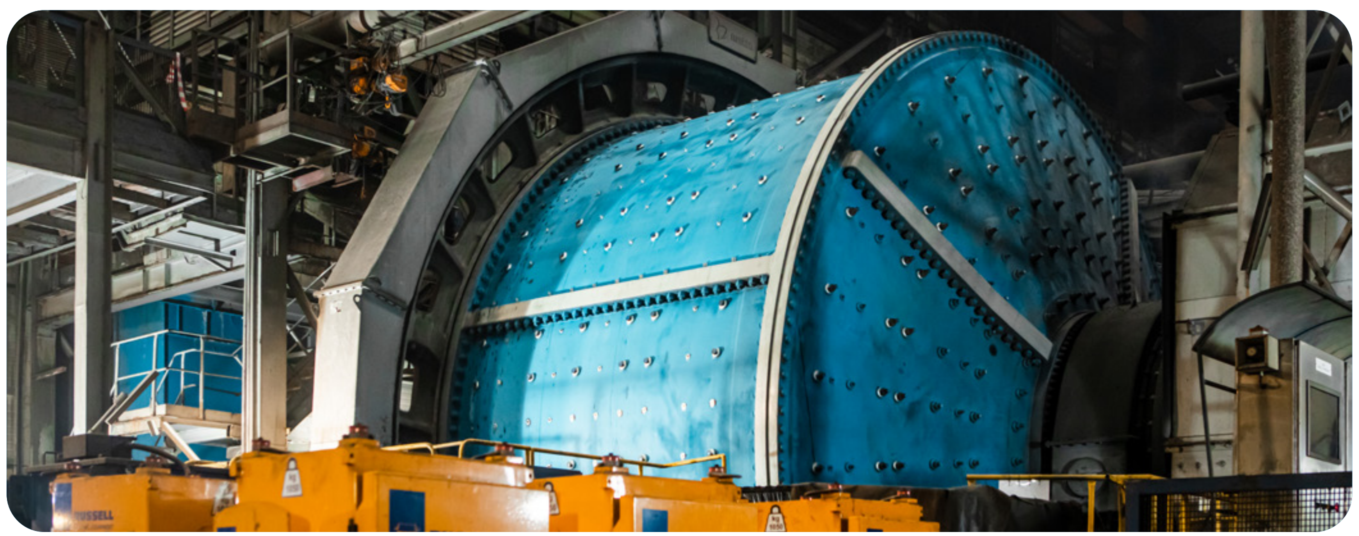
- Talnakh Concentrator, Norilsk site
- Norilsk Concentrator, Norilsk site
- Zapolyarny Concentrator, Kola site
- Mining and processing plant (MPP), Trans-Baikal Division

Mining and processing plant (MPP), Trans-Baikal Division



Metals recovery in concentration, %

Operations	2020	2021	2022	2023	2024
Nickel					
Norilsk site	84.8	84.3	85.3	84.7	**83.9**
Kola site	62.9	67.7	67.4	66.5	**67.0**
Copper					
Norilsk site	95.1	95.5	96.3	96.2	**95.8**
Kola site	71.8	76.8	73.7	73.1	**72.9**
Trans-Baikal Division	87.4	86.9	88.1	88.8	**89.3**
PGMs					
Norilsk site	86.4	85.6	85.8	85.3	**85.3**



+ 0.7 mln t

In 2024, Talnakh Concentrator increased its ore processing

TO **11.4** MLN T

+ 0.1 mln t

In 2024, Norilsk Concentrator increased its ore processing

TO **8.5** MLN T

+ 0.3 mln t

In the reporting year, Bystrinsky GOK processed

11.3 MLN T OF ORE

Talnakh Concentrator processes high-grade, cuprous, and disseminated ores from the Oktyabrskoye and Talnakhskoye deposits to produce nickel-pyrrhotite and copper concentrates as well as metal-bearing products. Its key processing stages include crushing, milling, flotation, and thickening. In 2024, Talnakh Concentrator increased its ore processing to 11.4 mln t, up 0.7 mln t y-o-y, as a result of efficiency initiatives.

Norilsk Concentrator processes all disseminated ores from the Norilsk-1 deposit, cuprous and disseminated ores from the Oktyabrskoye and Talnakhskoye deposits, and some metal-bearing products from Talnakh Concentrator to produce nickel and copper concentrates. Its key processing stages include crushing, milling, flotation, gravity concentration, and thickening. In 2024, Norilsk Concentrator increased its ore processing to 8.5 mln t, up 0.1 mln t y-o-y.

The resulting thickened concentrates from Talnakh and Norilsk Concentrators are transported via slurry pipelines to the metallurgical facilities of the Norilsk site for further processing.

Zapolyarny Concentrator processes disseminated ores from Kola MMC deposits. The concentrator produces nickel sulphide concentrate, which is then sold via third parties and shipped to the Norilsk site. In 2024, the concentrator processed 7.0 mln t of ore, down 0.3 mln t y-o-y, due to a decline in open-pit mining of disseminated ore.

Mining and processing plant processes ores from the Bystrinskoye deposit into copper, iron ore, and gold concentrates. Its key processing stages include crushing, milling, flotation, thickening, filtration, and final product packaging. The concentrator has two processing lines. Copper and iron ore concentrates are sold via third parties, while gold concentrates are shipped to the Norilsk site for further processing. In the reporting year, Bystrinsky GOK processed 11.3 mln t of ore, an increase of 0.3 mln t y-o-y, as a result of efficiency initiatives.

Trans-Baikal Division' production volumes

Products	2020	2021	2022	2023	2024
Ore processing (mln t)	9.8	10.47	10.60	11.02	**11.3**
Copper (in copper concentrate, t)	62.7	67.8	67.2	69.0	**70.0**
Copper content in the concentrate (%)	24.7	22.9	23.0	23.0	**22.9**
Iron ore concentrate (kt)	2,047	2,582	2,545	2,892	**2,940**
Iron content in the concentrate (%)	64.2	63.7	64.7	65.1	**64.7**

Smelting

Downstream facilities

- Nadezhda Metallurgical Plant, Norilsk site
- Copper Plant, Norilsk site
- Copper Plant's metallurgical shop, Norilsk site
- Chemical and metallurgical shop, Kola site
- Refining shop, Kola site
- Nickel tankhouse, Kola site
- Refinery, Foreign site

Production chain

Norilsk site

Nadezhda Metallurgical Plant processes nickel concentrates from concentrators, nickel slag from Copper Plant, pressure-oxidised sulphide concentrate[1], secondary materials, and metal-bearing feedstock from the Kola site to produce converter matte, which is then shipped to the Kola site.

Copper Plant processes the entire volume of copper concentrates from Talnakh and Norilsk Concentrators, metal-bearing feed from the Kola site, copper cake from the Foreign site, and gravity concentrate from the Trans-Baikal Division to obtain copper cathodes, elemental sulphur, and sulphuric acid for the Company's operational needs. Copper Plant's metallurgical shop recycles sludge from the copper tankhouses of Copper Plant to produce precious metal concentrates and commercial selenium.

Kola site

The Kola site's refining facilities process converter matte from the Norilsk site[2]. Converter matte is fed into the converter matte separation section, where it undergoes crushing, milling, and flotation to produce copper and nickel concentrates.

A portion of the converter matte, after crushing, is directly shipped to the Foreign site for processing, while the remaining part is milled, subjected to precious metals recovery, and then also sent to the Foreign site.

A hydrometallurgical product of Nadezhda Metallurgical Plant, produced from metal-bearing material supplied by Talnakh Concentrator.

The resulting copper concentrate is sent to Copper Plant. The nickel concentrate stream is divided, with a portion undergoing magnetic separation and precious metals recovery before being sent to the Foreign site for further processing The remaining portion of the nickel concentrate is treated in the roasting and electric furnace sections to produce tube furnace nickel powder, anodes, and granulated nickel alloy. Anodes are processed using conventional electrorefining technology at the chemical and metallurgical shop to produce cathodes. Tube furnace nickel powder is further processed at the nickel tankhouse using a leaching and electrowinning technology to produce cathodes. Granulated nickel alloy is processed at the nickel carbonyl section to produce pellets and powder.

During the production of nickel cathodes at the chemical and metallurgical shop and the nickel tankhouse, semi-products with high precious metals content and primary cobalt cake are also obtained. Semi-products are further processed at the chemical and metallurgical shop to produce precious metal concentrates. Primary cobalt cake is processed at the cobalt section to produce commercial cobalt concentrate and cobalt cathodes.

Foreign site

The refinery uses a sulphuric acid leaching technology that enables high metal recovery rates – over 98%. It processes nickel feedstock supplied by the Kola site (matte and crushed, PGM-depleted converter matte) as well as feedstocks purchased from third parties (nickel salts). Once leached, copper cake is sent to the Norilsk site, while purified nickel solutions are sent for further processing to produce nickel cathodes, nickel briquettes, powder, salts, as well as salts and solutions of cobalt.

Precious metals produced by Nornickel are refined under tolling agreements by third-party companies.

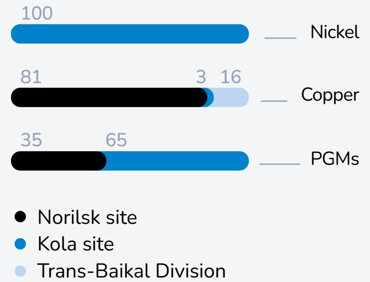
[1] A hydrometallurgical product of Nadezhda Metallurgical Plant, produced from metal-bearing material supplied by Talnakh Concentrator.
[2] The production and processing of own converter matte have been discontinued following the shutdown of the smelting shop in December 2020.

Metals recovery in smelting, %

Operations	2020	2021	2022	2023	2024
Nickel					
Norilsk site[1]	94.1	94.4	95.1	94.9	**95.2**
Kola site[2]	96.3	98.3	98.4	98.5	**98.3**
Foreign site [1]	98.2	98.1	97.8	98.3	**98.6**
Copper					
Norilsk site[1]	94.6	95.1	95.4	95.6	**95.7**
Kola site[2]	95.4	99.5	99.6	99.2	**99.2**
Foreign site [2]	99.8	99.8	99.8	99.8	**99.8**
PGMs					
Norilsk site[1]	96.4	96.5	96.6	96.7	**96.9**
Kola site[2]	92.9	92.9	97.8	98.1	**98.2**
Foreign site [2]	99.9	99.9	99.9	99.9	**99.9**

Products

Share of finished products in 2024, %



The Group's saleable products

Metal	2020	2021	2022	2023	2024
Nickel (kt)	235.7	193.0	219.0	208.6	**205.1**
including from own feed	232.5	189.9	218.7	208.2	**204.9**
Copper (kt)	487.2	406.8	433.0	425.4	**432.5**
Palladium (koz)	2,826	2,616	2,790	2,692	**2,762**
Platinum (koz)	693	641	651	664	**667**

[1] Feedstock to finished products.
[2] In refining, converter matte to finished products.

Distribution

The Company's products comply with national and international quality standards.

Despite geopolitical challenges and related logistical issues, the Company successfully met all its obligations to customers in 2024, having never failed to deliver on its commitments. This solid performance was to a large extent driven by Nornickel's long-standing policy and building direct relationships with market players.

In 2024, the Company's products were supplied to key metal-consuming countries.

Nornickel metals' applications

Nickel

Machine building, chemical and petrochemical industries, construction, and production of household appliances and cutlery.

Nickel is used in stainless steel production. Adding nickel as an alloying element to stabilise the austenitic structure enhances steel's corrosion resistance, high-temperature strength, weldability, ductility, and resistance to aggressive environments

Aerospace industry

Nickel-based heat-resistant alloys offer strong resistance to aggressive environments and are used in the production of aircraft engine components

EV batteries

Nickel is a key element used in the production of precursor cathode active materials for EV batteries. Nickel-intensive NCM and NCA batteries are considered the dominant technologies due to their higher gravimetric and volumetric energy density, which increases driving range. Nickel-based batteries are also more suitable for recycling and reuse than other types of battery systems

Renewable energy

Nickel alloys are used in wind, solar, and geothermal energy generation

PGMs

Hydrogen solutions

Platinum, palladium, iridium, and ruthenium are widely used in rapidly developing hydrogen technologies. Platinum group metals are used as catalysts in low-carbon hydrogen production as well as in hydrogen purification, transportation, and use as an energy source in fuel cells.

Automotive industry

Palladium, platinum, and rhodium are used as active materials in automotive exhaust gas catalysts to minimise the vehicles' environmental impact

Chemical and petrochemical industries

Palladium, platinum, and rhodium are used as catalysts in chemical and petrochemical processes, helping industry players achieve high operational efficiency

Jewellery

Palladium and platinum are used to make a wide range of jewellery that stands out not only for its beauty but also for its safety, durability, andhigh value

Electronics

Palladium is used in the production of capacitors, motherboards, and other electronic components, while platinum is primarily used in hard drives, and rhodium in coatings for connectors and contacts

Healthcare

PGMs are extensively used as catalysts in pharmaceutical synthesis. Palladium has also found wide application in dentistry, while platinum is used in medical devices such as pacemakers and as an active ingredient in anti-cancer medicines

Glass fibre and optical glass

In the glass industry, platinum and rhodium are used to manufacture bushings for making glass fibre and optical glass

Copper

Network infrastructure

Copper is used in power generation, transmission, and distribution as well as in all types of electrical wiring A strong push for transport electrification and transition to renewable energy will require a significant expansion of distribution networks

Construction and air conditioning and cooling systems

The construction sector uses copper in pipes and tubing, heating and cooling systems, and as a cladding material. Electrical and communication cables are also mostly made of copper

Renewable energy

Copper is widely used in the construction of wind, solar, and other types of renewable power plants

Electronics and home appliances

Copper is used in electronics and home appliances owing to its superior electrical and thermal conductivity

Automotive industry

The automotive industry uses copper in batteries, electric motors, inverters, wiring, and charging infrastructure. Transport electrification is expected to be a key driver of copper demand throughout the current decade

Sales and distribution strategy

As the world's largest producer of several metals, Nornickel views sales and distribution as a key pillar of its business, on par with production. The key objective of sales and distribution is to ensure current and future liquidity across the entire product range.

The Group sells its products globally both through its own sales offices in Europe, China, and Russia and via distributors in other regions.

Nornickel's products are registered on major global commodity exchanges. In particular, the Foreign site passed an audit in 2024 confirming compliance with the LME Responsible Sourcing requirements and maintained its LME brand registration.

Group products by site

Norilsk site:
- Copper cathodes;
- Copper concentrate;
- Commercial sulphur;
- Selenium;
- Precious metals.

Kola site:
- Nickel cathodes and carbonyl;
- Nickel sulphide concentrate;
- Nickel carbonate and sulfate;
- Nickel matte;
- Nickel salts;
- Copper matte;
- Cobalt cathodes, cobalt concentrate;
- Precious metals;
- Sulphuric acid.

Foreign site:
- Nickel salts, briquettes, cathodes, and powders;
- Copper cake;
- Cobalt sulphate, cobalt solutions.

Trans-Baikal Division:
- Iron ore concentrate;
- Copper concentrate.

The Company's market reach enables it to respond promptly to evolving demands in terms of product quality and services as well as to changes in the market environment and other external conditions affecting sales and distribution. Nornickel favours direct sales to industrial customers, while also engaging other professional market participants willing to partner with the Company to promote its products.

Nornickel has traditionally positioned itself as a responsible supplier committed to the sustainable development of end markets for its core products and not seeking to benefit from its market position to the detriment of other participants. Regardless of external conditions, consumers can rely on Nornickel for a stable supply and unrestricted access to consistent-quality products in volumes that meet market demand.

Nickel sales and distribution strategy

The Company's nickel product sales mix matches the global nickel consumption profile, where the key end-use segments include stainless and specialty steel production, alloy manufacturing, and electroplating. The battery sector is also growing in importance.

To capture the expected mid- and long-term growth in nickel demand from the battery sector, Nornickel continues to implement a number of initiatives to enhance and expand its existing product range supporting the battery supply chain. The significant increase in Indonesian nickel supply may become a limiting factor for the implementation of these initiatives. Nevertheless, the competitive advantages of Norilsk Nickel products, such as their low carbon footprint and full compliance with internationally recognised environmental standards, support the Company's continued presence in market segments that traditionally prioritise these qualities, particularly in sustainable electric vehicle production.

The sales and distribution strategy for nickel products is aimed at striking a healthy balance between supplies to stainless steel producers and deliveries to other industries, thereby ensuring the Group's stable sales performance amid shifting consumption trends in end-use markets.

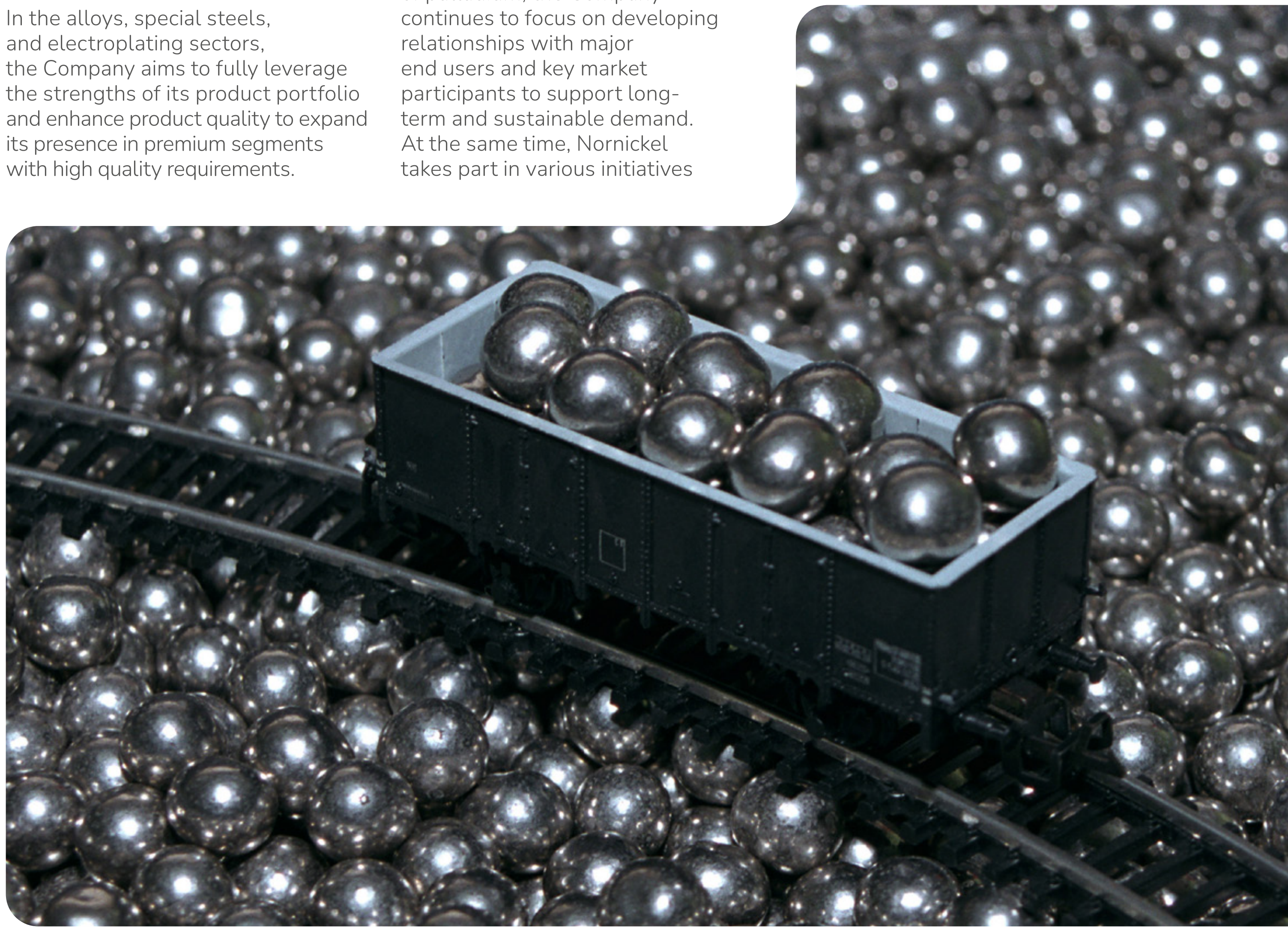
In recent years, the battery sector has been the fastest-growing end-use segment. The Company is strongly focused on building long-term relationships with key market participants and explores various forms of cooperation with consumers in the battery sector. Nornickel also conducts research in battery recycling and works on developing integrated solutions for the future battery supply chain.

In the alloys, special steels, and electroplating sectors, the Company aims to fully leverage the strengths of its product portfolio and enhance product quality to expand its presence in premium segments with high quality requirements.

PGM sales and distribution strategy

The automotive industry, the production of process catalysts, as well as the jewellery and medical products industries, have traditionally remained the key market segments for platinum group metal (PGM) products.

As the world's largest producer of palladium, the Company continues to focus on developing relationships with major end users and key market participants to support long-term and sustainable demand. At the same time, Nornickel takes part in various initiatives aimed at further promoting the use of palladium in various future industrial applications. Among other initiatives, Nornickel is actively developing palladium-based solutions for emerging technologies, including hydrogen energy, advanced chemistry, solar power, and other areas that have the potential to expand the metal's applications going forward.



Product quality

In 2024, Nornickel once again reaffirmed its reputation as a reliable supplier of high-quality products. The Company places top priority on delivering high-quality products and related services to maximise customer satisfaction. The Company's products comply with national and international quality standards. Nornickel's production sites have established procedures during both the manufacturing process and final product release to manage non-conforming products and prevent their delivery to customers. The handling of such products, responses to customer complaints, and corrective actions are carried out in accordance with documented procedures compliant with ISO 9001:2015. With regard to product acceptance by consumers, the Company follows the instruction on the procedure for acceptance of products by quantity and quality, as well as the product supply contract.

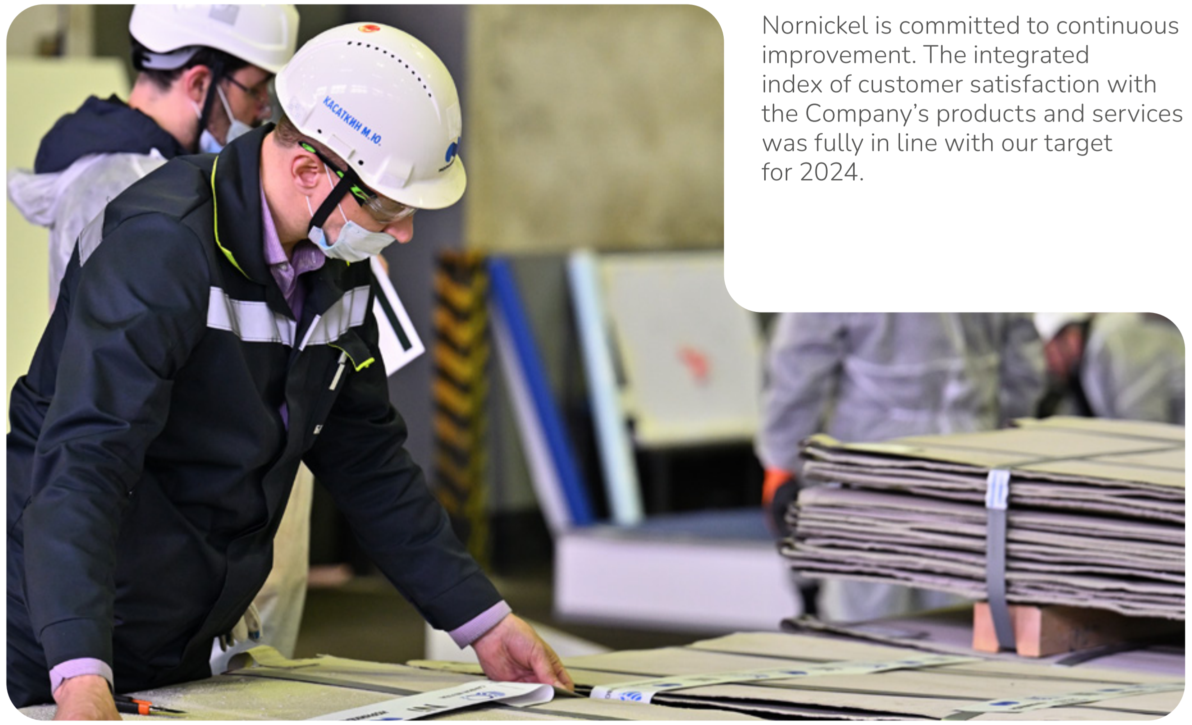
All of the Company's products are certified, with safety certificates issued that set out product-specific requirements for transportation and handling.

The Company successfully maintains certification to international standards such as ISO 9001 (quality management), ISO 45001 (occupational health and safety management), ISO 14001 (environmental management), and ISO/IEC 27001 (information security management).

Customer complaints and queries (NUMBER OF CASES)

Indicators	2020	2021	2022	2023	2024
Total customer complaints and queries regarding product quality	22	18	16	27	30
Of which were substantiated	7	10	3	13	6

In line with the principles of transparency and openness in disclosing product quality information to consumers and other stakeholders, up-to-date data on the physical and chemical properties of the Company's products is available in the Products section of the Company's website.



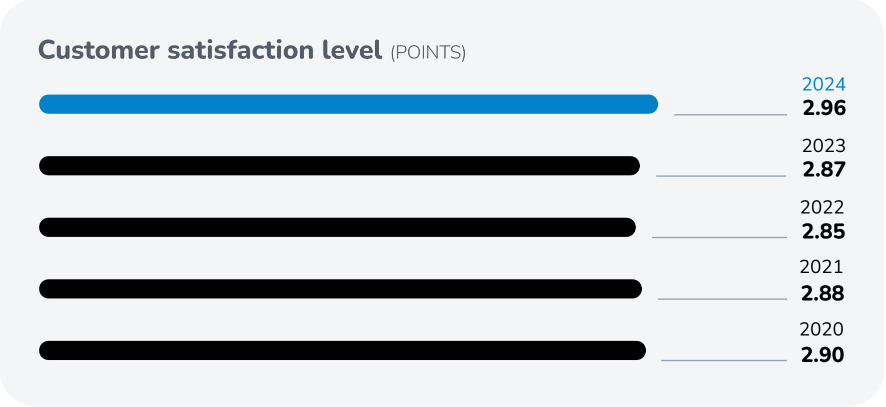
Customer satisfaction

Every year, the Company conducts a customer satisfaction survey in line with ISO 9001 to collect feedback from its customers. The feedback received is reviewed and incorporated into initiatives to improve product and service quality.

Nornickel is committed to continuous improvement. The integrated index of customer satisfaction with the Company's products and services was fully in line with our target for 2024.

Customer satisfaction is measured and assessed using a numerical satisfaction score. The evaluation is based on criteria that reflect the quality attributes of the Company's products and services. Each criterion is evaluated using the following scale: 3 points — the customer is fully satisfied; 2 points — the customer is partially satisfied; 1 point — the customer is not satisfied with the quality of the Company's products and services.

During the reporting period, Nornickel retained most of its customer base and established new partnerships in new markets, promptly adding new clients to its portfolio.



Consumer personal data protection

Personal data protection at Nornickel is governed by the Personal Data Processing and Security Methodology and the Personal Data Processing Policy, both developed in line with legal requirements. Documents provided by consumers and containing personal data, among other information, are stored in the information system in compliance with relevant data protection regulations. In 2024, there were no data-related incidents involving consumers' personal data.

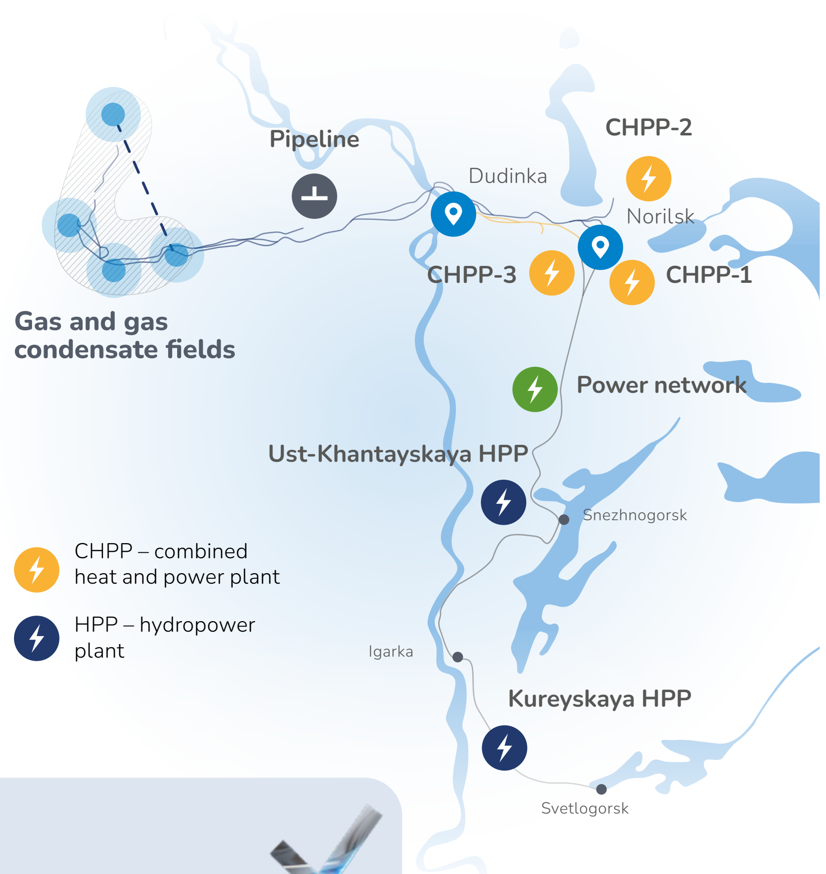
Energy assets

Nornickel operates its own fuel and energy assets, which include four natural gas fields, three combined heat and power (CHP) plants, two hydropower plants, as well as gas pipelines, power lines, and gas-fired boiler houses. The Group's energy assets supply approximately 56% of the Group's total energy needs, with electricity accounting for 50% of that volume.

The Company's fuel and energy assets are managed by the Energy Division and include the following facilities.

A gas and condensate production enterprise operating in the Krasnoyarsk Territory and the Yamal-Nenets Autonomous District. Its core activities include the extraction and processing of natural gas and gas condensate as well as the sale of hydrocarbon feedstocks to consumers.

Energy infrastructure



Natural gas production
2,650 MCM

Gas condensate production
102 KT

Share of renewable electricity across the Group
54.4%

Production volume[1]

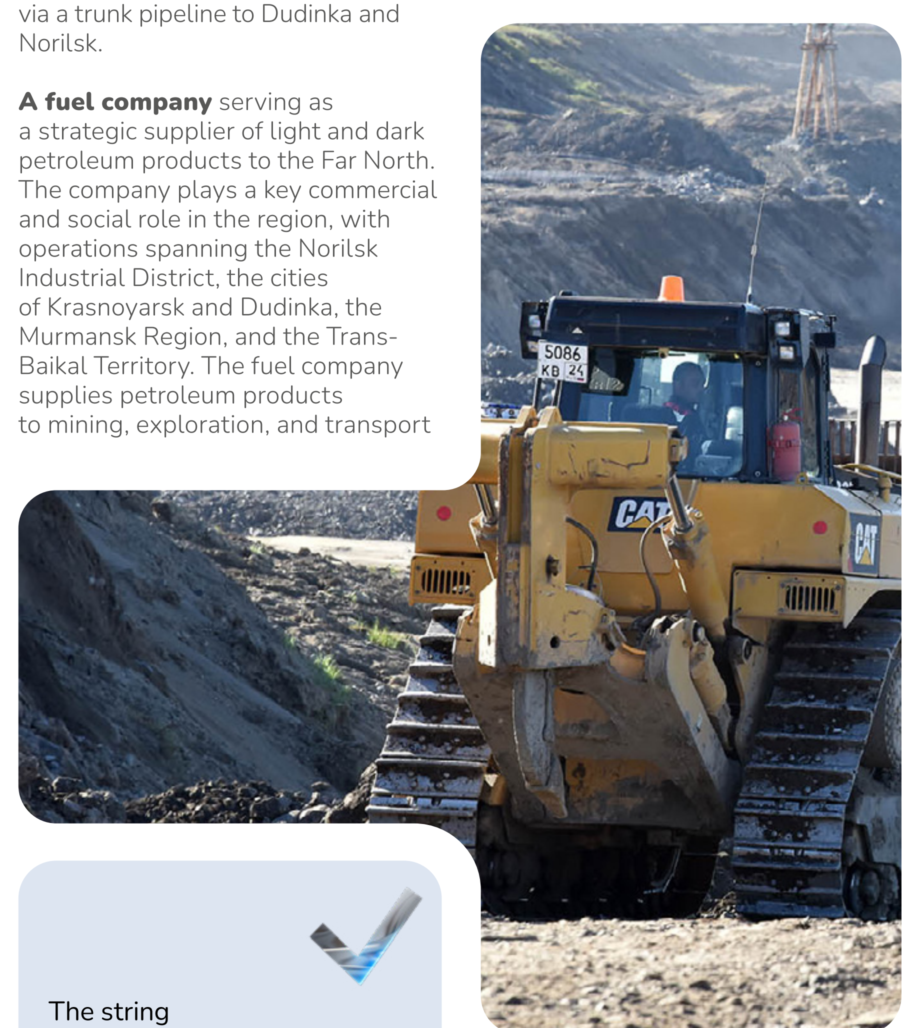
Indicators	2020	2021	2022	2023	2024
Natural gas (mcm)	2,728	2,927	2,816	2,720	**2,650**
Gas condensate (kt)	98	102	91	85	**102**

Existing deposits:

- Messoyakhskoye gas field — under development since 1969
- Yuzhno-Soleninskoye gas condensate field — under development since 1972
- Severo-Soleninskoye gas condensate field — under development since 1983
- Pelyatkinskoye gas condensate field — under development since 2003

An enterprise engaged in the transportation of natural gas and gas condensate, delivering feedstocks from the fields to consumers in the Norilsk Industrial District. The district's gas supply system is a regional-level network and is not connected to the Unified Gas Supply System of Russia. Natural gas is transported from the fields via a trunk pipeline to Dudinka and Norilsk.

A fuel company serving as a strategic supplier of light and dark petroleum products to the Far North. The company plays a key commercial and social role in the region, with operations spanning the Norilsk Industrial District, the cities of Krasnoyarsk and Dudinka, the Murmansk Region, and the Trans-Baikal Territory. The fuel company supplies petroleum products to mining, exploration, and transport companies as well as municipal enterprises. Its key consumers are Norilsk Nickel Group enterprises.



Gas reserves
242.7 BCM

Gas condensate reserves
4,424 KT

The string length of gas and condensate pipelines
1,653 KM

[1] Gas condensate production figures include production losses (carryover with separation gas).

A fuel and energy company engaged in the generation and supply of electricity and heat to consumers in the Far North. Electricity and heat generation relies on a mix of renewable energy sources (hydropower) and non-renewable sources (natural gas).

The asset comprises the following facilities:
- three gas-fired thermal power plants with a total installed capacity of 1,154 MW;
- two hydropower plants with a total installed capacity of 1,102 MW;
- nine boiler houses;
- three electric boiler houses;
- six fossil fuel-fired boiler houses.

Company energy system highlights:
- total installed capacity: 2,256 mw
- total chpp heat capacity: 4,129 gcal/h
- total boiler capacity: 511 gcal/h

The Company supplies electricity, heat, and water to residents of Norilsk, Dudinka, Svetlogorsk, and Snezhnogorsk, as well as to Nornickel enterprises, which account for about 73% of the energy produced.

The Company's main source of renewable energy is hydropower, generated at the Ust-Khantayskaya and Kureyskaya HPPs.

The Ust-Khantayskaya HPP is the world's northernmost hydropower plant, with a capacity of 502 MW. It was built on permafrost and is located on the Khantayka River, a right-bank tributary of the Yenisei.

Surface area of the Khantayka Reservoir
2,230 SQ KM

Total volume of the Khantayka reservoir
14.03 CU KM

Active (usable) volume of the Khantayka Reservoir
22.55 CU KM

Surface area of the Kureyka Reservoir
558 SQ KM

Active (usable) volume of the Kureyka Reservoir
7.3 CU KM

Total volume of the Kureyka reservoir
10.0 CU KM

The Kureyskaya HPP is located in the north of the Krasnoyarsk Territory, on the Kureyka River, with an installed capacity of 600 MW.

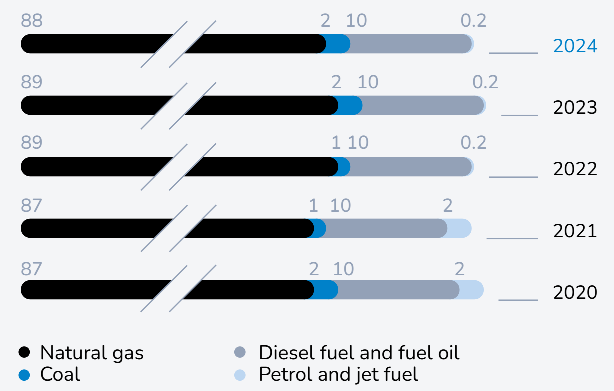
In 2024, the share of renewables in total electricity generation stood at 54% for the Group and 58% for the Norilsk Industrial District. Renewable energy accounted for 12% of the Group's total energy consumption.

Energy sold to external consumers accounts for 31% of Nornickel's total self-generation.

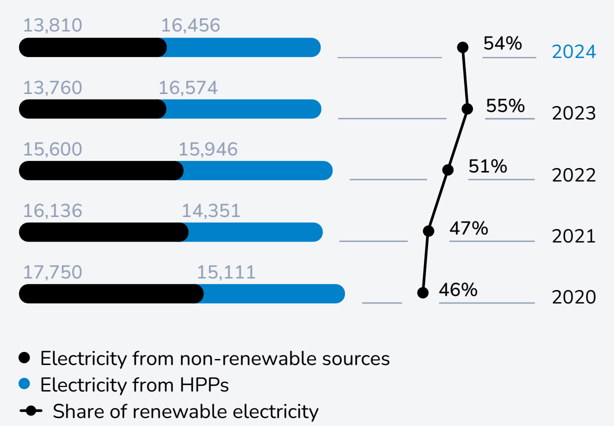
Energy consumption by the Group[1] (TJ)

Indicators	2020	2021	2022	2023	2024
1. Fuel consumption, including:[2]	141,237	151,235	141,909	137,150	**133,746**
• natural gas	122,216	130,867	125,934	121,643	**117,940**
• diesel fuel and fuel oil	13,939	15,097	13,628	13,080	**13,471**
• petrol and jet fuel	2,902	3,715	325	312	**297**
• anthracite coal	2,180	1,557	2,027	1,562	**1,765**
• lignite	0	0	0	552	**273**
2. Electricity and heat from renewable sources (HPPs)	15,310	14,586	16,152	16,800	**16,686**
3. Electricity and heat purchased from third parties	11,200	10,891	11,005	8,701	**8,660**
4. Sales of electricity and heat to third parties	17,254	19,974	18,968	19,216	**18,838**
Total energy consumption (1+2+3–4)	**150,493**	**156,738**	**150,098**	**143,435**	**140,254**
Share of renewable energy consumption	10%	9%	11%	12%	**12%**
Share of renewable electricity consumption	46%	47%	51%	55%	**54%**

Fuel consumption by the Group (%)



Electricity consumption by the Group (TJ)



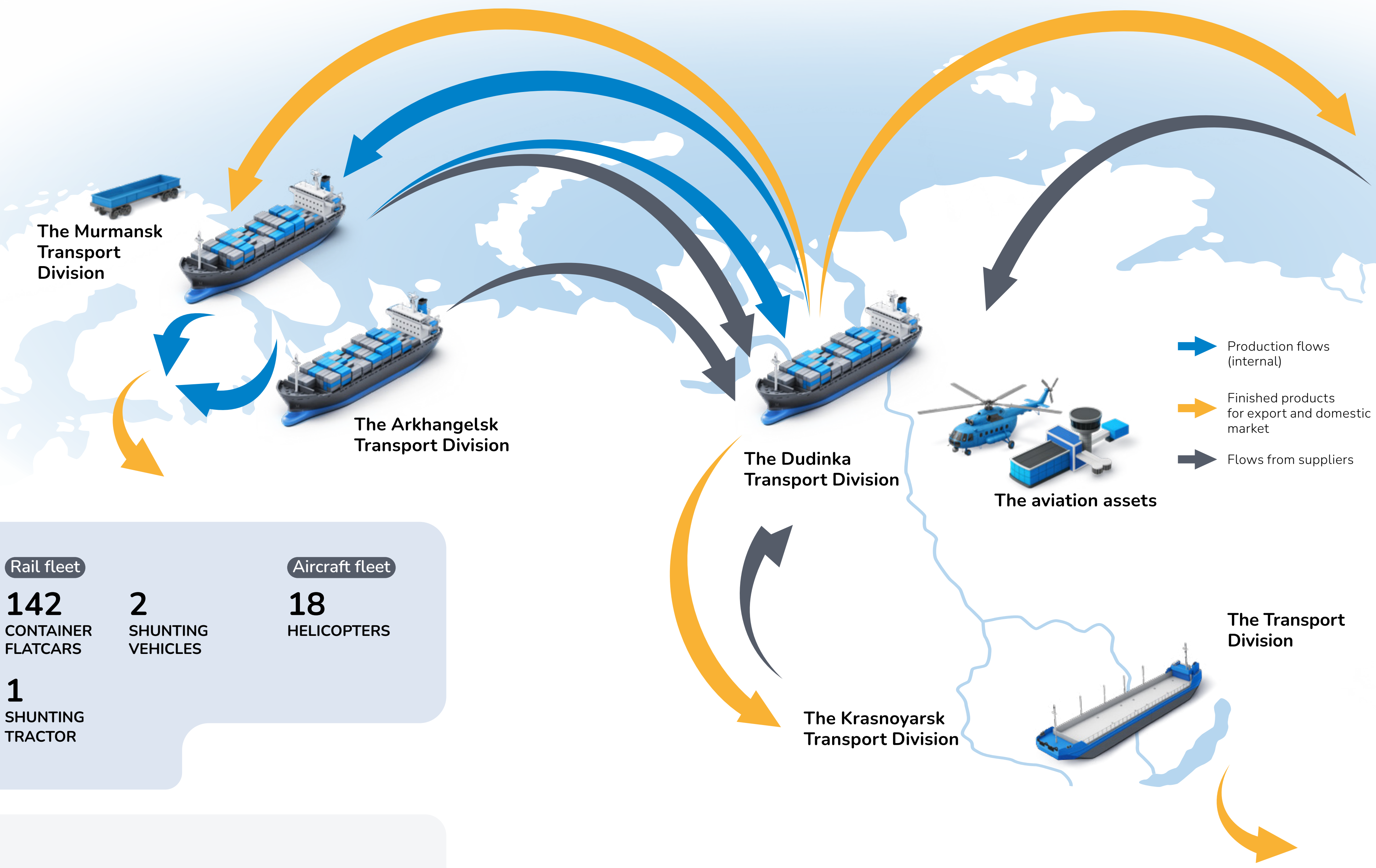
The Company's investment programme includes a number of projects to boost the share of hydropower, capture fuel and energy savings, and improve the reliability of energy and gas supplies.

The Company's key projects to improve equipment reliability and energy efficiency and to boost output include:
- replacement of power unit equipment for units no. 1 and 2 at chpp-2: pre-commissioning activities are underway; three tanks have been put into operation at the plant
- ongoing retrofit of the dams at the kureyskaya hpp
- ongoing replacement of storage tanks and associated infrastructure at tank farms
- completion of drilling of three wells at a well pad within the pelyatkinskoye gas condensate field; tie-in works are in progress
- completion of construction and installation works; pre-commissioning activities including operating mode testing of a booster compressor station at the severo-soleninskoye gas condensate field
- ongoing retrofit of the gas transportation system from the fields to the norilsk industrial district
- commissioning of a gas filling station in the norilsk industrial district

[1] For a detailed breakdown of the Group's energy consumption by enterprise, see Nornickel's Sustainability Report 2024.
[2] Including fuel consumed for energy generation to meet the needs of Norilsk.

Transport and logistics assets

Nornickel owns an advanced transport infrastructure capable of handling most challenging freight logistics tasks and ensuring sustainable operations of Group enterprises. Nornickel's transport and logistics assets cover the full range of key transport and freight-forwarding services.



Asset summary:

Sea fleet

6 VESSELS
heavy ice-class

1 ICEBREAKER
sea-class

River fleet

619 VESSELS
(186 self-propelled and 433 towed vessels), including the active core fleet of 381 vessels

Rail fleet

142 CONTAINER FLATCARS

2 SHUNTING VEHICLES

1 SHUNTING TRACTOR

Aircraft fleet

18 HELICOPTERS

The Murmansk Transport Division

is based in the year-round ice-free sea port of Murmansk.

The Arkhangelsk Transport Division

is responsible for smooth year-round transshipment services for Nornickel's cargoes via the Arkhangelsk sea port, which is conveniently linked to other Russian and foreign regions by road, air, and rail.

The Dudinka Transport Division

includes the Dudinka port and a fleet of port service vessels handling cargo transshipment for the production needs and residents of the Taimyr Peninsula.

The aviation asset

supports the corporate and social activities in the local communities of the Taimyr Peninsula.

Norilsk Airport

is the only transport infrastructure facility that provides year-round connections between the Norilsk Industrial District and other Russian regions.

The Transport Division

arranges transportation of the Trans-Baikal Division's products by rail from Gazimursky Zavod to Borzya.

The Krasnoyarsk Transport Division

is responsible for the transportation and forwarding of Nornickel's cargoes and for the carriage of precious metal concentrates.

A standalone asset

coordinates the operations of the Krasnoyarsk and Lesosibirsk ports and Yenisei River Shipping Company, which provide a strictly seasonal service due to the Yenisei River freezing over in winter. When ice flows pass, the ports are used to transship Nornickel's cargoes to Dudinka, including crushed stone, clinker, equipment, materials, and socially significant cargoes (as part of the Northern Deliveries programme).

A standalone asset

carries the bulk of Nornickel's and third-party cargoes shipped on the Yenisei River. It owns over 600 river vessels, including self-propelled and towed ones. The fleet operates in the Yenisei, Angara, Nizhnyaya Tunguska, and Podkamennaya Tunguska Rivers and their largest tributaries.

The river port in Krasnoyarsk

is one of the largest ports in the Yenisei basin. It transships cargoes delivered by road, rail, and water and provides ancillary services. The port has three operating areas — Yenisei, Zlobino, and Peschanka.

The river port in Lesosibirsk

is located 40 km downstream of the point of confluence of the Angara and Yenisei Rivers and downstream of the hard-to-navigate rapids. This secures the delivery o Nornickel's cargoes at times of low water on the Yenisei River and the use of ships loaded to maximum capacity. The port's unique benefits:

- the only dedicated river port on the yenisei river capable of handling explosives with a storage option
- offers year-round service (rail-to-road and road-to-rail cargo transshipment services in between navigation periods)
- a railway to achinsk links lesosibirsk to the trans-siberian railway

Nornickel has a unique Arctic fleet capable of breaking through Arctic ice up to 1.5 m thick without icebreaker support, which enables the Company to provide year-round dry and liquid cargo shipping services between sea ports.

In 2024, Nornickel also shipped liquid cargoes, including by the Company-owned tanker, Yenisei. The transport services involved export of gas condensate from the Pelyatkinskoye field, delivery of petroleum products to the Norilsk Industrial District, and commercial trips to other destinations.

In addition to sea transportation with its own fleet of Arc7 heavy ice-class vessels, the Company engages a fleet of lower ice-class Arc4/Arc5 vessels to transport additional cargoes for major investment projects in Taimyr. These sea vessels require icebreaker escort in the Yenisei River, the Yenisei Bay, and the Kara Sea between November and May on an ongoing basis, with three icebreakers providing this support.

Nornickel signed a long-term contract with ROSATOM (valid until 2041 and renewable until 2051) to engage a nuclear-powered Project 22220 icebreaker with a shaft power of about 60 MW to make sure the Company's strategic needs for icebreaker support are fully covered.

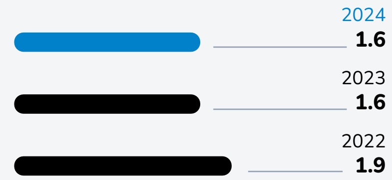
The Dudinka port and the **fleet of port service vessels** are located on the Taimyr Peninsula. The Dudinka port is Taimyr's main cargo gateway with no reasonable alternative. In addition, it is the world's only port that gets flooded every year during the spring thaw. From November to May, the port's water area and the Yenisei River freeze over. At this period, the Dudinka port handles only sea vessels using icebreakers to de-ice the berths and provide support during manoeuvring and mooring operations. In May, during the flooding, the service is suspended. In June, after the ice breakup, water level drop, and restoration of the berths, vessel operations resume at both sea and river berths. The port transships cargoes for businesses and residents of the Taimyr Peninsula. In summer, river vessels deliver equipment and materials (sand, round timber, clinker, process materials, etc.) for production needs from Krasnoyarsk and Lesosibirsk. All year round, except for a short period of ice drifting on the Yenisei River, converter matte and metal products are shipped from Dudinka by sea.

To reduce its environmental footprint, the Company implements programmes aimed at reducing fuel consumption and preventing contamination of the Dudinka and Yenisei Rivers and finances the release of fry.

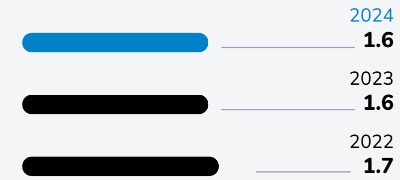
Nornickel's own **terminal** in Murmansk ensures year-round transshipment of the Company's finished metal products for export, acceptance of converter matte from Dudinka and its shipment by rail to the Kola site, and shipment of industrial semi-products to Dudinka as well as of cargoes to meet the needs of the Norilsk region. Along with sea transportation, the Company's Murmansk-based operations include transport and freight-forwarding services, cargo transshipment and storage as well as railway services between Murmansk and Monchegorsk.

Thanks to its own airline and the airport in Norilsk, the Company provides air transportation services to local communities across the Taimyr Peninsula. The air carrier operates a fleet of eighteen Mi-8 helicopters providing air services related to the operations of the Norilsk Nickel Group, emergency medical flights, search and rescue operations, and passenger services.

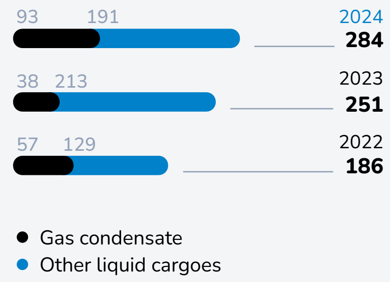
Dry cargo transportation by fleet, (MLN T)[1]



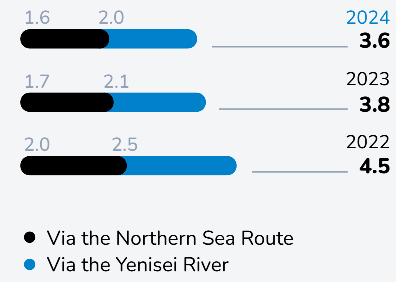
Cargo traffic at the Murmansk terminal, MLN T

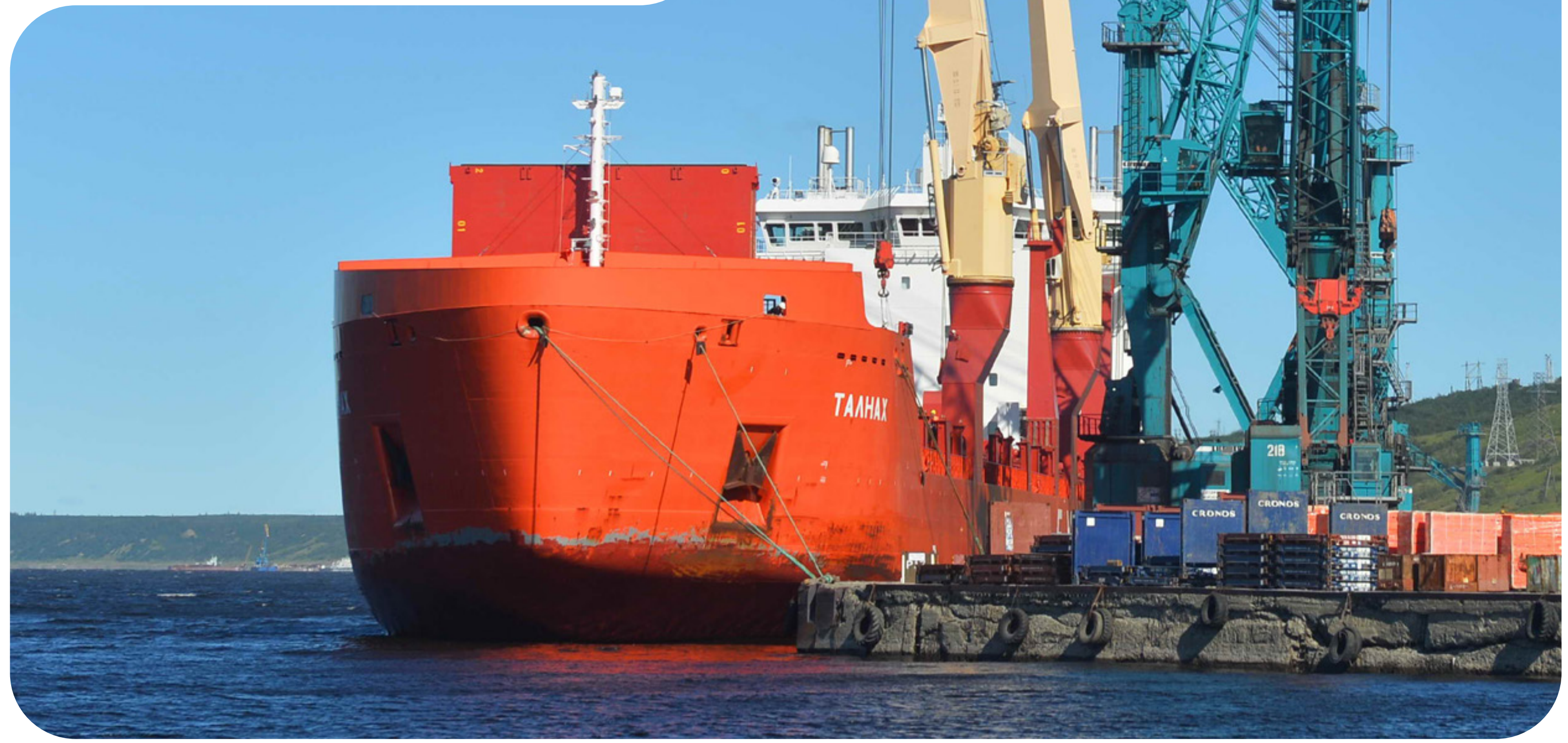


Liquid cargo shipments, (KT)[1]



Cargo traffic at the Dudinka port, MLN T





[1] Includes a third-party fleet.

Innovation and IT

Contribution to the UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Deployment of innovative tools is a critical lever to improve Nornickel's business processes and workplace safety. Nornickel is continuously working to ensure technological sovereignty and developing IT initiatives to support its key business segments.

In 2024, the Company updated its innovation and R&D strategy. Its key strategic priorities include reliability and availability, agility and achieving technological sovereignty.

Strategic goals:

- accelerate decision making
- attract the necessary capabilities
- ensure it landscape stability during transformation

Key focus areas in innovation

- Digitization of the Manufacturing Chain
- Improving Production Technology
- High-Tech Products
- Ecology and Industrial Safety

9.9
BILLION RUB.
was allocated for the implementation of projects in IT, innovation, and digitalisation in 2024.

Nornickel relies on innovative technologies, including artificial intelligence (AI) and machine learning (ML), at all stages of its production process — from exploration to smelting — to streamline processes and make its operations safer for people and the environment.

The Company's goal is not only about research, development, and deployment of promising technologies but also about building the Company's own R&D capabilities, shaping internal policies, and fostering a culture of high-tech developments.

The primary contractor for scientific and technical projects for the Company is a dedicated research institute. It is one of Russia's largest research and engineering centres for mining, concentration, metallurgy, and processing of minerals, with a comprehensive portfolio encompassing the development and production of scientific and technical products. In 2024, the institute secured international patent protection for its proprietary roast-leach-electrowin technology in Canada, Finland, Sweden, and Spain.

Ecology and industrial safety

Minimising environmental impact	Reducing emissions SO_2	Improving industrial safety
To mitigate negative impacts of operations on the environment (water, land, and other resources)	To improve air quality in order to protect the environment and public health from the harmful impact of air pollutants	To reduce injuries and fatalities and prevent hazardous situations

Emissions monitoring

In the reporting year, the development of the core platform for the Axioma predictive emission monitoring system (PEMS) base platform was successfully completed. Developed internally by Nornickel, this innovation offers an alternative to complex and costly automated control systems that rely on sensors and gas analysers.

The core purpose of the technology is to use AI to analyse pollutant emissions from operations by creating a digital twin that continuously pulls data on the status of the production process. The Axioma system can predict emissions based on the current operational load. To achieve this, data from weather stations are used. Predictive modelling of plume trajectory and dispersion enables specialists to adjust process parameters and prevent the spread of harmful substances into urban areas. This solution also supports forecasting the volume and composition of emitted substances as well as tracking relevant environmental indicators as levels of equipment utilisation change. The impact of emission reductions on meeting production targets for finished products is also monitored.

In late 2024, the system was successfully tested at Nadezhda Metallurgical Plant. Experts evaluated the consistency of results from mathematical modelling, accredited laboratory sample analyses, and instrumental readings from certified gas analysis equipment. The tests were conducted in accordance with metrological standards, with a representative of the Mendeleev All-Russian Institute for Metrology (VNIIM) in attendance.

Axioma stands out as a strategically important and high-priority project in Nornickel's portfolio. The Axioma system has attracted significant interest from other leading Russian companies after being showcased at numerous exhibitions and forums.

Project awards:

- Diploma from the BRICS Solutions Awards in the Climate and Environmental Technologies category
- Award for the Best Project Implemented in the Russian Arctic Zone at the 5th Reliable Partner — Ecology national competition of the best local environmental protection practices

Rock mineralisation

In the course of mining, rock is extracted from under the ground and sent to concentrators, where grinding takes place and valuable components are separated from gangue. Gangue is a byproduct of the concentration process (tailings). After that, tailings undergo special treatment and are sent to tailing dumps, where they are distributed across their surface. During prolonged exposure to air, minerals contained in tailings react with carbon dioxide to form stable secondary carbonates, which remain in the tailing dumps. Thus, conditions are created for carbon dioxide capture, or natural mineralisation.

The Company enables conditions under which tailings can capture between 4.5 and 17.9 kg of CO_2 per tonne through natural chemical processes, depending on the mineral composition of the gangue. Analysis of natural mineralisation data from the past four years indicates an annual CO_2 removal rate of approximately 350 kt. The Company developed a methodology for estimating and accounting for the CO_2 absorption capacity of tailings. This capacity was independently audited and verified, and is now factored into greenhouse gas emissions and removals calculations.

Video analytics

To maintain a safety culture at its operations, Nornickel actively adopts solutions that use AI-enabled video analytics. The Company operates a proprietary solution to monitor the use of personal protective equipment (PPE) by operational staff. The AI-enabled solution continuously monitors workwear usage on the shop floor, including safety helmets with chin straps buckled up, safety goggles, and other protective equipment. Specialists also train the system to monitor and record the use of a safety harness when working at height. If an employee violates the rules for using personal protective equipment, the system will generate a violation card and send it to the line manager, who will review each case and make a decision. The card is then submitted to a coordinator from the Health and Safety Department for final review.

In 2024, the system's incident detection capabilities were expanded to include additional safety hazards: working at height, entering hazardous areas around active equipment, and the unauthorised transport of people using machinery not intended for that purpose.

Nornickel's engineering team also developed a mobile computer vision system for monitoring compliance with industrial safety regulations and supporting various work processes in areas where fixed surveillance cameras and communications channels are unavailable. Pilot tests are scheduled for 2025.

Personnel positioning system at mines

In 2024, the implementation of a precise personnel positioning system was completed at Norilsk site mines. The project is aimed at enhancing the safety of employees working in the hazardous operational environment of the mine. A collision avoidance system was implemented to alert the operator of potentially hazardous proximity to pedestrians and other vehicles. Subsequent functionality development included the design and implementation of an automatic braking and stopping system for self-propelled vehicles, enabling the vehicle to decelerate or stop autonomously upon detecting a pedestrian in close proximity.

The system enables emergency notification of personnel, helps determine their location, and reduces response time for rescue services during emergencies. The solution includes features such as immobility detection, alerts for hazardous proximity to vehicles, access control for hazardous areas, and other options aimed at improving industrial safety.

Further project development is planned for 2025, including the creation of functionality for managing safe routes for personnel movement and a mobile solution for mining supervisors, designed to improve the speed of production process management without involving the mining dispatcher.

Transport planning and management system

The SPRUT system is being implemented to automate transport management processes. It operates as a single, centralised solution for managing transport operations in industrial settings. The system collects data from onboard equipment and uses this information to optimise traffic flow management. In addition, SPRUT automates transport-related document workflows and serves as a platform for communication between clients, internal contractors, carriers, and supervisory authorities. At the initial stage, the SPRUT system is designed to manage and monitor road transport operations. Further development will extend its capabilities to cover the planning and tracking of rail and water transport. Looking ahead, the solution will support the development of multimodal supply chains.

Benefits of the SPRUT system:

- enhanced driver safety and reduced road accident rates
- lower risk of violations and property damage during transport service delivery
- calculation across various types of driver remuneration based on actual work performed

In 2024, the development of the system's core modules was completed, functional testing was carried out, and compliance with customer requirements was confirmed. The SPRUT system is scheduled for commercial deployment in December 2025.

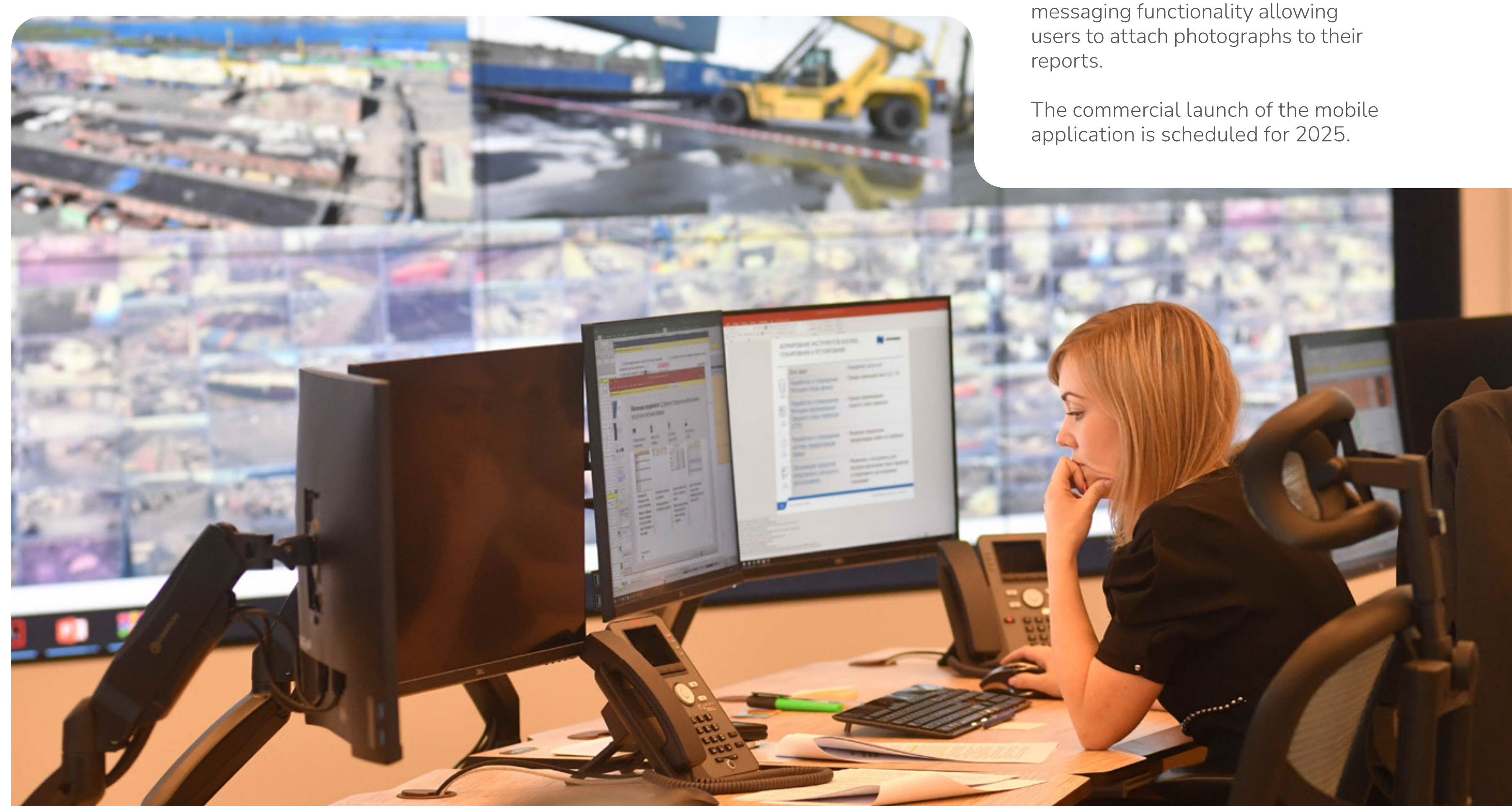
Project awards: the SPRUT system received the 13th ComNews Award for the Best Solution for Transport Service Planning and Transport Management.

NoRiskNN app

The NoRiskNN mobile application was developed to provide an alternative channel for communicating health and safety (H&S) concerns at the Company's operational sites. It enables employees to enter information about identified issues directly into the mobile app, allowing any staff member to report risks or potential incidents. Submitted reports are then escalated to coordinators and responsible personnel for resolution. The application streamlines the risk identification process and reduces response times.

Analysis of feedback received during the pilot deployment of the NoRiskNN application highlighted several key suggestions for system enhancement: the introduction of push notifications, the development of a competitive rating system to incentivise risk identification, and improved messaging functionality allowing users to attach photographs to their reports.

The commercial launch of the mobile application is scheduled for 2025.



Enhancing production technology

Improving equipment productivity	Improving product quality	Reducing production losses
To improve the quality of finished products	To improve product competitiveness and expand into new market segments	To increase metal output, including through the recycling of post-production waste

Geological data analysis

The Company continues a major project to develop and deploy an automated mining and geological data processing and analysis system. The project aims to develop a single digital platform that enables end-to-end automation of key business processes in mining operations, including exploration, drilling, sampling, core management, rock quality control, mine planning, design, and mineral extraction activities, ground support, geological and surveying calculations, and reserve tracking. The MinePRO system by Russian developer OT-OIL was selected for the project and is currently being adapted to meet Nornickel's specifications.

In 2024, functionality was implemented to enable the recording of mine planning and design data and the management of mine surveying calculations.

Plans are in place to introduce functionality for automating the planning and execution of geological exploration activities, geological modelling and calculations, and mineral reserve tracking.

MinePRO will secure the quality, availability, and accuracy of production data across all levels of the Company, enabling timely and effective management decision making.

Modelling underground blasting

In 2023, the Company launched a project to model underground drilling, aimed at reducing rock dilution with waste rock and concrete during drilling and cleaning as well as cutting drilling and blasting costs.

Using modern software to model upcoming drilling and blasting operations — while accounting for the patterns and interrelationships of rock mass strength properties — enables highly accurate predictions of blasting outcomes and rock fragmentation quality. Blast simulation using numerical methods enables the effective optimisation of target drilling and blasting patterns. It also allows for the simulation and subsequent refinement of blasting performance under actual mining conditions.

In 2024, the initial software adaptation for the main rock types present at the Komsomolsky Mine was completed. Empirical data from test stopes were collected to support the fine-tuning of simulation coefficients.

The software's simulation coefficients are expected to be finalised by the end of the first quarter 2025. This will be followed by on-site pilot tests at the mine, including simulated cleanup drilling projects and controlled blasting trials, to validate the project's target metrics and support scaling decisions.

Optimising refining processes

In 2024, a project was launched at the refining shop of the Kola site aimed at reducing secondary metal content in concentrates. The project includes automated control of reagent consumption, pulp levels within the flotation sections, and irrigation water supply. As a result, secondary metal content has been reduced by more than 10%.

To date, a flotation control model has been developed, a data-lake–based solution has been deployed and tested, and a server has been installed and configured within the refining shop. Completion of the pilot phase is expected in the first half of 2025, followed by the transition to commercial operation in the latter half of the year.

In 2024, Nornickel implemented a new precious metal recovery process for converter matte at the Kola site's refining shop. The new system minimises precious metal losses, thereby enhancing overall production efficiency.

The process for recovering precious metals from crushed converter matte was integrated into the magnetic separation stage of the converter matte separation section. It facilitates the extraction of precious metals from intermediate products during nickel production.

Precious metal recovery from nickel concentrate had previously taken place at this site. With the introduction of a new flow distribution system, it is now also possible to recover precious metals from crushed converter matte.

The engineering solution behind the system was implemented by leveraging the section's existing capacity. The process is as follows: the converter matte undergoes pre-treatment — milled in one of the workshop's ball mills — and is then fed as a pulp to magnetic separation. At this stage, the material is separated: the magnetic fraction, containing precious metals, is directed to the flotation section, while the non-magnetic fraction, comprising depleted matte, is filtered and packaged into containers for subsequent shipment.

Previously transferred to partners for further processing, the precious metals contained in the converter matte are now retained within the production chain. This enables more effective delivery of the production programme.

Optimising concentration processes

The Company continued its research on ionometric mapping and optimisation of pulp ionic content during the flotation of copper-nickel ores at its concentrators. Research showed that ion-selective electrodes can effectively control the consumption of specific reagents, resulting in improved concentrate quality, increased metal recovery into concentrate, and reduced reagent consumption. The laboratory testing phase was completed in 2024. Pilot tests are scheduled for 2025, after which the project to integrate ion-selective electrodes for monitoring and controlling concentrator processes may move into the implementation phase. The initiative is expected to improve the recovery of nickel, copper, and PGMs.

At Norilsk Concentrator, ongoing research and development is focused on optimizing PGM recovery through gravity separation methods. A process survey at the concentrator resulted in recommendations identifying potential areas for improvement. The second phase of the research will involve comprehensive laboratory testing to validate these recommendations ahead of pilot trials scheduled for 2025.

Increasing copper recovery in the Trans-Baikal Division

Initiated in 2023, the project aims to improve copper recovery while maintaining the quality of copper-gold concentrate.

An optimisation-based control algorithm for flotation was successfully developed at Bystrinsky GOK, covering all stages of the process. Automated control was implemented for air flow, pulp levels in flotation cells, and the dosing of specific reagents. To enhance the quality of input data, a computer vision algorithm was also developed to supply the system with the information required for effective process control.

In 2024, the solution was transitioned to continuous operation.

Throughout 2025, a comprehensive analysis will be carried out to evaluate the algorithm's stability and determine the project's economic potential. Efforts are currently underway to transition the solution to commercial operation.

High-tech products

Palladium Centre

The Centre's portfolio currently comprises over 25 new palladium-based products across three distinct application areas — greentech, high-tech materials, and traditional uses — each at a different stage of development.

In 2024, extensive pilot- and industrial-scale testing was conducted to evaluate new materials for hydrogen energy systems, including catalysts for electrolysers, membranes for ultra-pure hydrogen production, and fuel cell catalysts. The first commercial deliveries of these materials are expected in 2025. In the reporting year, industrial tests were successfully completed, and the first commercial batch of new palladium-based anodes for water disinfection via electrolysis was produced. Furthermore, industrial testing of glass fibre bushings with palladium-based current leads was successfully completed. Product refinement is planned for 2025, with the integration of palladium into the alloy composition.

Also in 2025, the Company intends to complete fundamental research in the area of electric transport, aimed at integrating new palladium catalysts into lithium-sulphur batteries to extend their lifespan and increase power output. Preliminary estimates suggest that replacing lithium-ion batteries with lithium-sulphur batteries incorporating palladium catalysts could multiply the driving range of electric vehicles several times over.

In the long term, the Company aims to bring over 100 new palladium-based materials to market, which, according to internal estimates, could generate at least 40 to 50 tonnes of new palladium demand by 2030.

Battery materials

In September 2024, Nornickel announced the establishment of its Battery Technology Centre in Saint Petersburg. The project is aimed at advancing the Company's technological capabilities in the promising field of nickel-containing cathode active materials — a key component of advanced battery systems.

The new centre will focus on the development and research of battery materials using state-of-the-art process equipment unique in Russia, enabling the full cycle of synthesis and testing under specialised conditions.

In 2024, Nornickel's R&D centre produced the first samples of cathode materials for NCM 811+ chemistry, with further research planned to develop new products.

Metal powders

Powder metallurgy is a cost-effective alternative to traditional machining of metal parts. It enables the production of items with unique properties, significantly improves metal use efficiency, and enhances the competitiveness of the final product.

In 2024, the Company successfully developed and produced several prototypes of metal powders derived from nickel- and cobalt-based heat-resistant alloys. These powders exhibit spherical morphology and possess specific technological properties that make them suitable for a wide range of additive manufacturing technologies, including 3D printing, metal injection moulding, coating deposition, and hot isostatic pressing. This, in turn, enables the production of high-tech components with complex geometries for use in the aerospace, aviation, energy, and medical industries. The powder prototypes developed by Nornickel were tested by several leading Chinese manufacturers of additive manufacturing equipment, receiving positive feedback supported by formal quality certifications.

Enhancing corporate business processes

Data lake ecosystem

One of the core components of the corporate digital landscape is the data lake — a scalable platform for digitising technological and business processes. It is designed to store and analyse data across the entire Group while driving synergies by enriching data in external systems with new information. Integration data flows from Nornickel's core production sites have already been incorporated into the ecosystem.

A proprietary framework has been developed to streamline the integration and processing of equipment sensor data, leveraging advanced open-source solutions. The existing tools support the integration of machine-learning models, generation of analytical reports, creating custom calculations, and running basic quality checks on metrics — without the need to develop additional standalone components.

The data lake solution is built using domestically produced Russian products and open-source systems and consists of four primary components:

- Data Platform — storage and processing of big data;
- Containerised environment — for deploying ML[1] applications and Industrial ML instances;
- ML Platform (ML environment) — a corporate platform for developing and integrating machine learning (ML) models into operational processes;
- ML Clusters — a geographically distributed infrastructure for the deployment of ML solutions at production sites.

The Data Platform and ML Platform were officially launched into commercial operation in 2024. The data lake is now integrated with the main manufacturing execution systems (MES)[2] used at Nornickel's production sites.

The ML clusters at the Kola site and Talnakh Concentrator are scheduled to enter commercial operation in 2025. The ML cluster at the Kola site will operate as a megacluster, enabling the simultaneous deployment of innovative solutions across multiple concentrators. The launch of the ML cluster at Norilsk Concentrator is scheduled for 2026.

These ML clusters are primarily intended to achieve two goals:

- accelerating the deployment of digital production projects by removing the need for iterative design and deployment of integration infrastructure;
- reducing the analytical load on production control and dispatch systems.

Integrated document management

Further development of the Integrated Document Management programme continued in 2024. The initiative is aimed at holistically enhancing the quality, speed, agility, and technological maturity of business process documentation.

As a result of project and operational activities during the year, all Group enterprises completed the transition to legally binding electronic document management (EDM).

The volume of automated routine tasks related to accounts payable processing increased.

Compliance with legal requirements for machine-readable powers of attorney within the EDM system was achieved through the implementation of a solution for issuing and monitoring the status of such documents, thereby ensuring the legal validity of electronic signatures applied to documents.

The scope of electronically processed contractual documentation was expanded, and digital signing of work/service orders was introduced. Since the start of the pilot operation, two Group enterprises have fully transitioned their work/service order processing to an electronic format.

The practices developed through this initiative also enabled the effective use of EDM functionality for tax monitoring and ensured compliance with document submission requirements established by the Federal Tax Service of Russia.

Supernika mobile app

In 2023, Nornickel developed and deployed Supernika, Russia's first corporate super app. The platform integrates a wide range of digital services for both employees and management, including an employee personal account, a messaging tool, and a unified media centre. It provides all employees with 24/7 mobile access to all available corporate resources directly from their mobile phones.

In under a year since production deployment, the Supernika platform was adopted by over 80 thousand users across the Company.

New digital services are now being designed with native integration into Supernika in mind. In 2024, the app was enhanced with a new Personal Protective Equipment (PPE) service, enabling employees to fully manage and access PPE-related information.

HR electronic document management

Preparations are underway for the pilot deployment of Nornickel's HR electronic document management system (HR EDMS). In 2024, all necessary configurations were completed on the domestic Directum RX platform, and preparatory work for launch at the corporate Head Office was finalised. The HR EDMS will minimise the use of paper-based documents, increase the productivity of HR staff supporting personnel processes, enable the transformation and technological unification of business process documentation, and provide the ability to forecast and respond quickly to internal and external changes affecting document flows in HR and social business processes.

Throughout 2024, Nornickel significantly expanded the functionality of its core corporate systems and services for employees and management. These improvements are expected to optimise and substantially enhance the efficiency of internal business processes, including HR administration, the Golden Rules of Safety, training, employee evaluation, and other key tasks.

[2] Machine learning.
[3] Information systems designed to manage production processes at the enterprise level.

Financial performance (MD&A)

FY2024 Highlights

- Consolidated revenue decreased 13% y-o-y amounting to USD 12.5 billion driven by the decline of nickel and PGM prices;
- EBITDA decreased 25% y-o-y to USD 5.2 billion owing to lower revenue and export duties effective for the full year, while EBITDA margin was down 7 p.p. to 41%;
- Cash operating costs decreased 3% y-o-y to USD 5.1 billion mostly driven by the weakening of Russian rouble, decrease in mineral extraction tax owing to lower metal prices and continuing execution of operating efficiency programme that allowed to mitigate growing inflation in Russia and the expenses related to export duties;
- CAPEX decreased 20% y-o-y to USD 2.4 billion driven by lower rouble exchange rate, as well as the execution of investment efficiency programme including optimization of payments to contractors and prioritization of investment projects using risk-based approach;
- The Sulphur Programme at Nadezhda Plant reached its designed capacity with sulfur dioxide emissions being reduced by 390 thousand tonnes y-o-y and the efficiency of cleaning sulfur-containing gases confirmed by the government watchdog Rosprirodnadzor at 99.1%;
- Net working capital decreased 3% y-o-y to USD 3 billion driven mostly by lower work-in-progress metal inventory and materials as well as weaker Russian rouble;
- Free cash flow was down 31% to USD 1.9 billion. Free cash flow adjusted for interest and lease payments amounted to USD 335 mln;
- Net debt increased 6% y-o-y to USD 8.6 billion with net debt/EBITDA ratio as of December 31, 2024 remained at conservative level of 1.7x;
- In March and October, the Company placed two 100-billion roubles corporate bonds, which became a record on the Russian public debt market.

Key corporate highlights (USD MILLION, UNLESS STATED OTHERWISE)

Indicators	2023	2024	Change
Revenue	14,409	**12,535**	–13%
EBITDA[1]	6,884	**5,196**	–25%
EBITDA margin, %	48	**41**	–7 p.p.
Net profit	2,870	**1,815**	–37%
Capital expenditures	3,038	**2,438**	–20%
Net working capital[2]	3,092	**3,007**	–3%
Net debt[2]	8,093	**8,586**	6%
Net debt / 12M EBITDA	1.2x	**1.7x**	0.5x
Dividends paid per share, USD[3]	–	**9.7**	100%
Free cash flow[2]	2,686	**1,858**	–31%
Free cash flow (adjusted)[4]	1,347	**335**	–75%

In 2024, revenue of GMK Group segment decreased 8% to USD 9,653 million primarily owing to decrease in matte sales to Kola Division, lower volumes of PGM sales due to high base effect in 2023 and lower metal prices.

Revenue of South cluster segment decreased 33% to USD 715 million driven by lower volume of semi-products sales to GMK Group as well as lower prices of semi-products realized.

Revenue of Kola division segment decreased 20% to USD 6,684 million primarily owing to lower nickel and palladium prices.

Revenue of GRK Bystrinskoye segment increased 13% to USD 1,511 million driven by higher gold and copper prices.

Revenue of Other non-metallurgical segment decreased 5% and amounted to USD 1,008 million.

In 2024, EBITDA of GMK Group segment remained almost unchanged and amounted to USD 3,594 million. Negative effect of lower revenue in 2024 was offset by partial shift from processing of purchased concentrates of South cluster to own feed and decrease in cash operating costs.

EBITDA of South cluster segment decreased 48% to USD 251 million primarily owing to lower revenue that was partially offset by decrease in cash operating costs.

EBITDA of Kola division segment decreased 61% to USD 882 million primarily owing to lower revenue that was partially offset by decrease in cash operating costs.

EBITDA of GRK Bystrinskoye segment increased 15% to USD 1,108 million primarily due to higher revenue.

EBITDA of Other non-metallurgical segment increased by USD 7 million to the negative USD 18 million.

Negative EBITDA impact unallocated to segments decreased by USD 97 million and amounted to USD 679 million mainly due to decrease in administrative costs driven by the Russian rouble depreciation against US dollar.

Key segmental highlights[5] (USD MILLION, UNLESS STATED OTHERWISE)

Indicators	2023	2024	Change
Revenue	**14,409**	**12,535**	**–13%**
GMK Group	10,488	**9,653**	–8%
South cluster	1,066	**715**	–33%
Kola division	8,396	**6,684**	–20%
GRK Bystrinskoye	1,340	**1,511**	13%
Other non-metallurgical	1,064	**1,008**	–5%
Eliminations	–7,945	**–7,036**	–11%
EBITDA	**6,884**	**5,196**	**–25%**
GMK Group	3,641	**3,594**	–1%
South cluster	484	**251**	–48%
Kola division	2,254	**882**	–61%
GRK Bystrinskoye	963	**1,108**	15%
Other non-metallurgical	–25	**–18**	–28%
Eliminations	343	**58**	–83%
Unallocated	–776	**–679**	–13%
EBITDA margin	**48%**	**41%**	**–7 p.p.**
GMK Group	35%	**37%**	2 p.p.
South cluster	45%	**35%**	–10 p.p.
Kola division	27%	**13%**	–14 p.p.
GRK Bystrinskoye	72%	**73%**	1 p.p.
Other non-metallurgical	–2%	**–2%**	0 p.p.

1 A non-IFRS measure, for the calculation see the notes below.
2 A non-IFRS measure, for the calculation see an analytical review document ("Data book") available in conjunction with Consolidated IFRS Financial Results on the Company's web site.
3 Paid during the current period before the split of shares.
4 Commented further in the text.
5 Segments are defined in the consolidated financial statements.

Metal sales

In 2024, revenue from metal sales was down 14% (or USD 1,854 million) y-o-y to USD 11,848 million driven by:

- lower metal prices (USD 1,585 million) for palladium and nickel, which were partially offset by higher prices for copper and gold;
- decrease of metal sales volume (USD 269 million) primarily due to the high base effect of precious metal stock sales in 2023.

Other sales

In 2024, other sales decreased 3% (or USD 20 million) to USD 687 million primarily due to the Russian rouble depreciation and the decrease in revenue from resale of icebreaking and sea transportation services, which was partially offset by the increase in revenue from oil products and rentals.

Cost of sales

Cost of metal sales

In 2024, the cost of metal sales decreased 2% (or USD 112 million) to USD 6,232 million, driven by the following factors:

- decrease in cash operating costs by 3% (or USD 182 million);
- increase in depreciation and amortization by 2% (or USD 21 million);
- comparative effect related to change in metal inventories y-o-y leading to the cost of metal sales increase by USD 49 million.

Cash operating costs

In 2024, total cash operating costs decreased 3% (or USD 182 million) to USD 5,129 million mainly due to decrease in mineral extraction tax and other levies (USD –125 million), decrease in third party services (USD –88 million), decrease in materials and supplies (USD –67 million), decrease in labour costs (USD 54 million) and in transportation expenses (USD –54 million), that was partly compensated by the introduction of export customs duties from October 1, 2023 (USD +229 million).

Inflationary growth of cash operating costs amounted to +USD 281 million while Russian rouble depreciation against US Dollar amounted to cash operating costs decrease of USD –351 million.

Cost of metal sales (USD MILLION)

Indicators	2023	2024	Change
Labour	1,892	**1,838**	–3%
Materials and supplies	985	**918**	–7%
Third party services	894	**806**	–10%
Mineral extraction tax and other levies	873	**748**	–14%
Export customs duties	121	**350**	3x
Transportation expenses	216	**162**	–25%
Fuel	157	**153**	–3%
Electricity and heat energy	115	**108**	–6%
Purchases of raw materials and semi-products	33	**26**	–21%
Purchases of refined metals for resale	5	**–**	–100%
Other costs	20	**20**	0%
Total cash operating costs	**5,311**	**5,129**	**–3%**
Depreciation and amortisation	939	**960**	2%
Decrease in metal inventories	94	**143**	2x
Total	**6,344**	**6,232**	**–2%**

Labour

In 2024, labour costs decreased 3% (or USD 54 million) to USD 1,838 million amounting to 36% of the Group's total cash operating costs driven by the following factors:

- USD –158 million — Russian rouble depreciation against US Dollar;
- USD +104 million — primarily increase in labour costs due to indexation of salaries and wages.

Materials and supplies

In 2024, expenses for materials and supplies decreased 7% (or USD 67 million) to USD 918 million driven by the following factors:

- USD –76 million — Russian rouble depreciation against US Dollar;
- USD +75 million — inflationary growth of materials and supplies prices;
- USD –66 million — primarily lower repairs volume driven by improvement of efficiency in planning and execution of repairs as well as high base effect in 2023.

Mineral extraction tax and other levies

In 2024, mineral extraction tax and other levies decreased 14% (or USD 125 million) to USD 748 million primarily due to lower metal prices partly offset by higher ore production volumes.

Third-party services

In 2024, cost of third-party services decreased 10% (or USD 88 million) to USD 806 million mainly driven by:

- USD –85 million — primarily due to cost optimization driven by improvement of efficiency in planning and execution of repairs as well as high base effect in 2023;
- USD +50 million — inflationary growth of third-party services prices;
- USD –53 million — Russian rouble depreciation against US Dollar.

Transportation expenses

In 2024, transportation expenses decreased 25% (or USD 54 million) to USD 162 million driven by the following factors:

- USD –17 million — Russian rouble depreciation against US Dollar;
- USD +11 million — inflationary growth of transportation expenses;
- USD –48 million — primarily due to optimization of logistics routes.

Fuel

In 2024, fuel expenses decreased 3% (or USD 4 million) to USD 153 million mainly due to Russian rouble depreciation against US Dollar that was partially offset by inflation of fuel price.

Purchases of raw materials and semi-products

In 2024, purchases of raw materials and semi-products decreased 21% (or USD 7 million) and amounted to USD 26 million.

Depreciation and amortisation

In 2024, depreciation and amortisation expenses increased 2% (or USD 21 million) to USD 960 million mainly due to increase in property, plant and equipment that was partly offset by Russian rouble depreciation against US Dollar.

Electricity and heat energy

In 2024, electricity and heat energy expenses decreased 6% (or USD 7 million) to USD 108 million primarily due to Russian rouble depreciation against US Dollar that was partially offset by inflation.

Other costs

In 2024, other costs remained almost unchanged and amounted to USD 20 million.

Decrease in metal inventories

Comparative effect of change in metal inventory amounted to USD +49 million resulted in a corresponding increase in cost of metal sales.

Cost of other sales

In 2024, cost of other sales decreased by USD 32 million to USD 656 million primarily due to Russian rouble depreciation against the US Dollar and lower revenue from resale of icebreaking and sea transportation services, which was partially offset by the increase in oil products sales and rentals.

Selling and distribution expenses

Selling and distribution expenses (USD MILLION)

Indicators	2023	2024	Change
Export customs duties	43	**176**	4x
Transportation expenses	135	**124**	–8%
Staff costs	28	**26**	–7%
Depreciation and amortisation	23	**23**	0%
Marketing expenses	29	**23**	–21%
Other	38	**36**	–5%
Total	**296**	**408**	**38%**

In 2024, selling and distribution expenses increased 38% (or USD 112 million) to USD 408 million primarily driven by:

- USD +133 million — export customs duties introduced on October 1, 2023;
- USD –14 million — Russian rouble depreciation against US Dollar.

General and administrative expenses

General and administrative expenses (USD MILLION)

Indicators	2023	2024	Change
Staff costs	705	**665**	–6%
Third party services	181	**183**	1%
Depreciation and amortisation	110	**91**	–17%
Property tax and other miscellaneous taxes	75	**77**	3%
Other	22	**30**	36%
Total	**1,093**	**1,046**	**–4%**

In 2024, general and administrative expenses decreased 4% (or USD 47 million) to USD 1,046 million. The main factors of the change were:

- USD –88 million — Russian rouble depreciation against US Dollar;
- USD +20 million — primarily indexation of salaries;
- USD +16 million — increase in third-party services primarily driven by consulting services expenses.

Other operating expenses

Other operating expenses, NET (USD MILLION)

Indicators	2023	2024	Change
Social expenses	205	**126**	–39%
Change in other allowances	47	**74**	57%
Loss on disposal of property, plant and equipment and intangible assets	36	**36**	0%
Change in decommissioning obligations	45	**5**	–89%
Change in environmental provisions	–32	**3**	n.a.
Expenses on industrial incidents response	10	**2**	–80%
Proceeds from insurance claims settlements	–27	**–35**	30%
Other, net	–15	**–33**	2x
Total	**269**	**178**	**–34%**

In 2024, other operating expenses, net decreased by USD 91 million to USD 178 million driven by the following factors:

- USD –79 million — decrease in social expenses;
- USD +35 million — change in environmental provisions related to compensation for environmental damages;
- USD +27 million — change in other allowances;
- USD –40 million — comparative effect of changes in decommissioning obligations.

Finance costs

Finance costs, NET (USD MILLION)

Indicators	2023	2024	Change
Interest expense, net of amounts capitalised	337	**620**	84%
Unwinding of discount on provisions	147	**185**	26%
Interest expense on lease liabilities	35	**52**	49%
Loss/(gain) from currency conversion operations	–5	**45**	n.a.
Fair value (gain)/ loss on the cross-currency interest rate swap contracts	60	**–16**	n.a.
Other, net	–7	**10**	n.a.
Total	**567**	**896**	**58%**

In 2024, finance costs, net increased 58% (or USD 329 million) y-o-y to USD 896 million primarily driven by the following factors:

- USD +283 million — increase in interest expenses related to replacement of foreign currency debt with RUB-denominated debt facilities at high nominal interest rates; nominal interest rates continued to rise in 2024 as a result of the Bank of Russia's measures to raise the key rate;
- USD +50 million — negative revaluation of the results from currency conversion operations due to a change in the structure and increased volatility of the domestic foreign exchange market (a significant widening of bid-ask spreads) following the imposition of sanctions on the Moscow Exchange, as well as changes in the methodology of official exchange rate calculation by the Bank of Russia;
- USD +38 million — increase in unwinding of discount on provisions due to the increase in interest rates and provisions in 2024;
- USD –76 million — revaluation of cross-currency interest rate swaps to fair value mainly driven by comparative changes in the rouble exchange rate: the partial appreciation of the Russian rouble against the US dollar compared to that expected in estimations at the maturity of the swaps in 2024 and the depreciation of the Russian rouble in 2023.

Income tax expense

The breakdown of the income tax expense (USD MILLION)

Indicators	2023	2024	Change
Current income tax expense	966	**340**	–65%
Deferred tax /benefit (–) /expense	–302	**249**	n.a.
Total income tax expense	**664**	**589**	**–11%**

In 2024, income tax expense decreased by USD 75 million driven mostly by lower profit before tax. The effective income tax rate in 2024 of 24.5% was above the Russian statutory tax rate of 20%, which was primarily driven by the non-deductible provision for impairment of non-financial assets, net.

EBITDA

EBITDA (USD MILLION)

Indicators	2023	2024	Change
Operating profit	5,540	**3,574**	–35%
Depreciation and amortisation	1,165	**1,181**	1%
Impairment of non-financial assets, net	179	**441**	2x
EBITDA	**6,884**	**5,196**	**–25%**
EBITDA margin	**48%**	**41%**	**–7 p.p.**

In 2024, EBITDA decreased 25% (or USD 1,688 million) to USD 5,196 million primarily driven by lower revenue, which was partially offset by the decrease in cash operating costs.

Statement of cash flows

Statement of cash flows (USD MILLION)

Indicators	2023	2024	Change
Cash generated from operations before changes in working capital and income tax	**7,121**	**5,275**	**–26%**
Movements in working capital in the cash flow statement	–229	**–504**	2x
Income tax paid	–1 164	**–338**	–71%
Net cash generated from operating activities	**5,728**	**4,433**	**–23%**
Capital expenditure	–3,038	**–2,438**	–20%
Other investing activities	–4	**–137**	34x
Net cash used in investing activities	**–3,042**	**–2,575**	**–15%**
Free cash flow	**2,686**	**1,858**	**–31%**
Interest paid	–791	**–1,468**	86%
Payments of lease liabilities	–45	**–55**	22%
Dividends paid to non-controlling interests	–503	**–**	–100%
Free cash flow (adjusted)	**1,347**	**335**	**–75%**
Other financing activities	–1,065	**–519**	–51%
Net cash used in financing activities	**–2,404**	**–2,042**	**–15%**
Effects of foreign exchange differences on balances of cash and cash equivalents	–25	**–133**	5x
Net change in cash and cash equivalents	**257**	**–317**	**n.a.**

In 2024, net cash generated from operating activities decreased 23% to USD 4,433 million. Decrease in EBITDA and increase in working capital in 2024 were partly offset by decrease in income tax payments.

In 2024, net cash used in investing activities decreased 15% to USD 2,575 million primarily driven by decrease in capital expenditures.

In 2024, free cash flow decreased 31% to USD 1,858 million following the decrease in net cash generated from operating activities, which was partly offset by the decrease in cash used in investing activities.

In 2024, free cash flow adjusted for regular financing outflows (interest paid, payments of lease liabilities, dividends paid to non-controlling interests) decreased by USD 1,012 million and amounted to USD 335 million following the decrease in free cash flow and increase in interest paid.

Net working capital changes between the balance sheet and cash flow statement (USD MILLION)

Indicators	2023	2024
Change of the net working capital in the balance sheet	**911**	**85**
Foreign exchange differences	–780	**–299**
Change in income tax payable	208	**–103**
Change of provisions, reserves and long term components of working capital included in cash flow	–412	**–161**
Other changes	–156	**–26**
Change of working capital per cash flow	–229	**–504**

Capital investments breakdown by project (USD MILLION)

Indicators	2023	2024	Change
Polar Division, including:	1,223	**849**	–31%
• Skalisty mine	90	**75**	–17%
• Taymirsky mine	73	**121**	66%
• Komsomolsky mine	41	**16**	–61%
• Oktyabrsky mine	5	**52**	10x
• Talnakh Enrichment Plant	123	**46**	–63%
• Capitalised repairs	93	**62**	–33%
• Purchase of equipment	219	**192**	–12%
• Other Polar Division projects	579	**285**	–51%
Kola MMC	233	**264**	13%
Environmental program (Sulfur Program at the Nadezhda Plant)	454	**343**	–24%
South cluster	248	**185**	–25%
Energy and gas infrastructure modernization	408	**355**	–13%
Bystrinsky project (Chita)	65	**98**	51%
Other production projects	355	**300**	–15%
Other non-production assets	52	**44**	–15%
Total	**3,038**	**2,438**	**–20%**

In 2024, CAPEX decreased 20% (or USD 600 million) to USD 2,438 million driven by the effect of the Russian rouble depreciation against US Dollar, launch of the Sulfur Programme and the execution of investment efficiency programme including optimization of payments to contractors and prioritization of investment projects using risk-based approach.

Debt and liquidity management

As of December 31, 2024, the Company's total debt increased 2% compared to December 31, 2023 and amounted to USD 10,408 million. Share of long-term debt in loan portfolio structure increased significantly.

Debt and liquidity (USD MILLION)

Indicators	As of 31 December 2023	As of 31 December 2024	Change	
			USD million	%
Non-current loans and borrowings	5,377	**7,112**	1.735	32%
Current loans and borrowings	4,335	**2,834**	–1.501	–35%
Lease liabilities	520	**462**	–58	–11%
Total debt	**10,232**	**10,408**	**176**	**2%**
Cash and cash equivalents	2,139	**1,822**	–317	–15%
Net debt	**8,093**	**8,586**	**493**	**6%**
Net debt /12M EBITDA	1.2x	**1.7x**	0.5x	

As of December 31, 2024, the Company's net debt increased by USD 493 million due to the increase in total debt and decrease in cash.

The Company fully meets its financial obligations in line with transactional documentation.

In April 2024, rating agency NCR assigned the credit rating to the Company at the highest investment-grade level of "AAA.ru". In November 2024, national rating agency Expert RA confirmed the Company's credit rating at the highest investment level "ruAAA".

Green innovation

New palladium applications

Pd

Palladium has traditionally been used in the automotive, chemical, and electronics industries. In recent years, its range of applications has expanded to include green energy, water treatment systems, and other priority sectors.

Solutions developed by Nornickel's Palladium Centre help to:

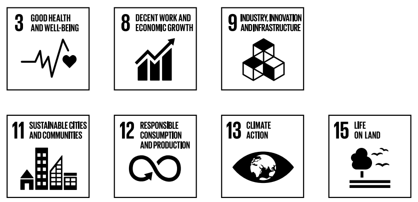
- improve the efficiency of solar panels – a palladium coating reduces light loss thanks to its high reflectivity
- accelerate hydrogen oxidation and boost the performance of hydrogen fuel cells
- lower the cost of green hydrogen and conductive components in electronic devices

The Company already has over 25 projects in its portfolio and aims to grow this number to more than 100 palladium-based products by 2030.

04. Sustainable development

Strategic approach

Contribution to the UN SDGs



Sustainability governance

Nornickel's sustainability governance approach follows a matrix model, in which responsibility for specific environmental, social, and governance (ESG) areas is integrated into the operations of all functions and distributed across the organisation. Key decisions and oversight on most matters rest with the Management Board, the Board of Directors, and their dedicated committees.

Sustainability-related processes are coordinated by the Sustainable Development Department, led by the Vice President for Ecology and Industrial Safety. At the Board level, the Sustainable Development and Climate Change Committee is responsible for overseeing the development and implementation of environmental and social initiatives.

To enhance production efficiency and address external challenges, the Company implemented a number of HR and organisational changes in its governance structure in 2024.

Sustainability governance structure

Board of Directors
Approves the Company's internal documents and strategic goals

Sustainable Development and Climate Change Committee
chaired by an independent director
- Monitors the strategy's progress and effectiveness
- Oversees progress on sustainability goals and programmes
- Provides the Board of Directors with an opinion on the effectiveness and quality of designing and implementing key sustainability projects

Audit Committee
chaired by an independent director

Management Board

Senior Vice President – Chief Operating Officer, Head of Polar Division
- Vice President for Ecology and Industrial Safety
  - H&S Department
  - Ecology Department
  - Sustainable Development Department
    - Ensures a systematic approach to building an effective model of sustainability management and its enforcement by the Company
    - Develops and implements systems for evaluating the Company's performance for compliance with the requirements and guidance from Russian and international standards, leading industry associations, and best sustainability practices
- Vice President for Production and Technical Development

Vice President – Head of Internal Control and Risk Management
- Centre for Monitoring Technical, Production, and Environmental Risks

Risk Management Committee of the Management Board
Risk Management Committee of the Management Board

Senior Vice President – Head of HR, Social Policy, and Public Relations
- Vice President for Human Resources HR Department
- Social Policy Department
- Public Relations Department
- Corporate Healthcare Development Centre

Vice President – Head of Energy Division
- Energy Department
- Renewable Energy Development Centre

Sustainability principles are integrated into the Company's operations and strategic planning, as outlined in Nornickel's internal regulations.

In 2024, Nornickel's Board of Directors approved an updated Environmental and Climate Change Strategy along with the Key Focus Areas of Carbon Neutrality to minimise environmental impact, manage climate-related risks, and advance the Company towards carbon-neutral production. To deliver on these ambitions, the Company developed programmes comprising over 150 specific initiatives, with projected costs for the 2023–2031 period estimated at more than RUB 500 billion.

At the same time, implementation of the Socially Sustainable Development Strategy, adopted in 2023, continued. The Company places particular emphasis on maintaining decent pay, creating comfortable living conditions, and providing opportunities for employee self-fulfilment and development. In addition, Nornickel continues to strengthen its partnerships with the indigenous peoples of the Taimyr and Kola Peninsulas, supporting their culture, traditions, and way of life.

Achievements and priorities

	Environmental protection and climate change	Social responsibility	Corporate governance
Key achievements	• Launch of the second process line at Nadezhda Metallurgical Plant and verification of the Sulphur Project's effectiveness • Lowest CO_2 emissions (Scopes 1 and 2) among global metals and mining peers • Launch of the air quality monitoring system in Norilsk • Issuance of carbon credits generated by the Company's climate project	• Reputation as a socially responsible business (annual pay increases, talent development, attraction of young talent, and the extension of the collective bargaining agreement until 2027) • Comprehensive support for local communities and national projects • Long track record of supporting indigenous peoples; pioneering the process to obtain their free, prior, and informed consent to projects	• Changing the management model to improve efficiency • Developing the risk management system • Integrating ESG targets into management KPIs • Balanced and effective Board of Directors • Widespread application of cutting-edge technologies • Cooperation agreements with Russian software developers
Strategic priorities	• Achieving the key SO_2 reduction milestones for the Norilsk Industrial District • Cleaning up legacy waste and remediating the environment following environmental incidents in Norilsk • Assessing biodiversity impact and building a science-based case for a biodiversity conservation programme • Further developing a framework for managing physical risks across the Company's footprint • Supporting environmental initiatives across the Company's footprint	• Zero work-related fatalities • Employee health and safety • Preventing social risks related to the Company's operations • Attracting young talent and experienced professionals and reducing the turnover rate • Aligning living and working conditions with employee expectations • Reducing the impact of operations on indigenous peoples across the Company's footprint • Refurbishing housing and social infrastructure in Norilsk	• Further integrating sustainability principles into the Company's corporate culture • Ensuring compliance with key Russian and international sustainability initiatives • Developing a framework for managing climate-related risks and opportunities • Building and scaling a responsible supply chain

Sustainability projects that received the most funding in 2024:
- Sulphur Project 2.0
- Range of health and safety initiatives
- Made with Care programme
- Charitable projects
- Norilsk renovation
- Energy saving and energy efficiency projects
- Clean Norilsk

For more details on the projects, please see Nornickel's 2024 Sustainability Report.

The Company actively integrates sustainability principles into its corporate culture. For example, in 2024:
- Nornickel delineated the areas exposed to the environmental impact of its operations and studied the plant and animal species inhabiting the regions where it operates – the Taimyr and Kola Peninsulas as well as the Trans-Baikal Territory
- more than 24 thousand people completed a sustainability training course at the Nornickel Academy, and new courses on responsible supply chains and human rights were launched
- the Company continues to publish its Sustainability Report along with separate reports on human rights, climate change, and responsible supply chain
- stakeholder engagement plans for 2024 were developed and published at the divisional level
- an assessment of sustainability practices was conducted among a sample of Nornickel suppliers, with twice as many suppliers participating compared to 2023[1]
- Nornickel received a number of awards for sustainability: three Responsible Business Leadership awards and recognition in the Best ESG Projects in Russia competition.

The Company continues to actively participate in both Russian and international sustainability events. In 2024, Nornickel presented its innovative projects and environmental and social initiatives at various forums.

In 2024, Krasnoyarsk hosted the forth Siberian Perspective sustainability summit, organised by Nornickel with support from the National Council on Corporate Volunteering, the Russian Managers Association, and the Protected Areas Embassy charitable foundation. The summit focused on the ecology of Siberian cities as a key factor in regional development and quality of life improvement. More than 200 participants – including representatives from businesses, government authorities, expert communities, volunteers, and Nornickel suppliers – discussed collaborative efforts among municipalities, businesses, and community stakeholders to enhance the urban environment, with a particular emphasis on its ecological aspects. The event highlighted Nornickel's commitment to sustainability principles and its ambition to improve local environmental conditions across the Company's footprint.

In 2025, Nornickel will continue advancing initiatives aimed at aligning its activities with national objectives and the requirements of leading international standards and guidelines. Plans include further integration of ESG principles into strategic planning, risk management, and reporting procedures, as well as the continued development and enhancement of the Company's human rights due diligence system.

[1] The results of the assessment are disclosed in detail in the Company's 2024 Responsible Supply Chain Report.

Stakeholder engagement

Nornickel is committed to fostering continuous dialogue with its stakeholders. To achieve this, the Company uses various communication channels to take into account stakeholder interests and expectations, placing particular emphasis on feedback. It also monitors the actual and potential negative impacts of its operations, actively seeking to minimise them. To keep all stakeholders well informed, annual reports are published in accordance with international and national standards and guidance, and external assurance is used for the Company's Sustainability Report.

Social media engagement channels

Official Telegram channels:
https://t.me/nornickel_official
https://t.me/nornickel_life

Work at Nornickel Telegram channel:
https://t.me/rabotanornickel

https://vk.com/nornickel_official

https://ok.ru/nornickel

https://rutube.ru/channel/24161124/

https://dzen.ru/id/6228aa0deaf2ac6625783852?share_to=link

https://ru.pinterest.com/nornickel_ru/

To increase transparency and raise stakeholder awareness, Nornickel actively employs multiple communication channels to advance its ESG agenda, effectively reaching all target audiences. Digital tools are used to measure audience engagement, identify the most relevant topics, and adjust next steps in promoting the ESG agenda accordingly, as well as to collect feedback. The Company uses the most popular information channels among stakeholders, including its official website, Telegram channel, social media groups, local, regional, and federal media, and its corporate social network.

Key stakeholder groups: employees; government authorities; rating providers; shareholders, brokers, and analysts; customers and suppliers; local communities and NGOs.

For more details on stakeholder engagement, please see Nornickel's 2024 Sustainability Report.

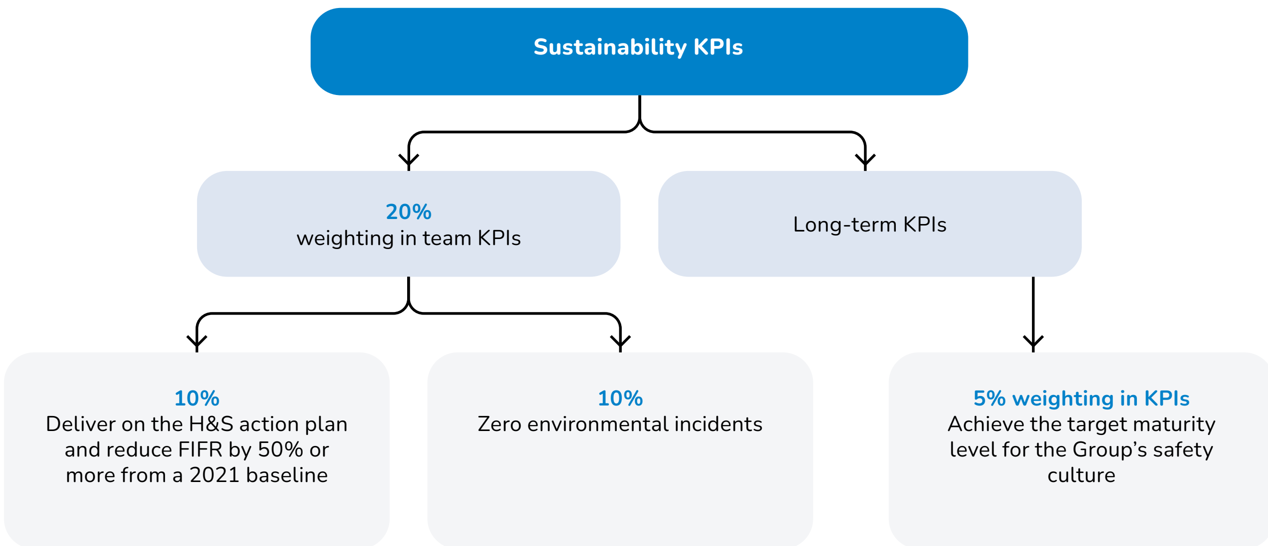
Partnerships and cooperation

Nornickel annually initiates large-scale research expeditions involving Russian scientists, local historians, and nature reserve personnel. These studies result in a comprehensive assessment of the local environmental conditions in the Arctic regions. They contribute to modern scientific knowledge of the Russian Arctic for scientific databanks, support new scientific discoveries, and allow for the testing of latest research methodologies. In the first quarter of 2024, Nornickel supported a major artistic and educational initiative titled Explorer and Artist: Art on Expeditions, held in Zaryadye Park in Moscow. The project marked the completion of the second year of the Big Scientific Expedition, a collaborative effort between Nornickel and the Siberian Branch of the Russian Academy of Sciences. Dedicated to the study of the Russian Arctic, the project represented the first systematic attempt to reinvent scientific research in the Polar region – which hosts Nornickel's operations – through a cultural lens and artistic expression. The project culminated in a joint exhibition by Zaryadye Park, the State Darwin Museum, and the Stroganov Russian State University of Design and Applied Arts, with the support of Nornickel. This initiative offered a broad overview of the region's centuries-long history, highlighted the significance of climate change in the Arctic, and provided a fresh perspective on the complex relationship between nature, humanity, and technology.

The March 2024 agreement between Nornickel and ROSATOM on the supply of next-generation radioisotope instruments marked another step in strengthening their partnership. Earlier, the two companies agreed to explore the potential for small-scale nuclear power to supply Norilsk's energy needs and are also collaborating on the development of Russia's largest lithium production facility in the Murmansk Region. The deployment of these next-generation instruments will significantly improve the precision and speed of production processes as well as enhance control over key operational parameters – all while driving a high level of automation and efficiency.

To further deepen the mutually beneficial, long-term partnership between the Company and the region, Nornickel signed an agreement with the Trans-Baikal Territory in November 2024. The agreement, effective until 2029, provides for the consolidation and coordination of collaborative efforts to support the sustainable social and economic development of the Trans-Baikal Territory and Nornickel's assets operating within the region. Under this agreement, the Trans-Baikal Territory plans to maintain its focus on fostering a favourable investment climate and supporting infrastructure-related investment projects, while Nornickel intends to actively develop its Trans-Baikal Division and is considering expanding production.

Sustainability management KPIs



ISO standards

Standards	ISO 14001:2015 – Environmental management systems	ISO 9001:2015 – Quality management systems	ISO 45001:2018 – Occupational health and safety	ISO/IEC 27001:2013 – Information security management systems
Group's ISO-certified assets	• MMC Norilsk Nickel • Kola site • Foreign site • Trans-Baikal Division	• MMC Norilsk Nickel • Kola site • Foreign site • Research institute	• MMC Norilsk Nickel • Kola site • Foreign site • Trans-Baikal Division	• Kola site • Murmansk Transport Division • Nadezhda Metallurgical Plant • Copper Plant • Talnakh Concentrator
Percentage of certified operations	51%	49%	53%	18%

Sustainability initiatives

Initiatives	Status
Together for Sustainability (TfS) initiative	The Company's compliance with the requirements of the initiative was confirmed by the 2022 follow-up audit
International Platinum Group Metals Association (IPA)	Member since 1999
Nickel Institute	Member since 2005
UN Global Compact	Member since 2016
Initiative for Responsible Mining Assurance (IRMA)	The Company is implementing a compliance roadmap[1]
ICMM's Mining Principles	The Company is implementing a compliance roadmap[1,2]
Global Battery Alliance (GBA)	Member since 2021
London Metal Exchange (LME)	In 2024, the London Metal Exchange accepted reports for five LME-listed Nornickel metal brands

ESG ratings and scores

Rating providers	Status
EcoVadis[2]	ESG score – 58
Sustainalytics	ESG risk score – 44.0 (out of 100), on a scale from 1 (low risk) to 100 (high risk)
Corporate Human Rights Benchmark	Score – 21.0 (out of 100.0)
ACRA	ESG-rating – AA, ESG-2, a very high ESG score
RAEX	ESG-rating – AA, a high ESG level
ESG Index by RBC and NCR	ESG level I (high)
Expert RA	ESG-rating – II (c), a very high level of compliance with sustainability goals when making key decisions. Outlook – stable
Expert magazine	No. 1, score – 192

1 In 2022, cooperation with Russian companies was suspended.
2 Ratings on Russian companies were suspended in February 2025.

Employees

Contribution to the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

HR policy

People are Nornickel's main value. The Company views its employees as its core asset and invests in their professional and personal development, provides them with safe and comfortable working conditions as well as decent pay and benefits package, and seeks to boost their performance and ownership of work-related tasks.

Average monthly pay
RUB 207 THOUSAND

Average headcount
78.7 THOUSAND

Percentage of employees trained
99%

Percentage of employees covered by collective bargaining agreements
94%

Creating a tolerant environment

The Company is committed to fostering a tolerant work environment free from any form of discrimination. Nornickel guarantees equal opportunities in hiring, promotion, training, and remuneration for all employees, regardless of ethnicity, nationality, religion, gender, age, sexual orientation, marital status, special needs, or any other protected characteristic under applicable law.

The Company complies with all applicable legal requirements regarding the employment of people with disabilities. The quota for hiring such individuals is set at 2% of the average headcount. Nornickel provides these employees with suitable working conditions, including appropriate work and rest schedules and annual leave entitlements. Employees with disabilities can also apply for additional paid leave (three calendar days per year) and receive annual financial assistance from the Company of up to RUB 10 thousand.

Working conditions

The Company has adopted internal labour regulations, which are approved in consultation with the trade union organisation and establish employees' working hours. The Company has a standard working week of 40 hours, in line with applicable Russian labour laws and regulations. Employees involved in hazardous or dangerous work enjoy a reduced working week of not more than 36 hours. For women employed in the Far North and equivalent territories, the working week is also limited to 36 hours. The Company ensures accurate tracking of each employee's working hours.

Work on weekends and overtime is compensated additionally, in accordance with the Labour Code of the Russian Federation. Employees are granted paid annual basic leave, along with additional paid leave for those working in the Far North.

Employees with irregular working hours are entitled to three additional calendar days of paid annual leave.

The Company offers the option of entering into a remote (home-based) work agreement.

Human rights and social partnership

Human rights

The Company respects the rights and freedoms of its employees as well as those of its stakeholders – partners, investors, contractors, local communities, customers, and consumers.

Nornickel upholds the principles of international frameworks, such as: the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Company complies with the laws of the countries in which it operates.

Nornickel implements programmes for the development and social support of its employees, upholding their rights in respect of social security, education, family welfare, housing, freedom of artistic expression, and participation in cultural life.

With respect to its employees, the Company strictly adheres to the following principles:

- Zero tolerance for the use of child labour, forced or slave labour
- Zero tolerance for the employment of persons aged under 18 for hazardous and/or dangerous work
- Zero tolerance for violence or discrimination
- The Company does not engage female employees in extreme or dangerous working conditions
- The Company ensures its employees' right to safe working conditions
- The Company makes sure all employees enjoy equal rights and opportunities regardless of gender, age, race, nationality, and origin
- The Company provides all employees with equal opportunities for unlocking their potential. Employee performance is evaluated on a fair and impartial basis, with hiring and promotion based solely on professional abilities, knowledge, and skills
- The Company respects the right to form trade unions and does not prevent employees from joining them

Human rights-related issues are resolved through labour dispute commissions, social programmes, compensations, and benefits commissions (which include employee representatives), and ethics commissions.

Social partnership at Nornickel

The Company maintains a social partnership framework designed to align the interests of employees and the employer in regulating labour relations and implementing social policy.

Employer (employer representatives) ⇄ Employees (employee representatives)

The interests of employees are represented by trade unions and social and labour councils. The interests of the employer are represented by the organisation's management and/or authorised representatives, and employer associations.

Social partnership framework

Social partnership

Collective bargaining agreement (94% of employees)
- Local-level partnership
- 22 enterprises

Interregional cross-industry agreement (90% of employees)
- Interregional-level partnership
- 21 enterprises

Employer (employer representatives)

Employees (employee representatives)

Trade unions (7% of employees)

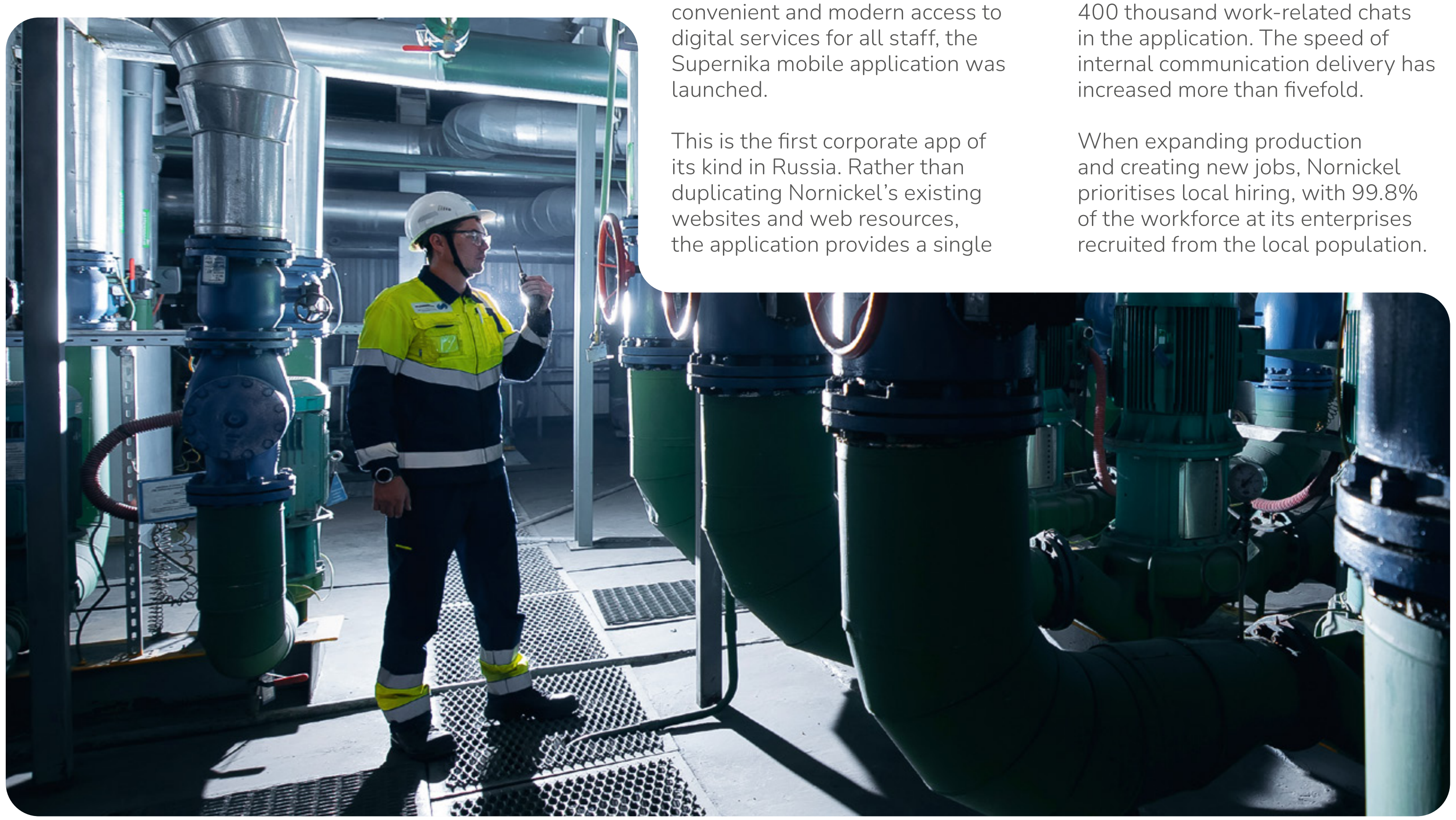
Social and labour councils (76% of employees)

The Company has 58 trade unions, which are affiliated with regional trade unions. At the local level, the interests of employees are represented by social and labour councils. The trade unions and social and labour councils can raise matters relating to health resort treatment, recreation, and leisure programmes for employees, disease prevention, provision of personal protective equipment, workplace and catering arrangements, and more. Trade unions also regularly participate in inspections of canteen food quality and assessments of employee working conditions.

Within the Company, social and labour relations between employees and the employer are governed by collective bargaining agreements at the local level and by an interregional cross-industry agreement at the interregional level.

In 2024, 22 collective bargaining agreements were in effect, four of which were extended for three years. This year, negotiations were held with trade unions regarding the conclusion of an Interregional Cross-Industry Agreement for copper and nickel producers and associated support enterprises. The agreement was signed for the period 2025–2028.

No breaches of collective bargaining agreements and no strikes took place across Group enterprises during the reporting year.



Employee communication channels

Multiple communication and feedback channels are available to our employees, including:
- the Corporate Trust Line
- regular information meetings
- the corporate intranet portal
- a mobile app
- suggestion boxes
- the Company's official social media accounts
- offices for operational, social, and labour-related matters located in the Norilsk Industrial District.

Due to the nature of their jobs, the majority (up to 75%) of Nornickel employees do not use personal computers at work. To facilitate convenient and modern access to digital services for all staff, the Supernika mobile application was launched.

This is the first corporate app of its kind in Russia. Rather than duplicating Nornickel's existing websites and web resources, the application provides a single information environment for a geographically dispersed company, providing users with fast feedback options. The application has already consolidated over 40 services onto a single platform, from access to employee personal accounts to scheduling medical appointments and booking career counselling sessions.

The application also incorporates digital management tools, such as talent development tracking, KPI setting, and evaluating the performance of one's subordinates – all available anytime, directly from a smartphone.

The app currently has over 65 thousand registered users, representing 83% of the workforce. Employees have created over 400 thousand work-related chats in the application. The speed of internal communication delivery has increased more than fivefold.

When expanding production and creating new jobs, Nornickel prioritises local hiring, with 99.8% of the workforce at its enterprises recruited from the local population.

Employee opinion survey

67%	Overall employee engagement index
70%	Employee satisfaction index
63%	Human rights engagement index
66%	H&S engagement index

Nornickel conducts regular targeted surveys to assess employee engagement in various programmes and gauge employee satisfaction levels.

In 2024, the engagement survey covered over 58 thousand Company employees, representing an increase of 997 participants compared to 2023. The employee engagement rate in 2024 was 67%, consistent with both the previous year and the industry benchmark. Nevertheless, upward trends were observed across almost all engagement metrics, suggesting a positive shift in employee perceptions of Company initiatives in these areas.

The most notable increases across engagement metrics in 2024 were seen in: Collaboration (+5 p.p.), Work-Life Balance (+4 p.p.), and Autonomy (+4 p.p.).

A significant step forward was the increased employee satisfaction with reward and recognition factors. Employees express satisfaction with the bonus system, including bonuses awarded for professional holidays, and the salary review process – all of which contribute to a sense of stability within the Company. At the same time, Nornickel recognises the need to simplify work processes and the incentive system to ensure fairer distribution and enhance wage competitiveness.

The survey results prompted the implementation of over 500 initiatives, 57% of which focused on improving current working conditions, business processes, and employee development.

Special attention was given to enhancing the volume and quality of internal communications, refining the rewards and bonus system, attracting young talent, fostering talent development, and strengthening social partnerships. Throughout the year, the Head Office provided additional support to the enterprises through collaborative efforts such as joint reviews with CEOs, meetings with local unit employees, and the development of action plans at the line-manager level.

Special focus was also placed on implementing socially significant initiatives, including support for cultural and sporting events, as well as the introduction of digital financial assets aimed at strengthening employees' sense of connection to the Company's achievements.

To address the needs of units at-risk, a dedicated methodology for conducting shop-floor workshops was developed and rolled out. In addition, 20 internal moderators were trained to lead these sessions.

In response to a management request, pulse surveys assessing employee engagement were conducted at selected enterprises in September and October.

Efforts also continued to improve cross-functional collaboration, which – according to correlation analysis – is associated with both workflow efficiency and employee perceptions of senior management. This is a key factor in fostering a positive team environment and supporting employee retention.

In this way, Nornickel continues to strive for better working conditions and internal collaboration – elements that remain critical to sustainable development in an increasingly dynamic and evolving business environment.

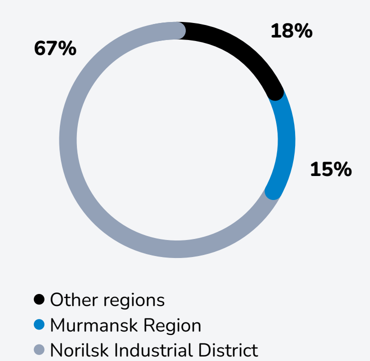
Staff composition

Employees from the local community
99.8%

Managers from the local community
99.4%

Employees with permanent employment contracts
96%

78.7
THOUSAND
Nornickel's average headcount in 2024
70% men, 30% women



In 2024, the Group's average headcount was 78.7 thousand, with 99.5% employed by its Russian entities. The Company's turnover rate stood at 12.7%. Nornickel is among the largest employers in the Norilsk Industrial District and on the Kola Peninsula, employing 67% and 15% of the regional workforce, respectively. Local hires account for 99.8% of the headcount. The average headcount decrease in 2024 was driven by the Company's investment strategy, Efficiency Improvement Programme, as well as organisational and technical changes.

Average headcount trend (PEOPLE)

Location	2020	2021	2022	2023	2024
Russia	71,447	73,061	77,980	80,166	**78,308**
Africa	519	151	38	47	**44**
Europe	323	317	331	322	**323**
Asia	15	15	15	22	**63**
USA	10	10	10	5	**0**
Australia	5	3	0	0	**0**
Total	**72,319**	**73,557**	**78,374**	**80,562**	**78,738**

Breakdown of employees by age group and employee category (%)

Indicators	2022			2023			2024		
Age group	M	F	Total	M	F	Total	M	F	Total
<30 years	11	4	**15**	11	4	**15**	10	4	**14**
30–50 years	46	20	**66**	46	20	**66**	45	20	**65**
>50 years	13	6	**19**	13	6	**19**	14	7	**21**
Employee categories	M	F	Total	M	F	Total	M	F	Total
Managers	12	4	**16**	12	4	**16**	11	3	**14**
White-collar employees	10	11	**21**	11	12	**23**	12	14	**26**
Blue-collar employees	50	13	**63**	48	13	**61**	47	13	**60**

Breakdown of employees by education level (%)

Education level	2020	2021	2022	2023	2024
Higher education	37	39	39	40	**40**
Secondary vocational education	20	21	22	23	**24**
General secondary education	26	23	23	23	**22**
Other	17	17	16	15	**14**



Gender equality

The Company is committed to providing equal opportunities for professional and career growth to all employees, regardless of gender. Due to the predominantly production-based nature of Nornickel's operations, its workforce is primarily male. Nevertheless, the Company promotes gender diversity across both its production and administrative units, taking into account the particular requirements of its business profile.

22% Women in management positions at all levels

33% Women among top managers

30% Women in Nornickel's total headcount

54% Women among white-collar employees

21% Women among blue-collar employees

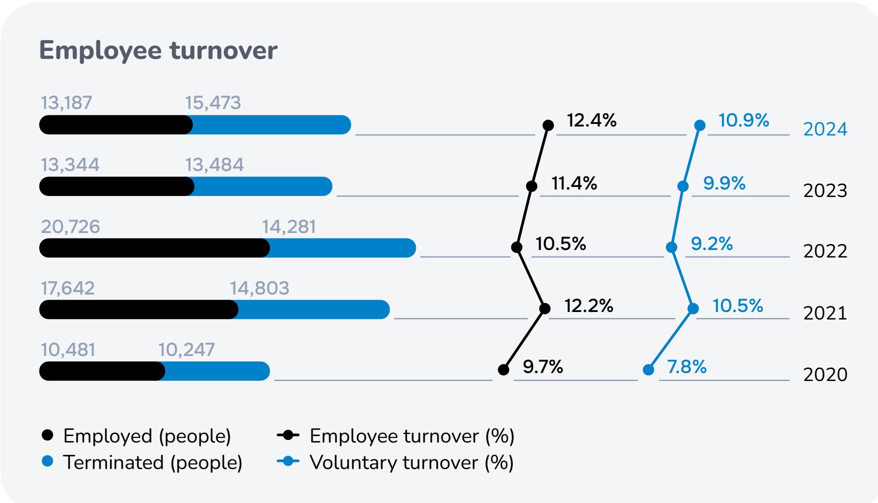
Nornickel provides the following social benefits to its female employees:

- They are not engaged in heavy labour
- They are entitled to childcare leave until the child reaches the age of three
- Pregnant employees are not subject to business travel, overtime, night shifts, or work on weekends and public holidays (exceptions are allowed only with the employee's written consent and in the absence of medical contraindications)
- Termination of employment initiated by the employer is prohibited for pregnant women, women with children under the age of three, and single mothers with children under eighteen, except in cases of enterprise liquidation
- Their job is protected during childcare leave, and a reintegration programme is in place to support their return to work
- Voluntary health insurance (VHI) coverage continues during childcare leave, with the option to enrol family members in the corporate VHI plan
- Support programmes for expectant and new mothers are offered under the Mother at Work project. This programme provides a comprehensive platform that consolidates all social support practices available to families with children
- Employees also have the option to enrol their children in the corporate VHI plan at a discounted rate.

In 2021, Nornickel, together with a number of partner companies, established the Women in Modern Industries association, which now boasts a membership of over 6 thousand women.

The association hosts regular webinars, supports a mentoring programme, and organises the annual Talented Woman in Modern Industry Award, giving participants a platform to share their achievements and gain broader recognition.

Recruitment



The Company employs a comprehensive approach to recruitment, aiming to provide equal hiring opportunities for all candidates while attracting talent from across Russia and training them to match its production needs. In 2024, new hires accounted for 17% of the total workforce. The Company operates an internal corporate university, offering a wide range of programmes focused on professional development and the acquisition of new skills. Internal candidates have a priority when filling vacant positions.

All vacancies in the Company are posted on public resources and on the intranet portal. Applicants can submit their CVs by e-mail, contact the 24/7 call centre, or visit HR support centres located in Norilsk, Ufa, Orsk, and Irkutsk. Every applicant receives feedback following the review of their submission.

The Company also continues to run a rehire programme for former employees. As part of this initiative, in 2024, former staff with in-demand, priority skills were contacted by phone, resulting in the successful rehiring of 60 individuals. During 2024, 890 former employees rejoined the Company.

Some units at the Norilsk site operate on a rotational shift basis. In 2024, 1.8 thousand employees worked under this system, primarily crane operators, electricians, drivers, and technicians.

Outplacement following an asset closure

Upon the closure of an asset, the Company developed a comprehensive support programme for employees affected by redundancy – tailored for both those who chose to resign and those who opted to transfer to other Company units. The former receive support payments, while the latter benefit from a comprehensive package of measures that includes assistance in finding internal vacancies, training for new roles with salary retention, and reimbursement for relocation and housing rental costs if the new position is in a different city. The programme was developed in coordination with the social and labour council and primary trade union organisations.

Training and career advancement

99%	Percentage of employees trained
64%	Percentage of employees with upgraded qualifications
126	Hours of training per year per employee
RUB 1,270 mln	Employee training costs

The Company places a strong emphasis on employee upskilling as well as professional growth and development, guided by the principles of accessibility, innovation, and relevance. In 2024, the Company continued to foster a culture of continuous learning and expand an accelerated training ecosystem to boost professional excellence and enhance and build managerial, corporate, and critical competencies.

In 2024, the percentage of employees trained increased by 5%, reaching 99% of the total headcount. Of the total training provided, 59% was dedicated to building critical skills, while 38% focused on professional competencies.

Employee training statistics

Indicators	2022	2023	2024
Employee training costs (RUB mln)	1,447	1,277	**1,270**
Training costs per employee (RUB thousand)	21.1	16.8	**16.3**
Total number of employees trained (people)	68,500	75,971	**7, 820**
Percentage of employees trained	87.4%	94.3%	**98.8%**
Hours of training per year per employee	85	88	**126**
Employees promoted (people)	N/A	4,156	**3,791**
Percentage of employees with upgraded qualifications	N/A	65%	**64%**

The Company's primary training platform, the Corporate University, provides a combined digital and physical environment to facilitate continuous employee development. It is fully equipped with the necessary infrastructure to meet its purpose.

In Norilsk, employee training takes place both in classrooms and at an underground training facility located within operational workings of the Anhydrite shaft at Kayerkansky Mine, as well as at a training and production facility featuring a simulator complex. This facility is used for instructing employees in safe work practices at heights and in confined spaces. Employees at the Kola site receive their training at the Corporate University's branch in Monchegorsk.

Training is offered in over 300 blue-collar jobs, supplemented by approximately 90 continuing professional education programmes and 80 additional training activities. In 2024, over 73 thousand Company employees received training at the Corporate University.

Digital training tools, such as the Nornickel Academy platform, have become commonplace for Nornickel employees. The platform offers training courses to develop professional and management skills and provides insights into modern trends and tools as well as expert advice. In 2024, Company employees completed more than 178 thousand courses, of which 75 thousand were completed through self-directed learning.

In collaboration with Alpina Publisher, Nornickel continues to develop a digital reading room, which currently offers over 10 thousand books free of charge. Employees spent more than 760 thousand hours reading in 2024.

The Company promotes a culture of continuous learning, organising major educational events, such as Biblionight and Knowledge Day, as well as open lectures and master classes. In addition, the P2P learning[1] project Tribuna allows employees to share their expertise and act as internal subject matter experts.

The Company actively supports the development of a talent pool for managerial roles at all levels – from line managers to senior executives. In 2024, 2 thousand employees were included in the talent pool for line management positions. A new Self-Nomination to the Talent Pool service was introduced, allowing employees to apply directly for inclusion.

The pool for middle and senior management positions is formed through HR committees and, in 2024, comprised nearly 2.5 thousand individuals. As much as 90% of senior management positions are filled through internal promotions.

Building practical skills

The Company's training system places special emphasis on the acquisition of practical skills and competencies for the effective and safe operation of high-tech equipment. The Monchegorsk branch of the Corporate University features a virtual reality (VR) classroom, while the Norilsk site hosts a comprehensive set of advanced facilities, enabling employees to safely master complex skills for working in hazardous environments. Using VR simulators, employees learn to properly use personal protective equipment and safely navigate underground mine workings. 3D virtual reality training simulators, powered by immersive technologies, allow for realistic visualisation of mine infrastructure and simulation of actual underground machinery operations. Approximately 350 employees underwent simulator-based training in 2024.

Over 200 operators of underground self-propelled machines also receive annual hands-on training at the underground training facility located at the Anhydrite shaft of Kayerkansky Mine, which ranks among the top 15 industrial tourism destinations. Preparations are currently in progress to implement unmanned mining technologies, employees are also being trained to operate machinery and equipment using remote-control technologies.

Since 2023, practical exercises for working at heights using various types of safety equipment have been held at a modern training facility specifically designed for Nornickel. This facility was developed based on the Company's individual specifications and tailored to its production conditions and safety requirements. In 2024, over 4 thousand employees were trained using this simulator system – nearly double the number trained the previous year.

360-Degree Management

For the past five years, the Company has been implementing a development programme for employees who have successfully completed the 360-degree assessment. In 2024, the 360-Degree Management programme incorporated both in-person and online training and involved both internal and external trainers to deliver a comprehensive curriculum focused on the development of corporate and managerial skills. Participants chose their training topics independently, based on the assessment results, performance dialogue with their supervisor, and individual development plans.

In 2024, the programme comprised 75 training sessions (+27% y-o-y) involving over 1.7 thousand employees (+59% y-o-y) and eight online workshops that received a total of 5.5 thousand views.

School of Leadership

The Company maintains a strong commitment to the development of its managers. In 2024, a tailored development programme was implemented for managers at every leadership level.

For middle management, the School of Leadership training programme continued, offering participants the opportunity to enhance their team management skills. This crash course comprises four online modules and one three-day in-person module, the Leadership Workshop, where participants practice their newly acquired knowledge. The programme focuses on transforming routine approaches to thinking, acting, and interacting with colleagues.

One of the pressing tasks in the reporting year was the launch of a development programme for line managers and supervisors, aimed primarily at improving understanding of their management role and developing their management skills. Given the large number of participants (Nornickel employs over 6.7 thousand line managers and supervisors), an innovative solution was introduced: an AI-powered chatbot integrated into the Supernika corporate app, which enables training anytime and anywhere. Besides, interaction with artificial intelligence helps employees get a grasp of modern digital technologies. This programme reached over 3.1 thousand line managers and supervisors in 2024.

In 2024,
582
MANAGERS
were trained under the programme

Mentoring

In 2024, the Company continued to foster a culture of managerial mentorship. Top-100 managers holding ICF CCE international certificates acted as mentors to high-potential employees.

Furthermore, in 2024, managerial knowledge was shared through inter-level dialogues, cascading from senior to middle management. Middle managers enhanced their coaching capabilities through participation in the Power of Words programme and took on roles as leadership coaches. These leadership coaches now deliver regular management development workshops for line managers.

Assistance

Since the Company's production sites are located in remote areas, Nornickel actively sources staff from other regions of Russia. To help employees better adapt to a new environment, Nornickel launched the Assistance programme, targeting not only highly skilled talent and managers but also young specialists and talent with hard-to-find skills. All employees relocating to Taimyr are provided with comfortable accommodation and receive reimbursement for relocation and resettlement expenses.

In 2024, the Company made a decision to significantly expand the programme's footprint. Starting in 2025, the programme will be extended to the Murmansk Region, cities in the Krasnoyarsk Territory, and the Novosibirsk Region.

Among middle managers
40 INDIVIDUALS
were appointed as leadership coaches

[1] Peer-to-peer (P2P) learning is a method of knowledge transfer in which experienced learners share their expertise with less experienced colleagues.

Relocation programme

The employee relocation programme has been in place since early 2022. It offers support to all employees relocating to another region, whether they remain with their current employer or are transferred to other units within the Group. In addition to standard reimbursements for travel, baggage transport, accommodation, subsistence expenses, and additional leave for settling in, employees receive a supplementary relocation allowance of up to 40% of their salary, depending on the destination.

Relocating to a new place of work unlocks opportunities for employees' personal and professional growth, while enabling the Company to fill vacancies in cases where there are no sufficiently qualified candidates available in the internal talent pool or the regional labour market.

Today, the programme supports nearly

5 THOUSAND NORNICKEL EMPLOYEES,

including 1.3 thousand new hires who joined the Company in 2024

In Good Company

Nornickel's youth programme, In Good Company, was created to unite employees aged under 35 and foster their professional and creative growth across a variety of areas and disciplines. The programme's additional objective is to identify talented students and young talents outside the Company, attract them to join Nornickel, and make their onboarding as fast and successful as possible.

The programme was designed with the demands of young employees in mind based on the analysis of employee expectations (recognition, self-fulfilment, and experience) as well as the relevant needs of the Company (boosting engagement and fostering the development of talent, skills, and overall personal potential).

Currently,

82 NORNICKEL EMPLOYEES

are covered by the programme, including 11 who joined in 2024

It offers participants a wide array of opportunities across four distinct tracks: professional practice, growth, social practice, and creativity, making it a versatile platform for individual involvement.

The programme is delivered in cycles during official corporate events, but participation also extends beyond these moments. Employees are encouraged to initiate and execute their own projects, earning points that can be redeemed for useful rewards.

As part of the programme, the Company developed a secure proprietary mobile app styled as a social network, where users can select any number of tracks and activities, expand their social circles and interests, and interact freely – regardless of job title, speciality, or location.

In 2024, the Company hosted the Safe Safety case competition for its young employees, which received 596 applications. Participants were grouped into 75 cross-functional teams to develop ideas addressing real challenges faced by Nornickel's H&S function. The case championship concluded with a live broadcast showcasing the most exciting solutions.

Career guidance

The Company places strong emphasis on career guidance for school students and young people, both in the cities where it operates and throughout Russia.

For schoolchildren, the Company developed a unique educational platform, Nornickel's City of Occupations, a digital encyclopaedia that features an interactive map with game elements such as quizzes, quests, and a conversational bot. The map includes descriptions of 147 different occupations and offers a career guidance test to identify a "candidate's" strengths and weaknesses. The platform also features guidance materials for parents to support them in helping their children choose a career path. In 2024, career guidance classes such as Arctic Miners, Welcome to the City of Occupations, and Metal Detectors were held for more than 6 thousand school students in Norilsk and 230 in Monchegorsk.

For university students across Russia enrolled in programmes aligned with Nornickel's workforce needs, the Company runs a four-week online course called Conquerors of the North. In 2024, more than 2.6 thousand students applied for the programme, with 841 completing the programme and 100 top performers recommended for internships at the Company.

The forth stream of the First Arctic programme – aimed at building the leadership potential of university graduates – was launched in 2024. A total of 323 applicants were evaluated, with 20 top performers selected for employment.

In total, 821 students completed industrial placement and pre-graduation internships at the Head Office, in Norilsk, and in Monchegorsk. Another 574 students took part in paid internships through the Profstart and Polar College programmes, while 174 students joined temporary construction roles in Norilsk as part of student brigades. From among participants of Profstart and Polar College, 132 graduates were hired by the Company in 2024. Altogether, 1,569 students completed internships and work placements with Nornickel over the course of the year. In addition, Nornickel supports federal youth engagement programmes, such as the I Am a Professional Olympiad and the Metal Cup case competition.

In 2024, the Company broadened the eligibility criteria for its scholarship programme, resulting in

469 STUDENTS receiving scholarshipsк

Remuneration and incentive system

Key performance indicators

Nornickel's remuneration system is based on the achievement of key performance indicators (KPIs), which include metrics related to financial performance, social responsibility, occupational safety, environmental safety, and operational efficiency, while also addressing cross-functional stakeholder interests. In 2024, more than 17 thousand Group employees were assessed against KPIs.

The KPI framework ensures a uniform approach to employee performance evaluation, helps prioritise annual targets for managers and staff in line with the Company's strategy, and links remuneration directly to individual results.

Under the annual bonus programme, both team-based and individual KPIs are set for the calendar year.

These KPIs are documented in a KPI scorecard, which reflects performance at both the Group and enterprise levels. The ratio of team to individual KPIs is determined by an employee's grade and role. As a result, the Company's overall performance has a direct impact on the actual bonuses earned by employees whose compensation is KPI-based.

Under the long-term incentive programme, key executives are assigned a standard set of KPIs over a three-year cycle.

In addition, a **project-based incentive scheme**, is in place to motivate and retain key personnel involved in capital investment projects. Bonuses are awarded based on the achievement of key project milestones, **with payouts aligned to successful project delivery**.

At 34 Group enterprises, the Company also conducts automated 360-degree assessments.

Based on these assessments, employees receive feedback from their managers, identify areas for development, and draw up individual development plans for the coming year. In 2024, assessments were conducted for over 11 thousand employees across all levels – from senior managers to specialist roles.

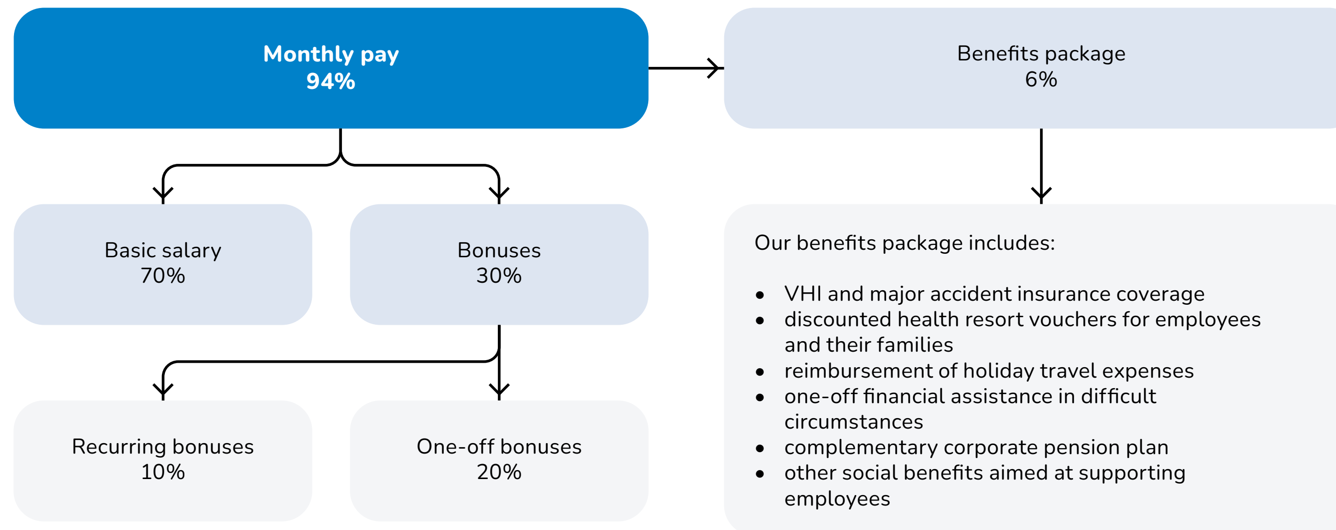
Remuneration

Salaries at Nornickel are determined regardless of gender, age, race, nationality, origin, or religion.

RUB 158 thousand	Median monthly pay per employee
10%	2024 pay increase
29%	Average gender pay gap

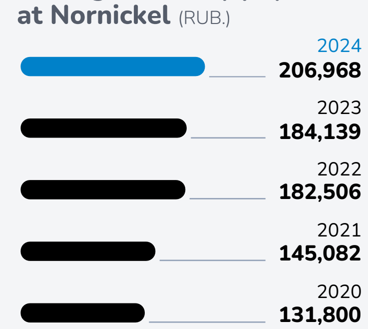
Remuneration is governed by the Company's compensation policy and comprises both a basic salary and a benefits package. In its turn, the basic salary includes fixed and variable components. The variable component is linked to the Company's overall performance and KPI achievement as well as progress of investment projects. It may also include one-off bonuses awarded for the successful completion of one-off tasks that deliver an economic benefit.

Employee compensation package breakdown



Nornickel has implemented a grading system, which serves as a vital tool for the development and rollout of various HR programmes. Positions are evaluated using a point-factor method, which considers the required knowledge and skills, the complexity of responsibilities, and the level of accountability associated with each role. A job's grade level determines the size of the fixed salary and annual bonus, the VHI package category, and other elements of the overall compensation package.

Average monthly pay at Nornickel (RUB)



Monthly pay (RUB)

Indicators	2023 M	2023 F	2023 Total	2024 M	2024 F	2024 Total
Average monthly pay per employee	196,666	145,854	**184,139**	221,163	171,675	**206,968**
Average monthly pay for managers	376,054	328,216	**392,510**	463,055	421,055	**454,091**
Average monthly pay for blue-collar employees	145,851	92,772	**134,713**	160,797	100,072	**148,243**

Yearly pay review

The Company conducts regular reviews of pay levels and trends, taking into account inflation rates. Based on these assessments, annual salary adjustments are made in line with the regional consumer price index. In 2024, a one-time salary adjustment was implemented, averaging 10%. Employee salaries at the Company are consistently above the minimum wage rate (MWR) in all regions where it operates.

Employee incentive programmes

Nornickel has a comprehensive employee incentive system in place, aimed at improving operational efficiency and labour productivity, driving strong performance outcomes, and retaining highly skilled talent.

Digital Investor

In 2024, the Company continued rolling out its Digital Investor programme – a one-of-a-kind initiative in the Russian market – by launching the Tenure module as part of its second cycle. This programme represents a new model of engagement between the employer and employees. Under the programme, Nornickel fully covered the cost of purchasing digital financial assets (DFAs), a new type of blockchain-based investment instrument. The issuance and circulation of DFAs are carried out on dedicated platforms under the supervision of the Bank of Russia.

Employee pay vs MWR by operating region (RUB)

Regions of operation	Established minimum wage rate	Average monthly pay at Nornickel
Norilsk Industrial District (NID)	50,029	206,328
Murmansk Region	44,257	142,008
Krasnoyarsk Territory (excluding NID)	34,636	111,888
Trans-Baikal Territory	28,863	180,366
Moscow and other regions of Russia	20,000	366,512

Nornickel's DFAs are called minetokens. Each minetoken is pegged to the value of 100 Company shares[1] at both the time of issuance and redemption. The new module targets newly hired Nornickel employees who have not previously participated in earlier cycles of the programme. The number of DFAs granted to each employee is based on their length of service with the Group as of 1 January 2024.

Length of service, years	Number of DFAs
Up to 1	0
1–4	2
5–9	4
10–14	6
15–19	8
Over 20	10

Under the programme, minetoken holders may sell their tokens one year after receipt to investors registered on a dedicated platform. After five years, the DFAs will be automatically redeemed, and their holders will receive a cash payment equivalent to the market value of the corresponding number of Nornickel shares at the time of redemption. Until the DFAs are redeemed, minetoken holders are entitled to periodic payments equivalent to the dividends declared on Nornickel shares.

This means that the remuneration of Nornickel DFA holders is directly tied to the Company's market capitalisation, thereby providing additional motivation for strong individual and team performance.

In connection with the launch of the Tenure module, the Company rolled out an updated awareness campaign explaining all aspects of the instrument, including a hotline, official website, and quick-reference guides. In parallel, Nornickel continues to run a series of webinars led by leading financial experts, focusing on financial literacy and investment skills. A dedicated training programme and updated online education module are also available to employees. Over the two years since the programme's launch, more than 250 HR professionals have been trained to serve as programme ambassadors and experts across all Nornickel enterprises. Additionally, 45.6 thousand employees have completed the Tsifronikel and Nornickel Academy training courses.

In January 2024, the programme distributed its scheduled periodic payments, with 51.3 thousand employees receiving RUB 796.33 per DFA (after tax).

By the end of 2024, more than 69.5 thousand Nornickel employees had become digital investors, having received their minetokens.

According to a survey of over 5 thousand employees, 82.3% of respondents agreed that participation in the programme helps them better understand how their individual performance aligns with the Company's goals.

Employee recognition

To enhance motivation and acknowledge employee achievements, Nornickel has established a multitiered reward and recognition system encompassing government, ministerial, and agency awards, regional and municipal honours, as well as corporate and internal recognitions.

Nornickel's Award Policy is closely linked to its values and strategic priorities. Employees are recognised for exceptional performance, the introduction of innovations that promote Company growth and generate additional economic value, as well as for contributions that significantly improve operational efficiency at a specific Group enterprise or go beyond formal contractual obligations in a way that benefits the business.

The Company traditionally acknowledges employee achievements through corporate awards, which are accompanied by a one-time cash payment. Nornickel's Badge of Honour, the Company's highest corporate distinction, not only includes a lump-sum reward but also entitles the recipient to a lifetime monthly corporate pension. In addition, internal awards are granted by individual enterprises to recognise employees' achievements at the local level.

In 2024, a total of

4,377

EMPLOYEES

were recognised through the Company's reward programmes

A new non-financial form of recognition was also introduced in 2024: the Letter of Gratitude from the Vice President. This initiative enables the Company to promptly deliver senior-level recognition of individuals or teams for long-standing dedication, outstanding contributions, or special occasions such as anniversaries or retirement.

[1] In 2024, Nornickel did a share split, converting each ordinary share into 100 new shares. This adjustment was reflected in the DFA structure. While the number of DFAs in an employee's wallet remains the same, the value of one DFA now corresponds to 100 Nornickel shares. Employees can view the current monetary value of their DFAs directly in their personal accounts.

Social programmes for employees

Nornickel has a comprehensive social support system for its employees, which includes a wide range of benefits and programmes.

Employee-related social expenses (RUB MLN)

Indicators	2022	2023	2024
Health resort treatment[1]	2,481	2,499	**2,495**
Travel expenses	3,386	3,691	**3,643**
VHI	2,189	2,577	**2,211**
Pension plans	1,188	1,238	**1,446**
Housing programmes	1,065	813	**1,117**
Benefits and guarantees	978	1,377	**1,314**
Assistance for former employee	421	403	**446**
Other	3,546	3,845	**3,806**
Total	**15,254**	**16,443**	**16,478**

The Company provides annual reimbursements (above the current statutory minimum) for round-trip holiday travel and baggage fees for employees and their family members residing in the Far North and equivalent territories. Health improvement programmes.

Health resort

Health resort treatment and health improvement programmes for employees and their families are among the most sought-after components of Nornickel's social policy in the Far North regions.

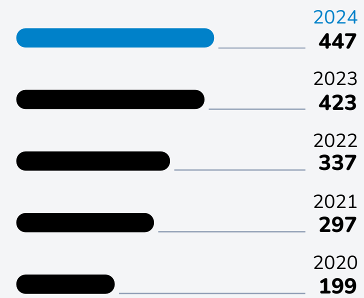
In 2024, 17.6 thousand employees and their family members received treatment at the Zapolyarye corporate health resort in Sochi as part of the Company's health improvement programmes, while another 7 thousand employees visited other health resorts, including over 1.6 thousand children who stayed in children's health camps. The Company reimburses, on average, 86% of the voucher cost for employees.

1 Health resort treatment expenses include partial reimbursement for the cost of vouchers for employees and their family members as well as travel expenses to children's health camps. The cost of vouchers for trips abroad also covers round-trip transportation from a Russian border crossing point to the vacation destination.

Sports programmes

Another important social support programme run by Nornickel is the promotion of corporate sports and healthy lifestyles. The programme is aimed at improving quality of life, enhancing the Company's employer brand, and making sports more accessible to employees and local communities in its regions of operation.

Sports expenses (RUB MLN)



Nornickel regularly holds sporting events and corporate competitions, including annual spartakiad competitions, in the regions where it operates. Hockey, futsal, volleyball, basketball, alpine skiing, snowboarding, swimming, and family sports competitions are among the most popular activities with employees. For many years, Nornickel employees have actively participated in Night Hockey League tournaments, the Business Champions League, and competitions held by the Corporate Sports Development Association.

In 2024, the large-scale Nornickel: Hooked on Sport project was rolled out across the entire Group. A mobile app was developed for project participants to help each employee stay physically active, maintain a healthy diet, manage stress effectively, and feel more fulfilled in both life and work. The total number of participants exceeded 4.8 thousand. During the year, sports and wellness events reached 32.5 thousand employees, while live broadcasts of corporate competitions attracted more than 51 thousand views.

Insurance programmes

VHI

Family member

- Employees can take out a policy at the corporate rate for one close relative

Company employees

- Full coverage at the Company's expense
- All employees with primary employment at the Company, including those currently on maternity leave if they were hired under fixed-term contracts prior to the leave

The Company has a VHI programme in place covering all Group employees. In addition, employees can take out a policy at the corporate rate for one close relative.

Employees residing in the Far North are entitled to medical assistance under a VHI policy in these regions and beyond. All insurance programmes offer the same range of services, with only the level of clinics and covered regions differing depending on the employee category.

As part of the VHI programme, the Company offers its employees a unique opportunity to take a human genome sequencing test. The test provides the most comprehensive personalised information about one's body characteristics and identifies the risks of significant diseases. Using these data, employees can take steps to minimise the likelihood of health problems. By the end of 2024, almost 22 thousand employees took part in this programme.

Personal accident insurance

This personal insurance programme, available throughout Russia, provides monetary compensation to the insured in the event of harm to their life, health, or ability to work.

International travel insurance

The international travel insurance policy covers the medical expenses of insured individuals within a predefined limit and is provided free of charge to all participants in the Company's corporate VHI programme..

Corporate healthcare

The Corporate Healthcare project supports the development of private healthcare as a complement to the public healthcare system in the Company's key regions of operation – the Norilsk Industrial District and the Kola Peninsula. Its primary goal is to provide high-quality, affordable medical care to employees and their families The project's total budget exceeds RUB 10 billion, with implementation scheduled until 2030. As part of the project, the Company is modernising and upgrading corporate healthcare facilities and medical examination rooms located at Company sites, while also establishing new medical centres in the cities where it operates.

Nornickel's first corporate medical centre opened in Norilsk in 2021, serving patients under the voluntary health insurance (VHI) programme. Today, the centre offers 237 types of medical services across 14 primary care specialties. The average wait time for appointments ranges from seven days to one month, demonstrating the high local demand for quality medical care.

In 2024, the Company continued to expand its healthcare footprint at the Norilsk and Kola industrial sites. Shop-level medical units were launched to support disease prevention and deliver high-quality medical care to employees directly on-site.

Since the project launch in 2019, a total of 35 medical facilities have been commissioned. Work is currently underway to open new medical centres in Talnakh and Kayerkan.

The Company also rolled out its Digital Healthcare programme to deploy innovative IT solutions in medical technology. The programme was introduced at the Zapolyarye corporate health resort in 2021 and in Norilsk in 2022. A mobile app was developed and launched, enabling employees to access their medical records, book doctor appointments, and receive all necessary information about clinic services. Nornickel continues to digitise key medical records and is working to create self-diagnostic systems and a disease risk assessment system.

Pension plans

Nornickel offers its employees private pension plans. Under the Co-Funded Pension Plans, pension savings are co-funded by the employee and the Company on a parity (equal) basis. This allows the Company to support pre-retirement employees in adjusting to life after leaving employment.

The Company also has a Complementary Corporate Pension Plan in place, which provides a lump-sum payment from the Company's funds to employees aged 55 to 65, with at least 20 years of service, upon resignation and relocation outside the Norilsk region. This plan aims to retain employees in the region for a set period and to reward long-serving employees with notable contributions to the Company as they approach retirement.

Pension plan trend

Indicators	2020	2021	2022	2023	2024
Co-Funded Pension Plan					
Number of participants	11,519	10,776	10,406	10,380	**9,954**
Expenses (RUB mln)	520	542	682	755	**843**
Complementary Corporate Pension Plan					
Number of participants	511	455	421	445	**494**
Expenses (RUB mln)	411	411	442	482	**543**

The Lifetime Monthly Corporate Pension Plan is also available to Company employees awarded the Badge of Honour, with 237 Group employees granted eligibility since the programme's launch and 193 of them receiving payments as at the end of 2024.

Housing programmes

Since the launch of its housing programmes, the Company has provided **6,358** APARTMENTS

1.9 THOUSAND EMPLOYEES

Benefitted from preferential mortgage loans

1.1 BILLION RUB

was spent on housing programmes in 2024

In 2024, Nornickel continued its housing programmes, Our Home / My Home and Your Home, which enabled Company employees with rare qualifications and highly skilled specialists to purchase ready-to-move-in apartments on preferential terms across Russia.

Nornickel purchases housing at its own expense and transfers it to employees under co-financing agreements

The Company covers up to 50% of the apartment cost, but not more than RUB 3 million

The rest of the apartment cost is paid by the employee over a defined period ranging from 5 to 10 years

Nornickel purchases housing at its own expense and transfers it to employees under co-financing agreements: the employer covers up to 50% of the cost, but not more than RUB 3 million (USD 32 thousand), while the employee pays the remaining amount over a specified period of employment with the Company (from 5 to 10 years). The cost of housing remains unchanged throughout the employee's participation in the programmes.

The Our Home / My Home programme entitles an employee to use the housing from the moment they receive it, but the property title is transferred to them only upon completion of their participation in the programme. Under the Your Home programme, the property title is registered in the employee's name immediately, but with a mortgage encumbrance; the encumbrance is lifted once the employee fully repays the debt to the seller.

Between 2014 and 2024, apartments for employees were purchased in the Moscow and Tver Regions, the Krasnodar Territory, and Yaroslavl. To support the creation of additional infrastructure, ensure a comfortable living environment, and facilitate maintenance by the property management company, Nornickel purchased closely located residential properties for its employees. A total of 6,358 apartments have been provided to employees.

In addition, the Company offers a subsidised loan programme under which employees receive interest-free loans to cover initial mortgage instalments and are also reimbursed for part of the mortgage interest paid to the bank. About 1.9 thousand employees have already benefitted from these preferential loans.

In 2024, the DFAs in Construction project was piloted. The project was launched for employees of the Norilsk site to assist them in purchasing housing using digital financial assets (DFAs). Project participants were given the opportunity to purchase a block of DFAs priced in line with the discounted cost per square metre at the housing construction stage. Upon redemption of these DFAs, the funds received can be used by employees as an initial instalment for buying residential property.

Support to former employees

As part of Nornickel's corporate social policy, the Veterans programme, aimed at supporting former employees, focuses on unemployed pensioners who permanently reside in Norilsk. The main eligibility criterion for participation is the employee's length of service with the Company.

The Pensioner Financial Aid Fund supports former employees who left the Company before 10 July 2001, had a minimum of 25 years of service, and permanently reside outside the Norilsk Industrial District. The fund is financed through voluntary monthly contributions from employees and charitable donations from the Company.

The Company also provides targeted support to former employees and their families facing difficult life circumstances, covering costs related to health improvement, medication, and funeral services.

Industrial safety

Contribution to the UN SDGs

Key strategic objectives in health and safety for 2023–2025:
- Achieve the industry average injury rate
- Achieve zero fatalities

Strategic goals

Zero fatalities	The Company has a zero-tolerance policy for work-related fatalities
No major accidents at production sites	Measures to prevent accidents at the Company's facilities and the associated negative impact on local communities in operating regions or operational performance
Steady reduction of health and safety risks to a tolerable level	Safe working conditions for employees and mitigation of ore mining and processing risks

In the past year, the Company was strongly focused on enhancements to mine safety systems with the launch of the Critical Risk Management project.

A three-tiered safety barrier system was introduced to minimise the risks of severe and fatal accidents. The system is currently in the pilot deployment phase across all Company mines. Moving forward, the safety barriers will be integrated into the production control system, and enhancing its effectiveness remains a key strategic challenge for the Company in 2025.

In 2024, a comprehensive employee survey was conducted to evaluate perceptions of health and safety. Based on the results, several initiatives were developed and implemented – the most effective, such as Detecting Unsafe Activities and the On-Site Training Programme for H&S Staff, are planned for further development and scaling in 2025.

Additionally, the Company launched the Life and Safety – Work Environment project, establishing a unified H&S communications system via a dedicated Telegram channel.

Management system and KPIs

Key performance indicators

Up to 30% weighting in team KPIs of all Group employees → Goal: Deliver on the H&S action plan and reduce FIFR by 50% or more from a 2021 baseline

Up to 40% weighting in individual KPIs of production site managers → Goal: 100% implementation of the H&S action plan within the established timeframe

Within the Group's team KPIs, 30% of the weighting is assigned to the implementation of the action plan designed to enhance safety culture and reduce work-related fatalities. These initiatives are directly overseen by senior management, including members of the Management Board. When evaluating performance against this KPI, an adjustment factor based on the current FIFR[1] rate is applied. The FIFR reduction target is based on achieving an annual decrease from a 2021 baseline, with a goal of at least a 50% reduction by end-2024.

Production site managers are personally responsible for the health and safety of each of their subordinates. Injury and industrial safety metrics weigh up to 40% in their individual KPIs. The target is to achieve 100% implementation of the H&S action plan within the established timeframe.

Governance structure

Company's management
(the Board of Directors Audit Committee, Management Board, President)

Senior Vice President – Chief Operating Officer, Head of Polar Division
The Company's management team member responsible for the establishment, maintenance, operation, and improvement of the Corporate Integrated Quality and Environmental Management System covering quality as well as health, safety, and the environment

→ **Vice President for Ecology and Industrial Safety**

Health, Safety, and Environment Committee

Health and Safety Department

Heads of the Company's branches and representative offices

Health and safety councils (commissions)

Industrial safety functions

Industrial safety compliance functions

Industrial safety matters are overseen by the Audit Committee of the Board of Directors. The Committee reviews quarterly management reports on industrial safety performance and is briefed on the causes of accidents, the measures taken to prevent similar incidents in the future, and any disciplinary actions taken against those responsible.

The Company also has a Health, Safety, and Environment Committee, chaired by the Senior Vice President – Chief Operating Officer. Its main objectives are to improve performance and accountability in health and safety. The Committee holds quarterly meetings at the Group's production sites.

[1] Fatal injury frequency rate, the number of fatalities per million hours worked.

Industrial safety audits

The Company conducts regular audits of its occupational safety management system. In 2024, Nornickel successfully completed the audit and renewed its certificate of conformity. The certification body, Bureau Veritas Certification, described the Company's management system as mature and well-established and confirmed that the corporate systems of Nornickel's audited enterprises met the relevant requirements of the applicable standard. The Company's strengths cited by the auditor include the ongoing safety culture development project; the use of IT solutions and risk-based approach tools; contractor management practices; and a strong focus on continuous improvement of the health and safety management system.

At the end of 2024, 53%[1] of Group companies were certified to ISO 45001:2018 for occupational health and safety.

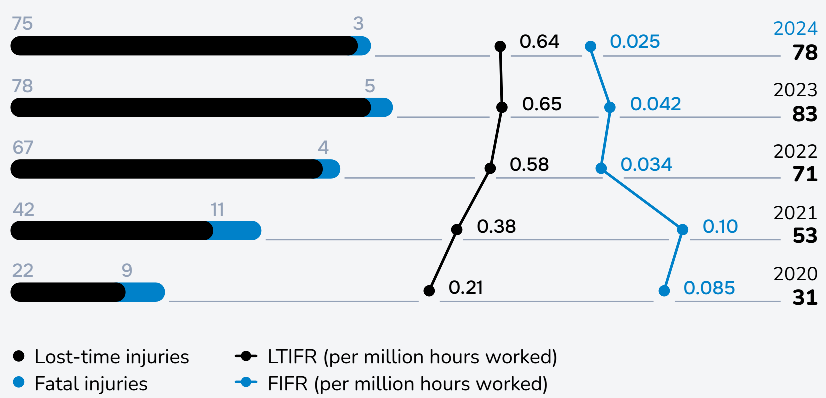
In 2024, new auditing techniques were developed and refined, including:

- maintenance audits, which assess an enterprise's readiness to carry out maintenance activities and the effectiveness of supervising safe work practices
- comprehensive health and safety audits, aimed at identifying systemic gaps, uncovering root causes, and proposing corrective actions
- targeted audits at mine sites (focusing on mining operations), incorporating the three-tiered safety barrier model – technical, procedural, and behavioural.

Work-related injuries

In 2024, the Company continued implementing its Building Risk-Based Thinking Skills project, aimed at revising the health and safety incident reporting process to enhance transparency and improve the accuracy of incident classification. As a result, the Company achieved faster response times and expanded its capacity for further in-depth analysis of workplace incidents. The process for incident investigation and root cause analysis was also significantly revised, opening up additional opportunities for proactive incident prevention in the future.

Work-related injuries across the Group (PEOPLE)



[1] By average headcount.

Causes of fatalities

Indicators	2020	2021	2022	2023	2024
Falls from height	0	1	1	0	0
Falling objects	2	0	0	0	0
Moving objects/parts	1	3	0	0	0
Rock fall	2	2	2	0	0
Underground transport	0	0	0	3	3
Electrocution	3	1	0	0	0
Collapse of structures	0	0	0	2	0
Explosion	0	0	0	0	0
Other	1	4	1	0	0
Total	**9**	**11**	**4**	**5**	**3**

The lost time injury frequency rate (LTIFR) decreased to 0.64 in 2024, while the fatal injury frequency rate (FIFR) reached a historic low of 0.025.

Tragically, three fatal workplace accidents were recorded at the Company in 2024. Each accident was thoroughly investigated, with reports submitted to the Board of Directors and action plans developed to address the root causes. The Company continues to improve the quality of its incident investigations and is reshaping its occupational safety communications with employees.

Following the investigation into an incident where an employee was pinned by a load-haul-dump (LHD) machine, the Company decided to equip all LHDs with the Interlock system, which automatically activates the parking brake after three seconds of inactivity on both the accelerator and brake pedals. Additionally, video recording devices were installed in LHD cabs to enable monitoring of operator behaviour. A list of critical faults that prohibit machinery from being operated has been established, along with a procedure for equipment acceptance following repairs.

To address the root causes of another incident in which an employee was pinned between a pipeline and a mine wall, the Company enhanced the functionality of the positioning system to enable monitoring of self-propelled diesel equipment while stationary during shift breaks. The standard pipeline fixation design was also updated, providing detailed guidance on approved securing methods. All designated vehicle access points for passenger boarding and exiting were brought into compliance with established standard requirements.

Following the investigation into the incident involving a dump truck striking a pipeline, the mine's production control processes were overhauled across all levels of management. The requirements for planning the installation and dismantling of process pipelines, as well as the inspection and acceptance of completed work, were revised.

Contractor safety

Contractor injury rates (people)

Indicators	2020	2021	2022	2023	2024
Work-related injuries, including:	18	30	46	32	**31**
Lost-time injuries	15	28	42	25	**30**
Fatal injuries	3	2	4	7	**1**
LTIFR	–	–	–	–	**0.52**
FIFR	–	–	–	–	**0.017**

The Company's procedural documents on industrial safety – including regulations, policies, corporate standards, and the Golden Rules of Safety – also apply to contractor employees.

When engaging contractors, the primary focus in health and safety is on preventing fatal incidents and ensuring compliance with industrial safety requirements.

In 2024, the Company launched a system for collecting injury statistics, including the calculation of contractor-specific LTIFR and FIFR.

All tasks performed by contractors in high-hazard environments are carried out in accordance with corporate safety standards. Work permits must include occupational safety requirements to be followed during both the planning and execution of tasks. Compliance with these requirements is monitored on every shift. Prior to the commencement of any work, contractor employees are required to receive induction and targeted briefings on occupational health, including safety measures.

Contractor representatives participate in both regular joint safety inspections and H&S committee meetings held at Nornickel sites. If contractors fail to comply with safety requirements, penalties are imposed.

To foster a culture where safety is a shared value among all stakeholders, Nornickel holds an annual forum with major contractors to discuss relevant case studies and safety challenges. These discussions are supported by training sessions delivered by the Company's internal safety coaches. The forum reinforced the understanding that safety is a collective responsibility, not solely that of the customer.

In addition, Nornickel regularly organises contractor training sessions on Dynamic Risk Assessment and Behavioural Safety Audits.

Safety culture

The Company continuously improves its H&S system elements. These changes cover all production units of the Company – from mining ore to making metals.

Health and safety expenses

Indicators	2020	2021	2022	2023	2024
Health and safety expenses (RUB mln), including:	9,724	12,728	21,697	17,505	**19,784**
Expenses per employee (RUB thousand)	136	173	272	218	**256**

To maintain a high level of employee awareness regarding safety measures, the Company regularly develops and updates its guides, videos, presentations, and other visuals highlighting key safety measures for protecting life and health in various situations or when performing specific tasks. All Company employees have access to occupational health information.

For example, in 2024, Nornickel focused on the following key initiatives:

- Changing the communication format – with an emphasis on clear, engaging examples related to health and safety
- Implementing proprietary digital solutions to prevent accidents
- Introducing a new audit format aimed at identifying systemic gaps
- Sharing and replicating lessons learned from incident investigations

The Company has a formal procedure in place that allows employees to refuse work if they are exposed to risk. Such refusal does not result in any disciplinary action against the employee. Each employee has the option to anonymously contact the Corporate Trust Line in case of complaints or suggestions. Additionally, employees are encouraged to ask questions and receive feedback from managers at all levels during working meetings, huddles, and similar events.

Emergency preparedness

In line with legal requirements, Nornickel maintains a constant state of emergency preparedness across all units, including for emergency containment and response. This is particularly critical, as the Company operates more than 300 hazardous facilities that use hazardous substances in their production processes.

Emergency preparedness procedures

Every enterprise has in place on-site emergency response plans

Employees undergo training on emergency response actions, and drills are conducted

Contracts with professional emergency rescue services and organisations are maintained

Reserves are in place to support emergency response at hazardous facilities

Mine rescue teams have been established and take regular training under conditions as close to real emergencies as possible

Emergency surveillance, alert, communication, and response support systems have been installed across facilities

Monitoring of violations

Nornickel has developed and operates a multitiered H&S monitoring system, which includes ad hoc, targeted, and comprehensive H&S inspections. The Company's incident reporting procedure and incident classification system enable prompt response to incidents and enhance the quality of subsequent analysis.

In 2024, the Company implemented a new tool that enables centralised incident logging in a unified database, efficient tracking of investigation progress and statuses, secure storage of investigation results, and more effective information sharing across units.

In addition, the Company conducts behavioural safety audits. As a result of prevention and control efforts, more than 8 thousand industrial safety violations were identified, with the responsible employees held accountable, including through partial or full withholding of bonuses.

Employee training

The Company is committed to ensuring that its employees have the necessary knowledge, skills, and competencies to perform their duties safely and responsibly.

Training begins immediately after hiring, starting with a health and safety induction, followed by on-the-job briefings. Thereafter, briefings and training sessions are held regularly in line with corporate programmes and the specific nature of each role. All Group employees regularly take online industrial safety trainings followed by tests. Interactive training courses have also been developed for employees in core operational roles.

H&S training statistics

Indicators	2020	2021	2022	2023[1]	2024
Number of employees trained	34,040	38,253	51,520	57,114	**55,427**
Percentage of employees trained	47	52	66	72	**70**
Number of trainings conducted	–	–	707	4,262	**4,045**

A project to establish a train-the-trainer programme for safety culture was launched in September 2022. Its training programmes are updated annually. In 2024, a total of 4,045 training sessions were conducted, with more than 55 thousand employees trained under the project. In addition, the trainers delivered training to over 1 thousand contractor employees and 510 students as part of the initiative.

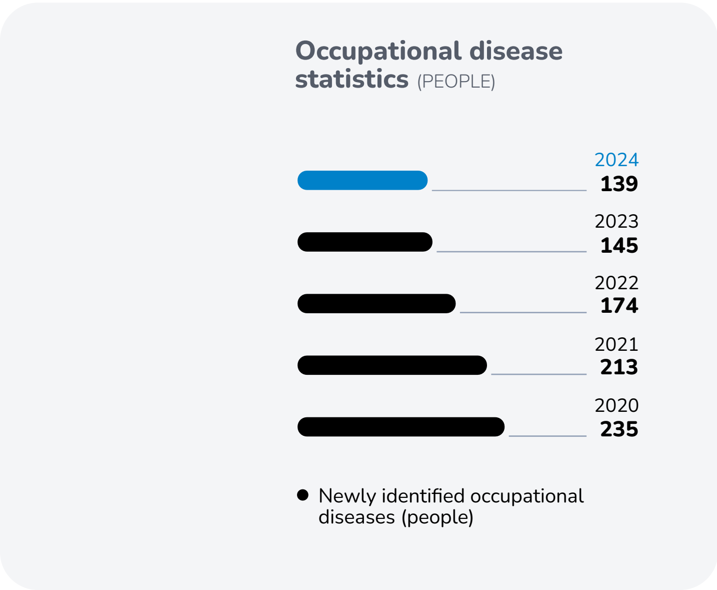
[1] Since 2023, the number of employees trained has been tracked based on programmes developed by the H&S Department.

Protection against health hazards

The Company protects employees from workplace health hazards by providing collective and personal protective equipment, introducing effective work and rest schedules, and improving workplace amenities. All employees have a mandatory meal break during their shifts.

Employees exposed to hazardous substances undergo special medical examinations at occupational pathology centres. Personnel working in contaminated environments are provided free of charge with wash-off and decontaminating agents. Employees operating in hazardous or highly hazardous conditions are entitled to free preventive nutrition, milk, or equivalent food products.

Prevention of occupational diseases



Most Company employees reside in the Norilsk Industrial District. To minimise the risk of occupational diseases, Nornickel operates the Sulphur Project aimed at reducing sulphur dioxide emissions, implements effective healthcare measures that consider both workplace and personal risk factors, and encourages healthy lifestyles.

Regular health monitoring of employees is a key element in preventing occupational diseases. All employees undergo mandatory pre-employment and regular medical examinations at the Company's expense throughout the course of their employment. On-site medical aid posts operate at production facilities to conduct pre-shift health checks and provide medical assistance upon request.

Environment and climate

Contribution to the UN SDGs

3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND

Reducing environmental impact remains one of Nornickel's strategic priorities. The Company strictly complies with environmental legislation, identifies and manages environmental risks, regularly trains employees, improves environmental controls, streamlines production processes, and takes biodiversity conservation and restoration measures.

Strategy

In 2024, the Company updated its Environmental and Climate Change Strategy, extending its planning horizon to 2035 and introducing new initiatives, including the construction and modernisation of wastewater treatment facilities, biodiversity restoration efforts, replacement of legacy dust collection equipment, and the commissioning of mobile waste treatment units. The updated strategy also reaffirms Nornickel's commitment to reducing greenhouse gas emissions across its footprint and contributing to national climate goals.

In addition, the document adjusts targets for disturbed land rehabilitation and sulphur dioxide emission reduction. While the target for sulphur dioxide capture was 377 kt in 2024, it is set to double to 736 kt in 2025 and increase to 922 kt from 2026 onwards.

In total, the strategy comprises

323

INITIATIVES

Focus areas	2031 targets
No interregional or national emergencies	
Air	Reduction of SO_2 emissions by 90%[1] to 213 ktpa
Water	100% compliance with regulatory requirements for pollutant concentrations in wastewater
	100% compliance with freshwater withdrawal limits[2]
Tailings storage facilities and waste	100% compliance with regulatory requirements for waste disposal facilities
Land	Rehabilitation of 3,996 ha of disturbed land[3]
Biodiversity	Achievement of net zero biodiversity losses as a result of the Company's operations (Δ Integrated Ecosystem Health Indicator (IEHI))

[1] Vs the 2015 base year.
[2] In accordance with the water use contract; includes initiatives to install metering devices.
[3] From the 2022 base year.

Environmental management

In place since 2005, the Company's environmental management system is part of the integrated quality and environmental management system. This ensures coordination between all environmental matters and other areas, enhancing the Company's overall performance on environmental safety.

Environmental audits

The Company confirms the compliance of its environmental management system with ISO 14001:2015 by engaging Bureau Veritas Certification Rus (BVC) to conduct surveillance audits annually and recertification audits every three years. Bureau Veritas Certification Rus operates in Russia under the accreditation of the Egyptian EGAC, which is a full signatory and participant of the IAF MLA[1].

In 2023, based on the results of a recertification audit, the Company received a certificate of conformity valid until 12 January 2027. The first surveillance audit of the seventh certification period conducted in 2024 established full conformity with ISO 14001, and the certificate was extended for another year.

At the end of 2024, 51% of Group assets[2] were certified to the ISO 14001 environmental standard.

ISO 14001:2015 certificate

Certified assets	Status
Head Office and branches Kola site	• Certification body: Bureau Veritas Certification Rus • In 2024, a surveillance audit was conducted
Foreign site	• Certification body: Bureau Veritas Certification Rus • The foreign site maintains certification for conformity with ISO 14001:2015
Trans-Baikal Division	• Certification body: IRCLASS IRQS (India) • The asset's environmental management system was certified in 2023 • In 2024, a surveillance audit was conducted

[1] Multilateral Recognition Arrangement of the International Accreditation Forum.
[2] By average headcount.

Air

One of the Company's principal environmental impacts is the significant emissions of sulphur dioxide during the smelting of sulphide concentrates.

Sulphur Project

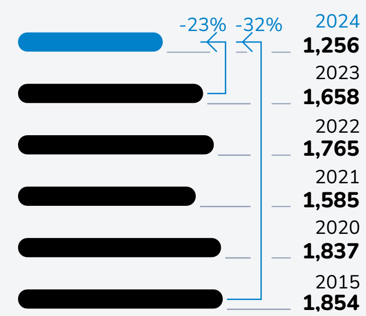
Nornickel's development strategy is to transform the Company into an environmentally safe business, including by implementing the Sulphur Project at the Kola and Norilsk production sites. The Sulphur Project is a large-scale initiative to recover sulphur dioxide from off-gases of flash smelting furnaces.

In 2024, the Group's pollutant emissions totalled

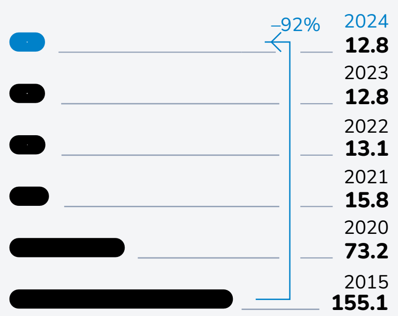
1.3 MLN T

— down 24% y-o-y.

Sulphur dioxide emissions at the Norilsk site (KT)



Sulphur dioxide emissions at the Kola site (KT)



Air pollutant emissions across the Group (KT)

Indicators	2020	2021	2022	2023	2024
Sulphur dioxide (SO_2)	1,911	1,601	1,778	1,671	**1,269**
Nitrogen oxide (NO_x)	10	11	10	6	**6**
Particulate matter	15	9	11	11	**11**
Other pollutants	33	25	21	20	**21**
Total	**1,968**	**1,647**	**1,819**	**1,708**	**1,307**

At the Norilsk site, it is implemented at Nadezhda Metallurgical Plant and includes technological upgrades to recover sulphur dioxide from off-gases of flash smelting furnaces by converting them into sulphuric acid and then neutralising it with limestone. The resulting gypsum pulp from the neutralisation process is stored in a dedicated gypsum storage facility.

In October 2023, the first process line was launched, with 7.5 kt of sulphur dioxide recovered during pre-commissioning before the end of the year. In September 2024, the Company launched comprehensive testing of the second process line, boosting sulphur dioxide recovery from gases to approximately 390 kt. Preliminary assessments of the technologies applied in the project demonstrated a recovery efficiency exceeding 99%, a figure confirmed by government agencies during control and oversight inspections.

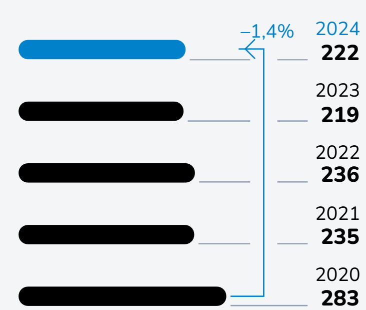
At the Kola site, the Sulphur Project helped reduce sulphur dioxide emissions by over 90% compared to the 2015 base year – exceeding the target of 85%. From 2020 to 2024, emissions remained virtually unchanged thanks to production reconfiguration measures and the adoption of the best available technologies.

Water

In 2024, RAEX ranked Nornickel among the leaders in water stewardship.

Total freshwater withdrawn (MCM)

FOR PRODUCTION ACTIVITIES WITH THE EXCEPTION OF MINE WATERS.



Company enterprises are located in regions with sufficient water resources. In 2024, no water stress was reported, as both enterprises and local populations were supplied with adequate water volumes.

Nornickel's operations are associated with the following water-related risks:

- Pollution of water bodies resulting from tailings or petroleum product spills
- Pollution of water bodies due to poor performance of wastewater treatment facilities
- Depletion of water bodies caused by withdrawals exceeding permitted limits

The Company is committed to the responsible and sustainable use of water resources and the prevention of water body pollution. To this end, the Company regularly monitors groundwater at production sites and is designing systems to collect and treat mine-impacted water. All facilities using water monitor water bodies and water protection areas. Nornickel does not withdraw water from protected natural sites and strictly complies with water withdrawal limits.

Nornickel's key production facilities operate closed-loop water systems. Water is mostly withdrawn from surface and underground sources, but also includes third-party wastewater and natural inflow. In 2024, water withdrawal increased by 3.6 Mcm y-o-y, including a 3.5 Mcm rise in freshwater withdrawal. Natural water inflow accounted for 14.8% of total water withdrawal in 2024.

An impressive 81% of all water used by the Company was recycled and reused, including produced and mine water used to neutralise sulphuric acid under the Sulphur Project.

Water consumption and wastewater discharge in 2024

Water withdrawal

321 MCM

- **218** Mcm
  Surface sources
- **26** Mcm
  Underground sources
- **17** Mcm
  Wastewater
- **50** Mcm
  Natural water inflow
- **10** Mcm
  Other

Consumption

1,224 MCM

= 232 (freshwater) + 992 (reused and recycled water)

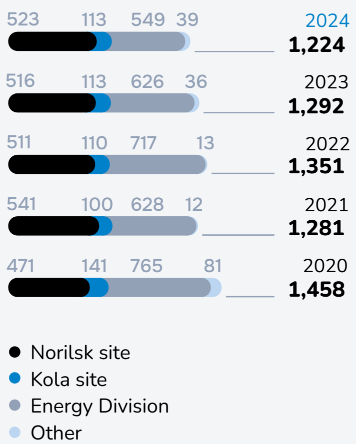
- **72** Mcm
  reused water (6%)
- **920** Mcm
  recycled water (75%)

Wastewater discharge

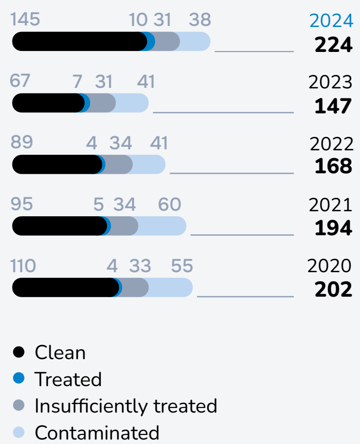
224 MCM

- **145** Mcm
  Clean
- **10** Mcm
  Treated
- **31** Mcm
  Insufficiently treated
- **38** mMcm
  Contaminated

Water consumption by site (MCM)



Wastewater discharge to water bodies (MCM)



Wastewater discharge to water bodies primarily stays within permitted limits and has no material impact on biodiversity. In 2024, wastewater discharge increased by 52% due to the discharge of standard-quality treated water used for cooling at CHPP-1.

Nornickel takes all possible measures to ensure that pollutant concentrations in wastewater comply with regulatory requirements. All domestic sewage discharges are routed through biological or physico-chemical treatment facilities. The volume of untreated wastewater decreased by 3.4 Mcm in 2024. The mass of pollutant discharges decreased by 43% to 89.9 kt.

Nornickel consistently invests in improving the efficiency of existing water treatment systems and building new ones, and it regularly assesses its impact on water resources. The relevant measures include:

- wastewater inventory
- assessment of wastewater quality at accredited laboratories at legally mandated intervals
- monitoring of wastewater discharge volumes and quality at discharge sites
- observation of surface water bodies at control points upstream and downstream of discharge sites
- monitoring of wastewater treatment processes at treatment facilities and implementation of organisational and technical measures to improve treatment effectiveness

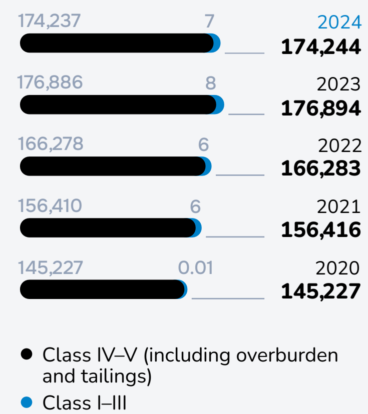
Impacts from water transport

The Company takes steps to reduce fuel consumption by its water transport and to prevent contamination of the Dudinka and Yenisei Rivers. It also supports biodiversity by organising the release of fish fry into natural habitats.

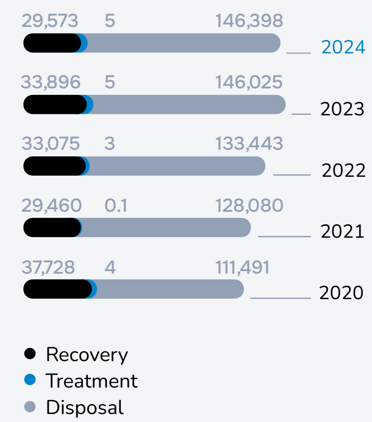
Waste

Of the waste generated in the Company's own activities, 99% is classified as non-hazardous. This includes rock and overburden, tailings, metallurgical slags, and ferrous cake. Ore extraction waste is placed in waste rock dumps and used for backfilling mined-out underground stopes and open pits, as road fill, or for reinforcing tailings dams. Of the total waste generated, gangue accounts for 80%, tailings for 18%, and recycled or reused waste makes up 17%.

Waste generation by hazard class (KT)



Waste management (KT)



Key methods for reintegrating waste into own production include recycling in smelting furnaces, oil recovery, use as flux, incorporation into furnace charge materials, and application in construction.

Waste generation remained virtually flat year-on-year in 2024.

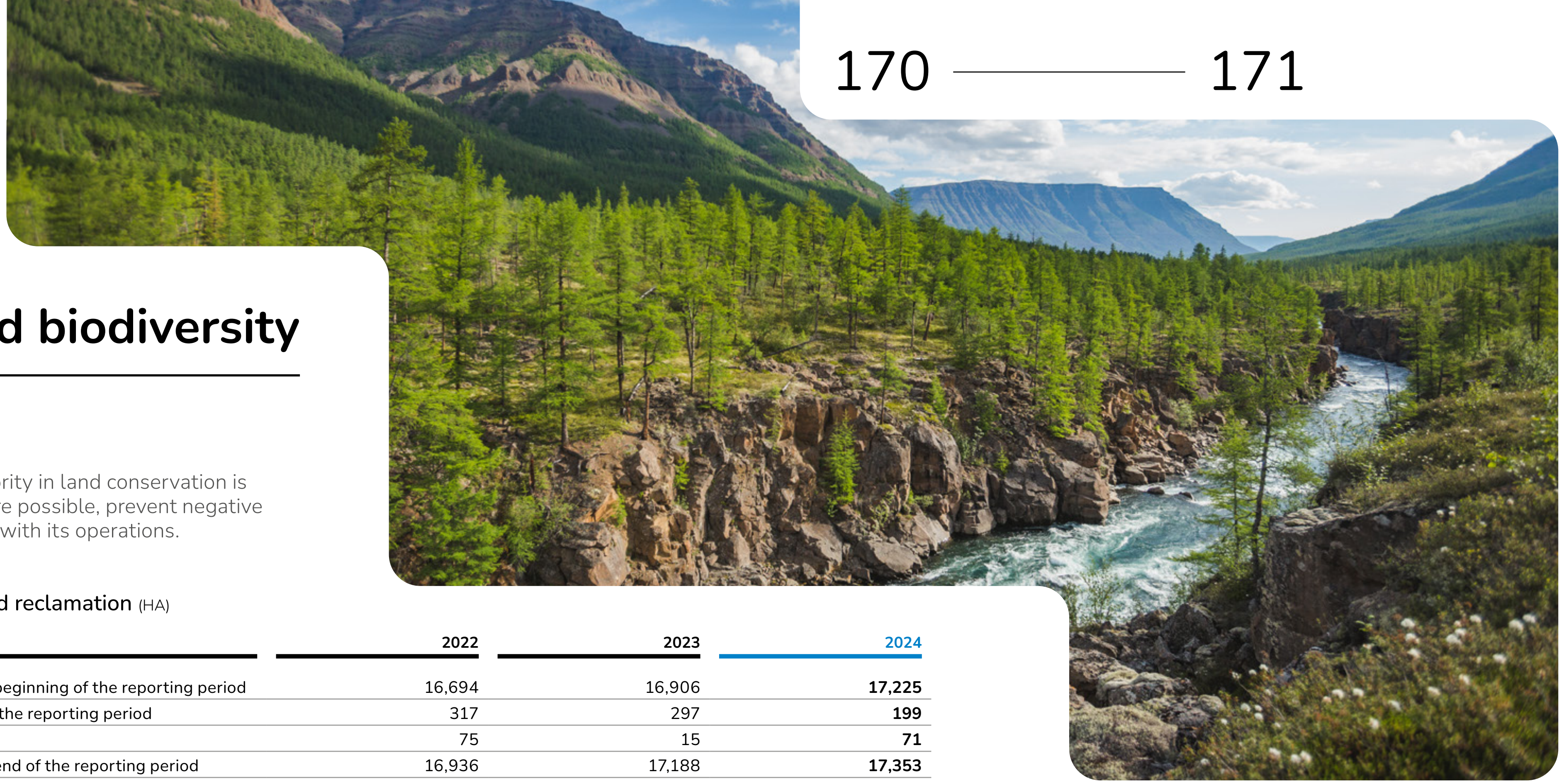
Waste disposal

The Company currently operates six tailings storage facilities: four at the Norilsk site, one at the Kola site, and one in the Trans-Baikal Division.

All of them are situated at a considerable distance from production sites and human settlements.

Nornickel recognises that tailings storage facilities are high-risk assets with the potential for significant environmental impacts and consequences for the quality of life of local communities. The Company has developed a Tailings Management Policy and conducts regular monitoring of the condition of tailings dams, discharge sites, and adjacent areas.

As part of the Sulphur Project, a gypsum storage facility was also constructed and is currently in the pre-commissioning stage. The facility is designed for the safe storage of gypsum pulp.



Land and biodiversity

Land

The Company's priority in land conservation is to reduce and, where possible, prevent negative impacts associated with its operations.

Land disturbed and reclamation (HA)

Indicators	2022	2023	2024
Land disturbed at the beginning of the reporting period	16,694	16,906	**17,225**
Land disturbed during the reporting period	317	297	**199**
Reclamation	75	15	**71**
Land disturbed at the end of the reporting period	16,936	17,188	**17,353**

Land rehabilitated (HA)

Indicators	2022	2023	2024
Land rehabilitated, including:	498	245	**235**
• Revegetation	12	5	**9**
• Clean-up	154	79	**73**
• Reforestation	284	112	**87**
• Reclamation (from strategy)	48	49	**66**

Nornickel regularly participates in landscaping and greening initiatives in the regions where it operates. The Company has developed an action plan for the rehabilitation of disturbed areas, which includes clean-up and improvement of municipal areas adjacent to motorways, protection of water bodies and water protection areas, and the enhancement of local holiday camps. These initiatives are implemented in cooperation with local authorities and employee volunteers from Nornickel.

Biodiversity conservation

For many years, Nornickel has actively supported biodiversity conservation and worked to preserve species in the regions where it operates.

Since 2022, the Company has been working in collaboration with scientists from the Russian Academy of Sciences (RAS) to assess biodiversity and organise expeditions for comprehensive studies of ecosystems in areas where its mining, production, and energy operations are located. These are the largest ecosystem research projects since the Soviet era. To date, three regions have been studied: the Trans-Baikal Territory, the Murmansk Region, and the Taimyr Peninsula.

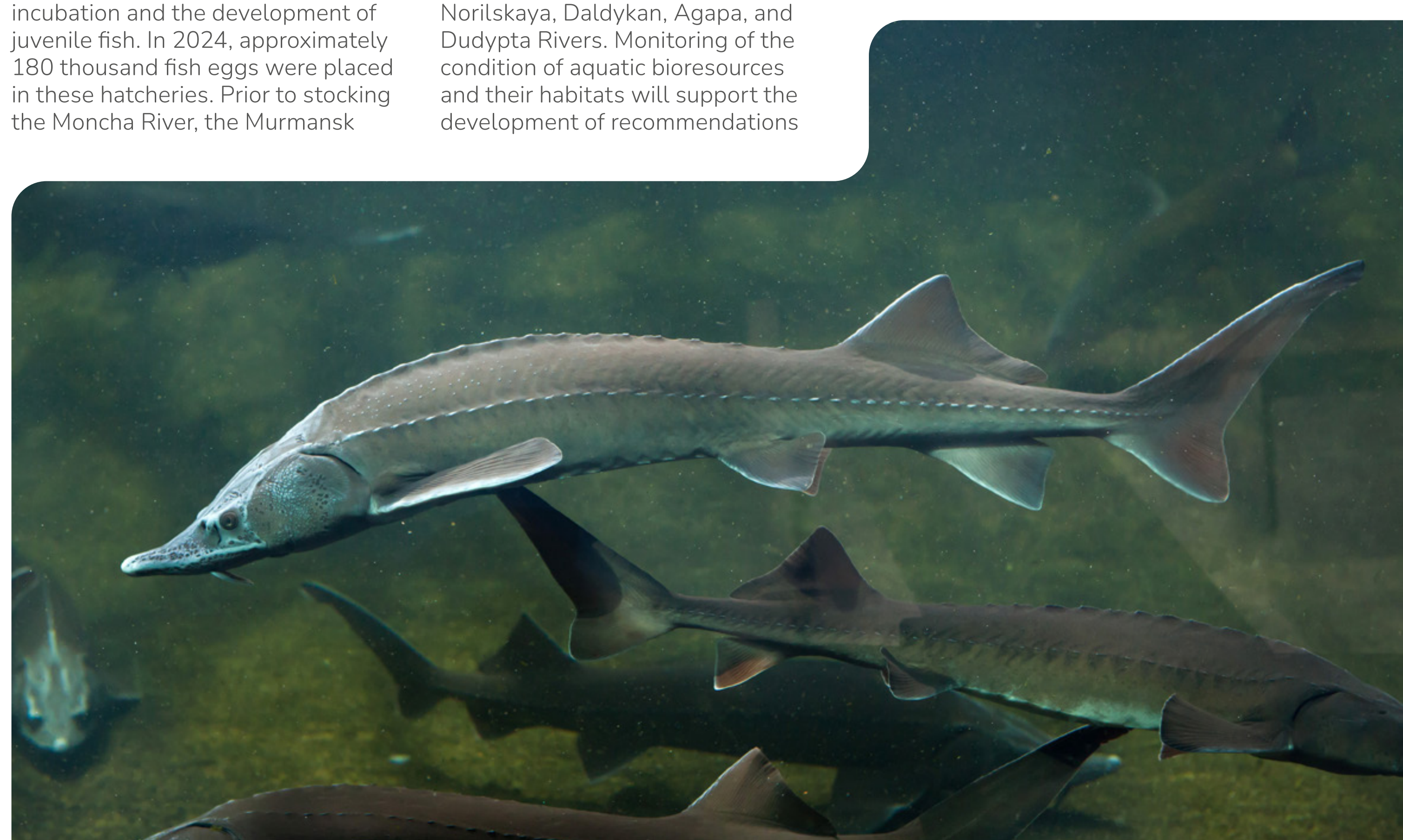
For more details on the research findings and biodiversity conservation measures, please visit the dedicated website, life.nornickel.com and Biodiversity the section of the Company website.

Since 2022, the Kola site, in collaboration with the Institute of Biology of the Kola Science Centre of the Russian Academy of Sciences, has been involved in fish stocking of local water bodies. Dozens of hatchery nests have been installed in the Monchegorsk area to support egg incubation and the development of juvenile fish. In 2024, approximately 180 thousand fish eggs were placed in these hatcheries. Prior to stocking the Moncha River, the Murmansk Salmon foundation for preserving the biodiversity of the Kola Peninsula cleaned the river and carried out a series of scientific studies.

In the Trans-Baikal Division, nearly 150 thousand common carp fry were released into Lake Shaksha in the Ivano-Arakhleisky Nature Park during 2024 to help restore the species' declining population.For many years, the Company has also operated a programme for the incubation and release of valuable fish species into water bodies in the Krasnoyarsk Territory to replenish their populations. Valuable fish species, including those listed in the Red Data Book, are bred at facilities operated by specialised contractors, with juvenile fish later released into natural water bodies.

Since 2023, the Company has been involved in efforts to preserve the gyrfalcon population under an agreement with the Russian Ministry of Natural Resources and Environment.

Since 2023, under an agreement between the Company, the Federal Agency for Fishery, and the Russian Federal Research Institute of Fisheries and Oceanography, a team of scientists has been conducting research on Lake Pyasino, the Pyasina River, and the Ambarnaya, Norilskaya, Daldykan, Agapa, and Dudypta Rivers. Monitoring of the condition of aquatic bioresources and their habitats will support the development of recommendations for fish population recovery. During the 2024 expedition, 16 Siberian sturgeon were caught in the Pyasina River – the first recorded catch since 1982. The species had previously been considered extinct on the Taimyr Peninsula.



Cooperation with nature reserves

Nornickel supports nature reserves in the regions where it operates and does not conduct operations within or near protected areas:

- In the Murmansk Region, the Pasvik, Lapland, and Kandalaksha Nature Reserves are located 10 to 90 km away from the Kola site's production facilities
- In the Krasnoyarsk Territory, the buffer zone of the Putoransky Nature Reserve lies 80 to 100 km from Nornickel's production sites
- In the Trans-Baikal Territory, the Daursky State Nature Biosphere Reserve is located 250 km from the Trans-Baikal Division's production facilities

Nornickel environmentalists, experts from the Siberian Branch of the Russian Academy of Sciences, and representatives of the nature reserves wrapped up the Big Scientific Expedition, which helped to:

- update the delineation of the impact areas of the Company's facilities and assess biodiversity both in areas adjacent to production sites (within the impact areas) and in locations beyond the radius of negative impact, where plant and animal communities typical of the region are found
- identify the key factors and extent of negative impact of the Company's facilities on local ecosystems
- record the diversity of plant, vertebrate, and invertebrate species and calculate an integrated ecosystem health indicator to evaluate biodiversity net gain
- identify indicator species reflecting the condition of local ecosystems.

In 2024, the Company continued to cooperate with nature reserves on the Taimyr Peninsula. As part of this cooperation, the endemic Putorana snow sheep – listed in Russia's Red Data Book – was studied, and a conservation strategy for the species was developed.

In the Murmansk Region, the Company works with the Pasvik and the Lapland Nature Reserves. To raise awareness about the preservation of the reindeer population in the Lapland Nature Reserve, Nornickel participates in the Let's Save Reindeer Together project. With the Company's support, eco-trails were created in the reserve, guest houses and a visitor centre were built, and two books were published – one about the founders of the reserve, and a children's book titled Secrets of the Lapland Nature Reserve.

In the Pechengsky District, the Company supports a unique initiative by the Pasvik Nature Reserve to establish a Freshwater Pearl Mussel Reintroduction Centre. Plans for population restoration extend beyond the district to other municipalities in the region. At the time of writing this Report, a project roadmap was under development and suitable habitats were being studied in the Paz, Kaskamajoki, Laukkujoki, and Nilijoki river basins.

The Company also plans to propose broader biodiversity cooperation with the reserve, drawing on the experience it has gained through long-standing partnerships with other reserves in the region. Plans include the joint implementation of volunteer environmental research projects.

In 2024, the Company supported a rescue operation for an injured humpback whale, a Red Data Book species, in the Barents Sea. The whale was entangled in remnants of fishing nets and could not fully open its mouth, a condition that would have led to certain death. Thanks to the joint efforts of the Company, Rosprirodnadzor, and the Murmansk Region emergency response team, the animal was successfully saved.

In the Trans-Baikal Territory, the Company contributed to the uninterrupted work of inspection teams tasked with protecting mass gatherings and breeding areas of rare species, and supported the systematic winter census of the Mongolian gazelle (a hoofed mammal of the Procapra genus, Bovidae family) in the Daursky Biosphere Reserve. In addition, an eco-trail was created at the planned Krasnaya Gorka natural monument, a protected area of regional significance.

Climate

Our approach

Nornickel strives to reduce greenhouse gas emissions in its regions of operation and contributes toward Russia's national climate goals. The key measures to achieve carbon neutrality include production upgrades, gangue mineralisation in tailings storage facilities, energy efficiency efforts, steps to increase the share of renewables and low-carbon-footprint fuels in the energy and transport sectors, and climate projects.

The Company continues integrating its climate risk and risk factor management system into its business processes in accordance with the TCFD and COSO recommendations.

To assess risks and opportunities arising from the global energy transition, Nornickel has developed three own scenarios for global economy and climate change until 2060.

Rapid Transition Probability: 20%	Sustainable Palladium Probability: 75%	Global Growth Probability: 5%
Low-carbon development scenario +1.8 °C[1]	Continuation of current socio-economic and technological trends +2.0 °C[1]	Abandoning efforts to curb climate change with further economic growth fuelled by hydrocarbons +2.4 °C[1]

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, supporting a steady long-term demand for palladium. The other two scenarios are used by the Company to stress-test climate-related risks.

For more details on climate-related risks and opportunities, please see the Risk Management section of this Report.

Greenhouse gases

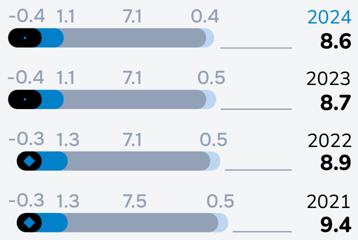
Since 2020, the Company has been calculating its direct and indirect greenhouse gas emissions (Scope 1 + 2), including the emissions allowance for the Sulphur Project. In view of the upcoming reconfiguration of the Copper Plant, which will substantially cut the pollutant emissions, the Company adjusted its calculations of greenhouse gas emissions by excluding the emissions allowance of the Sulphur Project for the Copper Plant that was previously accounted for in the Group's gross emissions[2].

In 2024, direct and indirect greenhouse gas emissions from operations (Scope 1 + 2) amounted to 7.5 mln t of CO_2 equivalent[3], and 0.4 mln t of CO_2 equivalent was directly removed through gangue mineralisation in tailings storage facilities.

In 2024, the Group's greenhouse gas emissions decreased due to the following factors:

- lower per unit fuel consumption for heat and electricity generation as a result of optimising equipment operation modes at combined heat and power (CHP) plants
- lower heat and electricity generation due to a warmer winter in the Norilsk Industrial District
- updating of regional CO_2 emission factors for electricity supply within the energy systems of the Murmansk Region and Trans-Baikal Territory.

GHG emissions, Scope 1 + 2
(MLN T OF CO_2 EQUIVALENT)[1]



- Greenhouse gas removal
- Scope 1 emissions from households and infrastructure facilities
- Scope 1 emissions from production assets
- Scope 2 emissions from production assets

Energy indirect GHG emissions (Scope 2) were calculated using the location-based method, including regional emission factors. Regional emission factors were updated to take into account new commissioned renewable facilities in the Company's regions of operation.

The Trans-Baikal Division and RusHydro signed a bilateral agreement to purchase 124.9 mln kWh of electricity generated by RusHydro hydropower plants, driving Scope 2 GHG emissions down by more than 126 kt of CO_2 equivalent in 2024.

The world is seeing a rapidly emerging and growing global carbon market, where industrial companies issue carbon units when implementing climate projects. Nornickel participates in the national carbon market and plans to enter the international one. In 2024, Nornickel and RusHydro entered into the largest carbon unit sale and purchase transaction in the Russian market, and the Company also started issuing its own carbon units, with the Kola enterprise switching main ventilation units at Severny Mine to electric heating. A total of 17,483 carbon units are planned to be released (with 14,193 carbon units currently outstanding).

As part of its climate action, Nornickel is considering environmental and climate projects in its regions of operation.

To reduce its direct and indirect energy GHG emissions, the Company monitors and manages emissions and upgrades production. The Company plans to commission its own generation facility – a solar power plant in the Trans-Baikal Territory, in the second half of 2025 and is also working on switching its mining transport equipment to alternative fuels.

[1] Temperature change by 2050.
[2] Data on GHG emissions from the Sulphur Project of Nadezhda Metallurgical Plant will be updated once the project is ramped up to its design capacity.
[3] The emissions Scope 2 were calculated using the location-based method. Also GHG emissions (Scope 1+2) were, includeding the emissions allowance for the Nadezhda Metallurgical Plant under the Sulphur Project and excludeding emissions from heat and electricity supplies to household consumers.

[1] GHG emissions were calculated as per the GHG Protocol Guidelines. Estimates of greenhouse gas emissions for the Group included the following greenhouse gases: direct emissions of carbon dioxide (CO_2), nitrogen oxide (N_2O), and methane (CH_4), mostly from gas transportation, including the Nadezhda Metallurgical Plant under the Sulphur Project, and heat and electricity supplies to household consumers.

As removal of atmospheric carbon dioxide is one of the most important actions to combat the global climate change, another focus area for reducing greenhouse gas emissions is gangue mineralisation in tailings storage facilities. Mineralisation is one of the most effective CO_2 sequestration methods, which involves chemical reactions between carbon dioxide, water, and rocks.

These reactions form stable carbonate minerals such as calcite/aragonite, dolomite, magnesite, and siderite that can store carbon for thousands of years. The method has great potential for long-term CO_2 storage in stable mineral forms, making it attractive for large-scale application. Nornickel's tailings storage facilities are unique in that they are equipped to absorb greenhouse gas emissions, including carbon dioxide. The amount of direct GHG absorption depends on the volume of waste rock generated during the reporting period and disposed of at the Group's tailings storage facilities.

The Company has certified the methodology for calculating direct GHG absorption through gangue mineralisation in tailings storage facilities, unique in Russia, to GOST R ISO 14064-1-2021 Greenhouse gases. Part 1. Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals. Data on actual absorption for 2021–2024 have been verified by an international independent company.

Nornickel plans to develop this project, with detailed studies of artificial and active mineralisation in tailings storage facilities scheduled to start in 2025. These processes have a considerable potential for GHG removal and will further be presented as climate projects.


VERIFICATION STATEMENT

TÜV AUSTRIA

It is hereby verified by TÜV AUSTRIA Standards & Compliance that

MMC Norilsk Nickel, PJSC
15, 1st Krasnogvardeysky proezd, Moscow, 123112 Russia

has calculated greenhouse gases removals based on

ISO 14064-1:2018 Greenhouse gases – Part 1:
Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

with the following attributes assessed and confirmed:

Organizational Boundary	Operational Control	
Reporting Period	One calendar year	
Identification of the Greenhouse Gas (GHG) Statement	Norilsk Nickel Group Direct GHG Removals by Waste Rock of Tailings Dumps Report for 2022-2023, October 2024	
Reporting Boundary	Direct GHG Removals (Category 1)	
Time Period, year	2022	2023
Direct GHG Removals, tCO2e	343 408	357 284
Level of Assurance	Limited	
Materiality Level	5%	

This statement contains additional information in Appendix 1

Statement No. TASC-V-20241030001

Issue date: 2024-10-30

STANDARDS & COMPLIANCE
conformity assessment based on ISO/IEC 17029:2019

TÜV AUSTRIA VERIFIED

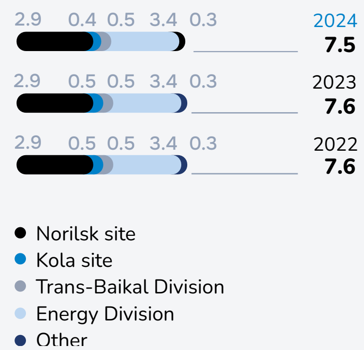
Dipl. Ing. Pedro Pastrana Socorro
Verification representative

This verification was conducted in accordance with TÜV AUSTRIA Standards & Compliance regulation and confirms the data on GHG removals for the above-mentioned reporting period, all subsequent reporting periods are subject to additional verification

VERIFIZIERUNG | VERIFICATION | VÉRIFICATION | VERIFICACIÓN | ВЕРИФИКАЦИЯ

In 2024, the Gangue Mineralisation – Greenhouse Gas Removal by Tailings Storage Facilities became one of the Best ESG Projects in Russia in the Climate Action. educing Greenhouse Gas Emissions category.

GHG emissions from production operations, Scope 1 + 2
(MLN T OF CO_2 EQUIVALENT)



Nornickel's key production facilities are located in the Norilsk Industrial District, in the Arctic Circle, and operate in sub-zero temperatures for about eight months of the year. The district is isolated from the federal energy infrastructure, so Nornickel generates electricity and heat locally at its own generating facilities (100% owned by the Group). As a result, the bulk of GHG emissions comes from the Company's energy assets. As Nornickel is the only producer of electricity and heat in the Norilsk Industrial District, the Company also fully meets the demand for energy and heat from social infrastructure facilities and the local population. The share of GHG emissions generated by infrastructure facilities and households in Nornickel's regions of operation is on average 12% of total Scope 1 + 2 GHG emissions.

Scope 3

The Company annually quantifies its other indirect (Scope 3) GHG emissions, which originate outside the Group and are beyond the Group's control or influence. The Company distinguishes between upstream and downstream Scope 3 emissions.

The bulk of upstream Scope 3 emissions is related to the purchase of raw materials and equipment from suppliers as well as energy and fuel consumption (to the extent not included in Scope 1 + 2).

Downstream emissions are associated with the transportation of the Company's products from production assets to consumers and subsequent processing into finished products. In 2024, the Company updated the methodology for calculating downstream emissions to align it with new methodologies[1]. The 2024 assessment covered nickel, copper, palladium, platinum, copper and nickel intermediates, and iron ore concentrate sold outside the Group. The bulk of these emissions comes from intermediates sold outside the Group. Emission volumes are influenced by changes in sales volumes, the Group's product and customer portfolio, and the geographic mix of product sales.

Scope 3 emissions are quantified in line with the GHG Protocol guidance for all categories relevant to the Group and the IPCC Guidelines for National Greenhouse Gas Inventories.

GHG emissions, Scope 3 (MLN T OF CO_2 EQUIVALENT)

Emissions by category	2021	2022	2023	2024
Scope 3 (other indirect GHG emissions)	**5.4**	**5.3**	**6.4**	**6.7**
Upstream, including:	1.4	1.4	1.3	**1.2**
• purchased goods and services	0.8	0.9	0.8	**0.7**
• capital investments	0.1	0.1	0.1	**0.1**
• energy and fuel	0.4	0.3	0.3	**0.3**
• other	0.1	0.1	0.1	**0.1**
Downstream, including:	4.0	3.9	5.1	**5.5**
• processing of sold products	3.8	3.7	4.9	**5.3**
• transportation of sold products	0.2	0.2	0.2	**0.2**

[1] The Scope 3 Emissions Accounting and Reporting Guidance (2023) by the International Council on Mining and Metals (ICMM), ISO 14083:2023 Greenhouse gases – Quantification and reporting of greenhouse gas emissions arising from transport chain operations, Global Logistics Emissions Council (GLEC) Framework, Scope 3 GHG Emissions in the Nickel Value Chains. A Guide to Determine Nickel-Specific Scope 3 GHG Emissions by the Nickel Institute, and industry best practices.

Renewables and energy efficiency

Powered by both external and own generation facilities, Nornickel's production assets are sources of direct and indirect greenhouse gas emissions (Scope 1 + 2).

The Company's own energy assets are located in the Norilsk Industrial District and use low-carbon sources for energy generation, such as natural gas and renewable hydropower. Diesel fuel, fuel oil, petrol, and jet fuel are used by Nornickel's transport assets. Use of coal by energy assets is minimised to only small amounts in certain production processes.

The Kola site and Trans-Baikal Division source heat from their own boiler plants and purchase electricity in the wholesale electricity and capacity market (WECM).

The Company's key renewable energy source is hydropower generated by the Group's Ust-Khantayskaya and Kureyskaya HPPs. In 2024, the share of renewables in total electricity generation stood at 54% for the Group and 58% for the Norilsk Industrial District. Renewable energy accounted for 12% of the Group's total energy consumption.

The use of other renewables, such as solar and geothermal energy, within the Arctic Circle is impracticable as Nornickel's core operating assets are located in regions with harsh climatic conditions.

Solar power

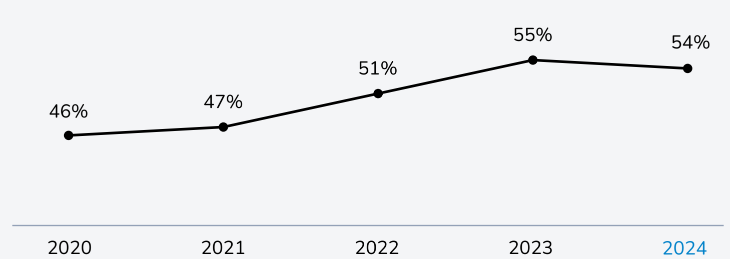
8 months a year – air temperatures below freezing point
100 days – duration of polar nights and twilights
70 days per year – sunny days

Geothermal energy

Permafrost: 300 to 500 m deep

Due to harsh climates, not all renewables are available in the Arctic Circle

Share of renewable electricity consumption



Nornickel attaches great importance to improving the energy efficiency of its existing and future production sites. In 2024, the Company invested more than USD 350 million in upgrading its energy infrastructure. The investments cover multiple projects related to equipment replacement at thermal and hydropower plants and upgrades to fuel tank storage facilities, power grids, and gas pipelines.

Permafrost monitoring

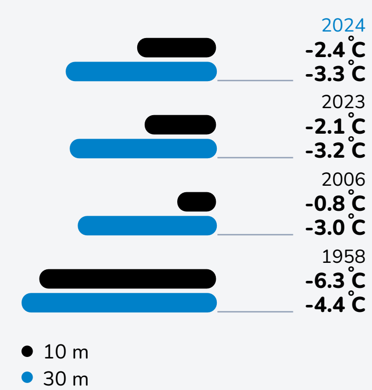
The system developed by Nornickel to monitor permafrost and the facilities built on it enables assessments of the impact permafrost degradation has on the stability of engineering structures in regions of operation while managing related risks.

Climate change in the Arctic drives global-scale challenges and poses a significant threat to the security of polar infrastructure.

In recent years, Nornickel focused on building a science-based, practical framework for asset operation management. Deep monitoring wells were drilled in populated areas of the Norilsk Industrial District to study the permafrost soil temperature range and assess the impact of global climate change. A 200-m well in the centre of Norilsk, where temperature measurements have been taken since as early as 1958, was restored and fitted with a thermistor string.

Data from the well are sent twice a day to the Company's Facilities Monitoring Centre. Observations showed that in 1958, the base of permafrost was at a 150 m depth, while now it is at 147.7 m. The pace of permafrost thawing at the depth of 10 m was also established: the temperature there has increased by 4 °C since record keeping began, which confirms the steady trend of global warming.

Temperature changes in the well



The technical condition of facilities built on permafrost in the Norilsk Industrial District is monitored to reduce the risk of emergencies. To date, more than 1.8 thousand automated sensors have been installed across 223 facilities to gauge soil temperature and displacement of individual elements, carry out an ongoing control of temperature and humidity in crawl spaces, respond to possible failures of heat and water supply systems, monitor for relative deformation of structures.

The Centre's experts run a range of geotechnical surveys, including visual inspections, geodetic monitoring, and manual measurement of groundwater level and foundation soil temperature. All data is fed into the Norilsk Division's information and diagnostic system in real time and is used to monitor the safe operation of buildings and structures not only at the Norilsk site, but also at the Energy Division enterprises. The automatic monitoring system enables data analysis, including tracking of all deviations that reduces response time, as well as registration of soil and air temperature increase trends in crawl spaces and proactive actions to prevent any adverse effects. The system is also a database that contains all the information about such buildings: engineering surveys, design documents, related comprehensive inspections, and other materials. The system enables communications with property owners to issue and check compliance with recommendations as well as generate reports on a lot of metrics. Currently, the information and diagnostic system covers 17 Company enterprises and more than 600 employees.

A new approach based on the methods of mathematical modelling of thermal and mechanical interaction was developed to assess the impact of climate change on the stability of facilities in the Norilsk Industrial District. It relies on the climate change forecast across the Company's footprint, prepared by leading research institutions. This approach is currently being tested at the Company's critical facilities covered by the automatic monitoring system.

Background monitoring

Nornickel was the first Russian commercial organisation to set up its own regional system of background permafrost monitoring. The data obtained can be used to supplement the database on the condition and changes of permafrost in the natural environment, quantitatively predict changes in permafrost conditions, and assess natural and anthropogenic impacts on the soil temperature.

Thus, the Company now has geotechnical and background monitoring data that support informed and economically sound decisions regarding further operation of assets.

To date, studies have covered an area of about 8 thousand sq km stretching from the Norilsk Industrial District to Dudinka, and identified 11 testing grounds that best reflect the diversity of landscape and geocryological conditions. In 2023–2024, the Company drilled 20 monitoring wells with a depth of 10 to 20 m and three wells with a depth of 200 m to assess permafrost characteristics and determine the parameters of terrestrial heat flow. Before that in 2022, Nornickel also drilled five 200-m wells in populated areas as part of its permafrost monitoring programme. The drilled wells are equipped with automated thermometric equipment that transmits data to the central data collection and processing server. Selected testing grounds are subject to monitoring of not only soil temperature but also risks of dangerous cryogenic processes by geophysical and geodetic methods. Fedorovsky Polar State University has equipped several testing grounds to hold winter and summer field schools to study permafrost.

In 2023, the background permafrost monitoring system received the National Environmental Prize named after V.I. Vernadsky, and in 2024, it won the Green Eurasia climate competition and received the GenerationS Innovation Award (GIA) for corporate innovations in Russia.

Social policy

Contribution to the UN SDGs

Development of local communities

- Infrastructure development
- Ecological wellbeing
- Improving the living standards for local communities
- Supporting the interests of indigenous peoples of the North

Social expenses (RUB MLN)

2024	11,973
2023	17,059
2022	24,926

Payments under social programmes (RUB MLN)

2024	8,989
2023	9,304
2022	7,469

In 2024, the Company's social spending amounted to RUB 12.0 billion, with charity expenses of RUB 14.0 billion and accruals and changes in estimates of liabilities under social programmes of RUB 4.2 billion (revenue).

For more details on the charity expenses, please see the Charity section of this Report.

Nornickel is playing an important role in the Russian economy and has a strong impact on the social and economic life in its operating regions. With its enterprises located mostly in single-industry towns, Nornickel seeks to foster a favourable social climate and create a comfortable urban environment, providing its employees and their family members with ample opportunities for self-fulfilment.

The harsh climate faced by Nornickel employees in life and at work, the remoteness of the Company's key industrial facilities, and the increasing competition for human capital across the industry call for a highly effective social policy that would promote Nornickel's reputation as an employer of choice.

Nornickel fosters partnership relations with local communities in all its regions of operations and actively participates in developing and implementing social programmes.

Corporate healthcare

To ensure best recreation and treatment for its employees, the Company improves workplace amenities and runs the Corporate Healthcare project.

It is focused on promoting private healthcare services to supplement public healthcare in the key regions of operations – the Norilsk region and the Kola Peninsula – and provides access to high-quality and affordable medical care for Company employees and their families.

Air quality monitoring

At the end of 2024, Nornickel launched an automatic air quality monitoring system in Norilsk. This is one of Russia's first projects enabling real-time assessment of air pollution levels.

For the project, 16 environmental monitoring stations were installed in the Norilsk Industrial District to measure the air content of sulphur dioxide (SO_2), hydrogen sulphide (H_2S), carbon monoxide (CO), nitrogen dioxide (NO_2) and dust, as well as temperature, pressure, and humidity. The data from sensors is collected on a single platform that monitors air quality in different districts of the Greater Norilsk 24/7: Norilsk, Talnakh, Kayerkan, and Oganer. The information is updated every 20 minutes.

Since the monitoring system was launched in test mode at 2022-end, the Company has been improving the system to make it convenient for all users, primarily Norilsk residents.

Today, the monitoring data are used to calculate an air quality index, which is posted on the норильск.рф website and uses colour indication: green – no pollution, yellow – moderate pollution, red – high pollution.

Norilsk renovation

One of the most important ways to attract and retain employees is to improve the quality of life in Norilsk and the Norilsk region.

In 2021, Nornickel signed a quadripartite agreement with federal and regional authorities on renovating Norilsk's housing and social infrastructure. Valid until 2035, the agreement envisages project investments of RUB 120 billion, with RUB 81 billion to be contributed by the Company.

Under the project, a Norilsk development master plan and a programme for the city's social and economic development until 2035 have been approved, and the renovation of the housing stock started. The programme also includes construction and overhaul of social infrastructure facilities (clinics, kindergartens, a sports centre, the Arctic Museum of Modern Art, tourist facilities and infrastructure, etc.), landscaping (urban greening, improvement of areas adjacent to city parks and recreation centres), and upgrades of utilities and transport infrastructure.

For more details on the renovation plans, please see the Norilsk 2035 website.

Clean Norilsk

In 2021, the Company launched the Clean Norilsk programme for cleaning and recycling industrial waste in the Norilsk Industrial District and land reclamation, including cleaning and beautification of public spaces, protection of water bodies, and the enhancement of local holiday camps.

On a 10-year horizon, the programme envisages dismantling 500 abandoned buildings and cleaning away 600 kt of scrap metal and 2 mln t of waste. In 2024, 59 buildings were dismantled, and 148 kt of waste was removed, with 14 kt of scrap metal sent for recycling.

Support for indigenous peoples

Indigenous peoples of the North living on the Taimyr Peninsula

Nornickel's engagement with the indigenous peoples of the North is guided by the goals of promoting their sustainable development, enhancing their quality of life, and preserving their traditional habitats. They cover Nenets, Dolgans, Nganasans, Evenks, and Enets on the Taimyr Peninsula, and Sámi, Nenets, and Komi in the Murmansk Region. Nornickel compiles 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, indigenous trades, culture, and historical heritage.

Although Nornickel is not a resident of the Arctic zone, the Company voluntarily adheres to the provisions of the Standard of Responsibility for the Residents of Russia's Arctic Zone, integrating them into its principles of engagement with indigenous peoples living on the Taimyr Peninsula.

In 2024, the Board of Directors approved a new Policy of Engagement with Indigenous Small-Numbered Peoples, which is based on international standards and the experience gained during projects and programmes to support the indigenous peoples of the Taimyr Peninsula. The document was prepared jointly with independent experts and with the direct input of representatives of public organisations and indigenous peoples. The new policy emphasises respect for the individual and collective rights of indigenous peoples, provides for additional due diligence measures, and is based on the following approaches:

- Free, prior, and informed consent (FPIC) in line with standards and recommendations of the International Council on Mining and Metals
- Support and development of traditional trades
- Commitment to the principle of consultations in good faith
- Application to contractors.

The policy also established an independent grievance mechanism.

To maintain a systematic dialogue with indigenous peoples of the Taimyrsky Dolgano-Nenetsky Municipal District:

- the Norilsk site has a dedicated department working with the indigenous minorities 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 58 indigenous tribal communities living on the Taimyr Peninsula.

Nornickel's strength in engaging with indigenous peoples is driven by its ongoing dialogue with indigenous communities and families and regular discussion of issues as they arise, contributing to better understanding and inclusive engagement.

Nornickel uses a comprehensive approach to engagements with indigenous peoples, consistently scaling related support programmes.

Support programmes are run in the following key focus areas:

- Promoting the development of the Taimyr indigenous communities and traditional economic activities
- Contributing to housing and social infrastructure development in Taimyr communities
- Improving the availability and quality of medical care
- Promoting education and culture
- Supporting sports projects and facilitating tourism.

In 2020, the Company started the Programme for Promoting Social and Economic Development of the Taimyrsky Dolgano-Nenetsky Municipal District of the Krasnoyarsk Territory (the "Programme") with a funding of RUB 2 billion. The programme incorporated proposals from members of the indigenous peoples of the North living in the Taimyr Peninsula and associations representing the indigenous peoples' interests, and was completed in 2024. The programme's terms were detailed in the quadripartite agreement on engagement and cooperation with associations of indigenous peoples..

The programme comprised activities in several focus areas:

- Economic support of traditional lifestyles
- The World of Taimyr grant competition for members of the Taimyr indigenous peoples and non-profit organisations implementing projects on the Taimyr Peninsula in the interests of indigenous peoples
- Infrastructure projects
- Educational initiatives
- Cultural and language projects
- Healthcare .

The Programme made a positive impact on the social and economic life in the Taimyrsky Dolgano-Nenetsky Municipal District and brought the indigenous peoples' quality of life in the Arctic to a new level:

- The number of orphans needing housing decreased
- The housing stock increased (more than 20% of the housing stock in the Volochanka and Ust-Avam settlements was renovated)
- Medical care became more available (the number of rural health posts in Taimyr settlements grew by more than 25%)
- The traditional economic activities of the indigenous peoples were supported
- The logistics and sales for produce of indigenous peoples were streamlined.

In 2024,
the Company spent over

RUB **495** MLN[1]

on projects to support indigenous peoples

[1] Funded under the Programme.

In 2024, in addition to the Programme financing, the Company allocated RUB 100 million to support the indigenous peoples of the North, in particular develop family (tribal) communities, ensure they have all the necessary supplies, and help them prepare for hunting and fishing seasons. These funds were used to purchase snowmobiles, boat motors, satellite phones, quad bikes, inflatable motor boats, and rafts.

In addition, through the Company's charity programmes, indigenous family (tribal) communities were able to complete a number of important projects on the Taimyr Peninsula:

- A pantotherapy centre, joinery workshops, and a souvenir pavilion were opened
- Necessary fishing quotas were purchased, and commercial fishing grounds were rented
- Several glacier storages at fishing points were repaired
- Offline translation apps supporting indigenous languages were developed
- Assistance was provided to settlement residents in desperate need
- Domestic reindeer herding was supported.

As part of the International Decade of Indigenous Languages proclaimed by the United Nations, the Company financed events on the Taimyr Peninsula aimed at preserving and promoting the indigenous culture: the Indigenous Nomad Camp festival, a youth forum, a folklore festival, and a project to create language nests. The list of events also included Voice of the North, the literary competition in the languages of the Taimyr indigenous peoples; launch of a mobile app to promote ethno-tourism; the International Day of the World's Indigenous Peoples; and master classes in choreography and decorative arts.

Under an agreement with the Russian Federal Agency for Ethnic Affairs and jointly with MGIMO University, Nornickel supports the Social Diplomacy educational project, which promotes the institutional development of the indigenous peoples of the North, enhancing their legal literacy, social skills, and effect from participating in decision making on matters related to their rights and legitimate interests.

The Company helps authorised representatives of indigenous peoples from its regions of operation to contribute to the work of national and international bodies dealing with the rights of indigenous peoples.

For more details on the Programme results, please see the Sustainability Report.

Youth programmes

Add Colours to Your Town

For 12 years running, the Company has been holding the annual Add Colours to Your Town art contest for children and young people living in Norilsk and Monchegorsk to engage them in the creative transformation of the cities, foster place attachment, and build a vision of their future intertwined with where they live. Apart from providing a springboard for art projects, the contest encourages responsible attitudes towards the environment and sustainable use of resources.

Career guidance for school students

At the beginning of each school year, the Company provides all first-graders in its host cities with A Book on How Metals Helped Build Cities. The book tells about metals and mining jobs and production processes, fosters a feeling of pride for Nornickel among children and helps them relate to what Nornickel does, as well as promotes scientific knowledge and makes science more attractive.

Shine art festival

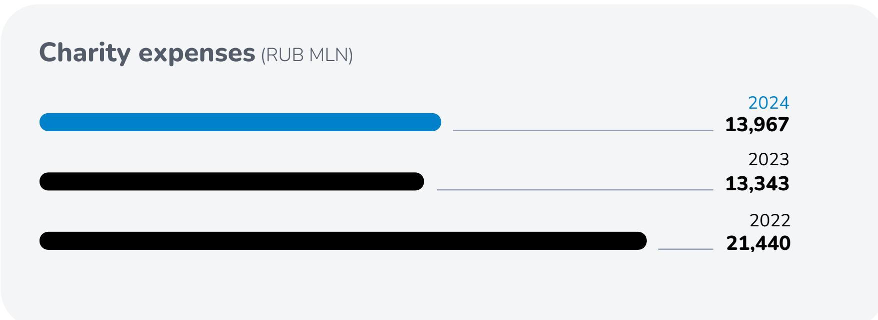
In 2024, Nornickel supported the Shine public art festival held in the Pechengsky District, whose key message was that we can and should improve the environment we live in, and a summer city festival is an excellent place to promote environmental agenda. The festival covered several arts such as street art, singing, music, and dance. Everyone could attend master classes on recycling and reusing pre-collected plastic.

During the festival, more than

3 THOUSAND LOCAL RESIDENTS

attended creative laboratories, masterclasses and workshops, with the most active participants recognised with prizes

Charity programmes



World of New Opportunities

Nornickel's World of New Opportunities charity programme is focused on building social skills among local communities, demonstrating and incorporating new social technology as well as supporting and encouraging community initiatives and intersectoral partnerships.

In 2024,
>30
THOUSAND PEOPLE
attended the World of New Opportunities events.

The programme's key focus areas in 2024

Focus area	Programmes and projects
Develop!	• We Are the City! social technologies forum • Socially Responsible Initiatives Competition • World of Taimyr project contest • Travel Grant Competition • We Are the City! picnic • Launch of the Mobile E-Learning digital platform in the Murmansk Region • Peremena: Change Starts with You education project
Invent!	• IMAKE engineering marathon • IN'HUB International Forum of Innovators
Act!	• An accelerator for regional entrepreneurs and an investment round
Create!	• Norilsk Development Agency • Second School centre for community initiatives in the Pechengsky District • Monchegorsk Development Agency

The programme's goals include developing the service economy across Russian regions, improving the business climate, and facilitating the development of small- and medium-sized businesses, including social entrepreneurship. The Company annually delivers programmes for business communities and provides support from trainers and mentors. On top of this, in 2024, Nornickel provided access to entrepreneurship trainings and financial aid for launching a business to high school and university students based in Norilsk.

In 2024, Norilsk provided refinancing for SMEs that had received the Company's support in 2020–2023. Businesses could obtain interest-free loans to expand existing operations and start new projects, provided they had not previously defaulted on payments. Nine entrepreneurs based in Norilsk took advantage of this support measure, with the total amount of interest-free loans at RUB 29.1 million. In the Murmansk region, nine entrepreneur projects received financing of RUB 7.5 million in 2024. The Second School centre for community initiatives in the Pechengsky District also allocated more than RUB 15.9 million to support three projects.

In 2024, Nornickel launched the Business in a Good Company programme as part of its corporate youth community, aimed at stimulating interest and positive attitude towards entrepreneurship among young Company employees, building employees' entrepreneurial skills, and encouraging their intra-corporate entrepreneurial ventures.

Nornickel was assigned an A+ in the Corporate Philanthropy Leaders 2024 rating by the Donors Forum.

For more details on the World of New Opportunities programme, please see Nornickel's 2024 Sustainability Report.

Socially Responsible Initiatives Competition

The Socially Responsible Initiatives Competition under the World of New Opportunities programme has been held since 2014. Over 3.6 thousand applications have been submitted to the competition over the 11 years, with support granted to more than 950 projects for a total of more than RUB 1 billion. The competition's sponsors note that each year, the quality and definition of applications improve, the number of partnership projects increase, and the range of social services provided by participants is expanding.

In 2024, 371 participants applied for the competition, with 168 initiatives highly rated by independent experts and making it to the finals. The Norilsk Industrial District traditionally accounted for the largest share of applications. For example, one of them, submitted by young teachers, envisages fitting out Norilsk schools with equipment to develop students' technical skills.

In the Murmansk region, the most popular competition categories were Pole of Energy and Pole of the Future for projects promoting sports and healthy lifestyles as well as introducing new methods and technologies to work with children, teenagers, and youth. In the Trans-Baikal Territory, one of the largest projects will be a project to preserve the Mongolian gazelle. Another project provides for area improvements in the Gazimursky Zavod village.

The Company takes systematic steps in working with competition participants, offering educational programmes and travel grants, engaging employee volunteers in various projects, and facilitating partnerships with local businesses to monetise and scale social projects.

Peremena: Change Starts with You education project

During the year, the Company continued its Peremena: Change Starts with You project, which brings together all stakeholders of the educational process: children, parents, and teachers. Over 2 thousand people from six localities took part in the project.

The project includes the annual Peremena: Urban Academy. In August 2024, Krasnoyarsk hosted another Academy, attended by school students of grades 8–10, accompanying teachers, and Academy graduates.

The summer Academy offered its participants master classes on public speaking, production, project approach, social design from idea to reality, urbanism, and event management. In addition to the classes, they had tours around Krasnoyarsk, the city port and shipyard, the Yadro creative coworking space, the School of Gastronomy at SibFU, and the Krasnoyarsk Pillars nature reserve.

IMAKE engineering marathon

The IMAKE engineering marathon brings together aspiring makers, future engineers, inventors, and scientists. The Company leverages this project to build a system of educational activities that promote science among children and teenagers.

In 2023, the Company launched IMAKE.PRO, an idea packaging course on how to turn an idea into a quality application, identify the necessary resources, calculate the budget, and make a project implementation plan. In 2024, more than 20 students applied for various competitions, including four applications under the World of New Opportunities programme.

Between December 2023 and the end of 2024, school students from Norilsk, Monchegorsk, Chita, and Nikel participated in several international competitions, including the PowerTech 2024 / PowerTech STEAM-Star International (Overseas Invitational Contest). With four IMAKE teams participating, the Monchegorsk team topped the competition, and the Norilsk team ranked second.

In 2024, school students from Arctic cities also topped the International Exhibition for Young Inventors (IEYI) 2024, collecting a full set of medals.

Corporate volunteering

Nornickel has been running its employee volunteering programme since 2015, bringing together many volunteer and charity projects across its footprint. The programme supports employee volunteers' social initiatives aimed to contribute to the social development of our operating regions and better quality of life for local communities. Since the programme's launch, the employee volunteer community has grown significantly, from a few hundred to more than 4 thousand members. Nornickel volunteers annually engage about 40 partners and organise over 410 events, ranging from educational to environmental projects.

The annual budget of corporate volunteering programmes averages

RUB **156** MILLION

To involve employees in addressing pressing local community issues, the Company has a programme of employees' personal donations for charity and other public benefit purposes. In 2024, over RUB 3 million was raised through such donations, and Nornickel added the same amount to the total. Among other things, the Company collects humanitarian aid to purchase hygiene items, clothes and shoes, and stationery for children from boarding schools as well as large and low-income families. More than 200 children received the assistance in 2024.

For more details on volunteering activities, please see the Company website and the 2024 Sustainability Report.

Tourism

Nornickel promotes tourism in the Arctic zone to contribute to the local social and economic development, helps equip quality recreational areas and put a spotlight on the unique nature, and creates jobs, including for its own employees released after production upgrades.

For example, in the Norilsk Industrial District, close to the Putoransky Nature Reserve borders, the Company is building the Zatundra tourist facility, in line with environmental laws and the principles of respect for environment. The project includes renovation of the historic house at Lake Lama, built in 1941 for the recreation of children of Norilsk Plant employees. Another project facility, the four-star Neralakh park hotel, is currently under construction. While the project is not yet fully complete, Zatundra already welcomed more than 350 guests in 2024.

In the Murmansk Region, the Valla Tunturi tourist centre is being built at the Barents Sea. There are already 32 guest houses operating under the Whale Coast brand, road construction is underway, and hiking trails and routes are being prepared. In 2024, Whale Coast was recognised as the best glamping site in Russia.

Procurement and responsible supply chain

Management approach

Nornickel takes a responsible approach to working with suppliers and consumers, making sure that its partners comply with applicable laws and regulations, ensure safe working conditions, and are passionate about caring for the environment. The Company expects its counterparties to comply with international and Russian best practices in sustainability and environmental stewardship.

The following key documents guide supply chain and procurement management at Nornickel:

- Supplier Code of Conduct
- Responsible Sourcing Policy
- Internal corporate procurement standards
- Business Ethics Code
- Human Rights Policy.

To mitigate operational and financial risks and costs as well as improve supply reliability and cadence, the Company applies procurement policies.

As of the end of 2024, there were 50 category procurement policies in place, four of which were updated during the year. In the reporting year, the Company also approved a programme to improve procurement efficiency aimed at:

- optimising the costs of inventory, works, and services (zero inflation)
- meeting working capital targets in terms of inventory reduction
- increasing supplier competition
- increasing transparency and strengthening control of procurement procedures.

Procurement

Nornickel engages with suppliers via open tender procedures. Nornickel's procurement system focuses on timely and fully meeting the Company's needs for required materials and services of specified quality and at an acceptable price.

Procurement process

Nornickel's procurement process is certified to standards ISO 9001 and ISO 14001.

The Company procures over 40 aggregated purchasing categories, from heavy industrial equipment to food. In doing so, Nornickel provides equal competitive opportunities for large, medium, and small businesses alike, guided by generally accepted standards of fair competition and the principles of avoiding conflicts of interest. To maximise procurement effectiveness and transparency, the Company's procurement activities are mostly centralised at its Head Office through automated systems and electronic trading platforms.

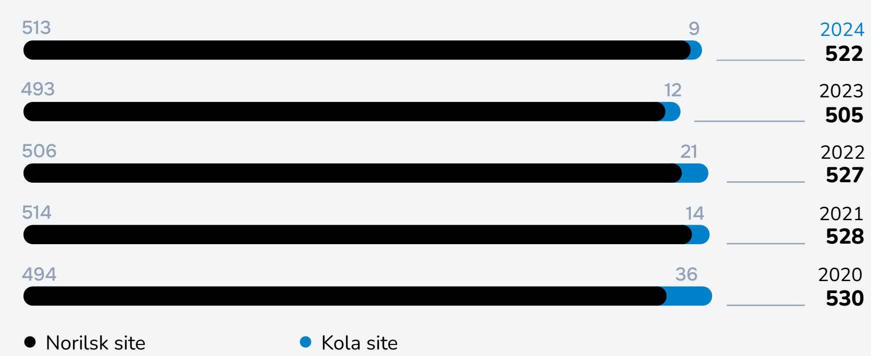
Depending on the budgeted cost, procurement can follow a tendering, simple, or simplified procedure. Based on the materiality and parameters of purchases, the qualification results and the winning bidder in the procurement process are approved by the collective procurement body composed of representatives from various functions of Nornickel. The contract with the winning bidder is signed in accordance with the approved results of the procurement procedure. All of the Group's centralised procurement transactions are detailed on the Company website.

In 2024, procurement by collective bodies of the Head Office (tender committee, tender commissions) totalled about RUB 94 billion.

As the Company aims to work with reliable suppliers meeting their obligations regarding delivery dates and the quantity and quality of products supplied, during the procurement procedure, all suppliers undergo mandatory qualification screening against formalised criteria and rules.

Nornickel gives preference to local suppliers to provide social support to its operating regions. Along with saving jobs, this policy supports unique enterprises whose continuous operation is essential to both the well-being of their employees and the wider social fabric of local communities.

Supplier companies in centralised procurement



Nornickel has in place the Corporate Trust Line that can be used by any stakeholder to report any violations.

Supplier engagement

Efficient and convenient communications with suppliers at Nornickel, are enabled through its SRM procurement management system that gives suppliers anytime access to information about the Company's procurement procedures. In 2024, 1,632 suppliers were added to Nornickel's SRM system, with more than 13.7 thousand suppliers accredited in total as at year-end. The Company also engages with original equipment manufacturers (OEMs) to accredit them on this e-platform.

Sign-up for Nornickel's SRM system is free of charge and does not impose any obligations on users.

One of the channels used by the Company to interact with suppliers is the Suppliers section on its website, containing key information on the procurement principles and procedures, planned needs as well as announcements and invitations to participate in tenders.

Nornickel procurement specialists are active members of the professional community in their respective purchasing categories, attending industry exhibitions and participating in conferences.

The Company's priority in driving supplier engagement is to provide robust feedback mechanisms, which are also implemented, improved, and enhanced in the supplier's personal account in SRM. Designed for communicating with counterparties during contract execution, the system is continuously improved to optimise and boost performance for all users. Suppliers can get updates on Nornickel's procurement procedures and opportunities by communicating online with procurement teams in all product categories in Nornickel's SRM procurement management system.

In their personal accounts, counterparties can manage the documents generated for contract purposes, track work stages, and exchange files and instant messages with contract managers to request clarifications and accelerate communication. The service helps to keep suppliers better informed about contract execution progress while also ensuring transparency of transactions and significantly speeding up daily communication between the parties. All supply terms and conditions are specified in the contracts or agreements signed with suppliers.

If a counterparty faces difficulties signing up or using the system, they can seek help and advice

- via e-mail suppliers@nornik.ru
- or by phone at:
  +7 495 783 0045, ext. 6 (for calls within Moscow);
  8 800 700 5911, ext. 6 (toll-free federal number).

The supplier's personal account also enables sign-up for other services, such as electronic document management, factoring, and dynamic discounting, forging a stronger partnership.

Nornickel is also working on expanding and supplementing the list of services and consolidating them in the personal account to develop relationships with counterparties.

In addition, the Company has implemented and is operating an electronic document management solution for suppliers to speed up mutual settlements and add transparency to the process.

ESG factors in the supply chain

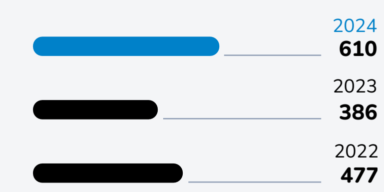
Nornickel seeks to create a common information space and set of values with its suppliers. The Company employs a proprietary multi-tier system to evaluate its suppliers. The criteria for review, evaluation, and re-evaluation of external suppliers have been developed, inter alia, in line with the requirements of ISO 9001:2015 Quality management systems. Nornickel is particularly focused on building relationships with suppliers whose equipment is unique and critical for the stable operation of the Company's production facilities.

The Company's Responsible Sourcing Policy in place sets out Nornickel's approach to promoting ESG throughout the supply chain. The purpose of the Policy is to define the approach to supplier communication on sustainability matters and declare standards and principles to be followed by the Company and its suppliers.

In addition to the Policy, the Company has in place a Supplier Code of Conduct which encourages the Company and its business partners to embed sustainability into supplier relationship management, thus building a responsible supply chain in accordance with Nornickel's ESG requirements.

Provisions of the Policy and the Code are incorporated into supplier contracts: standard forms of agreements and General Contracting Terms and Conditions were amended to include a clause with a requirement to comply with the Company's sustainability requirements listed in the Code. This clause also informs suppliers on the opportunity to report to Nornickel's Corporate Trust Line, which is the Company's principal grievance mechanism.

Employees trained on responsible supply chain (PEOPLE)



Nornickel's employees in charge of ensuring compliance with the responsible supply chain procedures regularly attend in-depth trainings on responsible sourcing. In the reporting period, more than 600 people were trained in building a responsible supply chain, with the total number of training hours exceeding 1.8 thousand. In 2025, the Company plans to engage a broader range of participants in its responsible supply chain training. The Company has developed a due diligence management system (DDMS) for metallic mineral supply chains and rolled it out in stages. To date, the system has covered all production assets. The DDMS is focused on identifying potential risks affecting the sustainability of business processes in the mineral supply chain while also minimising risks relating to human rights, money laundering, fraud, corruption, and misinformation about minerals. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain provided a methodological framework for developing the DDMS.

The DDMS is driven by the following requirements and recommendations:

- Responsible Sourcing Policy and Supplier Code of Conduct
- LME's responsible sourcing requirements
- Standards and principles of industry-leading sustainability initiatives: JDDS[1], RCI[2], RMI[3], IRMA[4], ICMM[5], and CCCMC[6]
- Requirements of the Company's customers.

In 2024, the Company conducted due diligence covering 100% of mineral suppliers[7] at the Norilsk and Kola sites, identifying no supply chain risks.

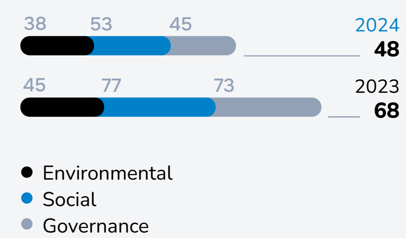
The Company performs an annual assessment of sustainability practices of its suppliers providing goods, works, and services, based on a range of criteria. The assessment is conducted through a questionnaire survey and includes verifying the compliance of sustainability practices with the Code requirements. The Company uses the results to identify areas of improvement in supplier activities related to responsible supply chain management.

The supplier self-assessment questionnaire (SSAQ) is divided into E, S, and G sections. In 2024, based on the results of a pilot survey conducted in 2023, and in line with recommendations from regulators, expectations of rating providers, and stakeholder requests, the Company revised the SSAQ.

In the reporting period, Nornickel more than doubled the supplier survey sample, covering about 35% of all purchases by the Group's Russian entities (vs 14% in 2023). According to the SSAQ survey findings, the average level of suppliers' compliance with the requirements is 48%. Most of the suppliers surveyed during the reporting period are privately held companies, and therefore the regulatory requirements and stakeholder expectations regarding their non-financial reporting are lower compared to public companies. However, despite the absence of mandatory requirements, the survey results indicate a sufficient level of maturity in the suppliers' sustainability practices, taking into account their non-public status.

In 2025, the Company plans to continue its project to assess the sustainability performance of suppliers of goods, works, and services for compliance with Nornickel's Supplier Code of Conduct.

ESG maturity assessment of supplier (%)



The results of the 2023 and 2024 surveys are not fully comparable, as the composition of the supplier sample changes from year to year. In addition, the 2024 sample size more than doubled, and both the Questionnaire and the assessment methodology were updated, which influenced trends in certain metrics. As part of the survey exercise, Nornickel pays particular attention to raising suppliers' awareness of sustainability and responsible supply chain, including by holding training sessions, clarifying the Company's requirements and details of mineral supply chain due diligence procedures and the sustainability survey for suppliers of goods, works, and services, and providing support to suppliers during due diligence and survey.

Since 2023, the Company has been providing annual disclosures detailing its performance and plans around responsible supply chain management in the Responsible Supply Chain Report.

Given the risk of potential negative environmental impact of cargo in transit, the Company's master agreement sets explicit requirements for cargo packaging. Goods to be shipped must meet the cargo standards and requirements of GOST 26653-2015 Preparation of general cargoes for transportation and GOST 15846-2002 Production for transportation to the areas of the Far North and similar regions. Packaging, labelling, transportation, and storage. Mandatory requirements are established for the transport containers and product packaging that should ensure cargo integrity during multiple transshipments and transportation to the Far North.

Environmental impact is assessed throughout the life cycle of procured products: production, transportation, storage, use, and disposal. Nornickel requires its counterparties to have a functioning environmental management system in place and to ensure that all services and products delivered by them comply with local environmental laws.

[1] Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc.
[2] Responsible Cobalt Initiative.
[3] Responsible Minerals Initiative.
[4] Initiative for Responsible Mining Assurance.
[5] International Council on Mining and Metals.
[6] China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters.
[7] Mineral suppliers include suppliers of mined minerals (primary processed material that has never been previously refined) and suppliers providing minerals transportation, processing, and loading/unloading services. "Minerals" are minerals containing nickel, cobalt, and copper.

Saving lives

Platinum for medicine

Pt

Platinum is used catheters for cardiac surgery, stents that restore blood flow in blood vessels, and specialised metal coils for treating aneurysms. Highly malleable and an excellent conductor of electricity, platinum is also used to produce thin wires for internal electronic implants such as pacemakers and hearing aids.

Another important application is in neuromodulation devices, where platinum is used in specialised electrodes implanted in the brain or spinal cord.

05. Corporate governance

Chairman's letter

Dear shareholders, partners, and colleagues

In 2024, the Board of Directors focused on the Company's key sustainability matters, improvements to operational and financial performance, and better relations with investors and other stakeholders.

The merger of the Norilsk and Kola Divisions into the Polar Division marked a major milestone in the reporting year, enhancing our governance structure and enabling faster decision making and better process management. We are confident that this change will drive further improvements in the Company's performance.

2024 marked twenty years of our corporate non-financial reporting. Our commitment to sustainability principles is reflected in the KPI scorecards of senior management, where HSE metrics make up a notable 20%. We remain actively engaged with the scientific community, applying innovative technologies and best practices to boost production safety and efficiency, improve the environment, and enhance the quality of life for local communities.

> **Regular open online dialogues between employees and senior management have become an effective tool for identifying strengths and weaknesses in internal communication and for resolving pressing issues.**

An external corporate governance assessment also confirmed our Company's strong compliance with the recommendations of the Corporate Governance Code of the Bank of Russia and best practices. We approved a new version of the Remuneration Policy for Members of the Board of Directors, raising the remuneration payable to Board members for serving on Board committees, given their strong commitment and the experience of major companies across various economic sectors.

We take pride in our achievements in information security and the protection of our corporate infrastructure. In 2024, the Company successfully countered multiple cyber attacks, handling almost 20 thousand information security events and approximately 1 thousand cyber incidents. We introduced a new information security management model and earned praise from an external auditor for strong management involvement in these processes and the Company's preparedness to respond to emerging threats and challenges.

Particular emphasis was placed on strengthening information security culture among employees. One of our key goals for 2025 is to further improve the existing information security processes.

I would like to particularly highlight our strong commitment to engaging with the indigenous peoples of the North. In 2024, an updated version of the Policy of Engagement with Indigenous Small-Numbered Peoples was approved, developed in collaboration with independent experts and representatives of indigenous communities. An agreement signed with the Federal Agency for Ethnic Affairs marked another step towards supporting the sustainable development of indigenous peoples and preserving their traditional ways of life and cultural heritage.

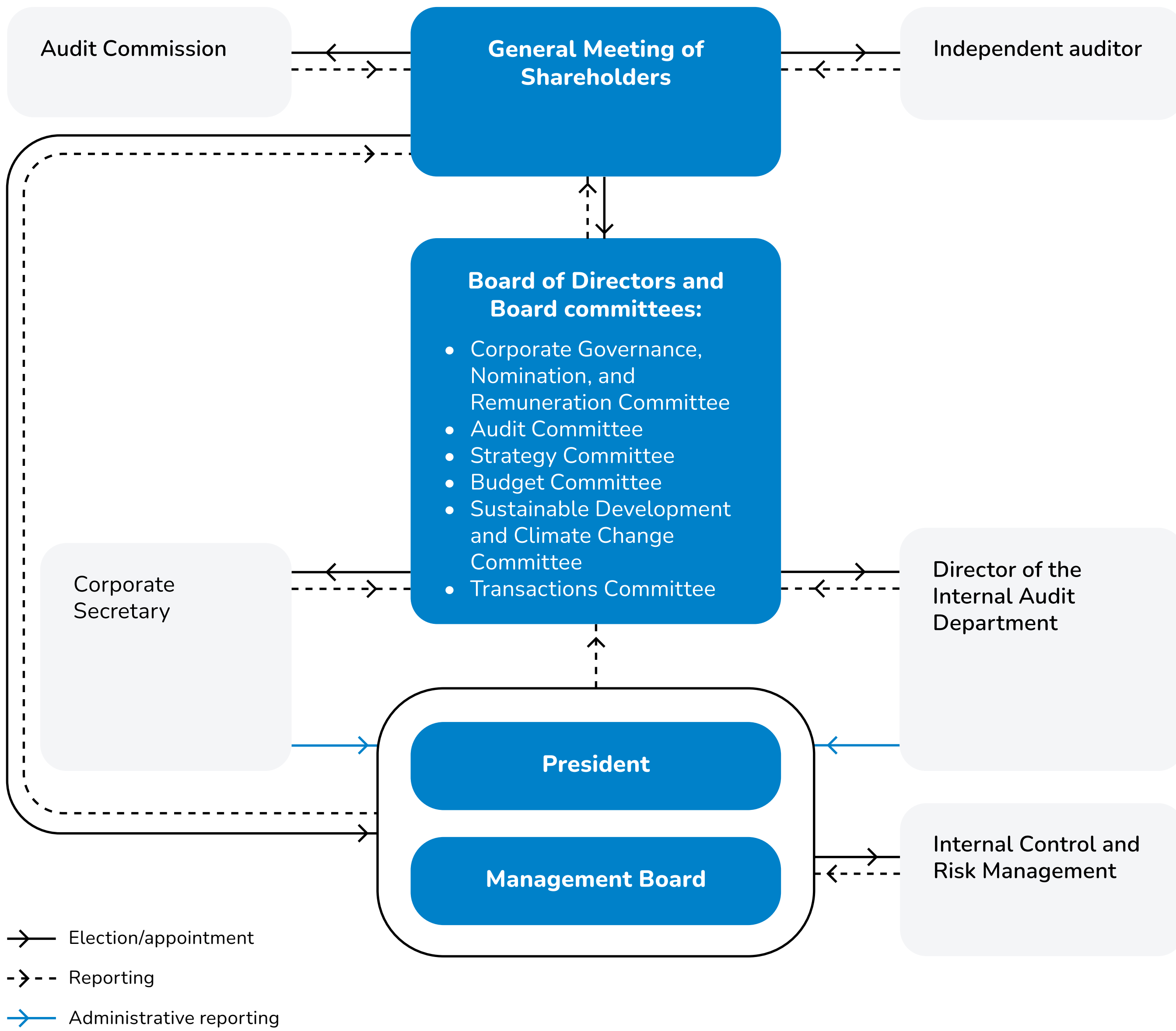
The Company maintains a constructive dialogue with government authorities through participation in parliamentary hearings, round tables, and working groups. We are strongly involved in the discussion of legislative initiatives through anti-corruption reviews, helping to improve the country's overall business climate. Our efforts have received strong recognition: Nornickel won the national Responsible Business Leadership award. The Company also earned the highest AAA+ score in the Anti-Corruption Ranking of Russian Business.

Reliability and openness remain key priorities for the Company. We are confident that the trust of our shareholders, partners, and employees is the foundation of our sustainable growth and investment appeal.

Chairman of the Board of Directors
MMC Norilsk Nickel

Governance and control structure

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.



Compliance with and assessment of corporate governance principles

Nornickel is committed to the continuous improvement of its corporate governance system and its alignment with both international and national standards. The Company is guided by applicable Russian legislation, recommendations of the Bank of Russia, the Listing Rules of Moscow Exchange, and best corporate governance practices.

The Company uses the Corporate Governance Code recommended by the Bank of Russia[1] (the "Code") as a document defining its corporate governance standards and principles.

The Company's compliance with the Code's principles and recommendations in 2024 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 reflect the majority of the principles and recommendations set out in the Corporate Governance Code. In cases of partial non-compliance, the Company provides appropriate explanations and describes the corporate governance mechanisms and tools it uses in place of those recommended by the Code, along with measures aimed at mitigating any potential risks arising from such deviations. The principles of integrity and transparency are a priority for the Company, which helps Nornickel build trusted relationships with shareholders, investors, and other stakeholders.

A full report on the Company's actual compliance with the recommendations of the Corporate Governance Code for 2024 is available in the Annual Report in Russian in the "Additional Information" section.

Compliance with the principles and recommendations of the Code[2] in 2024:

72.2 % of the Code principles are fully complied with

27.8 % are partially complied with

0 % are not complied with

Code section	Number of matters	2021			2022			2023			2024		
1. Shareholder rights	13	9	4	–	10	3	–	9	4	–	9	4	–
2. Board of Directors	36	28	8	–	25	11	–	28	8	–	28	8	–
3. Corporate Secretary	2	2	–	–	2	–	–	2	–	–	2	–	–
4. Remuneration system	7	6	4	–	7	3	–	7	3	–	7	3	–
5. Risk management and internal control system	6	5	1	–	5	1	–	5	1	–	5	1	–
6. Disclosures	7	4	3	–	4	3	–	4	3	–	3	4	–
7. Material corporate actions	5	3	2	–	3	2	–	3	2	–	3	2	–
Total matters	**79**	**57**	**22**	–	**56**	**23**	–	**58**	**21**	–	**57**	**22**	–
Level of compliance with the Code principles	–	72	28	–	71	29	–	73	27	–	72	28	–

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

[2] — full compliance, — partial compliance, — non-compliance.

Nornickel demonstrates a high level of compliance with corporate governance standards and the Code recommendations, as repeatedly confirmed by independent external assessments.

According to a study conducted by the TopCompetence Corporate Development Centre, with the participation of the Moscow Exchange and the Centre of System Transformations of the Faculty of Economics of Lomonosov Moscow State University, Nornickel ranks among the top 20 corporate governance leaders in the National Corporate Governance Index[1], which covers the 100 largest publicly listed companies by market capitalisation whose shares are traded on the Moscow Exchange.

Nornickel remains committed to further strengthening and developing a best-in-class corporate governance system, viewing it as one of the Company's essential tools for driving operational efficiency, long-term sustainability, and investment appeal.

The principles set out in the Code serve as a key source for developing our own corporate governance principles and internal documents.

Preventing conflicts of interest

Nornickel has established measures to prevent potential conflicts of interest involving shareholders and members of its governance bodies. Since 2016, members of the Board of Directors and the Management Board as well as the Company's Vice Presidents have been required to submit quarterly disclosures concerning their relatives and family members using a standardised form.

The Company's Articles of Association set forth a special procedure for the approval of transactions with shareholders holding more than 5% of voting shares and their affiliated persons. Such transactions may only proceed following approval by a qualified majority of the Board of Directors (at least 10 out of 13 votes).

Interested-party transactions involving members of the Board of Directors, Management Board members, or the President of the Company are carried out in accordance with the law on joint stock companies. The Company has established a procedure for obtaining the Board of Directors' prior consent to interested-party transactions.

The Company also has in place the Code of Conduct and Ethics for Members of the Board of Directors, which aims to reinforce high standards of ethics and business conduct among Board members and serves as guide in addressing ethical risks and conflict of interest situations. The Code obliges Board members to refrain from actions that could lead to a conflict of interest. If a potential conflict arises, the member must promptly notify the Corporate Secretary in writing.

If a member of the Board or the Management Board has a direct or indirect personal interest in a matter brought before the Board of Directors, they are required to disclose this to the full Board before the matter is reviewed or a relevant resolution is passed, and abstain from both the discussion and the vote on the matter. In 2024, no notifications of conflicts of interest were received from members of the Board of Directors or the Management Board.

[1] The National Corporate Governance Index is an annual independent study assessing the corporate governance practices of the top 100 companies by market capitalisation that trade ordinary shares on the Moscow Exchange. The index survey conducted since 2015 with technical support from the Moscow Exchange and Lomonosov Moscow State University.

General Meeting of Shareholders

Voting at the General Meeting of Shareholders follows the "one voting share, one vote" principle[1].

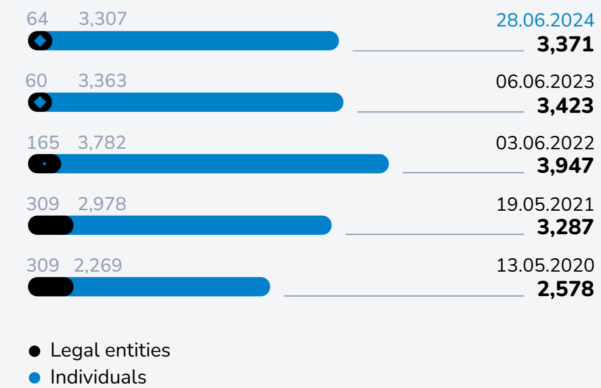
Remit of the General Meeting of Shareholders

1. Amendments to the Articles of Association
2. Distribution of earnings and approval of dividends
3. Approval of annual reports and annual accounting (financial) statements
4. Election of members of the Board of Directors and the Audit Commission as well as early termination of their appointment
5. Appointment of the auditor
6. Share split and consolidation

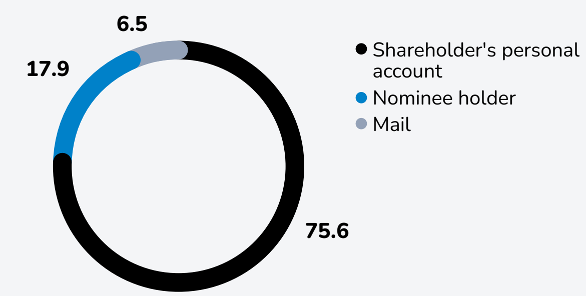
The General Meeting of Shareholders **is the highest governance body** of MMC Norilsk Nickel and is responsible for making decisions on the most critical matters related to the Company's operations. Matters within the remit of the General Meeting of Shareholders are listed in the Company's Articles of Association, and the procedures for convening, preparing, and holding meetings are set out in the Regulations on the General Meeting of Shareholders.

Nornickel is required to hold an Annual General Meeting of Shareholders every year. Any meetings held in addition to the annual meeting are considered extraordinary and may be conducted either in person or in absentia.

Shareholder participation in Annual General Meeting



Voiting services in 2024 (%)



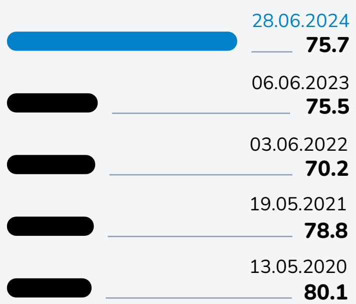
[1] Except in the case of cumulative voting for the election of members of the Board of Directors.

Shareholder calendar

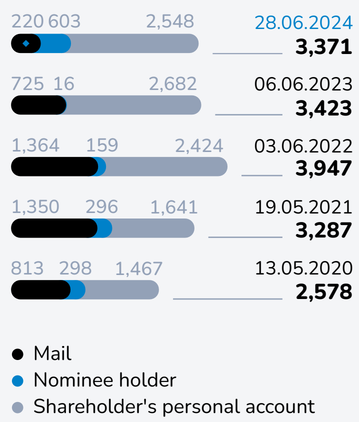
Events	Timing
Annual General Meeting of Shareholders	No sooner than three and no later than six months after the end of the reporting year
Extraordinary General Meeting of Shareholders	At any time at the initiative of the Board of Directors or upon request from the Audit Commission, the audit firm, or 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[1]
Provision of materials for the General Meeting of Shareholders	20 calendar days prior to the meeting

In 2024, one Annual General Meeting of Shareholders was held in absentia, using a reliable e-voting service. The e-voting service for Nornickel's General Meetings of Shareholders is provided by IRC – R.O.S.T., the Company's registrar (service webpage: Shareholder's Personal Account). This type of service is popular among shareholders and allows them to participate in voting regardless of their location.

Quorum at Annual General Meetings of Shareholders (%)



Shareholder voiting via remote services



General Meeting of Shareholders held in 2024

Meeting date	Agenda items and resolutions
28 June 2024 – Annual General Meeting of Shareholders (held in absentia)	The Meeting approved the Annual Report, annual accounting statements, and consolidated financial statements for 2023. The Meeting decided not to distribute earnings and not to pay dividends for 2023. A new Board of Directors and Audit Commission were elected; resolutions on their remuneration were passed. A new Remuneration Policy for Members of the Board of Directors was approved. The auditor was appointed to audit Nornickel's accounting (financial) statements for 2024 and consolidated financial statements for 2024, including a review of the interim consolidated financial statements for the first half of 2024. The Meeting approved the provision of liability insurance for members of the Company's governance bodies, as well as transactions to reimburse members of governance bodies for losses they may incur in connection with their appointment and discharge of their duties as members of the Board of Directors or the Management Board.

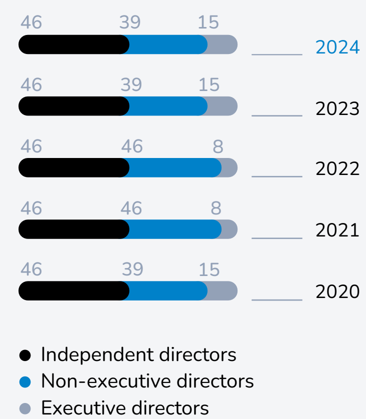
[1] In certain cases, the Federal Law On Joint Stock Companies provides for different timelines for the publication of notices and the compilation of the list of shareholders entitled to participate in the General Meeting.

Board of Directors

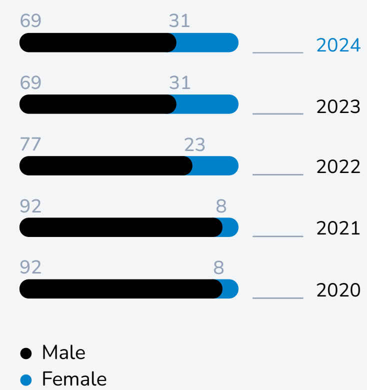
During the year, the Board of Directors continued to focus on matters critical to the Company's sustainable growth, investor relations strategy, and operational and financial performance.

Composition of the Board of Directors

Status of Board members (%)



Board composition by gender (%)



The Board of Directors comprises 13 members elected annually at the Annual General Meeting of Shareholders through cumulative voting. The candidates receiving the highest number of votes are deemed elected.

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.

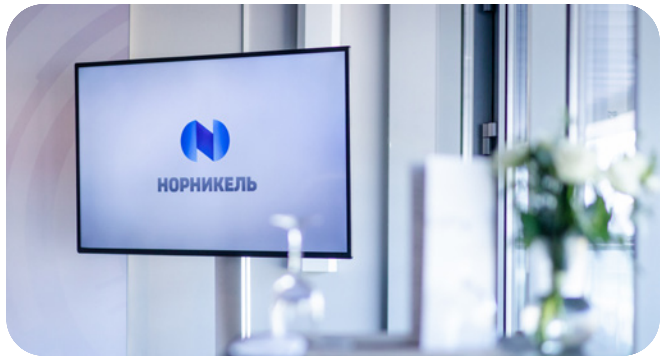
The Board of Directors plays a crucial role in designing and developing the corporate governance system, ensures the protection and exercise of shareholder rights, and oversees the activities of executive bodies.

Board's skill mix (PEOPLE)

Key skills	2020	2021	2022	2023	2024
Strategy	5	6	6	5	5
Law and corporate governance	6	5	9	8	10
Finance and audit	8	8	8	9	10
Metals and mining / engineering	8	7	7	7	7
International economic relations	5	4	3	3	3
ESG	1	5	6	4	6

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 from influence by the Company's executive bodies, individual groups of shareholders, or other stakeholders. Independent directors represent the interests of all shareholders, acting for the benefit of the Company as a whole. The presence of independent directors on the Board — combined with their impeccable business reputations and the trust of shareholders — enhances the Company's appeal to investors and positively contributes to its overall performance.



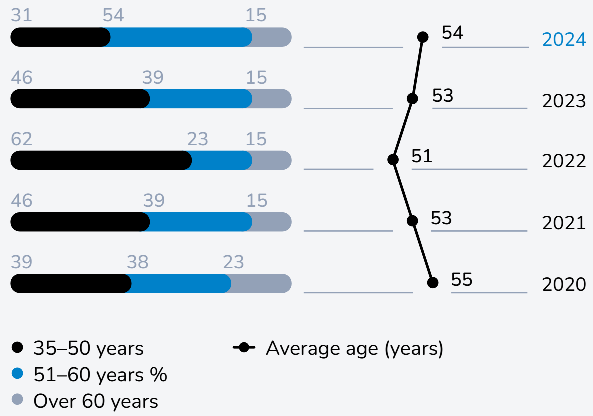
Independence criteria

In 2024, 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.

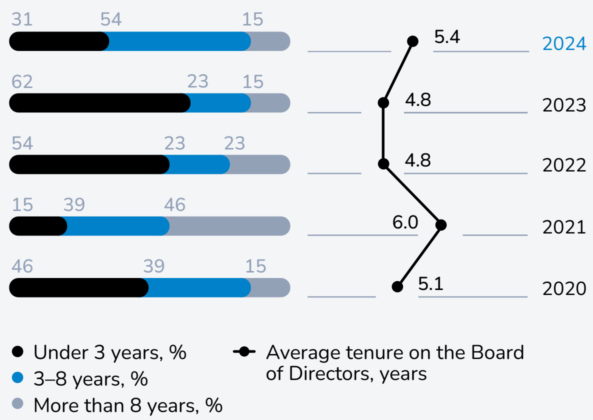
The evaluation confirmed that none of the candidates or elected Board members were affiliated with the issuer, the issuer's substantial shareholder, substantial counterparty, or competitor, or with the state or any municipal authority. All independent directors signed a document confirming their compliance with the independence requirements outlined in the Company's Articles of Association. In addition, each director submitted a declaration affirming their commitment to representing the interests of all shareholders and the Company, and to informing the Board of any emerging affiliations, conflicts of interest, or other ethical considerations.

Throughout the reporting period, the Company complied with the requirements of the Listing Rules of Moscow Exchange regarding the required number of independent directors on the Board. At the Annual General Meeting of Shareholders held on 28 June 2024, six independent directors were elected to the Board, accounting for 46% of its membership.

Age range of Board members



Tenure on the Board of Directors



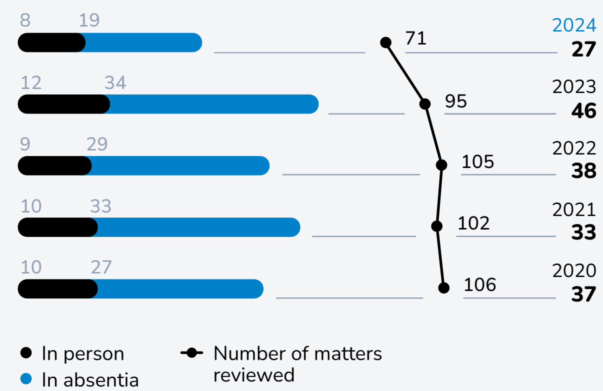
2024 performance

In 2024, the Company's Board of Directors held 27 meetings, including eight meetings in person, and reviewed 71 matters.

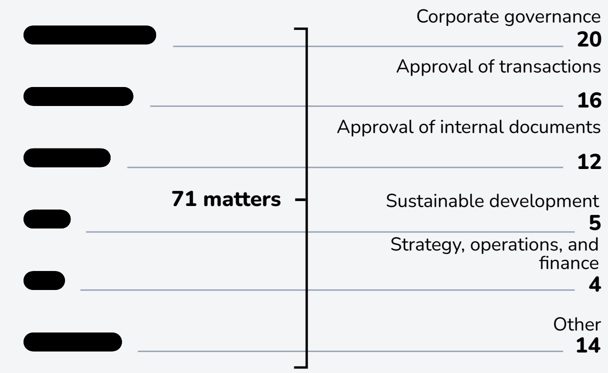
The Board of Directors plays a crucial role in designing and developing the corporate governance system, ensures the protection and exercise of shareholder rights, and oversees the activities of executive bodies. The Board of Directors sets the fundamental principles of business conduct and is responsible for nurturing Nornickel's business and social culture.

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

Board of Directors: meetings and matters reviewed



Categories of matters reviewed by the Board of Directors in 2024 (number of matters)



In accordance with the Company's Articles of Association, meetings of the Board of Directors are held as needed, but no less than once every six weeks. Meetings may be convened at the initiative of the Chairman of the Board, or upon written request by a Board member, the Audit Commission, the auditor, the Management Board, the President, or shareholders collectively holding at least 10% of the Company's ordinary shares (or their authorised representatives). The written request must include the grounds for convening the meeting.

According to Nornickel's Articles of Association, the Board of Directors has 13 members. Members of the Board are elected at the Annual General Meeting of Shareholders for a period until the next Annual General Meeting of Shareholders. The current size of the Board of Directors is optimally aligned with Nornickel's goals and objectives. Its well-balanced composition – particularly in terms of director independence – ensures that decisions take into account the interests of all stakeholders and enhances the overall quality of managerial decision making. The current Board of Directors, elected at the Company's Annual General Meeting of Shareholders held on 28 June 2024, includes five non-executive directors, two executive directors, and six independent directors. The presence of six independent directors on the Board exceeds the minimum requirement set forth in the Listing Rules and the Corporate Governance Code recommended by the Bank of Russia. This balance of director types supports well-informed decision making on agenda items.

In 2024, the Board of Directors continued to focus on matters critical to the Company's sustainable growth, investor relations strategy, and operational and financial performance.

One of the key achievements of the reporting year was the approval of a revised Policy of Engagement with Indigenous Small-Numbered Peoples. This update reflects significant progress in Nornickel's indigenous engagement practices, improvements in related procedures and mechanisms, and alignment with international standards. Furthermore, the Environmental and Climate Change Strategy was updated during the reporting year in response to the changing geopolitical landscape and lessons learned from its implementation. To maintain competitiveness in global markets and meet the expectations of key stakeholders, the Board of Directors approved the key focus areas of the Company's Carbon Neutrality Strategy. Beyond the key matters addressed during the reporting year, the Board of Directors also made decisions on equally critical matters related to corporate governance, strategy, operations, and finance. Furthermore, the Board paid close attention to sustainability aspects and the approval of transactions.

As a key enabler of the corporate governance system, the Board of Directors will maintain its focus on refining the Company's strategy and priority business areas in 2025. This will encompass an emphasis on innovative development and the integration of new technologies to enhance operational efficiency and reduce costs, along with implementing measures related to risk management, safety, occupational health, and the environment.

Attendance at Board and committee meetings in 2024[1]

Board member	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
1. Director	27/27	8/8	19/19	-	-	-	-	-	-
2. Director	27/27	8/8	19/19	6/6	-	12/12	8/18	9/9	-
3. Director	26/27	7/8	19/19	6/6	-	-	-	9/9	-
4. Director	27/27	8/8	19/19	6/6	6/6	-	18/18	-	-
5. Director	26/27	7/8	19/19	4/6	4/6	-	18/18	-	-
6. Director	27/27	8/8	19/19	-	-	-	-	-	9/9
7. Director	26/27	7/8	19/19	2/6	6/6	12/12	-	9/9	9/9
8. Director	27/27	8/8	19/19	-	-	12/12	-	9/9	-
9. Director	26/27	7/8	19/19	-	2/6	12/12	10/18	4/9	-
10. Director	27/27	8/8	19/19	-	-	-	-	-	-
11. Director	27/27	8/8	19/19	6/6	6/6	12/12	18/18	-	-
12. Director	11/27	3/8	8/19	-	-	-	-	-	-
13. Director	27/27	8/8	19/19	-	6/6	-	18/18	-	9/9
Board member elected before the Annual General Meeting of Shareholders on 28 June 2024									
1. Director	15/27	4/8	11/19	-	-	-	-	5/9	-

[1] Attendance at Board and committee meetings 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 governed 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 for the reporting financial year, which may take the form of an internal evaluation conducted through a questionnaire survey of Board members within the Company, or an external evaluation, conducted upon the recommendation of the Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors and approved by resolution of the Board of Directors, with the involvement of independent professional advisors.

In line with the recommendations of the Corporate Governance Code, best practices in corporate governance, and the Performance Evaluation Policy for the Board of Directors, the 2024 performance evaluation of the Company's Board of Directors was conducted externally by the independent professional consultancy Ward Howell (JSC VECTOR LEADERSHIP). The Company's previous external evaluation of the Board's performance was conducted for the 2021 reporting year.

The evaluation aims to track trends in the performance of the Board of Directors and its committees and to identify areas for improvement in the performance of the Board, its committees, individual directors, and the Corporate Secretary..

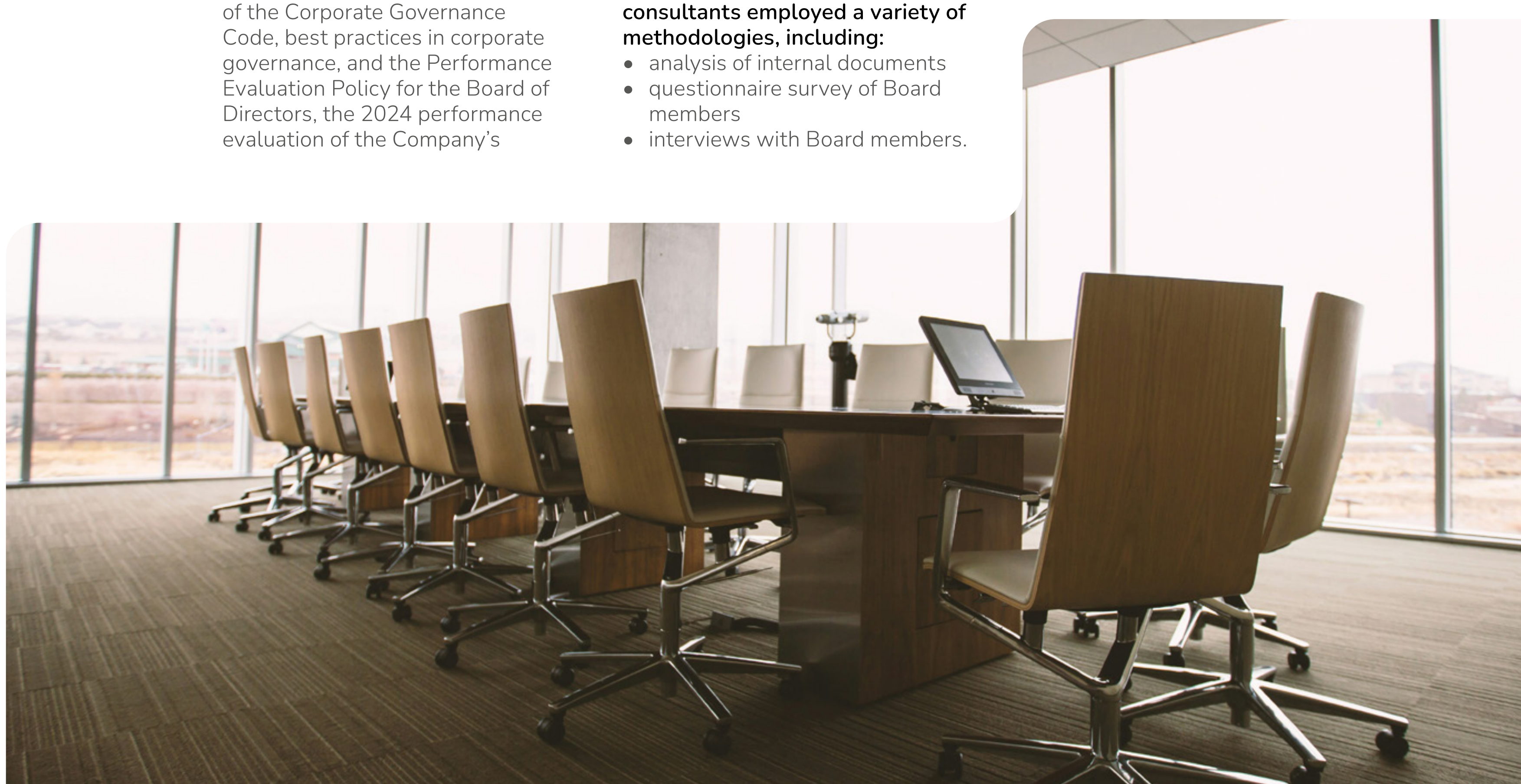
Evaluation methodology

To collect the necessary information and achieve the most objective results possible, the consultants employed a variety of methodologies, including:

- analysis of internal documents
- questionnaire survey of Board members
- interviews with Board members.

Participants received and completed comprehensive questionnaires for the evaluation, and the results were validated through subsequent interviews. The external consultants noted the high response rates from Board members throughout the evaluation process as well as the meaningful and candid conversations during the interviews. Twelve of the thirteen Board members participated in the survey and interview stages.

Following these activities, Ward Howell prepared an evaluation report, which was submitted to members of the Corporate Governance, Nomination, and Remuneration Committee and the Corporate Secretary, and subsequently reviewed by the Company's Board of Directors.



Evaluation results

The evaluation confirmed the effectiveness of the Board of Directors, its committees, and the Corporate Secretary. The following aspects received the highest praise:

- A majority of Board members demonstrate a high degree of engagement, immersing themselves deeply in the work of the Board and the Company's activities, thereby upholding the Company's high standards of corporate governance
- The Board of Directors, comprised of seasoned professionals, ensures the rigorous review of financial statements and budgetary matters and maintains solid working relationships with both internal and external auditors. The Board of Directors fulfils its risk management role and ensures compliance with applicable legal requirements and obligations governing the activities of both the Board and the Company
- Board Committees provide high-quality expert assistance to the Board, facilitating informed decision making through effective collaboration. Committee Chairpersons convene meetings regularly and ensure strong committee performance
- The Corporate Secretary provides effective support to the Board of Directors, ensuring agile coordination of processes and rigorous compliance with corporate governance standards .

The evaluation also reviewed the individual attendance records for each director at both Board and committee meetings over the reporting period. Furthermore, based on the individual assessments of directors, an action plan was developed to enhance the performance of Board members.

At its April 2025 meeting, the Board of Directors reviewed the report on the results of the external performance evaluation of the Board of Directors, its committees, and the Corporate Secretary, along with the recommendations of the Corporate Governance, Nomination, and Remuneration Committee, and acknowledged that in the reporting year, the Board of Directors, the Board's Chairman, and Board committees discharged their duties effectively.

Following the meeting, the consultancy's recommendations were accepted and will be incorporated into the Board's activities in 2025 and 2026.

Training and development

The Company maintains a Professional Development Policy for Members of the Board of Directors.

To keep the Board members' knowledge current and ensure their active involvement 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 of the Company.

In June 2024, to keep up to date with local developments and progress on sustainability activities, the Company's top managers and Board members visited the Trans-Baikal Division.

Selection criteria and succession

The performance of the Company's Board of Directors is largely driven by its mix of skills, qualifications, and experience as well as the independent judgement and degree of independence of its members. The size and composition of the Company's Board of Directors enable the fair and comprehensive review of matters, support the most informed decision making, ensure the timely detection and prevention of conflicts of interest, and facilitate the effective discharge of other responsibilities assigned to the Board. When electing members to the Board of Directors, the Company is guided by the principles recommended by the Bank of Russia. Accordingly, shareholders are invited to submit their nominee proposals to the Company. The Corporate Governance, Nomination, and Remuneration Committee conducts a preliminary review of nominee information and assesses their compliance with the requirements of the Company's Articles of Association, the Federal Law On Joint Stock Companies, and the Listing Rules of Moscow Exchange. The main requirements for a nominee are:

- Nominee skills. A nominee for the Board of Directors must be a recognised expert in at least one of the following areas: operations, finance, law, audit, strategic management, corporate governance, human resources, risk management, innovation, or investment
- Nominee independence. The independence of nominees is a key consideration in the selection process for the Board of Directors. The Corporate Governance, Nomination, and Remuneration Committee evaluates nominees to the Board of Directors against the independence criteria established by the Corporate Governance Code
- Nominee's business reputation. Nominees to the Board of Directors must have an impeccable reputation, free of criminal convictions for economic crimes or offenses against the state, and without any history of administrative sanctions related to entrepreneurial activities, finance, taxation, duties, or the securities market.

This evaluation informs the Board of Directors' recommendations to shareholders regarding voting at the General Meeting of Shareholders.

Liability insurance for members of governance bodies

The Company maintains liability insurance for members of governance bodies to cover liability risks associated with the performance of their duties within the Company. The insurance policy provides coverage for damages incurred during the tenure of governance body members in connection with the performance of their duties and encompasses the following risks:

- Personal liability
- The Company's property interests in recovering losses caused by officers
- Claims related to Company securities

Board committees

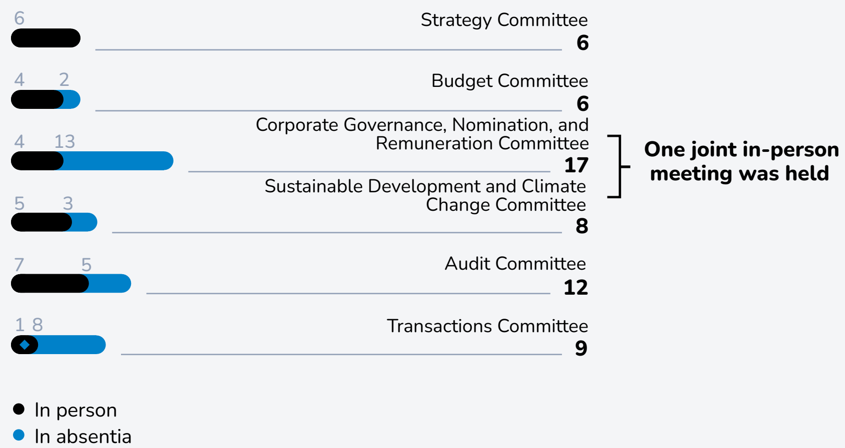
Committees established by Nornickel's Board of Directors are responsible for conducting a preliminary review of critical matters related to the Company's activities and making recommendations for decision making on matters reserved for the Board. To effectively discharge their responsibilities, the committees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

In the reporting year, the Board of Directors had six committees, five of which consisted of five members, while the Transactions Committee comprised three directors. The formation procedure, composition, and activities of the committees are governed by the regulations of the respective committees, approved by the Board of Directors.

According to the Articles of Association, Board committees are chaired by directors who are not members of the Company's executive bodies and must include independent directors. A Board member may not chair more than two committees.

Number of Board committee meetings

In 2024, Board committees held 59 meetings, including one joint meeting, and reviewed 132 matters



Structure of Board committees (%)

Board committees	Independent directors	Non-executive directors	Executive directors
Strategy Committee	40	60	0
Budget Committee	40	60	0
Corporate Governance, Nomination, and Remuneration Committee	60	40	0
Audit Committee	80	20	0
Sustainable Development and Climate Change Committee	60	40	0
Transactions Committee	0	67	33

Strategy Committee

The Committee is 40% independent, with an independent director serving as Committee Chairman.

The Strategy Committee is made up of five directors, two of whom are independent, including the Committee Chairman. In 2024, the Committee held six in-person meetings.

The Strategy Committee assists the Board of Directors by conducting preliminary reviews on 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 took into account updates on the progress and status of Nornickel's major investment projects, including the Sulphur Project, the Company's sales and marketing activities, and assessment of the impact of the current macroeconomic environment on the Company's future production programme, long-term investment plans, and financial model. During the reporting year, the Committee discussed the Company's development approaches, reviewed reports on occupational health and safety, and analysed the results of finished product sales (including metals markets review). In addition, the Committee reviewed the implementation status of the IT programme as well as the innovation and R&D strategies, and took into account updates on the Company's geological exploration strategy and the refreshed fuel and energy development strategy.

In 2025, the Committee plans to continue monitoring the implementation of functional strategies, tracking progress on the Company's key promising projects, and reviewing management reports on other matters within its remit.

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Key functions

Recommending updates to the strategy

Supporting Nornickel's Board of Directors in developing, overseeing, and adjusting the corporate strategy

Budget Committee

The Committee is 40% independent, with a non-executive director serving as Committee Chairman.

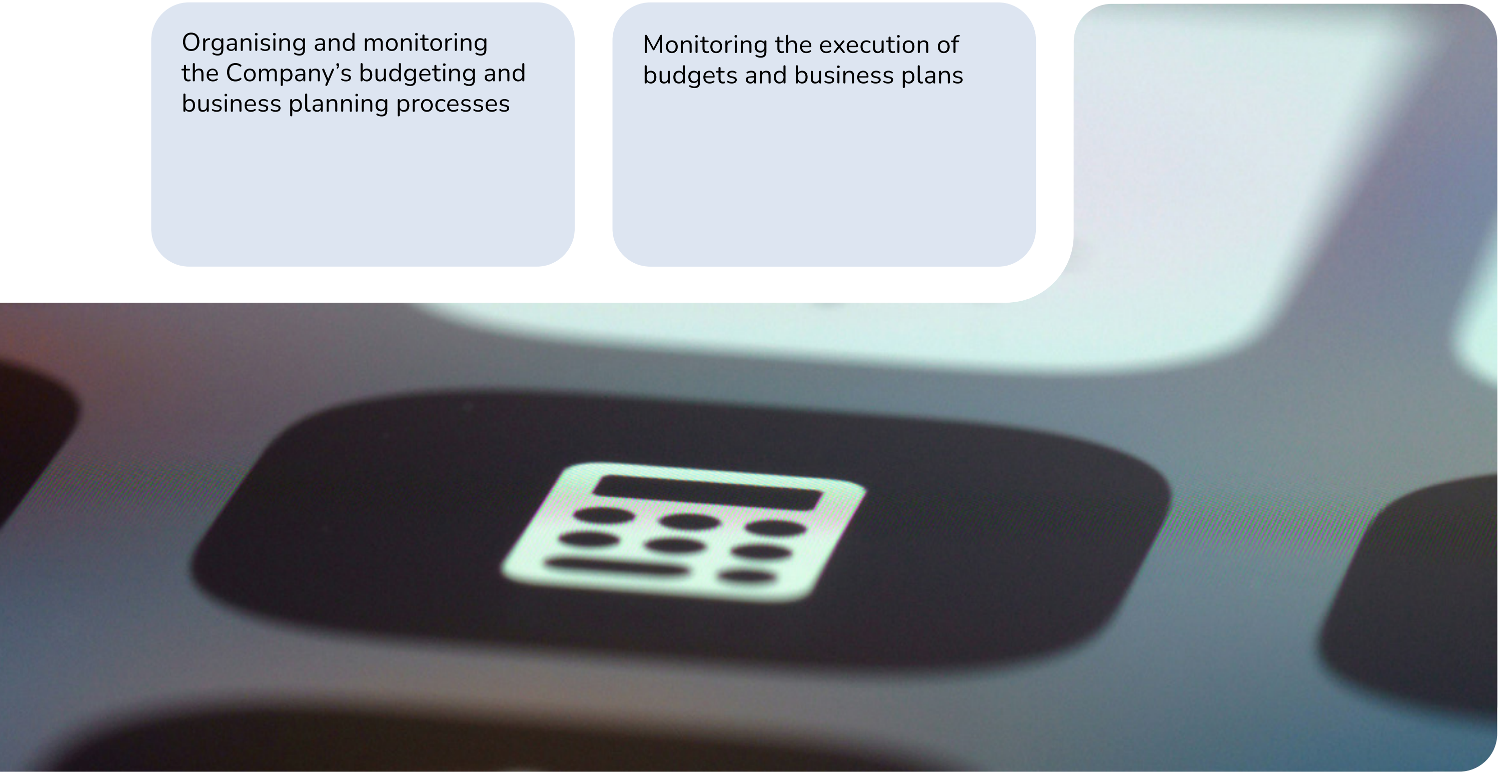
Nornickel's current Budget Committee is made up of five directors, two of whom are independent.

In 2024, the Committee held six meetings, including two in absentia.

During the reporting year, the Budget Committee was presented with an overview of initiatives under the efficiency programme and took into account updates on metal price and foreign exchange (FX) forecasts. The Budget Committee also approved and recommended that the Board of Directors approve Nornickel's 2025 budget.

Key functions

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



Corporate Governance, Nomination, and Remuneration Committee

The Committee is 60% independent, with an independent director serving as Committee Chairman.

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

In the reporting year, the Committee held 18 meetings, including 13 in absentia and four in person, one of which was a joint in-person meeting with the Sustainable Development and Climate Change Committee.

To improve the Company's corporate governance system and ensure alignment with best corporate practices, the Corporate Governance, Nomination, and Remuneration Committee initiated a review of selected elements of the Company's corporate governance and incentive system during the reporting year, engaging external consultants approved by the Committee in March 2024, whose reports on the assessment of corporate governance elements were reviewed by the Committee in August 2024.

The reports on the assessment of corporate governance elements presented by Strategy Partners, Stonebridge Legal, and Ward Howell (JSC VECTOR LEADERSHIP) informed the Committee's recommendations to the Company's management, which is now developing related initiatives in line with best corporate practices and the Bank of Russia's guidance to incorporate these recommendations.

In 2024, the Committee made recommendations to the Board of Directors on matters related to decision making on convening, preparing, and holding the Annual General Meeting of Shareholders, as well as on matters reserved to the General Meeting of Shareholders, including the remuneration and reimbursement of expenses for 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.

During the year, the Committee also provided recommendations to the Board regarding changes to the Company's Management Board, the approval of multiple internal documents, amendments to the Corporate Secretary's employment contract, and the extension of his term of office. The Committee took into account updates on the Digital Investor programme and the Human Capital Programme, and signed off on the KPIs for the fourth cycle of the Long-Term Incentive Programme for the Group's Key Employees. In preparation for the Annual General Meeting of Shareholders held on 28 June 2024, the Committee assessed whether the candidates for the Company's Board of Directors met the independence criteria. In addition to the matters considered during the reporting year, the Committee reviewed the results of the annual evaluation of the Board of Directors' performance for 2023, which concluded that both the Board and the Corporate Secretary of Nornickel performed their duties effectively.

Key functions

- Evaluating, overseeing, and improving Nornickel's corporate governance system
- Providing incentives, evaluating the performance of Nornickel's Board of Directors, Management Board, President, and Corporate Secretary, and setting relevant remuneration policies
- Ensuring succession planning for Nornickel's Board of Directors and Management Board
- Supervising the development and implementation of Nornickel's information policy

Audit Committee

The Committee is 80% independent, with an independent director serving as Committee Chairman.

The Audit Committee plays an important role in enabling controls and accountability, serving as an effective interface between Nornickel's Board of Directors, Audit Commission, independent auditor, Internal Audit Department, and management.

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 2024, the Committee held 12 meetings, including seven in person and five in absentia.

During 2024, the Audit Committee prepared a number of recommendations for the Board of Directors to support decision making regarding the accuracy and reliability of Nornickel's financial statements. On a quarterly basis, the Committee reviewed and took into account the results of internal audits and internal control activities. The Committee also reviewed reports prepared by the Risk Management Service on the Company's key risks, reports by the Inspection Department for Monitoring Technical, Production, and Environmental Risks, and a report on the activities of the Ecology Department. In addition, the Committee considered the Company's Corporate Risk Appetite Statement for 2024.

In 2024, apart from the matters mentioned above, the Audit Committee:

- signed off on the annual audit plan and internal audit development plans
- signed off on bonus-related performance targets for 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
- reviewed the status of the Procurement Excellence Programme.

Key functions

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

Sustainable Development and Climate Change Committee

The Committee is 60% independent, with an independent director serving as Committee Chairman.

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

In the reporting year, the Committee held a total of nine meetings, including six in person (one of which was a joint meeting with the Corporate Governance, Nomination, and Remuneration Committee) and three in absentia.

One of the key issues considered by the Committee in the reporting year was the implementation status of the Comprehensive Plan for the Socially Sustainable Development of Norilsk. The Committee took into account updates on the implementation of the Socially Sustainable Development Strategy, the Carbon Neutrality Strategy, the Sulphur Project, the concept and assessment of climate-related physical and transition risks, the Company's charitable activities, and the approach to setting team KPIs. Throughout 2024, the Committee pre-reviewed and made recommendations to the Board of Directors regarding the approval of the Norilsk Nickel Group's Sustainability Report, Human Rights Report, and Responsible Supply Chain Report for 2023, and the new version of the Policy of Engagement with Indigenous Small-Numbered Peoples.

Key functions

- Integrating sustainability principles, including climate change, into the Company's activities
- Developing and implementing the Sustainable Development and Climate Change Strategy
- Overseeing the external audit of the Company's reports and activities related to sustainable development and climate change
- 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

Transactions Committee

The Committee is made up of three directors, including two executive directors and one non-executive director. In accordance with the Regulations on the Transactions Committee, the Committee must have three members, with an option to increase its membership subject to a decision by the Board of Directors.

In 2024, the Committee held nine meetings, including one in person and eight in absentia.

In 2024, the Regulations on the Transactions Committee were updated. During the reporting year, the Committee reviewed and made recommendations to the Board of Directors regarding matters relating to capital raising as well as the Company's bond transactions.

Key functions

- Pre-reviewing 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 planned major transactions

Executive bodies

The President, acting as the sole executive body, and the Management Board, acting as the collective executive body, are responsible for Nornickel's day-to-day operations.

Executive bodies ensure:

- the implementation of resolutions passed by the Board of Directors and the General Meeting of Shareholders
- the implementation of Nornickel's key plans and programmes
- the continuous operation of a robust risk management and internal control system (RMICS).

The President is elected by the General Meeting of Shareholders for an indefinite term. The President reports to the Board of Directors and the General Meeting of Shareholders.

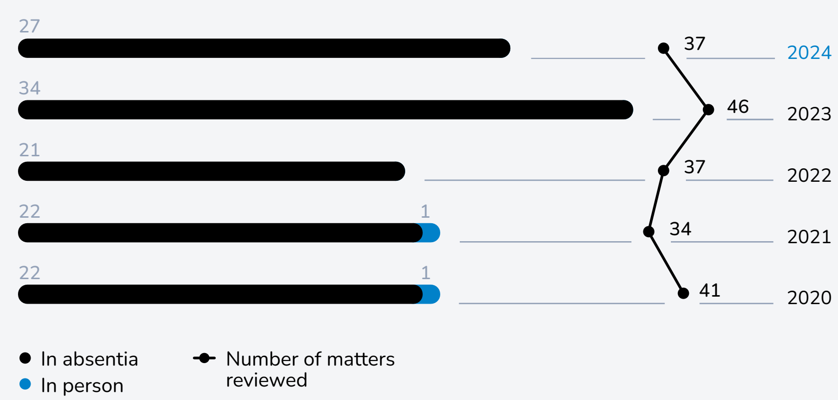
Members of the Management Board are elected by the Board of Directors for an indefinite term. Under the Company's Articles of Association, the Board of Directors may terminate the office and employment contract of any member of the Management Board at any time.

Management Board

The Company's Management Board had 11 members at the start of 2024, according to the composition approved by the Board of Directors on 16 October 2023. On 20 September 2024, the Board of Directors resolved to expand the Company's Management Board to 14 members.

In 2024, the Company's Management Board held 27 meetings and reviewed 37 matters.

Management Board: meetings and matters reviewed



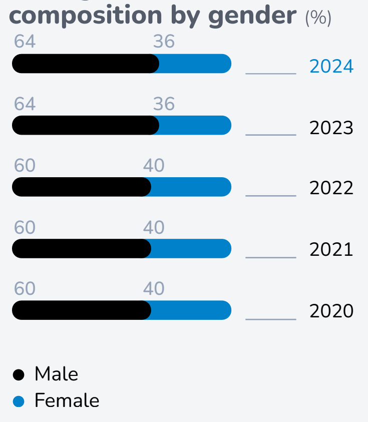
Activities of the Management Board during the reporting year

To improve management efficiency, the Management Board made a number of decisions during 2024 regarding changes to the composition of the Company's divisions. One such decision involved the dissolution of the Norilsk and Kola Divisions and the establishment of the Polar Division. The Management Board passed resolutions regarding the Company's branch leaders and amendments to their employment contracts; reviewed the Company's capital-raising and bond transactions, including those related to the placement of exchange-traded bonds; took into account the interim results of the implementation of the Socially Sustainable Development Strategy; and approved the Company's Corporate Risk Appetite Statement.

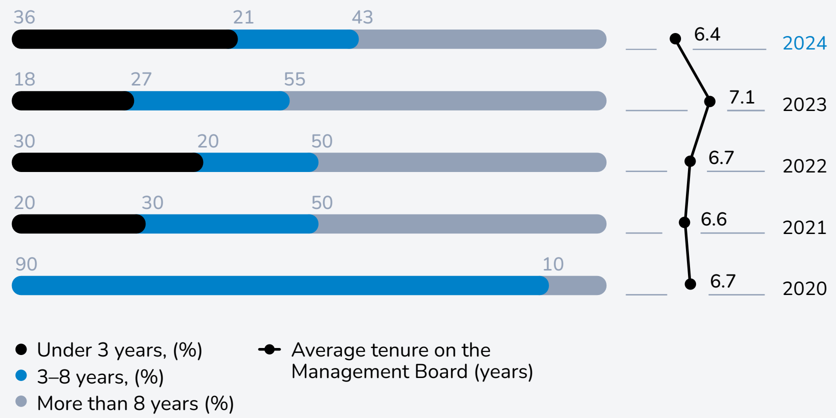
Management Board's skill mix (PEOPLE)

Expertise	2020	2021	2022	2023	2024
Strategy	2	3	3	3	3
Law and corporate governance	2	1	1	1	2
Finance and audit	2	3	3	4	4
Metals and mining / engineering	1	2	3	3	3
International economic relations	3	3	2	2	2
ESG	3	3	2	2	3

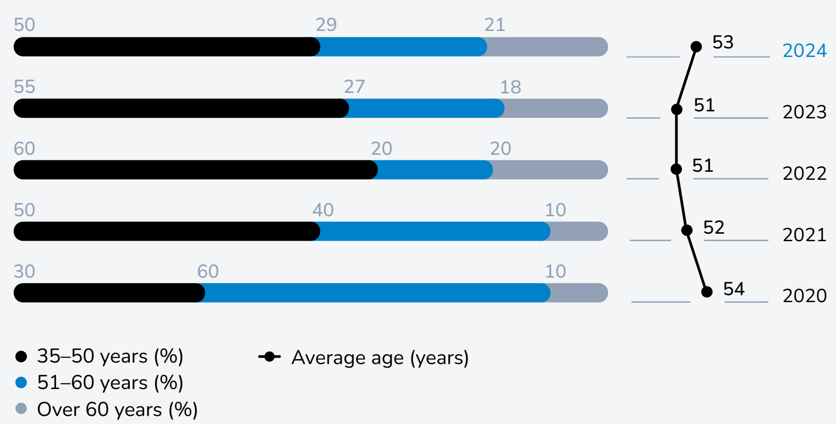
Management Board composition by gender (%)



Tenure on the Management Board



Age range of Management Board members



The Management Board also approved the scope of the Group's annual self-assessment of internal controls for 2024. In the reporting year, the Management Board resolved to establish a JV Management Committee under its authority and defined the key principles for its operation, with the aim of improving the efficiency of corporate governance processes and business development projects involving the establishment of joint ventures with the Company or its subsidiaries. Under the Long-Term Incentive Programme for the Group's Key Employees, the Management Board, in the reporting year, signed off on the assessment of KPI achievement for the 2021–2023 Long-Term Incentive Programme and recommended KPIs for the Programme's fourth cycle (2024–2026) for approval. In addition to the above decisions, in 2024, the Management Board pre-reviewed and recommended that the Board of Directors approve the Company's Annual Report, Sustainability Report, Human Rights Report, and Responsible Supply Chain Report.

Corporate Secretary

The role of the Corporate Secretary is to ensure compliance with the procedures established by applicable laws and Nornickel's internal documents for the protection of shareholder rights and legitimate interests, and to monitor such compliance. The Corporate Secretary is appointed by the Board of Directors for a term of three years. The Board of Directors may terminate the Corporate Secretary's office before the end of this term.

The Corporate Secretary reports administratively to the President while being accountable to and supervised by the Board of Directors.

In December 2024, the Board of Directors extended the Corporate Secretary's term for another three years.

Key functions

- Participating in the preparation and holding of 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 Company's Secretariat
- Performing other functions as set out in Nornickel's internal documents

Remuneration report

The Board of Directors directly supervises Nornickel's remuneration framework. 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.

The Company does not provide loans to members of the Board of Directors or the Management Board.

USD 58 million

Remuneration paid to members of the Board of Directors and the Management Board in 2024 totalled RUB

5.4 BILLION[1]

Directors' remuneration

Remuneration principles

The annual remuneration of the Board of Directors is set in accordance with the Remuneration Policy, which was revised and approved at the Annual General Meeting of Shareholders on 28 June 2024. The revised version of the Remuneration Policy supplements the definition of an executive director, increases the remuneration payable to Board members for serving on Board committees, and clarifies that remuneration amounts are stated net of tax, while reimbursable expenses take into account taxes payable. Based on current market conditions, the aggregate amount of liability insurance coverage for the Company's directors, officers, and other insured employees was also adjusted. By resolution of the General Meeting of Shareholders, members of the Board of Directors receive remuneration for their service on the Board of Directors and are reimbursed for expenses incurred in the performance of their duties as Board members. As an extra benefit, all members of the Board of Directors are covered by liability insurance paid for by the Company under its directors' liability insurance programme. In addition, indemnity agreements are signed with members of the Board of Directors to cover potential losses they may incur in connection with their service on the Board. The Corporate Governance Code recommends that companies pay for their directors' liability insurance to ensure that, in the event of damage caused to the Company, such losses can be recovered through insurance payouts.

Remuneration of the Chairman of the Board of Directors

Remuneration of the Chairman of the Board of Directors differs from that of other 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 beyond 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 (net of tax). The Chairman of the Board of Directors is not entitled to any additional remuneration for serving on Board committees.

Remuneration of non-executive directors

All non-executive directors receive equal remuneration. According to the Policy, the annual remuneration of non-executive directors includes:

- USD 120 thousand as base remuneration for Board membership
- USD 75 thousand for serving on a Board committee
- USD 150 thousand for chairing a Board committee. .

Non-executive directors are not eligible for any form of short-term or long-term cash incentives, nor for any non-cash remuneration, including performance-based bonuses, share options, benefits packages, or pension plans.

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.

Directors' remuneration

Type of remuneration	2024	
	RUB mln	USD mln
For serving on the Board of Directors and Board committees	463.8	5.0
Salary	10.4	0.1
Bonuses	12.4	0.1
Reimbursement	0.6	0.007
Other	–	–
Total	**487.2**	**5.2**

[1] The amount of remuneration paid does not include the remuneration accrued but not yet paid as at end-2024, as well as insurance premiums and voluntary health insurance (VHI) contributions. Adding the amounts accrued as described above, the total remuneration of members of Nornickel's governance bodies for 2024, as per the IFRS statements, amounted to RUB 6.6 billion (USD 72 million).

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..

KPI system

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 a KPI system aligned with Nornickel's strategic goals, depend on the Company's performance, and are linked to both financial (EBITDA and FCF; weight: 40%) and non-financial metrics (work-related injury rate (weight: 10%), zero environmental incidents (weight: 10%)) as well as other individual KPIs. KPIs are updated on an annual basis by the Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors. In 2024, health, safety, and environment (HSE) KPIs 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 bonuses payable to the Company's President falls within the remit of the Board of Directors.

Remuneration of Board members and the President

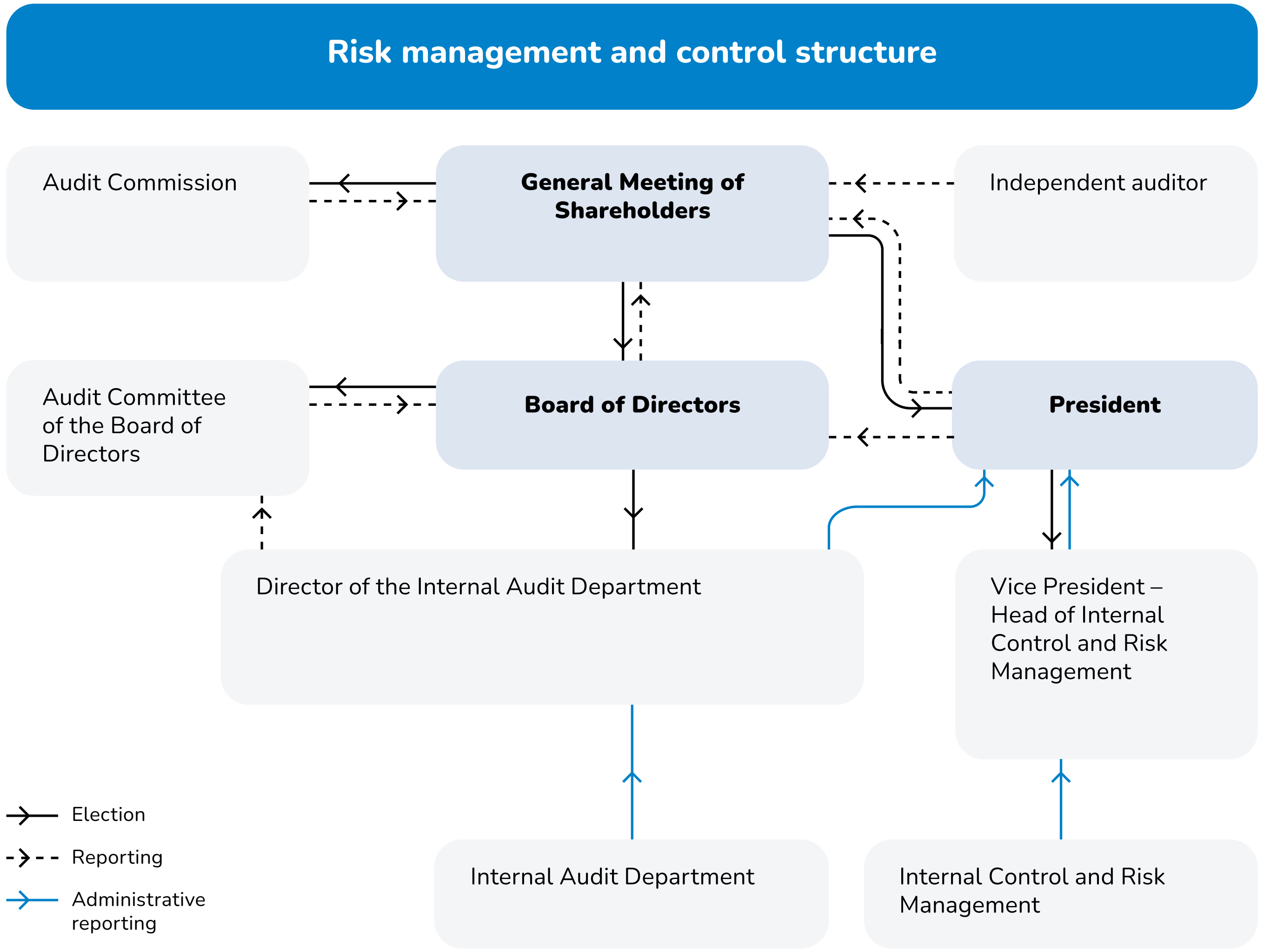
Type of remuneration	2024	
	RUB mln	USD mln
For serving on the Management Board	2.6	0.03
Salary	3,563.9	38.5
Bonuses	1,325.7	14.3
Reimbursement	0.2	0.003
Other	–	–
Total	**4,892.4**	**52.8**

Control bodies

The Company has in place a risk management and internal control system (RMICS) covering all business processes and all management levels across the Group. The control system, integrated into the Company's corporate governance processes, is geared towards achieving goals related to accurate financial reporting, operational efficiency, and compliance.

The system comprises the following control bodies:

- Audit Commission
- Audit Committee of the Board of Directors
- Internal Audit Department
- Internal control system
- Risk Management Service
- Independent audit (external control)



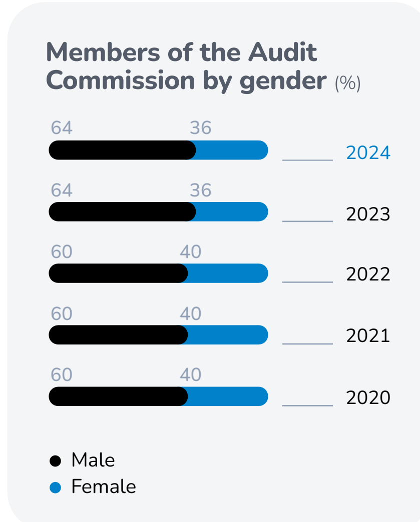
Audit Commission

The Audit Commission serves as the control body that monitors the financial and business operations of the Company. The five members of the Audit Commission are elected annually at the Annual General Meeting of Shareholders.

In 2024, the Audit Commission audited Nornickel's business operations for 2023, 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 2024 will be reported to the Annual General Meeting in 2025.

Remuneration

The Annual General Meeting of Shareholders set total remuneration at RUB 1.8 million per year 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 2023. Members who are Nornickel employees are not paid remuneration for their service on the Audit Commission. No bonuses or other rewards were paid in 2024.



Audit Commission's remuneration

Type of remuneration	2022		2023		2024	
	RUB mln	USD thousand	RUB mln	USD thousand	RUB mln	USD thousand
For serving on the Audit Commission	7.2	105	7.2	84	7.2	78

Internal audit

The Company's internal audit function is carried out by the Internal Audit Department, established to support the Board of Directors and executive bodies in enhancing the efficiency of business process management and evaluating the risk management and internal control system. The Department operates in accordance with the Regulations on the Internal Audit Department. The Company maintains an Internal Audit Policy, approved by the Board of Directors.

The Internal Audit Department regularly conducts objective and independent audits, which include assessments of the effectiveness of the internal control system (ICS) and the corporate risk management system (CRMS). Based on the results of these audits, the Department prepares reports for senior management with recommendations for improving internal controls and monitors the development of remedial action plans, if any violations are identified.

Results for 2024

In 2024, the Internal Audit Department audited the following areas:

- Maintenance and repair management and operation of automated process control systems at production sites
- Investment projects
- Production-related transport services
- Corporate processes (procurement, charitable activities, monitoring roles of the Head Office)
- IT asset management

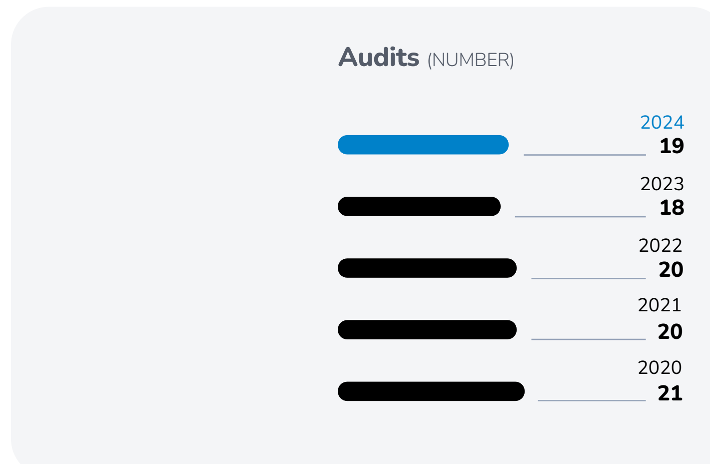
The Internal Audit Department is strongly focused on driving the adoption of digital data processing methods. Data analytics methodologies have been integrated into audit procedures since 2020. For the past two years, a continuous audit covering 100% of the Company's procurement activities has been successfully carried out. In 2025, this technology is planned to be piloted for other business processes.

Based on recommendations issued during audits, management develops corrective actions. During 2024, over 200 initiatives were completed, aimed not only at remedying non-conformities but also at addressing the root causes of identified deficiencies.

The Internal Audit Department continuously monitors the implementation of actions developed by management, with analytical reports on the types and number of initiatives regularly reviewed by the Audit Committee.

The Audit Committee commended the performance of the Internal Audit Department for the reporting period.

The Internal Audit Department also conducted an annual performance evaluation of the Company's CRMS and ICS for 2024, concluding that both systems are generally effective, with only some minor areas for improvement identified. The evaluation results were reviewed by the Audit Committee and the Board of Directors.



To ensure independence and objectivity, the Internal Audit Department reports functionally to the Board of Directors through the Audit Committee and administratively to Nornickel's President.

Evaluation

In accordance with the Internal Audit Standards, the Internal Audit Department undertakes an annual self-evaluation, the results of which are regularly reviewed by the Audit Committee and the Board of Directors.

The 2024 self-evaluation incorporated learnings from the implementation of the Roadmap for Internal Audit Function Development. The self-evaluation results indicate that the practices of the Internal Audit Department generally conform to applicable standards, with certain areas identified for improvement.

Plans for 2025

The audit plan addresses the Company's principal risk areas with due regard to priorities, incorporates thematic requests from the Audit Committee and executive management, and includes mandatory annual assessments of the Company's RMICS effectiveness.

The Internal Audit Department's work plan for 2025 was approved by the Board of Directors and includes 18 audits across the following areas:

- Audit of operational processes
- Audit of corporate processes
- Audit of operations of branches and subsidiaries
- IT audits
- Annual evaluations

Internal control system

Nornickel maintains a comprehensive internal control system (ICS), built in line with international (COSO) and Russian best practices. The Internal Control Department is responsible for ensuring the operation and development of the ICS, creating a strong control environment, establishing a risk assessment framework for business processes, implementing controls, and segregating duties and access rights in information systems.

The Internal Control Department uses a risk-based approach to conduct regular monitoring of the Company's business processes. 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..

ICS performance evaluation

The Company performs an annual self-evaluation of its ICS within the scope approved by the Management Board. Self-evaluation procedures are automated and facilitated through the SAP GRC PC system. Reports containing the evaluation results are reviewed by Nornickel's management and the Audit Committee of the Board of Directors.

The self-evaluation results for the reporting year indicate that the Company's ICS generally operates effectively, with areas identified for improvement. Management addresses and mitigates internal control gaps, develops corrective actions, and monitors their implementation. In the reporting year, the ICS maturity level reached level 4 out of 5, designated as "Mature".

Corporate Trust Line speak-up programme

Reporting channels (24/7)

- 8 (800) 700-19-41, 8 (800) 700-19-45
- skd@nornik.ru
- Reporting form on the nornickel.ru website
- 1st Krasnogvardeysky Drive 15, Moscow, Russia, 123112, Corporate Trust Line of MMC Norilsk Nickel
- Nika corporate app

To enhance the effectiveness and timeliness of measures designed to prevent ethical breaches, including corruption, discrimination, and human rights violations, Nornickel has implemented a Corporate Trust Line speak-up programme. Both Company employees and external stakeholders are encouraged to use the Company's confidential hotline to report any suspected breaches. All reports submitted to the Corporate Trust Line are handled with strict confidentiality, promptness, and impartiality, irrespective of the position held by the individual cited in the report.

The Company does not retaliate against whistleblowers who raise concerns via the Corporate Trust Line, meaning that no disciplinary action or sanction is taken, including employees' demotion, forfeiture of bonuses, dismissal, etc. Any reports of retaliation against whistleblowers for using the Corporate Trust Line are thoroughly investigated, with the involvement of the Company's security teams. Whistleblower status is regularly monitored at all levels to detect any cases of undue pressure. Since 2023, the Company has also implemented a system for collecting feedback and assessing whistleblower satisfaction with the process.

Reports claiming breaches of ethical standards and principles are reviewed by a commission convened by the head of the unit responsible for conducting the requested investigation. If the reported information 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.

Key CTL principles

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

CTL report statistics

Indicators	2020	2021	2022	2023	2024
Number of incoming reports	1,037	1,243	1,463	2,079	1,279
Number of accepted reports	451	422	589	859	651
Including confirmed breaches:	118	96	159	193	180
Ethical standards and principles[1]	–	–	*13*	*21*	*15*
Corruption	*0*	*0*	*0*	*0*	*0*
Human rights violation	–	–	*0*	*0*	*0*

Detailed report statistics are published annually in the Sustainability Report.

[1] Ethical Standards and Principles as well as Human Rights and Freedoms were designated as distinct topics within the classifier in 2022.

Corporate ethics and compliance

Nornickel conducts its business with honesty, transparency, and ethical integrity, maintaining a high level of corporate culture, which strengthens the Company's business reputation and helps build trusting relationships with investors, partners, employees, and other stakeholders.

Commitment to business ethics

Nornickel operates on the foundational principle of upholding an impeccable reputation and adhering to ethical business practices. The safe labour, life, and health of its employees are the Company's non-negotiable priorities. The Company maintains a Business Ethics Code, which is regularly reviewed and updated. The Code applies to all employees and is essential for ensuring compliance with professional standards and alignment with Nornickel's core values.

Nornickel's ethical principles:

- Protection of the Company's resources
- A responsible attitude towards the Company's information and reputation
- Integrity
- Fostering a culture of partnership and mutual respect
- Maintaining high ethical standards

Mechanisms are in place for any employee to report potential breaches of the Code; such reports are subject to investigation and review by relevant units. To encourage adherence to ethical principles and integrity at work, the Company has established a system of employee awards and incentives.

Throughout its history, the Company has not recorded any instances of mass strikes, layoffs, or widespread salary reductions.

To address potential breaches of the Code, procedures are in place for employees to safely and confidentially report relevant situations. All reports are subject to investigation. The Company guarantees that no disciplinary action or sanctions, including dismissal, demotion, or bonus forfeiture, will be applied to employees who report breaches of the Code.

Training is provided to employees to explain the Code, including a training module on the Code integrated into the Our Values programme, the Nornickel Live Q&A session, and Corporate Dialogues.

Insider information

Control in the area of combating unlawful use of insider information and market manipulation (CUUIIMM) is a part of the Company's ICS. The Company[1] operates robust compliance procedures and maintains ongoing monitoring of compliance with regulatory requirements in the CUUIIMM area.

The Company has developed and regularly updates internal documents regulating the processes in the CUUIIMM area:

- Regulations on Procedures for Access to Insider Information and Rules for Protection of Insider Information Confidentiality and Control over Compliance with the Requirements of Laws Related to Combating Insider Information Unlawful Use and Market Manipulation
- Internal Control Rules for Preventing, Detecting, and Stopping the Unlawful Use of Insider Information and Market Manipulation
- Regulations on the Procedure for Keeping the List of the Company's Insiders.

The List of the Company's Insider Information is posted on its official website under the To Insiders section.

To ensure internal control and mitigate regulatory risk within the CUUIIMM area, Nornickel has designated a dedicated officer responsible for enforcing the internal control rules. The officer conducts regular monitoring of the Company's compliance with legal requirements in the CUUIIMM area and submits reports to the Company's President regarding compliance status and the implementation of internal control measures.

Nornickel has developed remote learning courses on handling insider information, available to all employees of the Company. Completion of the courses, hosted on the Nornickel Academy corporate university platform, is mandatory for new hires..

[1] The Company is subject to Federal Law No. 224-FZ dated 27 July 2010.

AML/CFT[1] compliance

The Company implements a set of measures to prevent money laundering, terrorist financing, and the proliferation of weapons of mass destruction (AML/CFT).

AML/CFT internal controls are embedded into the Company's ICS and are run continuously by designated employees across all relevant units.

The key internal document in this area is PJSC MMC NORILSK NICKEL's Internal Control Rules on AML/CFT (the "Internal Control Rules"). The Internal Control Rules are updated in a timely manner to reflect changes in applicable legislation.

The Company has designated a dedicated officer responsible for monitoring compliance with AML/CFT legislation and mitigating related regulatory risks and the risks of potential employee involvement in money laundering schemes.

Reports on the implementation and effectiveness of the Company's Internal Control Rules are submitted to the President of Nornickel. These reports include information on the implementation of internal control programmes, the number of suspicious transactions reported to the Federal Financial Monitoring Service, and assessments of the effectiveness of the ICS and the level of AML/CFT regulatory risk.

Anti-corruption compliance

Nornickel is building a robust anti-corruption compliance system to manage corruption risks, ensure compliance with all relevant anti-corruption legal requirements, and safeguard the Company against involvement in corrupt practices.

In 2024, Nornickel once again maintained its leading position in the annual Anti-Corruption Ranking of Russian Business, achieving the highest possible rating of AAA+. This achievement highlights the consistent and effective operation of the Company's anti-corruption compliance system and its strong commitment to anti-corruption standards and the principles of transparent, honest business conduct.

Nornickel has a zero-tolerance policy towards corruption at all levels of the organisation, complies with the anti-corruption laws of the countries where it operates, and sets high standards of responsible business conduct for both employees and partners.

Nornickel's management sets the tone from the top by role-modelling zero tolerance for corruption in all its forms and manifestations across all levels while emphasising the critical importance of adhering to ethical standards in the performance of job duties..

Nornickel's anti-corruption compliance system, comprising policies, procedures, and controls, is subject to regular review and improvement. Through these efforts, the Company ensures that it upholds its corporate values, eliminates or mitigates corruption-related risks, and remains in full compliance with applicable regulatory requirements.

Anti-corruption policies and procedures are applicable across the entire Group.

For more information regarding adopted anti-corruption policies and procedures, as well as implemented anti-corruption measures and preventative programmes, please see the dedicated Anti-Corruption section of the Company's website.

Nornickel does not engage with political parties, affiliated foundations, or related organisations, nor does it provide funding for facilitation payments.

[1] Nornickel is subject to Federal Law No. 115-FZ, On Anti-Money Laundering and Combating the Financing of Terrorism, dated 7 August 2001.

Identification of corruption risks

A critical component of developing a robust anti-corruption compliance system is the identification, analysis, and assessment of corruption risks. The Company identifies potential instances of corruption among its employees and the specific business processes exposed to such illegal practices. Through this process, corruption risks are identified. Identified corruption risks are analysed to determine potential methods of committing corruption offenses within business processes, including identifying the roles of employees who may be involved in such practices. An assessment is conducted to determine both the likelihood of the identified corruption risk and the potential damage to the Company should this risk materialise. The Company regularly employs corruption risk management mechanisms, 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 is committed to minimising corruption risks in both current and new business processes, and therefore conducts anti-corruption reviews of its internal documents 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, the Company submits a declaration to the Anti-Corruption Charter of the Russian Business to prove its compliance with anti-corruption requirements.

In 2024, to further develop and improve its anti-corruption compliance system, the Company:

- assessed the effectiveness of controls implemented to mitigate corruption risks
- adapted and launched a mechanism for informing counterparties of its anti-corruption requirements and principles
- conducted an employee questionnaire survey to evaluate the state of corruption and the effectiveness of anti-corruption initiatives at the Company's branches and representative office
- launched the implementation phase for automating the conflict of interest management module
- delivered a training campaign on mitigating corruption risks in counterparty interactions for Group employees responsible for implementing anti-corruption compliance procedures
- established a framework for tracking inquiries from regulatory and supervisory authorities regarding anti-corruption compliance
- took measures to monitor and assess compliance with the legal requirements of the Russian Federation regarding the employment of and contracting with former government officials
- revised and updated its anti-corruption procedural documents.

Training

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

Nornickel also provides employees with regular training in anti-corruption, involving them in on-the-job anti-corruption programmes.

The Company delivers effective training tailored to different target audiences: for example, all employees take an annual online anti-corruption course, HR employees complete a course on anti-corruption compliance for HR services, and members of the Board of Directors and Management Board take an online course on anti-corruption for managers. All courses culminate in a test serving as the final step in the learning process. Remote learning courses are offered through the Nornickel Academy corporate university platform.

As of the end of 2024, the percentage of employees that the Company's anti-corruption policies and methods have been communicated to was 100%. During the year, approximately 11 thousand employees received training on anti-corruption legal requirements and corporate regulations.

Training and awareness statistics

Activities	2020	2021	2022	2023	2024
Employees that have received training on anti-corruption	5,721	9,805	31,025	25,800	10,507
Employees that the Company's Anti-Corruption Policy has been communicated to	73,810	76,626	81,492	81,347	78,826

Managing conflicts of interest

One of the priority areas within the anti-corruption compliance system is managing conflicts of interest, which can be a root cause of corruption. The Company's Regulations on the Prevention and Management of Conflicts of Interest require any pre-conflict situations or actual conflicts of interest to be disclosed both at the time of hiring and during employment, particularly when personal interests are involved. The Regulations further require employees to take timely action to prevent any potential conflicts of interest.

In 2024, the Company developed and published an interactive memo on conflict of interest management, available on its corporate portal. 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 upholds and promotes among its employees a culture of zero tolerance for corruption Various channels are available for reporting suspected cases of corruption, including anonymous options.

For more details on anti-corruption efforts, including the Company's conflict of interest management process, please see the 2024 Sustainability Report.

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

All Group employees and partners have free and convenient access to information about the Company's anti-corruption policies and measures, available on its official website in the Anti-Corruption section.

The Company continuously monitors and implements measures to prevent, detect, and mitigate the risks of corporate fraud. The Company convenes round-table discussions to review requirements for work in specific areas and the implementation of dedicated controls designed to mitigate corporate fraud risks. The Company pays particular attention to the operation of information channels, including the CTL. The Countering Corporate Fraud online course was successfully integrated into the mandatory training programme for all employees.

Regular internal inspections are conducted to investigate suspected instances of corporate fraud or corruption. In 2024, the Company conducted 122 such inspections. Based on evidence of illegal actions against Company assets or interests discovered by Company employees, law enforcement authorities initiated 55 criminal cases related to corporate fraud and 5 criminal cases related to corruption.

In 2024, two reports about potential employee corruption were received via the CTL. Following the review and investigation of all submitted reports, no evidence of employee corruption was found.

Statistics on CTL reports about corruption or fraud

Indicators	2022	2023	2024
Number of CTL reports accepted for investigation, broken down by topic:			
Corruption	0	4	2
Corporate fraud	3	10	6
Number of confirmed CTL reports, broken down by topic:			
Corruption	0	0	0
Corporate fraud	0	2	4

Anti-corruption measures for counterparties

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

The unbiased selection of the best proposals, Nornickel's procurement owner, customer, and secretary of the collective procurement body follow these 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 or renewed annually with each supplier. 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.

Red flags, including signs of price fixing, conflict of interest, lobbying for bidders, and unreasonable restrictions, were also incorporated into the procurement system.

To ensure the Company's economic security, more than 35 thousand reliability checks were conducted, covering both potential and existing counterparties. These assessments reviewed counterparties' reliability, solvency, financial stability, legal compliance, corruption risks, and ability to meet contractual obligations. Based on these checks, 252 entities received negative assessments, and 56 counterparties were added to the Company's register of unreliable counterparties. These contractors were listed due to the provision of knowingly false information, breach of contract, or evasion of contract execution following competitive bidding procedures.

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.

Nornickel carries out an internal assessment and identifies business units whose activities are exposed to antitrust risks. At such units, the Company designates antitrust compliance owners and briefs them on the applicable prohibitions and restrictions under antitrust laws.

Antitrust risks are identified and mitigation measures are developed based on information provided by these antitrust compliance owners as well as through legal support of the Group's business processes. These processes cover investment projects (such as establishing and operating joint ventures), tariff decision making, deregulating certain activities, establishing procedures for counterparty engagement (such as infrastructure access terms), modifying infrastructure operations (e.g. through revamps), entering new markets for the Company's products, and more.

Management decisions across the Group are made with due regard for antitrust legal requirements, and the existing antitrust compliance system continues to demonstrate its effectiveness.

Management decisions across the Group are made with due regard for antitrust legal requirements, and the existing antitrust compliance system continues to demonstrate its effectiveness. In 2024, as in previous years, no antitrust violations by Nornickel were identified, and no administrative action was taken for such violations by the antitrust authorities.

Information security

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. Senior management's 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.

In 2024, the Company faced new challenges prompting the need to refine existing approaches to information security management. To ensure consistent development, the information security function strives to improve its service model by aligning its approaches with best practices in the market. One of the function's key goals for 2025 is to boost the effectiveness of its key processes.

The Company's information protection strategy is built with consideration for both an increase in information security risks triggered, among other things, by continued geopolitical tensions and the government's ongoing drive to promote import substitution of information technologies and information security solutions. Specifically, in 2024, Nornickel completed the import substitution process for data protection tools used in industrial automation systems within the Company's technology infrastructure. Meanwhile, Nornickel has continued its efforts to substitute imports of corporate perimeter protection tools.

The Company is taking some extra steps to protect the technology infrastructure perimeters of its enterprises and mitigate the risks of production process disruption or shutdown.

With the Company still offering hybrid work schedules for office staff, the first stage of introducing two-factor authentication for employees was completed to minimise the risks associated with unauthorised remote access to corporate resources. The Company is continuously monitoring the security of its corporate systems to promptly identify and address vulnerabilities as well as prevent cyber intrusions.

To enhance the information security management system, in 2024, the Company developed and approved a model of corporate information security processes and implemented an information security process management system to aggregate information on key performance metrics. This has also enabled a high level of availability across information security services for internal customers within the service model, including through additional steps to boost protection against external cyber threats.

Risks related to cybercrimes against the Company's processes and systems as well as data privacy compliance risks are listed in the Company's corporate risk management system. The Information Protection and IT Infrastructure Department is the owner of these risks.

The Company's goals in building resilience to information security risks are set as KPIs for the department.

Certification

The information security management system (ISMS) in place at Nornickel enterprises complies with ISO/IEC 27001. The ISMS helps systematise and structure information security support processes while building an effective matrix of controls and ensuring timely risk identification and mitigation.

Five Nornickel enterprises are certified to ISO/IEC 27001:

- Transport Division in Murmansk
- Kola Site
- Nadezhda Metallurgical Plant
- Copper Plant
- Talnakh Concentrator

In 2024, activities aimed at transitioning site-level ISMS to ISO/IEC 27001:2022 were implemented to maintain cyber-defence processes at a high maturity level. The effectiveness of information security management processes across production sites was confirmed by audits. The external auditor noted strong management engagement in ISMS processes and the preparedness of the enterprises to respond to new threats and challenges. Employees involved in the operation of the ISMS showed excellent knowledge of information security.

Security and vulnerability management

We have completed all activities planned for 2024 to boost the overall security of our automated process control systems (APCSs) and to implement audit recommendations from 2023.

The Energy Division's production enterprises completed their activities under the plan to implement basic process safeguards, significantly reducing information security risks at the facilities critical for the energy security of production enterprises as well as cities and towns in the Far North. In collaboration with key market partners, we have refined a number of domestic solutions offered by leading manufacturers of technological and production process automation systems and aligned them with Nornickel's information security requirements.

In 2024, the Company improved its approaches to managing vulnerabilities and conducting vulnerability analysis of corporate systems, with a special focus on APCS testing. Proven vulnerability scanning processes allowed us to identify weaknesses in existing systems, including in APCSs, and to take timely measures to bolster security. Regular penetration testing and conducting drills to improve coordination with the response centre team also help identify and address weaknesses in security systems.

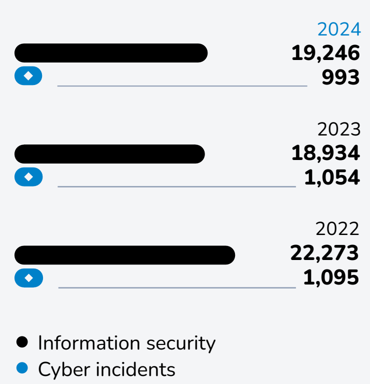
The Company is actively engaged in developing security processes within the software development life cycle (SDLC). Deploying the DevSecOps methodology helps automate key security controls by integrating them directly into software development. To boost resilience to attacks targeting the supply chain, we have set up own repositories of libraries and components used in developing software products.

Cyber incident response system

The Company has in place a Cyber Incident Monitoring and Response Centre (the “Centre”), which employs advanced technical solutions and best practices in managing cyber defence. Employees continuously improve their competencies and showcase them through competitions organised by partners. In 2024, the Nornickel team earned high marks and demonstrated unique competencies in three such competitions.

To maintain awareness about current information security threats, the Centre’s employees continuously monitor information security events and regularly share information with colleagues from other companies and with market partners, enabling proactive measures to block malicious actions.

Information security events handled



Despite a significant increase in cyberattacks in 2024, well-coordinated efforts allowed the Company to successfully repel all attempts by threat actors to damage Nornickel’s infrastructure. In 2024, the Centre’s employees addressed a total of almost 20 thousand information security events and about 1 thousand cyber incidents.

Company employees also help identify potential computer security incidents. Any 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. About 6 thousand investigations into incidents reported by Nornickel employees were conducted over the year.

Requirements to counterparties

In 2024, cases of compromised IT infrastructure were identified for several contractors, with response measures taken immediately to block relevant contractors’ access to Nornickel’s infrastructure and prevent possible negative consequences.

Within the follow-up measures to address the associated risk, the Company developed a contract section outlining information security requirements and liability for non-compliance by counterparties getting access to Nornickel’s data assets under relevant contracts. In 2024, this section was already added to the general terms and conditions for Company contracts.

The Information Security Requirements section was incorporated into contracts with counterparties that have critical access rights on Nornickel’s IT infrastructure. In addition, the Company amended its standard confidentiality agreement / NDA to include the counterparty’s obligation to ensure information security measures are implemented and to provide relevant details upon the Company’s request.

To establish a holistic approach to handling information security risks associated with third parties, we are developing a methodology to evaluate Company counterparties on the adequacy of information security measures in place, with a view to enable extra defences for corporate data assets.

Personal data protection

To handle the risk of insufficient protection of customers’ and employees’ personal data, the Company has implemented and put in place a set of legal, organisational, and technical measures to ensure the security of personal data (PD). Technical protection of PD involves anti-virus protection, leak prevention, monitoring of removable devices, analysis of security incidents, etc.

In the context of greater liability for violations related to PD processing, the Company places a heightened emphasis on maintaining legal compliance of its personal data processing. The following initiatives were implemented in 2024, in line with the methodologies developed by the Information Protection and IT Infrastructure Department over 2024:

- At eight Nornickel enterprises, PD processing was aligned with relevant legal requirements and internal regulations
- Eleven Nornickel enterprises assessed their websites for compliance with legal requirements to PD processing

To reduce the risks of data leaks, the Company provides regular training to employees whose tasks include PD processing.

A methodology for lean PD processing has been developed to reduce the risk of PD leaks by minimising PD processing within business processes.

Training and communication

The Company is strongly focused on improving employee awareness about information security requirements and digital hygiene rules. In 2024, Nornickel set a goal to enhance information security culture across the entire Group.

The Company is driving initiatives to increase ownership of information security issues across the entire workforce, from the board room to the shop floor.

Information security issues are covered during mass corporate events and strategic sessions. Employees are updated about information security threats and digital hygiene rules via internal communication channels: publications on the intranet portal, mailings, corporate messenger, postings on bulletin boards, and videos on screens in common areas.

Nornickel provides regular training to employees on information security topics relevant to them, in particular through online courses updated to reflect changes in the threat landscape and relevant legislation. A total of 95 scheduled and 19 unscheduled trainings (including e-courses and face-to-face lectures) were held in 2024, where 34.8 thousand Group employees were trained.

To enhance employees’ vigilance and practice the sequence of actions in case of an information security incident, the Company runs regular drills, including simulations of phishing attacks and other current unlawful practices that affect users. Following the drills, instructions for employees are updated.

A heightened emphasis is placed on the personal information security of Company employees and their family members, with activities designed and delivered for employees’ children.

Information security training

Activity	2022	2023	2024
Number of trainings conducted, including:	70	114	114
scheduled trainings	67	95	95
unscheduled trainings	3	19	19
Employees trained	13,500	34,104	34,800

Partnerships

In 2017, Nornickel initiated the creation of the Information Security in Industry Club (BIP-Club), an association of chief information security officers of major Russian companies, which has evolved into a recognised platform for sharing experience and best practices in protecting information systems as well as for fostering public-private dialogue, including on topical matters such as industry regulation and import substitution in information security.

In 2024, the BIP-Club continued its activities and, as part of a public meeting for market participants, brought together for the first time vendors, integrators, customers, and market regulators to discuss their approaches, requirements, and expectations for partners, as well as outlooks for productive collaboration under the import substitution programme.

Nornickel is committed to contributing to the development of the information security market for the industrial segment. In particular, the Company used the BIP-Club to propose to the information security community a Code of Ethics for the information security market, containing a set of principles that will help improve the maturity of the market and foster better cooperation between customers and contractors.

Critical digital infrastructures are increasingly becoming the target of calibrated and sophisticated attacks across all sectors of the economy, including industry. In May 2024, Nornickel signed a cooperation agreement with Rostelecom to develop and improve solutions to prevent information leaks, control software security, and limit access to malicious information resources. Under the agreement, the two partners look to develop and implement solutions designed to improve cyber resilience of the metals and mining industry.

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 recommends a candidate to the Board of Directors for approval at the Annual General Meeting of Shareholders of MMC Norilsk Nickel.

In 2024, based on the recommendation of the Board of Directors, the General Meeting of Shareholders approved Kept as the auditor for the Company's RAS and IFRS financial statements for 2024.

The Audit Committee of the Board of Directors, upon reviewing Kept's reports, raised no comments regarding the auditor's findings.

Auditor's fee

The fee paid to Kept for its audit services, auxiliary audit services, and other audit-related services in 2024 totalled RUB 280 million (USD 3.0 million), net of VAT, with the share of other audit-related services accounting for 36% of the total.

To prevent conflict of interest, Kept has a specific policy in place, covering different types of services they provide to auditees. This policy ensures compliance 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 fees

Service type	2022	2023	2024	
	RUB mln	RUB mln	RUB mln	USD mln
Audit services	116.9	125.8	133.9	1.4
Auxiliary audit services	57.3	36.7	44.3	0.5
Other audit-related services	165.6	69.7	102.0	1.1
Total	**339.8**	**232.2**	**280.2**	**3.0**

New opportunities

Palladium for glass fibre

Pd

Glass fibre is a lightweight, durable, and corrosion-resistant material, which plays a key role in green energy. The use of palladium helps significantly reduce the cost of glass fibre production.

This complex, high-tech process involves equipment made from platinum-group metal alloys. To lower equipment costs, platinum in the alloy can be replaced with palladium. Since palladium has half the density of platinum, less of this valuable metal is needed to achieve the same performance.

06. Risk management

Risk management system

The existing corporate risk management system is integrated[1] into the Company's business processes and enables effective risk-based decisions at various organisational levels to achieve strategic and operational goals.

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.

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

[1] For risk management to be effective, process risk management should be fully integrated into the organisation's risk management framework and processes (GOST R 51901.7-2017).

Risk management framework

Board of Directors

Audit Committee of the Board of Directors

- 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 effectiveness at Nornickel (annually)

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

Internal audit

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

Internal control

- Providing methodological support and participating in risk assessment of business processes

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 modelling 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
- Preparing the CRMS Development Roadmap, including based on regular maturity assessments

Risk owners

- Providing 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 2024, the Company completed the following projects and initiatives to develop, improve, and maintain the maturity of its risk management system:

- 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
- As part of risk culture fostering initiatives, provided training for Company employees, prepared an e-course on investment project risk management, and developed a risk culture self-diagnostic tool
- Maintained regular activities of the Management Board's Risk Management Committee and dedicated function-level risk management committees
- 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:

- Enhancing the methodology to analyse, assess, and manage various categories and types of risks
- Further automating risk management system functionality
- Expanding the scope of quantitative risk assessment in strategic and operational planning
- Applying and enhancing the concept for assessing long-term climate-related risks in line with TCFD[1] requirements

[1] Task Force on Climate-related Financial Disclosures.

Key strategic risks

The Company's strategic risks were updated in 2024. Nornickel sees the following groups of risks as its key risks:

- Increase in the Company's staffing shortage
- Lower demand for the Company's products
- Lower productivity and disruptions of operations
- 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, information risks, construction and installation, various vehicles, and other types of liability insurance programmes of the Company are also centralised and promote continuity.

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

Nornickel maintains insurance contracts with major Russian insurers

Risk map

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

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.

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.

Changes in risk status in 2024 mainly reflect the effect of mitigating measures and changes in multiple external factors on the Company as it adapted to a new normal.

Risk

1. Price risk
2. Market risk
3. Financial risks
4. Technical and production risk (decreased)
5. Investment project risks
6. Health and safety risks
7. Permafrost degradation
8. Supply chain risks
9. Compliance risk
10. Information security risks
11. Environmental risks (decreased)
12. Low water levels in rivers
13. Social risk

Year-on-year

- Risk increased year-on-year
- Risk decreased year-on-year
- Risk has not changed year-on-year

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[1] as well as TCFD recommendations, which prioritise the following risk categories:

- **Physical risks.** Can manifest themselves as extreme weather events (acute) or longer-term shifts in climate 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 that may have a significant adverse impact on the Group's operations
- **Transition risks.** Arise from the global 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

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 climate-related risk factor management process into its business processes in accordance with TCFD and COSO recommendations. The continued integration of physical risks implies structuring the procedure and rules around managing both current and longer-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.

As 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

	1 Forecast	2 Identification	3 Assessment	4 Mitigation and adaptation	5
Physical risks	Forecasting climate risk factors for regions of operation	Analysing the incorporation of climate risk factors into risk assessments, identifying new risks	Assessing the impact on the Company's financial performance	Developing mitigation and adaptation tools	Integrating risks into the Company's business processes
Transition risks and opportunities	Developing our own scenarios for the global economy and climate change	Identifying transition risks and opportunities			

[1] 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 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 the 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, which is responsible for technical supervision and permafrost monitoring and serves as a centre of excellence in engineering geology.

Physical risks

Permafrost degradation

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

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
Average annual temperature increases, including over the last 15 to 20 years, that have resulted in a deeper seasonal permafrost thawing	• Effective delivery of finished products (metals) in line with the production programme • Social responsibility: comfort and safety of people living in Nornickel's regions of operation • No emergency situations of interregional or nationwide scale, including environmental damage	• Effect on objectives: **medium** • Risk source: **external** • Year-on-year change in risk: **stable**	To manage this risk, Nornickel: • regularly assesses the ongoing technical condition of Nornickel's buildings and structures by tracking soil temperature in the foundations of buildings and structures, conducting geodetic surveys to measure their movement, and scaling the information and diagnostic system (in particular, through deploying automated observation points to monitor the key factors that affect the safe operation of buildings and structures) • takes corrective and adaptive actions to ensure that buildings and structures are technically operational.

Low water levels in rivers

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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
Extreme weather events (droughts) caused by climate change	• Social responsibility: comfort and safety of people living in Nornickel's regions of operation • Lower share of renewables in the Company's energy mix	• Effect on objectives: **medium** • Risk source: **external** • Year-on-year change in risk: **stable**	To manage this risk, Nornickel: • improves the performance of the closed water circuit to reduce fresh water withdrawal from surface sources (water bodies) • carries out regular hydrological observations to forecast water levels in rivers and other water bodies • 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 • dredges the Norilskaya River in the water withdrawal areas to increase water withdrawal reliability during low water periods • implements a number of measures to reduce water consumption by boosting the performance of equipment and production chains • replaced hydropower units at the Ust-Khantayskaya HPP to increase power output through improving the hydropower units' performance.

Transition risks and opportunities

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

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. The resulting three global economy and climate change scenarios are aligned with climate change pathways described in IPCC's public scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5.

At the end of 2024, the scenarios were updated to reflect actual data for 2022–2023 and the extension of the forecast horizon to 2060. The probability of the Rapid Transition scenario was lowered from 25% to 20% due to a more than 2% increase in global emissions over 2021–2023, which hampers the decarbonisation of the global economy. The probability of the Sustainable Palladium scenario was raised to 75% as it aligns most closely with current trends.

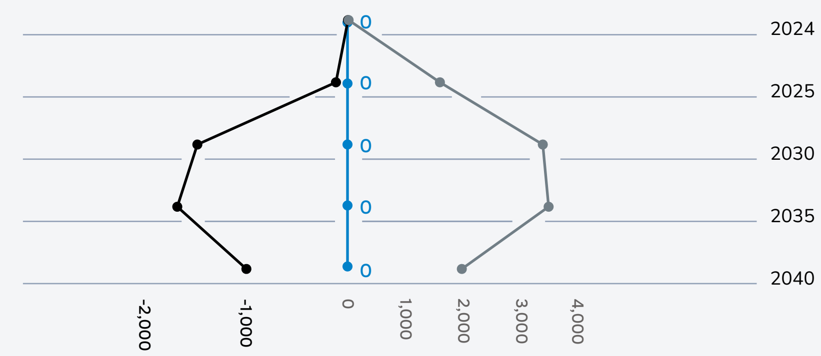
Key characteristics of the scenarios developed to assess transition risks and opportunities until 2060

Scenarios	Rapid Transition SSP1-2.6	Sustainable Palladium SSP2-4.5	Global Growth SSP5-8.5
Probability	20%	75%	5%
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_2 prices	Major increase	Moderate increase	At 2021 levels
Temperature change by 2050[1]	+1.8 °C	+2.0 °C	+2.4 °C

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 are used by the Company to stress-test climate-related risks.

[1] Growth in temperature vs pre-industrial levels.

Scenario analysis of the consolidated financial and economic model until 2040



The analysis has shown that the EBITDA forecast is most favourable for the Company in the Global Growth scenario

Based on the updated scenarios, Nornickel has conducted a scenario analysis of the consolidated financial and economic model until 2040. The analysis has shown that the EBITDA forecast is most favourable for the Company in the Global Growth scenario and least favourable in the Rapid Transition scenario. The key growth drivers behind the highest EBITDA figures in the Global Growth scenario include the highest GDP and population growth rates, which will fuel the strongest demand for palladium and copper vs the other two scenarios. However, the Company estimates the probability of the Global Growth scenario at 5%.

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 as well as ride-sharing development. The probability of the Rapid Transition scenario is estimated at 20%

After 2034, the stress scenarios are closer to the Sustainable Palladium baseline scenario due to their different metal price growth rates, which are higher in Rapid Transition and, in contrast, lower in Global Growth vs Sustainable Palladium.

For the full list of climate-related risks, please see Nornickel's Climate Change Report.

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.

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	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• 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 • Unfavourable monetary policy	Upgrade of the existing and construction of new facilities to ramp up our output of key metals and maintain financial stability	• Effect on objectives: high • Risk source: external • Year-on-year change in risk: stable	Nornickel is consciously accepting the existing price risk. To manage this risk, Nornickel: • continuously monitors and forecasts supply and demand dynamics for core metals • secures feedstock supplies for key consumers through long-term contracts to deliver 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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Foreign regulators imposing new foreign trade restrictions that impact the Company's activities • Competition from producers of cheaper nickel • More aggressive transport electrification programmes, requirements on metals and their forms • Stricter market requirements for product quality and ESG compliance	Upgrade of the existing and construction of new facilities to ramp up our output of key metals and maintain financial stability	• Effect on objectives: high • Risk source: mixed • Year-on-year change in risk: stable	To manage this risk, Nornickel: • monitors and analyses changes in market requirements for product quality and forms and for ESG compliance • stimulates the demand for its key metals • monitors changes in the vehicle fleet mix by engine type and requirements for metals used • diversifies its metal product sales across industries and geographies • improves and diversifies its product range • cooperates with industry institutions to maintain access to relevant sales markets for its metals • cooperates with Russian ministries and agencies to prevent/mitigate negative impacts of local or international regulation • implements an ESG roadmap • seeks partnership opportunities with key producers of cathodes for lithium-ion batteries • fosters strategic partnerships with key representatives of its consuming industries • engages in joint projects to drive nickel demand in Russia • works on building and enhancing alternative PGM supply/trading platforms.

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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Increased debt financing costs • Deteriorating market conditions • Sharp rouble exchange rate fluctuations • Inability to raise debt financing due to deterioration in financial markets • Lack of access to key segments of global financial markets (debt and derivatives), limited access to the foreign currency debt market • Unexpected major expenses • Counterparty credit risk • Foreign regulators imposing restrictions that affect Nornickel's operations as well as its key business and infrastructure partners	• A debt portfolio with a well-balanced profile in terms of maturity, currency composition, and sources of financing • Maintaining a strong investment case	• Effect on objectives: high • Risk source: mixed • Year-on-year change in risk: stable	To manage this risk, Nornickel: • maintains a balanced debt portfolio • raises additional rouble-denominated debt to prevent a liquidity shortfall • holds liquidity reserves on the Group's balance sheet to ensure timely payments • monitors its account balances and existing cash gaps as well as the availability of liquidity reserves on its balance sheet • regularly evaluates key potential risk events through scenario modelling and develops prevention and response plans • constantly seeks new potential partners among borrowing and financial institutions, expanding and diversifying its financial infrastructure • 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).

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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Harsh natural and climatic conditions, including low temperatures, storm winds, and snow load • Unscheduled stoppages of core equipment caused by fixed assets' wear and tear • Release of explosive gases and flooding of mines • Collapse of buildings or structures • Infrastructure breakdowns	Effective delivery of finished products (metals) in line with the production programme	• Effect on objectives: high • Risk source: mixed • Year-on-year change in risk: decreased	To manage this risk, Nornickel: • 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 footprint • develops ranking criteria and criticality assessment for the Group's key industrial assets • ensures timely replacement of fixed assets to consistently achieve production reliability targets • continuously monitors the ongoing condition of Nornickel's buildings and structures via an information system for conducting geotechnical surveys • uses satellite technology to monitor Nornickel's assets and further analyse the data • implements automated systems to control equipment process flows, uses state-of-the-art engineering controls • improves its maintenance and repair system • trains and educates its employees both locally on-site and centrally through its corporate training centres • systematically identifies, assesses, and monitors technical and production risks, implements a programme of organisational and technical measures to mitigate relevant risks • continuously monitors the industrial asset management system • ensures risk review by collective bodies at all management levels of the Company • develops its technical and production risk management system, including by engaging independent experts to assess the system's performance and completeness of risk data • develops and tests business continuity plans, which outline the steps that need 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 • engages, on a regular basis, independent surveyors to analyse Nornickel's exposure to disruptions in the production chain and make assessments of related risks.

Investment project risks

Risk related to time and budget overruns as well as to failure to meet performance targets of Nornickel's major investment projects.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Changes in forecasts of ore volumes, grades, and properties resulting from follow-up exploration • Changes in investment project timelines • Further changes to budgets of investment projects • Amendments to project performance targets in the course of implementation	• Strategic goal: growth driven by Tier 1 assets • Developing Nornickel's mining, concentration, and metallurgical assets • Developing the Company's mineral resource base and upgrading core production processes at Nornickel's Tier 1 assets	• Effect on objectives: high • Risk source: mixed • Year-on-year change in risk: stable	To manage this risk, Nornickel: • 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 • conducts resource, geomechanical, and hydrogeological modelling • holds external audits of geological data • develops an in-house geological and mining information system • models mining options in geological and mining information systems • as part of the project assurance process, conducts internal (cross-functional) audits of major investment projects at each stage in their life cycle • improves incentives to drive project delivery and build skills and capabilities (including staff certification, identification of improvement areas, and provision of tailored training) • improves project delivery standards, develops project management tools • promotes the use of pilot units across all technically challenging and unique processing stages • redesigns projects and substitutes supply routes to source materials/services from friendly countries • implements a transformation programme for a research institute to improve the quality and reduce the timelines of R&D projects and survey and engineering activities • enhances project management competences of project teams and ensures regular best practice sharing.

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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Suboptimal methods of work organisation • Process flow disruptions • Exposure to hazards	Health and safety	• Effect on objectives: high • Risk source: internal • Year-on-year change in risk: stable	Pursuant to the Occupational Health and Safety Policy approved by the Board of Directors, Nornickel: • continuously monitors compliance with H&S requirements • 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 through enhancing industrial safety at production facilities • provides employees with certified state-of-the-art personal protective equipment • improves the system of stationary gas analysers, provides employees with portable gas analysers • carries out preventive and therapeutic interventions and enforces hygiene protocols to reduce the potential impact of work-related hazards • 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 • enhances methodological support for H&S functions, including through the development and implementation of corporate standards • improves the risk assessment and management framework across Group enterprises as part of the Risk Control project • reviews the competencies of line managers across Nornickel's production enterprises, develops H&S training programmes, and arranges relevant trainings • holds H&S competitions • communicates the circumstances and causes of accidents to all Nornickel employees, conducts ad hoc safety briefings • introduces frameworks to manage technical, technological, organisational, and HR changes.

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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Discrepancies in rules and regulations • Considerable powers and a high degree of discretion exercised by supervisory bodies • Regulatory instability • Market practices driven by business customs and specific to the country	Compliance by the Group with applicable laws, regulatory requirements, corporate standards, and business codes	• Effect on objectives: **medium** • Risk source: **mixed** • Year-on-year change in risk: **stable**	To manage this risk, Nornickel: • ensures the development and update of key procedural documents on compliance • applies best practices to further improve the compliance system • takes measures to ensure its compliance with applicable laws • protects its interests during regulatory inspections and administrative proceedings • ensures that agreements signed by Nornickel contain clauses safeguarding its interests • ensures pre-contractual due diligence of counterparties, partners, and suppliers • takes measures to prevent and mitigate compliance risks at the Group • consistently keeps employees up to date on the Company's requirements and measures to mitigate compliance risks • ensures that the Corporate Trust Line receives and handles reports of corruption, fraud, embezzlement, or other wrongdoing, either planned or committed • maintains and enhances an antitrust compliance system • ensures performance evaluation of compliance controls at the Group • incorporates compliance metrics in relevant officers' key performance indicators.

Information security risks

This group includes risks such as potential cybercrimes, a potential 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.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Growing external threats • Unfair competition • Rapid development of Nornickel's IT infrastructure and automation of technological and business processes • Unlawful acts by Nornickel employees and/or third parties • Working from home / hybrid work schedule and hiring remote employees outside Nornickel's regions of operation	Mitigation of the information security risk and risk of cyberattacks on Nornickel's information systems and automated process control systems	• Effect on objectives: **medium** • Risk source: **mixed** • Year-on-year change in risk: **stable**	To manage this risk, Nornickel: • ensures compliance with applicable laws and regulations with respect to the protection of personal data, trade secrets, insider information, and critical information infrastructure • implements MMC Norilsk Nickel's Information Security Policy • categorises data assets and makes information security risk assessments • embeds and monitors compliance with corporate information security standards within information systems and automated process control systems • raises information security awareness among its employees • uses technical means to ensure information security of assets and manage access to data assets • 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 against confidential data leaks, and mobile device management • develops information security regulations • sets up and certifies the Company's information security management system • implements measures to ensure safe remote access.

Environmental risks

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

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Failure to comply with the requirements of environmental laws when operating the Company's facilities • Poor internal management and control • Delay in implementing environmental programmes and measures • Natural and climate phenomena	Compliance of business with applicable environmental laws, regulations, corporate standards, and business codes related to environmental protection	• Effect on objectives: medium • Risk source: mixed • Year-on-year change in risk: decreased	To manage these risks, Nornickel: • develops, implements, and improves environmentally sustainable business processes and introduces advanced practices and approaches • has in place an incentive system and promotes environmental competencies of its employees • implements its Environmental and Climate Change Strategy • implements environmental initiatives across the Group • oversees environmental compliance and the implementation of environmental programmes and measures.

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	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• Headcount / staff composition optimisation projects • Rejection of Nornickel's values by individual employees and/ or third parties • Limited ability to perform annual wage indexation	Social responsibility: • Partnering with regional and local authorities to develop a social infrastructure that supports a safe and comfortable living environment for local communities	• Effect on objectives: medium • Risk source: mixed • Year-on-year change in risk: stable	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 community initiatives, including by indigenous peoples of Taimyr, and the Plant of Goodness employee volunteering programme
• 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	• 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		• 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 the Kola operations' social programmes and designs the Social and Economic Development Strategy of the Pechengsky District.

Supply chain risks

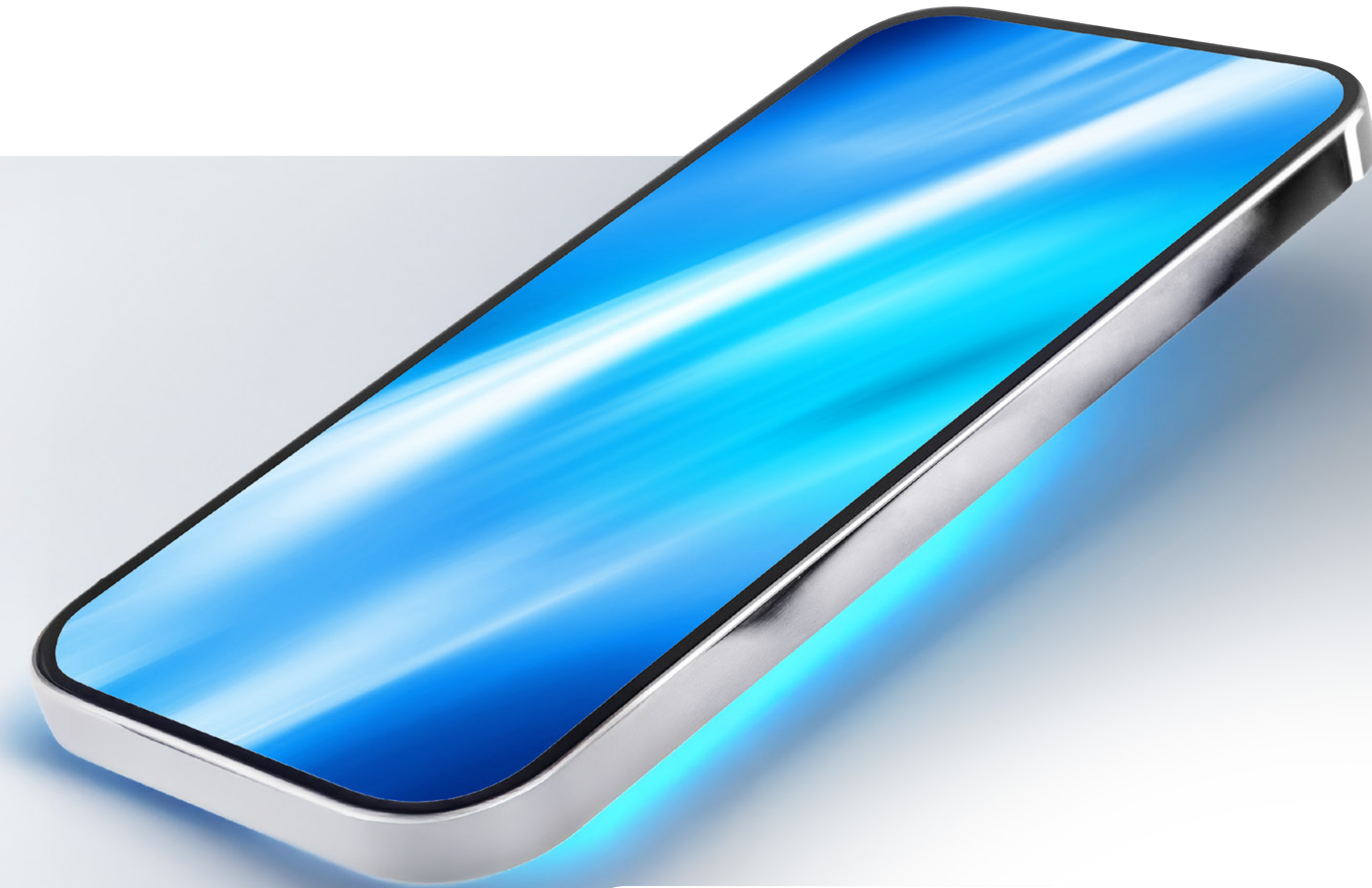
Supply chain interruption/disruption within the existing transport and logistics system.

Key risk factors	Effect on Nornickel's development goals and strategy	Risk assessment	Key mitigants
• 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 • Foreign regulators imposing restrictions that affect Nornickel's operations and its key business partners	• Effective delivery of finished products in line with the production programme • Timely supply of products to consumers	• Effect on objectives: medium • Risk source: mixed • Year-on-year change in risk: stable	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 the suppliers' performance • implements its Logistics Infrastructure Development Programme • implements its Procurement Performance Enhancement Programme.

Always in touch

Metals for smartphones

Pd Ni Pt
Ag Cu Co



Nornickel supplies many of the essential metals used in electronics manufacturing, including palladium, nickel, platinum, silver, copper, and cobalt.

Modern smartphones require an ever-increasing range of metals. In fact, producing a single device involves processing around 34 kilograms of various ores. Aluminium and magnesium alloys, titanium and steel are commonly used for casings. Nickel, cobalt, and lithium power batteries, while gold and copper are essential for microchips and electrical contacts. Metals are also found in touchscreens, speakers, and microphones.

07. Investor information

Share capital and shares

Shareholding structure

Nornickel's authorised capital is made up of 15,286,339,700 ordinary shares with a nominal value of RUB 0.01 each. The Company's Articles of Association do not provide for the issuance of preferred shares. Shares in the Company are voting on the principle «each voting share counted as one vote», except for cumulative voting, used when electing members of the Board of Directors.

Authorised capital

RUB 152,863,397

Total shares as at 2024-end

15,286,339,700

USD 17.4bn

Market capitalisation as at 2024-end

RUB 1,766 BN

Nominal value per share

RUB 0.01

Average traded price over the year

RUB 131

Annual low

RUB 95

Annual high

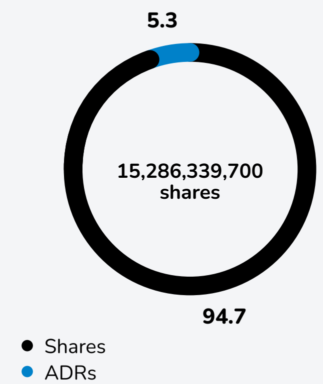
RUB 165

Year-end price

RUB 116

Share split

Share and American depositary receipt (ADR) split at year-end 2024 (%)

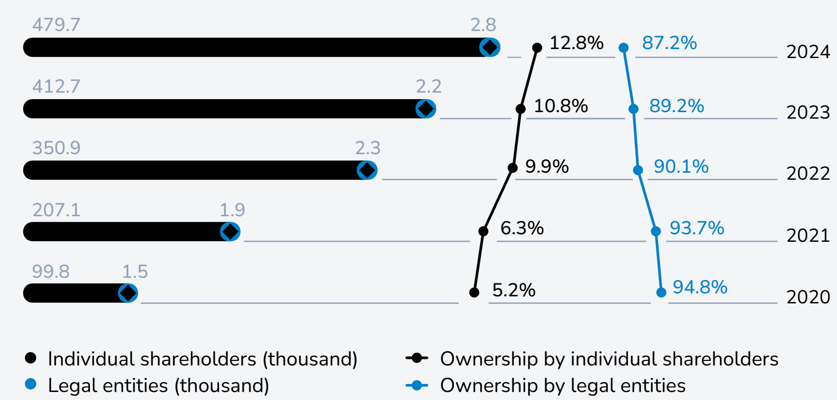


In 2024, the Company split[1] its ordinary shares by resolution of its Meeting of Shareholders to make Nornickel stock more accessible to a wider range of retail investors. As a result of this procedure, every ordinary share of the Company was converted into 100 shares. After the split, Nornickel had 15,286,339,700 shares with a nominal value of RUB 0.01 each.

Shareholding structure as at 2024-end (%)

Shareholder	2022	2023	2024
Interros	37.0	37.0	**37.0**
EN+ GROUP IPJSC	26.4	26.4	**26.4**
Other shareholders	36.6	36.6	**36.6**
Including individual shareholders	10.8	10.7	**12.8**
Total shares	152,863,397	152,863,397	**15,286,339,700**

Nornickel shareholders and their holdings[2]



Shareholder rights

All shareholders enjoy equal rights and treatment in their relations with Nornickel. Shareholders may participate in the Company's general meetings regardless of their location or place of residence, including via electronic services. Shareholders can exercise their rights as prescribed by the Company's Articles of Association, federal laws On Joint Stock Companies and On the Securities Market as well as other regulations of the Russian Federation.

According to Moscow Exchange, 32% of Nornickel shares were in free float at year-end 2024.

The current shareholding structure is available at the Company website.

[1] A share split happens when the issuer increases the number of its securities while reducing their nominal value without changing its capitalisation.
[2] Data as at the dates of the Annual General Meetings of Shareholders. Holdings in the authorised capital.

Shares

Nornickel shares have been traded in the Russian stock market since 2001. Starting from 2014, the shares have been on the first-level quotation list of the Moscow Exchange (ticker: GMKN).

Registrar

IRC – R.O.S.T. is the Company's registrar (the "Registrar"), who keeps the Company's shareholder register, including opening and maintaining customer and other accounts as well as providing customer account information to the relevant registered person.

The Registrar enables shareholders, including those owning shares via nominee holders, to participate in General Meetings of Shareholders via e-ballots by using the Shareholder's Personal Account online service.

The access procedure for the Shareholder's Personal Account is detailed on the Registrar's website. Shareholders can also use the Shareholder.online mobile app.

Stock exchange information

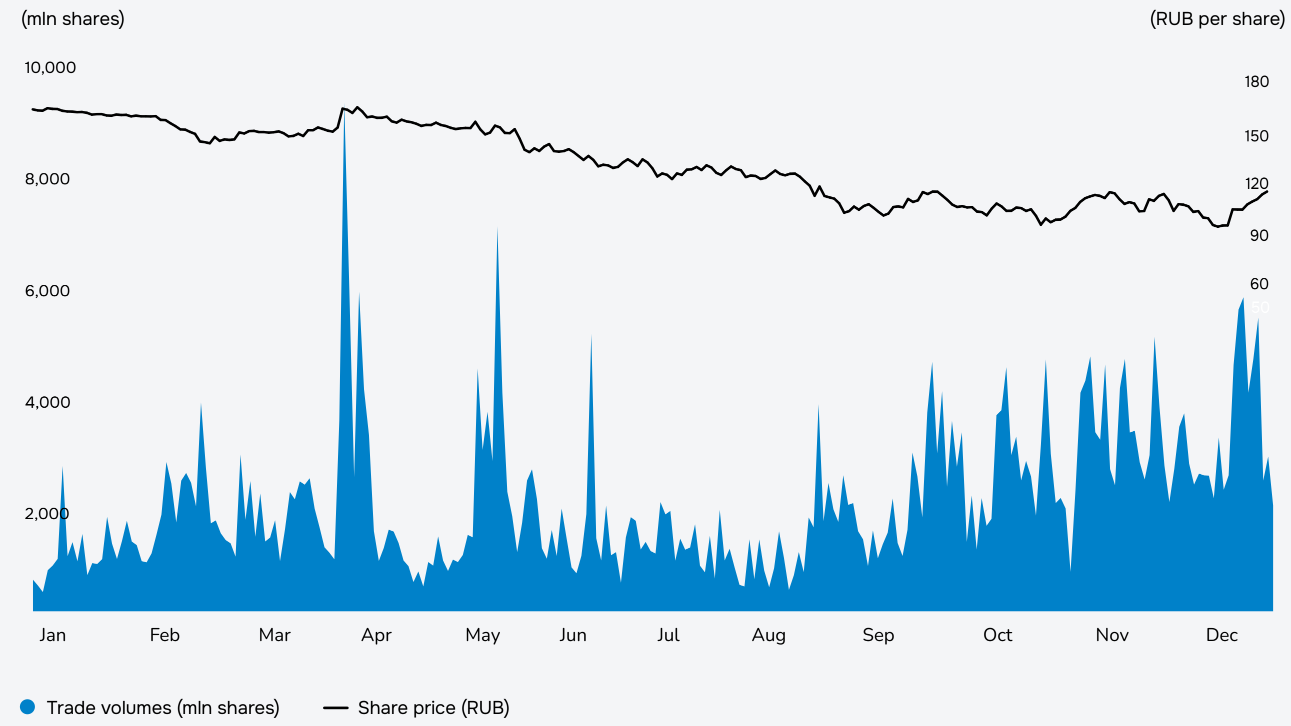
Shares (ordinary) in PJSC MMC NORILSK NICKEL	
Moscow Exchange ticker	GMKN
Quotation list	First level
Registered number	1-01-40155-F
Issue registration / trading start date	1997/2001
ISIN	RU0007288411
Registrar	Registrar IRC – R.O.S.T.

Percentages of indices that include Nornickel shares[1]

Index	2022	2023	2024
MOEX Russia Index (IMOEX)	6.93	6.98	**3.69**
Blue Chip Index (MOEXBC)	9.24	9.63	**4.76**
MOEX Metals and Mining Index (MOEXMM)	15.27	14.32	**14.40**
MOEX Broad Market Index (MOEXBMI)	7.32	6.98	**3.41**
MOEX – RSPP Sustainability Vector Index (MRSV)	4.51	4.84	**6.17**
MOEX – RSPP Sustainability and Transparency Index (MRRT)	10.37	9.48	**6.65**

[1] Data are as at the last business day in the respective year.

Nornickel share price performance and trade volumes on the Moscow Exchange in 2024[1]



Share performance on the Moscow Exchange[2]

Metric	2022	2023	2024[3]
Average traded price (RUB)	15,766	17,501	**131**
Year-end price (RUB)	15,300	16,172	**116**
Total shares outstanding	152,863,397	152,863,397	**15,286,339,700**
Market capitalisation as at the year-end (RUB bn)	2,339	2,472	**1,766**

[1] More details on share price performance for all periods are available on the Company website.
[2] Company calculations based on closing prices on the Moscow Exchange.
[3] Taking into account the share split.

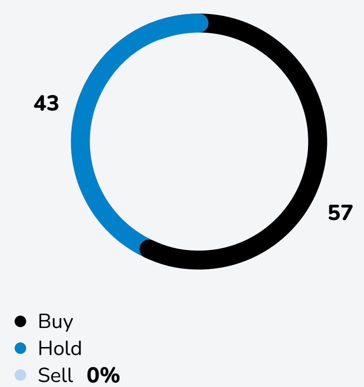
Analyst coverage

All foreign brokers have stopped their analyst coverage of Russian companies. Russian brokers remain active and provide investment analysis of stocks. As of 2024-end, seven analysts with investment banks covered Nornickel shares.

RUB **139**

The consensus price target for Nornickel shares with a "buy" recommendation.

Analyst recommendations on Company shares (%)



Analyst recommendations[1]

Broker	Current recommendation	Price target (RUB)
ALFA-BANK	Buy	147
BCS World of Investments	Buy	150
Sberbank CIB	Hold	135
Sinara	Hold	119
TBank	Hold	141
Promsvyazbank	Buy	141
FINAM	Buy	145
Consensus	**Buy**	**139**

American depositary receipts

The ADR programme for the Company's shares has been terminated, with Nornickel ADRs delisted from the London Stock Exchange. The depository agreement with The Bank of New York Mellon has been terminated.

In accordance with the law, shares held in the deposit accounts of the depositary receipt programmes, representing 5.27% of the Company's authorised capital, do not carry voting rights or entitlement to dividends.

Persons who were ADR holders as at 28 April 2023[2] and who received Company shares upon repayment of the ADRs belonging to them may claim unpaid dividends as per the procedure established for the unclaimed dividends by the Federal Law On Joint Stock Companies.

Nornickel share price drivers in 2024

Nornickel shares underperformed the stock and commodities markets in 2024. During the year, the Company's shares slumped 30% vs a 7% drop in the value of own metals basket and the MOEX Russia Index (IMOEX). Key headwinds for the stock included worsened geopolitical and sanctions risks, deteriorating financial outlook, volatile prices for key metals, and lower expectations for dividends.

[1] Metals & Mining stock recommendations as at 31 December 2024 as published by Interfax.
[2] The expiry date of the permission from the Russian Government Commission on Monitoring Foreign Investment to maintain the circulation of Company shares in the form of depositary receipts outside of Russia.

Dividend policy

The Company's Regulations on the Dividend Policy approved by the Board of Directors seek to ensure the transparency of the mechanism for determining the amount of dividend and the dividend payment procedure.

Upon the Board's recommendations, the General Meeting of Shareholders determines the dividend amount and record date, which, as per Russian laws, is to be set within 10–20 days of the relevant decision made by the General Meeting of Shareholders.

Dividends to a nominee holder are paid directly within 10 business days, while dividends to persons listed on the shareholder register are paid through the Registrar within 25 business days after the record date.

Any shareholder who has not received the declared dividend because their address or banking details were not available to the Company or the Registrar may request payment of such dividend within three years from the date of the resolution to pay the dividend. Beyond this period, the Company will have no obligation to pay any unclaimed dividends.

Dividend payment dates

Date of the Board of Directors' decision to hold the General Meeting of Shareholders → From 10 days → Record date for a General Meeting of Shareholders on dividend payment[1] → Up to 25 days → General Meeting of Shareholders (dividend approval date)

↓ 10–20 days

Dividend record date[2] (T+1)[3] → Up to 10 business days → Payout by Nornickel to nominee holders on the shareholder register → 1–7 business days → Payout by nominee holders to respective beneficial owners

↓ Up to 25 business days

Payout by Nornickel to persons on the shareholder register

Shareholders may request payment of unpaid dividend from the Registrar or nominee holders within three years from the date of dividend approval at the General Meeting of Shareholders.

[1] Meeting record date is the date on which shareholders need to hold shares in the Company to be entitled to participate in the meeting.
[2] Dividend record date is the date on which shareholders need to hold shares in the Company to be entitled to receive dividend on such shares.
[3] Ex-dividend date is the date on which shares are traded without granting the right to receive the next dividend. Stocks are traded on the Moscow Exchange on a T+1 basis, that is, shares purchased by investors are not delivered to them until one business day has elapsed after the purchase.

In 2024, the Company paid dividends declared in 2022 and 2023, subject to then applicable regulatory restrictions, to:

- shareholders who were customers of foreign nominee holders and ADR holders – dividends were paid directly to security holders; the payment was made if information to identify the security holder and other information required to make the payment was available
- certain categories of shareholders – dividends were paid to type "C" accounts opened with Russian credit institutions.

Dividends

On 22 May 2025, the Company's Board of Directors recommended that the Annual General Meeting of Shareholder not to pay dividends for the financial years 2024. The resolution will be passed at the Annual General Meeting of Shareholder on 27 June 2025.

Dividend report[1]

Reporting period for which dividends were paid	Dividends paid		Dividends declared	
	USD mln	RUB mln	Per share (RUB)	Total dividends (RUB mln)
2024	0	0	0	0
2023	1,480	130,613	915	139,920
2022	0	0	0	0
2021	6,196	410,917	2,689	411,109
2020	3,532	259,893	1,645	260,245

Dividend tax

Taxation of dividend income (%)

	Individuals	Legal entities
Residents	13/15[2]	13[3]
Non-residents	15	15

Under international double tax treaties to which the Russian Federation[4] is a party, non-Russia tax residents may claim a reduced rate of withholding tax on Russia source income.

[1] Earlier dividend history is available at the Company website. Payments for 2021 included RUB 32.3 billion, or USD 0.5 billion, transferred by the Company to the Central Depositary as dividends payable to ADR holders and shareholders who were customers of foreign nominee holders and subsequently transferred back to the Company.

[2] In 2024, resident income above RUB 5 million per taxable period was subject to a 15% tax.

[3] Or 0%, if at the date of the dividend resolution a Russian entity has owned 50% (or more) of shares (15% or more if the owner is an international holding company) in Nornickel's authorised capital for 365 days (or more).

[4] Executive Order of the Russian President No. 585 dated 8 August 2023 suspended the main provisions of double tax treaties between Russia and "unfriendly" countries.

Bonds

In 2024, the Company placed two of the largest issues of classic corporate bonds in the history of the Russian debt market: a RUB 100 billion five-year CBR key rate + 1.3% bond in March and a RUB 100 billion CBR key rate + 1.1% bond in October (with a four-year put option). The March bond was named by Cbonds as the Best Primary Offering of a Metals Company. The Company regularly monitors and promptly responds to external market changes while prioritising strict compliance with the terms of debt instruments and aligning loan documents with applicable requirements as necessary. Nornickel fully complies with all transaction documents related to its debt. In addition, the Company timely renews permits from the Russian Government required to make payments of principal and interest in foreign currencies to foreign creditors.

In October, Nornickel redeemed a

USD **750** MILLION

eurobond issue at maturity

Nornickel continues to make split coupon payments on its eurobonds in accordance with the terms and conditions of the offering documents and the requirements of Russian laws: payments to holders whose rights are recorded by Russian depositories and holders whose rights are recorded by foreign institutions. The scheduled redemption of the eurobond in October 2024 also involved split payments.

In December 2023, as required by Executive Order of the Russian President No. 430 dated 5 July 2022, the Company placed what is known as replacement bonds[1] to substitute for the eurobonds maturing in 2025 and 2026. The outstanding issues were worth USD 315.6 million and USD 333.5 million, respectively. In October 2023, the Company was permitted not to place replacement bonds to substitute for the eurobonds maturing in 2024.

As at 2024-end, ten bond issues were outstanding:

- **Two eurobond issues** worth a total of USD 350.9 million (nominal value is net of the nominal value of replacement bonds issued)
- **Two replacement bond issues** worth a total of USD 649 million
- **Four exchange-traded bond issues** worth a total of RUB 285 billion
- **Two exchange-traded bond issues** worth a total of CNY 9 billion

Nornickel **fully complies** with all transaction documents related to its debt

[1] Bonds which, when placed, are paid for in eurobonds or in cash with the proceeds earmarked to purchase eurobonds.

Outstanding eurobonds

Instrument	Offering date / maturity date	Issue size	Coupon rate (%)	Coupon frequency
Issuer: MMC Finance D.A.C.				
Eurobond 2025 (LPN)	11.09.2020 / 11.09.2025	USD 500 mln[1]	2.55	Twice a year
Eurobond 2026 (LPN)	27.10.2021 / 27.10.2026	USD 500 mln[2]	2.80	

Outstanding exchange-traded bonds

Instrument	ISIN	Offering date / maturity date	Issue size	Coupon rate (%)	Coupon frequency
Issuer: PJSC MMC NORILSK NICKEL					
Exchange-traded bond, BO-001P-02	RU000A105A61	11.10.2022/05.10.2027 (put option expiring 14.10.2025)	RUB 25 bn	9.75	Every 182 days starting from the offering date
Exchange-traded bond, BO-001P-05-CNY	RU000A105ML5	19.12.2022/15.12.2025	CNY 4 bn	3.95	
Exchange-traded bond, BO-001P-06-CNY	RU000A105NL3	22.12.2022/18.06.2026 (put option expiring 29.12.2025)	CNY 5 bn	LPR 1Y + 0.1	Every 91 days starting from the offering date
Exchange-traded bond, BO-09	RU000A1069N8	24.05.2023/17.05.2028	RUB 60 bn	RUONIA + 1.3	
Exchange-traded bond, ZO25-D	RU000A107BL4	20.12.2023/11.09.2025	USD 315.559 mln	2.55	Twice a year
Exchange-traded bond, ZO26-D	RU000A107C67	22.12.2023/27.10.2026	USD 333.485 mln	2.8	
Exchange-traded bond, BO-001P-07	RU000A1083A6	26.03.2024/28.02.2029	RUB 100 bn	CBR key rate + 1.3	Every 30 days starting from the offering date
Exchange-traded bond, BO-10	RU000A109TW9	22.10.2024/26.09.2029 (put option expiring 04.10.2028)	RUB 100 bn	CBR key rate + 1.1	

Information on debt instruments is posted on the Company website.

[1] Issue size net of replacement bonds is USD 184.4 million.
[2] Issue size net of replacement bonds is USD 166.5 million

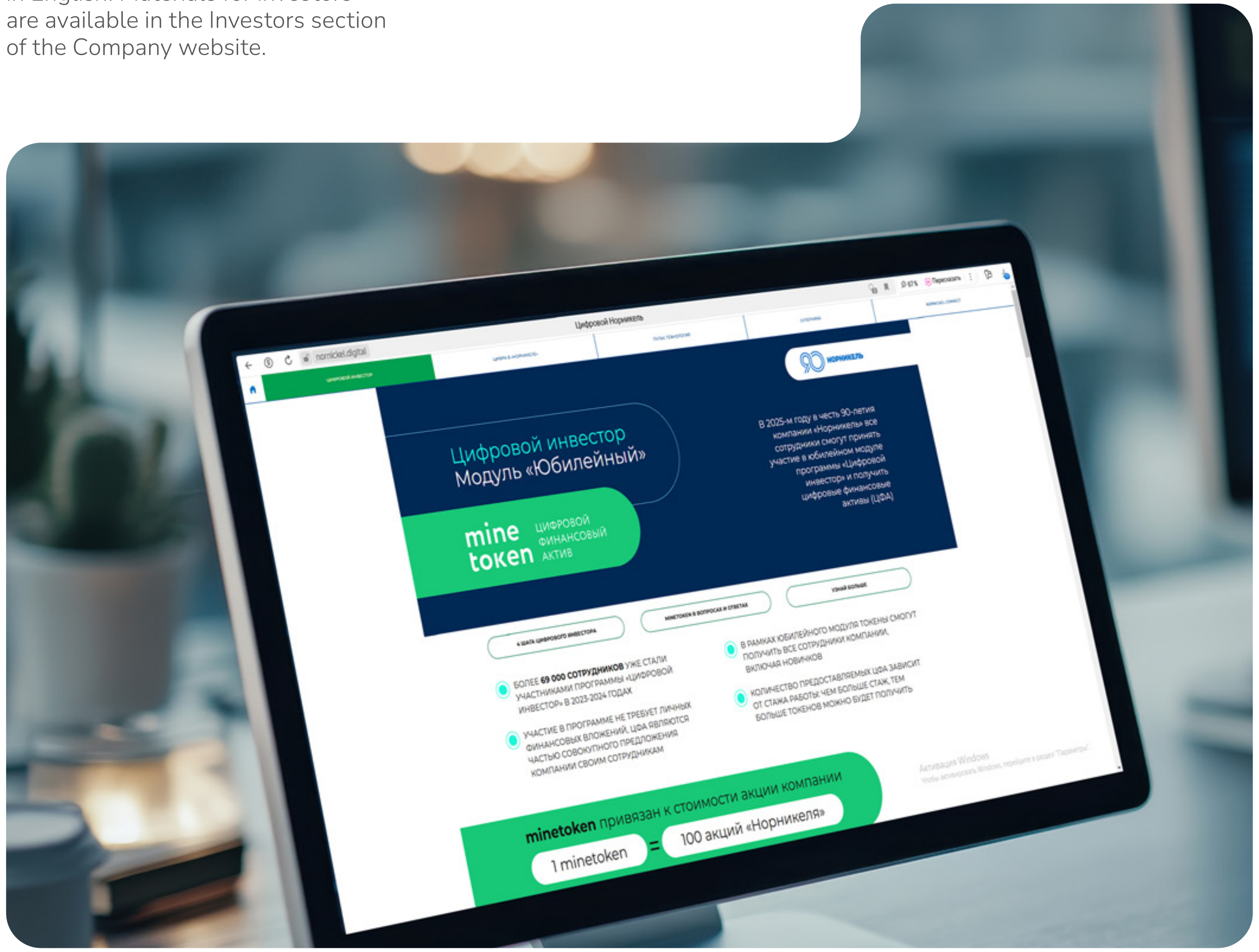
Investor relations

The Company continuing to engage in dialogue with a wide universe of investors and analysts. In 2024, the Company maintained the same level of public disclosure, using an array of disclosure tools, including press releases, presentations, annual and sustainability reports, corporate action notices, as well as interactive tools. Nornickel provides disclosure both in Russian and in English. Materials for investors are available in the Investors section of the Company website.

In 2024, Nornickel did a share split to boost its stock's liquidity and make Company 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

Materials for investors are available in the Investors section of the Company website.

and the growth of the Russian stock market more broadly. This is particularly important because during the first phase of the Digital Investor corporate incentive programme almost all Nornickel employees received digital financial assets (DFAs) whose value was linked to the market value of Nornickel shares.



Shareholder and analyst engagement channels

General Meetings of Shareholders

General Meetings of Shareholders held on a regular basis

Participation in conferences

Participating in conferences for retail and institutional investors

Site visits to the Company's production facilities

Organising site visits for investors and analysts to the Company's production facilities

Corporate website

Regular disclosures and updates in Russian and in English

Capital Markets Day

Public presentation of the Company's strategy

Conference calls / one-on-one meetings

Video conference calls and webinars on published reports, trading updates, and announcements

Online platforms

Nornickel's presence on professional platforms for retail investors such as Pulse, Profit, and SMART-LAB

In 2024, the number of retail investors exceeded

479,000

In 2024, Nornickel participated in over

60

investor and shareholder events

In 2024, the number of retail investors exceeded 479 thousand, accounting for 12.8% in Nornickel's shareholding structure. Growing the number of retail investors and their share in the Company's authorised capital to 25% remains a strategic priority.

During the year, Nornickel continued to actively deliver on its retail investor strategy:

- Nornickel's presence on retail investor social networks: focusing on accounts across professional platforms Pulse, Profit, and SMART-LAB to engage with market participants. Nornickel's blog is among the top 10 most visited account profiles across all platforms
- Leveraging information channels: participating in webinars, podcasts, video conferences with brokers, live broadcasts with bloggers, and conferences in Telegram channels
- Creating educational content: publishing analytical reports in Russian on the non-ferrous metals market (metals market review) and holding the youth forum on financial literacy, Healthy Finance in Bobrovy Log: Invest Smartly
- Participating in dedicated conferences for retail investors: Russia Calling!, SMART-LAB, and PROFIT CONF annual conferences, and ATON industry conferences
- Engaging prime customers in the private and premium banking segments: holding meetings with prime customers of major Russian banks

Nornickel views promoting financial literacy among school and university students as one of its priorities. In a first for the Company, young employees acted as partners and co-organisers of the Healthy Finance at Biryusa project. As part of the We Are Professionals track of the Biryusa Territory of Proactive Youth forum, the Company organised a financial literacy crash course led by top specialists and stock market professionals.

In September 2024, Nornickel supported the second youth forum on financial literacy, Healthy Finance in Bobrovy Log: Invest Smartly. This educational event is organised for graduate students, where participants can update their financial literacy and build financial management skills through public talks and short presentations. The forum's objective is to give young people essential knowledge about the basics of investing in a fun way and to demonstrate that a competent and balanced approach can make investments a reliable source of income. In the reporting year, the focus was on cybersecurity and digital financial assets. Students also learned how to build a securities portfolio, take their first steps in investing, and much more. Experts, analysts, and bloggers spoke to school graduates and university students about financial literacy and shared useful tips on managing personal finances and investments. More than 300 people attended the event, and about 10 thousand people watched the online broadcast of the forum.

Financial statements

Disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

Index

Statement of management's responsibilities for the preparation and approval of the disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

The following statement, which should be read in conjunction with the auditors' responsibility stated in the independent auditors' report, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the disclosed consolidated financial statements of Public Joint Stock Company "Mining and Metallurgical Company "Norilsk Nickel" and its subsidiaries (the "Group").

Management of the Group is responsible for the preparation of the disclosed consolidated financial statements in accordance with the principles stated in Note 2.

In preparing the disclosed consolidated financial statements, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- preparing the disclosed consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

Management, within its competencies, is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- taking steps to safeguard the assets of the Group; and
- detecting and preventing fraud and other irregularities.

The Group's disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022 were approved by:

President

V.O. Potanin

First Vice President – Chief Financial Officer

S.G. Malyshev

Moscow, Russia

10 February 2025

JSC "Kept"
Business center Alcon III,
34A Leningradsky Prospekt
Moscow, Russia 125040
Telephone +7 (495) 937 4477
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kept

Independent Auditors' Report

On the Disclosed Consolidated Financial Statements

To the Shareholders and Board of Directors of PJSC "Mining and Metallurgical Company "Norilsk Nickel"

Opinion

The disclosed consolidated financial statements, which comprise the consolidated income statement for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of comprehensive income for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of financial position at 31 December 2024, 2023 and 2022, the consolidated statement of cash flows for the years ended 31 December 2024, 2023 and 2022, the consolidated statement of changes in equity for the years ended 31 December 2024, 2023 and 2022, and related notes, are derived from the audited consolidated financial statements of PJSC "Mining and Metallurgical Company "Norilsk Nickel" (the "Company") and its subsidiaries (the "Group") for the years ended 31 December 2024, 2023 and 2022.

In our opinion, the accompanying disclosed consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with criteria, established the Note 2.

Disclosed Consolidated Financial Statements

The disclosed consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the disclosed consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 10 February 2025. That report also includes the communication of other key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period.

Management's Responsibility for the Disclosed Consolidated Financial Statements

Management is responsible for the preparation of the disclosed consolidated financial statements in accordance with criteria, established the Note 2.

Auditors' Responsibily

Our responsibility is to express an opinion on whether the disclosed consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our

kept

procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *"Engagements to Report on Summary Financial Statements"*.

The engagement partner on the audit resulting in this independent auditors' report is:

Velichko Natalia Nikolaevna

Principal registration number of the entry in the Register of Auditors and Audit organizations No. 21906109427, acts on behalf of the audit organization based on the power of attorney No. 44/25 as of 9 January 2025

JSC "Kept"

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

Moscow, Russia

10 February 2025

Disclosed consolidated income statement for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	Notes	2022	2023	2024
		For the year ended 31 December		
Revenue				
Metal sales	7	16,073	13,702	11,848
Other sales		803	707	687
Total revenue		16,876	14,409	12,535
Cost of metal sales	8	(6,103)	(6,344)	(6,232)
Cost of other sales		(810)	(688)	(656)
Gross profit		9,963	7,377	5,647
General and administrative expenses	9	(1,353)	(1,093)	(1,046)
Selling and distribution expenses	10	(261)	(296)	(408)
Impairment of non-financial assets, net	14	(90)	(179)	(441)
Other operating expenses, net	11	(678)	(269)	(178)
Operating profit		7,581	5,540	3,574
Foreign exchange (loss)/gain, net		251	(1,512)	(343)
Finance costs, net	12	(493)	(567)	(896)
Gain/(loss) from disposal of subsidiaries and foreign joint operations	21	(110)	32	–
Income from investments, net		150	41	69
Profit before tax		7,379	3,534	2,404
Income tax expense	13	(1,525)	(664)	(589)
Profit for the year		**5,854**	**2,870**	**1,815**
Attributable to:				
Shareholders of the parent company		5,458	2,384	1,313
Non-controlling interests		396	486	502
		5,854	**2,870**	**1,815**
Earnings per share				
Basic and diluted earnings per share attributable to shareholders of the parent company (US Dollars per share)	22	**0.357**	**0.156**	**0.086**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of comprehensive income for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	2022	2023	2024
	For the year ended 31 December		
Profit for the year	**5,854**	**2,870**	**1,815**
Other comprehensive income/(loss)			
Items that are or may be reclassified to profit or loss in subsequent periods:			
Effect of translation of foreign operations and other reserves	29	(31)	(4)
Items not to be reclassified to profit or loss in subsequent periods:			
Effect of translation to presentation currency	891	(1,825)	(1,016)
Other comprehensive (loss)/income for the year, net of tax	920	(1,856)	(1,020)
Total comprehensive income for the year, net of tax	**6,774**	**1,014**	**795**
Attributable to:			
Shareholders of the parent company	6,332	779	480
Non-controlling interests	442	235	315
	6,774	**1,014**	**795**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of financial position at 31 December 2024, 2023 and 2022

US Dollars million

	Notes	At 31 December 2022	2023	2024
Assets				
Non-current assets				
Property, plant and equipment	14	16,264	15,181	15,261
Intangible assets		302	238	206
Investments in associates and joint ventures	16	8	76	181
Other financial assets		113	58	57
Deferred tax assets	13	340	335	328
Other non-current assets	18	365	350	292
		17,392	16,238	16,325
Current assets				
Inventories	18	4,945	3,817	3,114
Trade and other receivables	19	846	764	1,374
Advances paid and prepaid expenses		192	173	135
Other financial assets		40	3	69
Income tax receivable	17	17	101	38
Other taxes receivable	17	477	344	292
Cash and cash equivalents	20	1,882	2,139	1,822
Other current assets		4	1	1
		8,403	7,342	6,845
Total assets		**25,795**	**23,580**	**23,170**

	Notes	At 31 December 2022	2023	2024
Equity and liabilities				
Capital and reserves				
Share capital	22	6	6	6
Share premium		1,212	1,212	1,212
Translation and other reserves		(4,541)	(6,146)	(6,979)
Retained earnings		10,448	11,324	12,638
Equity attributable to shareholders of the parent company		**7,125**	**6,396**	**6,877**
Non-controlling interests	23	1,442	1,199	1,220
		8,567	7,595	8,097
Non-current liabilities				
Loans and borrowings	24	7,189	5,377	7,112
Lease liabilities	25	190	466	381
Provisions	26	916	689	881
Social liabilities	27	613	399	299
Trade and other long-term payables		56	51	41
Derivative financial instruments		67	–	–
Deferred tax liabilities	13	415	142	381
Other non-current liabilities		93	30	59
		9,539	7,154	9,154
Current liabilities				
Loans and borrowings	24	4,295	4,335	2,834
Lease liabilities	25	43	54	81
Trade and other payables	28	1,381	1,273	1,209
Dividends payable	22	496	1,924	721
Employee benefit obligations		585	555	444
Provisions	26	180	90	173
Social liabilities	27	201	207	164
Derivative financial instruments		–	114	–
Income tax payable	17	169	7	49
Other taxes payable	17	339	272	244
		7,689	8,831	5,919
Total liabilities		17,228	15,985	15,073
Total equity and liabilities		**25,795**	**23,580**	**23,170**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of cash flows for the years ended 31 December 2024, 2023 and 2022

US Dollars million

	Notes	2022	2023	For the year ended 31 December 2024
Operating activities				
Profit before tax		**7,379**	**3,534**	**2,404**
Adjustments for:				
Depreciation and amortisation		1,026	1,165	1,181
Impairment of non-financial assets, net	14	90	179	441
Loss on disposal of property, plant and equipment		70	36	36
(Gain)/loss from disposal of subsidiaries and foreign joint operations	21	110	(32)	–
Change in provisions and allowances	26, 27	236	77	45
Finance costs, net	12	493	567	896
Income from investments, net		(150)	(41)	(69)
Foreign exchange loss/(gain), net		(251)	1,512	343
Other		(106)	124	(2)
		8,897	7,121	5,275
Movements in working capital:				
Inventories		(1,693)	(185)	190
Trade and other receivables		(347)	(4)	(610)
Advances paid and prepaid expenses		(60)	(62)	34
Other taxes receivable		(121)	12	3
Employee benefit obligations		129	39	(10)
Trade and other payables		(1,096)	51	(34)
Provisions		(160)	(179)	(181)
Other taxes payable		164	99	104
Cash generated from operations		**5,713**	**6,892**	**4,771**
Income tax paid		(1,127)	(1,164)	(338)
Net cash generated from operating activities		4,586	5,728	4,433

	Notes	2022	2023	For the year ended 31 December 2024
Investing activities				
Purchase of property, plant and equipment		(4,227)	(2,988)	(2,386)
Investments in associates and joint ventures		(29)	(71)	(131)
Purchase of intangible assets		(71)	(50)	(52)
Loans issued		–	(31)	(6)
Proceeds from repayment of loans issued		22	38	9
Net change in deposits placed		34	–	(29)
Proceeds from disposal of property, plant and equipment		11	1	1
Net cash inflow/(outflow) from disposal of subsidiaries and foreign joint operations	21	(46)	11	–
Other investment income and expense		157	48	19
Net cash used in investing activities		(4,149)	(3,042)	(2,575)
Financing activities				
Proceeds from loans and borrowings	24	9,104	5,569	7,273
Repayments of loans and borrowings	24	(7,775)	(6,642)	(6,229)
Payments of lease liabilities	25	(50)	(45)	(55)
Dividends paid to shareholders of the parent company	22	(6,196)	–	(1,480)
Dividends paid to non-controlling interests		(73)	(503)	–
Receipt of dividends not remitted to shareholders and ADR holders	22	544	–	16
(Payments)/proceeds on exchange of flows under cross-currency interest rate swaps, net		(19)	8	(99)
Interest paid		(599)	(791)	(1,468)
Net cash used in financing activities		(5,064)	(2,404)	(2,042)
Net change in cash and cash equivalents		**(4,627)**	**282**	**(184)**
Cash and cash equivalents at the beginning of the year	**20**	**5,547**	**1,882**	**2,139**
Effects of foreign exchange differences on balances of cash and cash equivalents		962	(25)	(133)
Cash and cash equivalents at the end of the year	**20**	**1,882**	**2,139**	**1,822**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Disclosed consolidated statement of changes in equity for the years ended 31 December 2024, 2023 and 2022

US Dollars million

		Equity attributable to shareholders of the parent company							
	Notes	Share capital	Share premium	Treasury shares	Translation and other reserves	Retained earnings	Total	Non-controlling interests	Total
Balance at 1 January 2022		**6**	**1,218**	**(305)**	**(5,415)**	**8,184**	**3,688**	**1,100**	**4,788**
Profit for the year		–	–	–	–	5,458	**5,458**	396	**5,854**
Other comprehensive income		–	–	–	874	–	**874**	46	**920**
Total comprehensive income for the year		**–**	**–**	**–**	**874**	**5,458**	**6,332**	**442**	**6,774**
Dividends	22	–	–	–	–	(2,895)	**(2,895)**	(100)	**(2,995)**
Cancellation of ordinary shares from treasury stock	22	–	(6)	305	–	(299)	**–**	–	**–**
Balance at 31 December 2022		**6**	**1,212**	**–**	**(4,541)**	**10,448**	**7,125**	**1,442**	**8,567**
Profit for the year		–	–	–	–	2,384	**2,384**	486	**2,870**
Other comprehensive loss		–	–	–	(1,605)	–	**(1,605)**	(251)	**(1,856)**
Total comprehensive income for the year		**–**	**–**	**–**	**(1,605)**	**2,384**	**779**	**235**	**1,014**
Dividends	22	–	–	–	–	(1,508)	**(1,508)**	(478)	**(1,986)**
Balance at 31 December 2023		**6**	**1,212**	**–**	**(6,146)**	**11,324**	**6,396**	**1,199**	**7,595**
Profit for the year		–	–	–	–	1,313	**1,313**	502	**1,815**
Other comprehensive loss		–	–	–	(833)	–	**(833)**	(187)	**(1,020)**
Total comprehensive income for the year		**–**	**–**	**–**	**(833)**	**1,313**	**480**	**315**	**795**
Dividends	22	–	–	–	–	–	**–**	(295)	**(295)**
Other transactions with non-controlling interest owners		–	–	–	–	1	**1**	1	**2**
Balance at 31 December 2024		**6**	**1,212**	**–**	**(6,979)**	**12,638**	**6,877**	**1,220**	**8,097**

The accompanying notes on pages 290–353 form an integral part of the disclosed consolidated financial statements

Notes to the disclosed consolidated financial statements for the years ended 31 December 2024, 2023 and 2022

1. General information

Organisation and principal business activities

Public Joint Stock Company "Mining and Metallurgical Company "Norilsk Nickel" (the "Company" or PJSC "MMC "Norilsk Nickel") was incorporated in the Russian Federation on 4 July 1997. The principal activities of the Company and its subsidiaries (the "Group") are exploration, extraction, refining of ore and nonmetallic minerals and sale of base and precious metals produced from ore.

Major production facilities of the Group are located on Russia's Taimyr and Kola Peninsulas and in the Zabaikalsky Territory.

2. Basis of preparation

The disclosed consolidated financial statements have been prepared by the management of the Group based on the Group's audited consolidated financial statements for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 prepared in accordance with International Financial Reporting Standards ("IFRS") by aggregating information, which in case of disclosure could cause damage to the Group and (or) its counterparties.

The audited consolidated financial statements for the years ended 31 December 2024, 31 December 2023 and 31 December 2022, are available at the registered office of PJSC "MMC "Norilsk Nickel" and could be provided subject to the requirements of Russian legislation.

The decision on preparation of the disclosed consolidated financial statements has been taken by the management of the Group in accordance with the Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On the specifics of disclosure and (or) presentation of information subject to disclosure and (or) presentation in accordance with the requirements of the Federal Law "On joint stock companies" and the Federal Law "On the securities market" (hereinafter – "Resolution No. 1102 dated 4 July 2023").

The disclosed consolidated financial statements do not contain all the information required to be disclosed in the full set of the consolidated financial statements in accordance with IFRS, and in particular:

- – information on metal sales by geographical location of external customers is presented aggregately;
- – information on investments in significant subsidiaries is presented without specifying the names and jurisdictions of subsidiaries.

The disclosed consolidated financial statements have been prepared for the purpose of presenting the disclosed consolidated financial position and disclosed consolidated financial results of the Group, disclosure of which will not cause damage to the Group and (or) its counterparties. Therefore, these disclosed consolidated financial statements may be not suited for another purpose.

3. Changes in accounting policies

The accounting policies applied in the preparation of the disclosed consolidated financial statements for the year ended 31 December 2024 are generally consistent with those applied in the preparation of the Group's disclosed consolidated financial statements as at and for the years ended 31 December 2023 and 2022.

Adoption of new and revised standards and interpretations during the year ended 31 December 2024

The Group has adopted amendments to the following IFRS standards for the reporting period beginning on 1 January 2024:

- IFRS 7 Financial Instruments: Disclosures (amended);
- IFRS 16 Leases (amended);
- IAS 1 Presentation of financial statements (amended);
- IAS 7 Statement of Cash Flows (amended).

The amendments did not have material impact on the accounting policies, financial position or financial results of the Group except for IFRS 7 Financial Instruments: Disclosures (amended) and IAS 7 Statement of Cash Flows (amended) (refer to Note 4 "Material accounting policies – Supply chain finance" and Note 28).

Adoption of new and revised standards and interpretations during the year ended 31 December 2023

Adoption of the new Standard and amendments to the following Standards did not have material impact on the accounting policies, financial position or financial results of the Group:

- IFRS 17 Insurance Contracts (new Standard);
- IAS 1 Presentation of financial statements (amended);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amended);
- IAS 12 Income Taxes (amended).

Adoption of new and revised standards and interpretations during the year ended 31 December 2022

Adoption of amendments to the following Standards did not have material impact on the accounting policies, financial position or financial results of the Group:

- IFRS 9 Financial Instruments (amended);
- IFRS 1 First-time Adoption of International Financial Reporting Standards (amended);
- IFRS 3 Business combinations (amended);
- IFRS 16 Leases (amended);
- IAS 16 Property, plant and equipment (amended);
- IAS 37 Provisions, contingent liabilities and contingent assets (amended).

Standards and interpretations issued but not yet effective

The Group did not early adopt any standard, interpretation or amendment that had been issued by the International Accounting Standards Board (IASB) but was not yet effective. The table below includes standards, interpretations and amendments relevant to the Group.

Relevant standards, interpretations and amendments	Summary of amendments	Effective for annual periods beginning on or after
New IFRS standards		
IFRS 18 Presentation and Disclosure in Financial Statements	The new standard supersedes IAS 1 Presentation of Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	The new standard specifies reduced disclosure requirements for individual IFRS statements of subsidiaries without public accountability	1 January 2027
Amendments to IFRS standards and interpretations		
IAS 21 The Effects of Changes in Foreign Exchange Rates	Amendments to determine whether a currency is exchangeable into another currency and to determine the spot exchange rate to use when it is not.	1 January 2025
IFRS 7 Financial Instruments: Disclosures	Additional disclosure requirements for investments in equity instruments measured at fair value through other comprehensive income; Disclosure of the gain or loss on derecognition of financial assets; And other amendments.	1 January 2026
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Disclosure of deferred difference between fair value and transaction price, credit risk disclosures and alignment of disclosure requirements with IFRS 9 and IFRS 13.	1 January 2026
IFRS 9 Financial Instruments	Derecognition of the financial liability in case of settlements via electronic payment systems; Amendments to the derecognition of lease liabilities; Amendment to the trade receivables measurement at initial recognition at the amount determined by applying IFRS 15 if the trade receivables do not contain a significant financing component; And other amendments.	1 January 2026
IFRS 10 Consolidated Financial Statements	Amendment to the determination of a 'de facto agent'.	1 January 2026
IAS 7 Statement of Cash Flows	Amendment to referencing of the methods of accounting when describing cash flows from subsidiaries, associates, and joint ventures.	1 January 2026

The Group's management plans to adopt all of the above standards in the Group's disclosed consolidated financial statements for the respective periods. The Group's management is currently assessing the impact of IFRS 18 Presentation and Disclosure in Financial Statements on the Group's disclosed consolidated financial statements. The other amendments mentioned above are not expected to have a material impact on the Group's disclosed consolidated financial statements in the future reporting periods and on foreseeable future transactions.

Reclassification

Management reassessed classification of certain items of costs, general and administrative expenses, selling and distribution and other operating expenses for the year ended 31 December 2024. Information for the years ended 31 December 2023 and 2022 was reclassified to conform with the current period presentation and the effect of the reclassification was immaterial.

4. Material accounting policies

Functional and presentation currency

Russian rouble ("RUB") is the functional currency of the Company and all of its subsidiaries except for the Group's foreign subsidiary operating in metal processing whose functional currency is US Dollar ("USD").

The presentation currency of the Group's disclosed consolidated financial statements is US Dollar ("USD"). Using USD as a presentation currency is a common practice among global mining companies. The Group also issues disclosed consolidated financial statements which use RUB as the presentation currency to comply with Federal Law 208-FZ.

Components of the disclosed consolidated statement of financial position, disclosed consolidated income statement, disclosed consolidated statement of comprehensive income, disclosed consolidated statement of cash flows and disclosed consolidated statement of changes in equity are translated into presentation currency using the following applicable exchange rates:

Component of disclosed consolidated statements	Applicable exchange rates
Assets and liabilities	Period-end rate
Income, expenses, and cash flows	Transaction date or an average approximating exchange rates prevailing at the transactions dates
Equity	Historical rates

All exchange differences resulting from translation of the disclosed consolidated income statement and disclosed consolidated statement of financial position components are recognised as a separate component in other comprehensive income/loss.

The exchange rates of certain currencies to the Russian Rouble used in the preparation of the disclosed consolidated financial statements are as follows:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
US Dollar/RUB	70.34	89.69	101.68
Euro/RUB	75.65	99.19	106.10
Chinese Yuan/RUB	9.89	12.58	13.43

	During the year ended 31 December 2022	During the year ended 31 December 2023	During the year ended 31 December 2024
US Dollar/RUB	68.55	85.25	92.57
Euro/RUB	72.53	92.24	100.22
Chinese Yuan/RUB	10.29	11.98	12.74

Revenue recognition

Metal sales revenue

Revenue from metal sales is recognised at a point of time when control over the asset is transferred to the customer and represents the invoiced value, net of value added tax (if any).

Revenue from contracts that are entered into and continue to meet the Group's expected sale requirements designated for that purpose at their inception and are expected to be settled by physical delivery of the goods, is recognised in the disclosed consolidated financial statements as and when the goods are delivered. A gain or loss on forward contracts expected to be settled by physical delivery or on a net basis is recognised in revenue and disclosed separately from revenue from contracts with customers.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component, if the expected period between when the Group transfers promised goods or a service to a customer and the customer pays for those goods or services is one year or less.

Certain contracts are provisionally priced so that price is not settled until a predetermined future date, as of which the delivery price is settled based on the market price (contracts with quotation period). Revenue from such transactions is initially recognised at the market price at the date of sale. Price adjustments under provisionally priced contracts are recognised in revenue.

Employee benefits

The Group recognises employee benefits as follows:

- remuneration to employees in respect of services rendered during a reporting period is recognised as labour and staff costs in the disclosed consolidated income statement when accrued;
- social security contributions are recognised as labour and staff costs in the disclosed consolidated income statement. Social security contributions include the obligatory pension, social, and medical contributions paid to the Social Fund of Russia at the rates set depending on levels of employee's annual remuneration in accordance with the Russian legislation;
- contributions to Mutual accumulated pension plan are recognised as a defined contribution plan. The only obligation of the Group with respect to this defined contribution plan is to make the specified contributions during the period in which they arise. Such contributions are recognised as labour and staff costs in the disclosed consolidated income statement when employees have rendered respective services;
- remuneration under employee incentive programs are recognised as labour and staff costs in the disclosed consolidated income statement when accrued;
- deferred costs under subsidised housing programmes for employees are recognised as other non-current assets and amortised over a certain period of employee participation in the programme (two to ten years).

Long-term employee benefit obligations are recognised at the discounted value of respective future cash outflows.

Income tax expense

Income tax expense represents the sum of the current and deferred tax.

Income tax is recognised as an expense or income in the disclosed consolidated income statement unless it relates to other items recognised directly in other comprehensive income, in which case the tax effect is also recognised in other comprehensive income. Where current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the disclosed consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and excludes items that are not taxable or deductible.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets and liabilities are not recognised in the disclosed consolidated financial statements, if temporary differences arise from the initial recognition of goodwill or from the initial recognition of assets and liabilities other than in a business combination, which, at the time of the transaction, affects neither taxable profit nor accounting profit and do not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same tax authority.

Property, plant and equipment

Mining assets

Mine development costs are capitalised and comprise expenditures directly related to:

- acquiring mining and exploration licences;
- developing new mines;
- estimating revised content of minerals in the existing ore bodies currently developed;
- expanding mine capacity.

Mine development costs include directly attributable finance costs capitalised during mine development.

Mine development costs are recognised as mining assets and start to be depreciated when a mine reaches commercial production quantities.

Mining assets are recognised at cost less accumulated depreciation and impairment loss. Mining assets include cost of acquiring and developing mining properties, pre-production expenditure, mine infrastructure, property, plant and equipment that process extracted ore, subsoil use rights, mining and exploration licenses, finance costs eligible for capitalisation and discounted value of future decommissioning costs.

Carrying value of mining assets is depreciated over the lesser of their individual economic useful life on a straight-line basis, or the remaining life of mine. Life of mine is estimated based on the Group production plans. Average useful lives vary from 2 to 47 years.

Exploration expenditure

Exploration expenditure, including geophysical, topographical, geological and similar types of expenditure is capitalised and amortised over the life of mine from the moment the commercial viability of the project is established. Otherwise, it is expensed in the period in which it is incurred.

Exploration expenditure written-off before the start of mine development is not subsequently capitalised, even if commercial production subsequently commences.

Non-mining assets

Non-mining assets include metallurgical processing plants, buildings, infrastructure, machinery and equipment, and other non-mining assets. Such assets are measured at cost less accumulated depreciation and impairment losses. Non-mining assets include property, plant and equipment used both in operations directly and to provide social services in the regions where the Group operates.

Non-mining assets are depreciated on a straight-line basis over their economic useful life.

Depreciation charge is calculated over the following economic useful life:

- buildings, facilities and infrastructure - 5 to 50 years
- machinery, equipment and transport - 2 to 33 years
- other non-mining assets - 2 to 20 years

Capital construction-in-progress

Capital construction-in-progress comprises costs directly related to the construction of mining and non-mining assets, including:

- prepayments for the purchase of property, plant and equipment and materials acquired for the construction of buildings, processing plants, infrastructure, machinery and equipment;
- irrevocable letters of credit opened for future fixed assets deliveries and secured by deposits placed with banks;
- directly attributable finance costs capitalised during construction.

Depreciation of these assets begins when they become available for use and are in the location and condition necessary for them to be capable of operating in the manner intended by management.

Capitalisation of finance cost

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until the assets are ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Impairment of non-current assets, excluding goodwill

At each reporting date, the Group analyses the indicators of impairment of its non-current assets to determine whether there is any indication that an impairment loss has been incurred. If any such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. Where the fair value less costs of disposal of an individual asset is higher than their carrying amount the Group does not estimate its value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the disclosed consolidated income statement immediately.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the disclosed consolidated income statement immediately.

Leases

At the inception of a contract, the Group assesses whether such contract or its components constitute a lease. The Group recognises a right-of-use asset and a corresponding lease liability, if a lease contract transfers to the lessee the right to control the use of the identified asset for a period of time in exchange for a consideration, except for current leases with the term of 12 months or less. The Group recognises lease payments associated with current leases as an expense on a straight-line basis over the lease term. Land plot lease payments are treated as variable lease payments, if they are linked to the cadastral value and changes in the latter do not depend on market rental rates. The Group recognises such variable lease payments as an expense in the period when the event that triggers those payments occurs.

Right-of-use assets are initially recognised at cost that comprises when applicable:

- the initial amount of the lease liability;
- any lease payments made at or before the lease commencement date;
- any initial direct costs incurred by the lessee;
- an estimate of costs to be incurred by the lessee for retirement of the underlying asset and restoration of the site where it is located.

Right-of-use assets are subsequently measured at initial cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over their estimated economic useful life or over the term of the lease, whichever is shorter. Right-of-use assets are presented in property, plant and equipment in the disclosed consolidated statement of financial position.

Lease liabilities (refer to Note 25) are initially measured at the present value of the lease payments that are not paid at the commencement date and subsequently remeasured to reflect changes in lease payments. The lease payments are discounted using the interest rate implicit in the lease (if that rate can be readily determined) or using Group incremental borrowing rate at the commencement date determined based on the lease term and currency of the lease payments.

Investments in associates and joint ventures

An associate is an entity over which the Group exercises significant influence, but not control or joint control, through participation in financing and operating policy decisions, in which it normally owns between 20% and 50% of the voting equity. A joint venture is an entity in which the Group and other investors have joint control, i.e. decisions about the relevant activities of the investee require unanimous consent of the parties sharing control and the Group has rights to its share of the investee's net assets. The existence of significant influence or joint control is determined based on the respective rights of investors established by investee's charter, corporate agreement, shareholders' agreement or similar arrangements.

Investments in associates and joint ventures are accounted for using the equity method from the date significant influence or joint control commenced until the date that significant influence or joint control effectively ceased.

Under the equity method of accounting, investments in associates and joint ventures are initially recognised at cost and are adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other movements in investee's equity and reserves.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investees. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Financial assets

Financial assets are recognised when the Group becomes party to contractual provisions of the instrument and are initially measured at fair value, plus directly attributable transaction costs, except for those financial assets measured at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income;
- financial assets measured at fair value through profit or loss.

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset and is determined at the time of initial recognition.

Effective interest method

The effective interest method is used for calculating the amortised cost of a financial asset and for allocating interest income over the period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including directly attributable transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets measured at fair value through profit or loss or fair value through other comprehensive income.

Financial assets measured at amortised cost

The Group generally classifies cash and cash equivalents, trade and other receivables (excluding trade receivables measured at fair value through profit and loss under provisionally priced contracts), loans issued and bank deposits as financial assets measured at amortised cost.

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

Trade receivables under provisionally priced contracts and derivative financial assets are measured at fair value through profit or loss. Trade receivables under provisionally priced contracts are remeasured at each reporting date using the forward market price for the period till the price settlement date outlined in the contract.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on a financial asset measured at amortised cost using either of the following methods:

Lifetime expected credit losses	Trade and other receivables
	Financial assets other than trade and other receivables for which credit risk has increased significantly since initial recognition
12-months expected credit losses since the reporting date	Financial assets other than trade and other receivables at initial recognition
	Financial assets other than trade and other receivables for which credit risk has not increased significantly since initial recognition

When determining whether the credit risk of the financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reliable and supportable information, including both quantitative and qualitative information and analysis based on the Group's historical experience and forward-looking information.

The Group applies the simplified approach to measuring expected credit losses under IFRS 9 Financial Instruments, which uses a lifetime expected loss allowance for trade receivables. The Group assumes that expected credit loss for all trade and other receivables which are overdue for more than 365 days is equal to their carrying amount. To measure the expected credit losses trade and other receivables that are overdue for less than 365 days are grouped based on the length of the overdue period to which respective expected loss rates are applied. The expected loss rates are based on the historical credit loss experience, adjusted to reflect current and forward-looking information on the ability of the customers to settle the receivables.

When trade and other receivables are considered uncollectable, they are written off against the respective loss allowance. Changes in the amount of allowance are recognised in the disclosed consolidated income statement.

Inventories

Refined metals

The Group's main jointly produced metals include nickel, copper, palladium, platinum; by-products include cobalt, gold, rhodium, silver, and other metals. Main products are measured at the lower of cost of production or net realisable value. The cost of production of main products is determined as total production cost allocated to each joint product by reference to their relative sales value. Export customs duties (if applicable), transportation costs and other costs incurred by the Group before the produced finished goods are designated for sale under a particular contract with a customer are included in the cost of production, all costs incurred after that point are included in selling and distribution expenses.

By-products are initially measured at net realisable value, based on current market prices. Net realisable value estimates take into consideration fluctuations of price or cost directly relating to events after the reporting date, to the extent that such events confirm conditions existing at the end of the reporting period.

Work-in-process

Work-in-process includes all costs incurred in the ordinary course of business for producing each product including direct material and labour costs, allocation of production overheads, depreciation, amortisation and other costs, given its stage of completion, less allowance for adjustment to net realisable value. Changes in the amount of allowance are recognised in Cost of metal sales in the disclosed consolidated income statement.

Materials and supplies

Materials and supplies are measured at cost less allowance for obsolete and slow-moving items.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits in banks, brokers and other financial institutions and highly liquid investments with original maturities of three months or less and on demand deposits, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

The Group classifies financial liabilities into loans and borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, the financial liabilities are measured at amortised cost using the effective interest method. Derivative financial liabilities are measured at fair value through profit or loss.

Effective interest method

The effective interest method is used for calculating the amortised cost of a financial liability and for allocating interest expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability, or where appropriate, a shorter period.

Supply chain finance

Some Group suppliers during fulfillment of contracts enter on their own discretion into arrangements to assign monetary claims against the Group under supply contracts to financing agents and receive payment earlier than the date stipulated in the supply contract. Such arrangements do not change the nature, the amount or other terms of the Group's original liabilities to suppliers. Cash outflows to settle these liabilities are made within 12 months and are presented in operating or investing activities based on their purpose.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If, in the course of discharging an obligation, the Group recognises property, plant and equipment, then this settlement does not result in an outflow of the Group's resources and, therefore, no provision is recognised.

Provisions may be recognised in respect of the Group social, environmental, asset decommissioning or other obligations, and are presented in these disclosed consolidated financial statements accordingly. In particular, the Group's social provisions are presented together with other liabilities related to its social expenditure as a separate item Social Liabilities in the disclosed consolidated statement of financial position.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the future cash flows, its carrying amount is the present value of those cash flows.

Decommissioning obligations and environmental provisions

Decommissioning obligations include direct asset decommissioning costs as well as related land restoration costs.

Future decommissioning costs and related obligations, discounted to present value, are recognised when the legal or constructive obligation in relation to such costs arises and the future costs can be reliably estimated. These costs are capitalised as part of the initial cost of the related asset and are depreciated over the useful life of the asset. The unwinding of discount on decommissioning obligations is recognised in Finance cost, net in the disclosed consolidated income statement. Decommissioning obligations are periodically remeasured for changes in applicable laws, regulations, expected closure dates, inflation and discount rates.

Environmental provisions may include expenditure for remediation of the damage to the environment, including land and water bodies clean-up and rehabilitation costs, restoration of biological resources, settlement of legal claims and environmental damages, fines and penalties imposed by government authorities in respect of the environmental incidents.

5. Critical accounting judgements and key sources of estimation uncertainty

When preparing the disclosed consolidated financial statements, the Group's management necessarily makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the reporting date, and the amounts of income and expenses for the reporting period. Estimates and assumptions require management judgement based on historical experience, current and expected economic conditions, and any other available information. Actual results may differ from such estimates. Key estimates and assumptions made by the Group's management are disclosed below or elsewhere in the notes to the disclosed consolidated financial statements if applicable.

The most significant areas requiring the use of management estimates and assumptions are as follows:
- useful economic life of property, plant and equipment;
- impairment of non-financial assets;
- decommissioning obligations and environmental provisions;
- income taxes.

Useful economic life of property, plant and equipment

The factors that may affect estimates of the useful economic life of mining assets include the following:
- changes in proved and probable ore reserves;
- the grade of ore reserves changing significantly over time;
- differences between actual commodity prices and commodity price assumptions used in the estimation and classification of ore reserves;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and decommissioning costs, discount rates and foreign exchange rates that could possibly adversely affect the economic viability of ore reserves.

The useful economic life of non-mining property, plant and equipment is reviewed by the management periodically, based on the current condition of the assets and the estimated period during which they will continue to bring economic benefits to the Group.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible non-financial assets for an indication that these assets may be impaired or that a previously recognised impairment loss may have decreased in full or in part. For the purpose of the impairment test, the assets that do not generate independent cash flows are allocated to an appropriate cash-generating unit. Management applies judgement in allocating assets that do not generate independent cash flows to appropriate cash-generating units, and in estimating the timing and amounts of the underlying cash flows. Subsequent changes to the assets allocation to cash generating units or the timing and amounts of cash flows may affect the recoverable amount of the respective assets.

Decommissioning obligations and environmental provisions

The Group's mining and exploration activities are subject to various environmental laws and regulations. The Group estimates decommissioning obligations and environmental provisions based on the management's understanding of the current legal requirements in the various jurisdictions in which it operates, terms of licence agreements and internally generated engineering estimates. Decommissioning obligations and environmental provisions are measured at present value using inflation and discount rates at the date of respective cash outflows.

Environmental provisions are recognised based on the best estimate of the consideration required to settle the environmental provision at the reporting date, taking into account risks and uncertainties surrounding the present obligation, including probable compensations under civil lawsuits and costs to be incurred under corresponding environmental programmes. Where it is possible to determine a reliable timing of the environmental provisions, estimates are based on the discounted value of cash flows required to settle those obligations, otherwise the management uses the best estimate of the future cash outflows related to the environmental provisions.

Actual costs incurred in future periods may differ materially from the amounts of the provisions. Additionally, future changes to environmental laws and regulations, life of mine estimates, discount rates, court decisions and government actions may affect the carrying amount of these provisions.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining provisions for income taxes paid in various jurisdictions due to the complexity of legal frameworks. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for taxes arising from tax audits based on estimates of whether additional taxes will be due. Where, following the tax disputes, the final tax amount differs from the amounts that were initially recognised, such differences are recognised in the disclosed consolidated financial statements for the period when such determination is made.

Various factors are considered when assessing the probability of the future utilisation of deferred tax assets, including past operating results, the Group's operational plan, expiration of tax losses carried forward, and tax planning strategies. If actual results differ from these estimates or if these estimates are to be adjusted in future periods, the financial position and financial results of the Group may be affected.

6. Segments

Reportable segments are based on internal reports on components of the Group that are regularly reviewed by the Management Board.

Management has determined the following reportable segments:
- GMK Group segment includes main mining, processing and metallurgy operations as well as transport services, energy, repair and maintenance services located on the Taimyr Peninsula. GMK Group metal sales to external customers include metal volumes produced from semi-products purchased from the South Cluster, Kola Division and GRK Bystrinskoye segments. Intersegment revenue from metal sales includes primarily sale of semi-products to the Kola division for further processing. Metal sales to external customers of GMK Group segment included an approximately equal share of base and precious metals in 2022 and 2023, with the share of base metals increasing to two thirds in 2024. GMK Group's intersegment other sales include revenue from metal processing services provided to other segments. GMK Group's other sales to external customers primarily include revenue from energy and utilities services provided on the Taimyr Peninsula;
- South Cluster segment includes certain ore mining and processing operations located on the Taimyr Peninsula. Intersegment revenue from metal sales includes sale of semi-products to GMK Group for further processing. The South Cluster segment revenue from other sales includes intersegment ore processing services under tolling arrangements provided to the GMK Group segment;
- Kola Division includes mining and processing operations, metallurgy and subsequent processing of metal semi-products, as well as energy and utilities services and mineral exploration activities on the territory of the Kola Peninsula. Kola Division segment sells metals to external customers, including metals produced from semi-products purchased from the GMK Group segment. Metal sales to external customers of Kola division included an approximately equal share of base and precious metals in 2022 and 2023, with the share of base metals increasing to about 60% in 2024. Metal sales to other segments include sales of semi-products to GMK Group segment for further processing. Other sales of Kola Division segment include metal processing services provided to other segments of the Group, as well as energy and utilities services provided to external customers on the Kola Peninsula;
- GRK Bystrinskoye segment includes ore mining and processing operations located in the Zabaikalsky Territory of the Russian Federation. Approximately half of the metal sales to external customers were base metal sales, the rest of the metal sales included an approximately equal share of precious and other metals sales.
- Other non-metallurgical segment includes resale of third-party refined metal products, other trading operations, transport services, supply chain management, energy and utility, research and other activities located in Russia and abroad. Other sales of the Other non-metallurgical segment primarily included revenue from fuel sales, freight sea transportation services and airport services in 2024 and 2023 (revenue from passenger and freight air transportation services and fuel sales in 2022).

During past several reporting periods Other mining segment did not meet the criteria for a separate reportable segment due to the immateriality of its assets, liabilities, revenues and EBITDA, hence they were aggregated to Other non-metallurgical segment. The comparative information for the years ended 31 December 2023 and 2022 has been presented accordingly.

Corporate activities of the Group do not represent an operating segment, include primarily the headquarters' general and administrative expenses and treasury operations of the Group and are presented as Unallocated.

The amounts in respect of reportable segments in the disclosure below are stated before intersegment eliminations, excluding:
- balances of intercompany loans and borrowings and interest accruals;
- balances of intercompany investments;
- accrual of intercompany dividends.

The following tables present revenue, measure of segment profit or loss (EBITDA) and other segment information from continuing operations regarding the Group's reportable segments for the years ended 31 December 2024, 2023 and 2022, respectively.

For the year ended 31 December 2024	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Revenue from external customers							
Metal sales	4,741	–	5,805	1,300	2	–	**11,848**
Other sales	218	3	34	5	427	–	**687**
Intersegment revenue							
Metal sales	4,369	568	843	167	–	(5,947)	–
Other sales	325	144	2	39	579	(1,089)	–
Total revenue	**9,653**	**715**	**6,684**	**1,511**	**1,008**	**(7,036)**	**12,535**
Segment EBITDA	3,594	251	882	1,108	(18)	58	**5,875**
Unallocated							(679)
Consolidated EBITDA							**5,196**
Depreciation and amortisation							(1,181)
Impairment of non-financial assets, net							(441)
Finance costs, net							(896)
Foreign exchange loss, net							(343)
Income from investments, net							69
Profit before tax							**2,404**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	1,677	185	282	98	196	–	**2,438**
Depreciation and amortisation	778	46	177	105	75	–	**1,181**
Impairment of non-financial assets, net	263	2	156	1	19	–	**441**
Change in provisions and allowances	1	(17)	12	–	18	31	**45**

For the year ended 31 December 2023	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Revenue from external customers							
Metal sales	5,171	–	7,354	1,160	17	–	**13,702**
Other sales	250	4	31	2	420	–	**707**
Intersegment revenue							
Metal sales	4,742	916	1,009	128	47	(6,842)	–
Other sales	325	146	2	50	580	(1,103)	–
Total revenue	**10,488**	**1,066**	**8,396**	**1,340**	**1,064**	**(7,945)**	**14,409**
Segment EBITDA	3,641	484	2,254	963	(25)	343	**7,660**
Unallocated							(776)
Consolidated EBITDA							**6,884**
Depreciation and amortisation							(1,165)
Impairment of non-financial assets, net							(179)
Finance costs, net							(567)
Foreign exchange loss, net							(1,512)
Income from investments and gain from disposal of subsidiaries							73
Profit before tax							**3,534**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	2,303	248	248	65	174	–	**3,038**
Depreciation and amortisation	739	56	162	118	90	–	**1,165**
Impairment of non-financial assets, net	67	9	28	1	74	–	**179**
Change in provisions and allowances	11	(1)	10	–	6	51	**77**

For the year ended 31 December 2022	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Revenue from external customers							
Metal sales	5,213	–	9,297	1,160	403	–	**16,073**
Other sales	246	5	52	1	499	–	**803**
Intersegment revenue							
Metal sales	6,405	728	1,538	135	3	(8,809)	–
Other sales	378	239	2	29	652	(1,300)	–
Total revenue	**12,242**	**972**	**10,889**	**1,325**	**1,557**	**(10,109)**	**16,876**
Segment EBITDA	4,316	450	4,071	934	(3)	(7)	**9,761**
Unallocated							(1,064)
Consolidated EBITDA							**8,697**
Depreciation and amortisation							(1,026)
Impairment of non-financial assets, net							(90)
Finance costs, net							(493)
Foreign exchange gain, net							251
Income from investments and gain from disposal of subsidiaries							40
Profit before tax							**7,379**

	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Other material cash and non-cash items							
Purchase of property, plant and equipment and intangible assets	3,307	298	379	72	242	–	**4,298**
Depreciation and amortisation	741	57	48	148	32	–	**1,026**
Impairment/(reversal of impairment) of non-financial assets	72	4	2	(1)	13	–	**90**
Change in provisions and allowances	198	–	13	2	4	19	**236**

The following tables present assets and liabilities of the Group's reportable segments at 31 December 2024, 2023 and 2022, respectively.

At 31 December 2024	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Eliminations	Total
Intersegment assets	1,594	76	1,290	310	76	(3,346)	–
Segment assets	14,027	1,035	3,105	1,057	2,316	(577)	**20,963**
Total segment assets	**15,621**	**1,111**	**4,395**	**1,367**	**2,392**	**(3,923)**	**20,963**
Unallocated							2,207
Total assets							**23,170**
Intersegment liabilities	269	25	805	4	2,243	(3,346)	–
Segment liabilities	3,183	230	352	190	343	–	**4,298**
Total segment liabilities	**3,452**	**255**	**1,157**	**194**	**2,586**	**(3,346)**	**4,298**
Unallocated							10,775
Total liabilities							**15,073**

At 31 December 2023	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallurgical	Unallocated	Total
Intersegment assets	1,618	196	1,308	173	171	(3,466)	–
Segment assets	14,326	965	3,728	1,252	1,661	(731)	21,201
Total segment assets	**15,944**	**1,161**	**5,036**	**1,425**	**1,832**	**(4,197)**	**21,201**
Unallocated							2,379
Total assets							**23,580**
Intersegment liabilities	552	30	851	32	2,001	(3,466)	–
Segment liabilities	2,909	243	415	125	428	–	**4,120**
Total segment liabilities	**3,461**	**273**	**1,266**	**157**	**2,429**	**(3,466)**	**4,120**
Unallocated							11,865
Total liabilities							**15,985**

At 31 December 2022	GMK Group	South cluster	Kola division	GRK Bystrinskoye	Other non-metallur-gica-	Eliminations	Total
Intersegment assets	1,345	143	2,085	133	103	(3,809)	–
Segment assets	15,446	1,117	4,869	1,546	1,841	(1,092)	23,727
Total segment assets	**16,791**	**1,260**	**6,954**	**1,679**	**1,944**	**(4,901)**	**23,727**
Unallocated							2,068
Total assets							**25,795**
Intersegment liabilities	503	25	715	4	2,562	(3,809)	–
Segment liabilities	3,606	352	568	161	385	–	5,072
Total segment liabilities	**4,109**	**377**	**1,283**	**165**	**2,947**	**(3,809)**	**5,072**
Unallocated							12,156
Total liabilities							**17,228**

7. Metal sales

The Group's metal sales to external customers in all sales regions are presented below:

Metal sales in all sales regions

For the year ended 31 December		
2022	2023	2024
16,073	13,702	11,848

Revenue from metal sales included gain in the amount of USD0.2 million in respect of forward contracts measured at fair value that are expected to be settled by physical delivery or on a net basis for the year ended 31 December 2023 (for the year ended 31 December 2022: loss in the amount of USD (64) million). There were no gains or losses in respect of such forward contracts for the year ended 31 December 2024.

For the year ended 31 December 2024 metal revenue included loss of USD (107) million from price adjustments in respect of certain provisionally priced contracts, primarily for sale of nickel and copper (for the year ended 31 December 2023 primarily for sale of nickel and palladium: loss in the amount of USD (47) million and for the year ended 31 December 2022 primarily for sale of nickel: gain in the amount of USD35 million).

8. Cost of metal sales

	For the year ended 31 December		
	2022	2023	2024
Cash operating costs			
Labour	2,160	1,892	1,838
Materials and supplies	1,076	985	918
Third party services	1,042	894	806
Mineral extraction tax and other levies	1,192	873	748
Export customs duties	–	121	350
Transportation expenses	257	216	162
Fuel	166	157	153
Electricity and heat energy	136	115	108
Purchases of raw materials and semi-products	33	33	26
Purchases of refined metals for resale	437	5	–
Other costs	37	20	20
Total cash operating costs	6,536	5,311	5,129
Depreciation and amortisation	1,015	939	960
Decrease/(increase) in metal inventories	(1,448)	94	143
Total	**6,103**	**6,344**	**6,232**

9. General and administrative expenses

	For the year ended 31 December		
	2022	2023	2024
Staff costs	856	705	665
Third party services	270	181	183
Depreciation and amortisation	107	110	91
Property tax and other miscellaneous taxes	94	75	77
Other	26	22	30
Total	**1,353**	**1,093**	**1,046**

10. Selling and distribution expenses

	For the year ended 31 December		
	2022	2023	2024
Export customs duties	–	43	176
Transportation expenses	118	135	124
Staff costs	30	28	26
Depreciation and amortisation	15	23	23
Marketing expenses	52	29	23
Other	46	38	36
Total	**261**	**296**	**408**

11. Other operating expenses, net

	For the year ended 31 December		
	2022	2023	2024
Social expenses (Note 27)	407	205	126
Change in other allowances	44	47	74
Loss on disposal of property, plant and equipment and intangible assets	70	36	36
Change in decommissioning obligations	25	45	5
Change in environmental provisions (Note 26)	93	(32)	3
Expenses on industrial incidents response	35	10	2
Proceeds from insurance claims settlements	(8)	(27)	(35)
Other, net	12	(15)	(33)
Total	**678**	**269**	**178**

12. Finance costs, net

	For the year ended 31 December		
	2022	2023	2024
Interest expense, net of amounts capitalised	330	337	620
Unwinding of discount on provisions	185	147	185
Interest expense on lease liabilities	16	35	52
Loss/(gain) from currency conversion operations	111	(5)	45
Income received as a result of early debt repayment	(172)	–	–
Fair value (gain)/loss on the cross-currency interest rate swap contracts	18	60	(16)
Other, net	5	(7)	10
Total	**493**	**567**	**896**

13. Income tax expense

	For the year ended 31 December		
	2022	2023	2024
Current income tax expense	1,306	966	340
Deferred tax expense/(benefit)	219	(302)	249
Total income tax expense	**1,525**	**664**	**589**

Current income tax expense for the year ended 31 December 2024 includes USD4 million gain related to previous tax periods (31 December 2023: 8 USD million gain and 31 December 2022: USD 15 million gain).

In August 2023 Federal Law No. 414-FZ introduced a windfall tax on excess profits. The base windfall tax rate is 10% of the difference between average taxable profits for 2021-2022 and taxable profits for 2018-2019. The amount of tax expense could be reduced to an effective rate of 5% subject to the conditions provided by the Federal Law No. 414-FZ (if the payment was made during the period from 1 October 2023 to 30 November 2023 and it was not subsequently claimed back by a taxpayer). In October 2023 the Group paid using an early payment option and recognised in Current income tax expense a windfall tax on excess profits in the amount of RUB8,198 million (USD84 million at the exchange rate on the date of payment).

A reconciliation of theoretic income tax, calculated at the statutory rate in the Russian Federation, the location of major production assets of the Group, to the amount of actual income tax expense recognised in the disclosed consolidated income statement is as follows:

	For the year ended 31 December		
	2022	2023	2024
Profit before tax	**7,379**	**3,534**	**2,404**
Income tax at statutory rate of 20%	1,476	707	481
Non-deductible social expenses	67	48	30
Changes in unrecognised deferred tax assets	36	28	82
Effect of different tax rates of subsidiaries	(13)	(1)	11
Tax effect of other provisions and liabilities	40	–	–
Tax effect of other permanent differences	(81)	(202)	(45)
Windfall tax	–	84	–
Remeasurement of deferred taxes at 25% statutory tax rate	–	–	30
Total income tax expense	**1,525**	**664**	**589**

In July 2024 the Federal Law No 176-FZ introduced a number of changes to the Russian taxation system effective from 1 January 2025, including an increase in the statutory income tax rate from 20% to 25% and a new federal investment income tax credit. Accordingly, deferred tax assets and liabilities of the Group entities in Russia at 31 December 2024 were remeasured at 25% income tax rate, and an increase in net deferred tax liabilities in the amount of USD30 million was recognised within deferred tax expense.

In 2024 and 2023 tax effect of other permanent differences was mainly represented by an income tax rate credit applicable to the Group's subsidiaries (in 2022: was mainly represented by an income tax rate credit applicable to a Group's subsidiary and was partially offset, in approximately equal parts, by non-deductible expenses of Group`s foreign subsidiaries and non-deductible loss on disposal of investments in subsidiaries in the total amount of USD100 million).

The corporate income tax rates in other countries where the Group has a taxable presence vary from 0% to 30%.

Deferred tax balances

	At 31 December 2023	Recognised in income statement	Recognised in other comprehensive income	Effect of translation to presentation currency	At 31 December 2024
Property, plant and equipment, right-of use assets	**613**	449	–	(97)	**965**
Inventories	**(109)**	(56)	–	10	**(155)**
Trade and other receivables	**(33)**	(30)	–	4	**(59)**
Decommissioning obligations	**(83)**	(89)	–	16	**(156)**
Other provisions	**(46)**	(30)	–	5	**(71)**
Loans and borrowings, trade and other payables, lease liabilities	**(526)**	26	–	58	**(442)**
Other assets	**36**	5	–	(2)	**39**
Other liabilities	**48**	31	(1)	(5)	**73**
Tax loss carry-forwards	**(93)**	(57)	–	9	**(141)**
Net deferred tax (assets)/ liabilities	**(193)**	**249**	**(1)**	**(2)**	**53**

	At 31 December 2022	Recognised in income statement	Recognised in other comprehensive income	Disposed on disposal of subsidiaries	Effect of translation to presentation currency	At 31 December 2023
Property, plant and equipment right-of use assets	**593**	170	–	(3)	(147)	**613**
Inventories	**(203)**	94	–	9	(9)	**(109)**
Trade and other receivables	**(4)**	(91)	–	–	62	**(33)**
Decommissioning obligations	**(101)**	(5)	–	–	23	**(83)**
Environmental provisions	**(3)**	2	–	–	1	**–**
Other provisions	**(58)**	–	–	–	12	**(46)**
Loans and borrowings, trade and other payables, lease liabilities	**(117)**	(491)	–	–	82	**(526)**
Other assets	**24**	6	–	3	3	**36**
Other liabilities	**59**	7	(8)	–	(10)	**48**
Tax loss carry-forwards	**(115)**	6	–	–	16	**(93)**
Net deferred tax liabilities/ (assets)	**75**	**(302)**	**(8)**	**9**	**33**	**(193)**

	At 1 January 2022	Recognised in income statement	Recognised in other comprehensive income	Disposed on disposal of subsidiaries	Effect of translation to presentation currency	At 31 December 2022
Property, plant and equipment right-of use assets	**490**	110	–	(15)	8	**593**
Inventories	**(174)**	15	–	–	(44)	**(203)**
Trade and other receivables	**3**	(28)	–	–	21	**(4)**
Decommissioning obligations	**(115)**	16	–	–	(2)	**(101)**
Environmental provisions	**(6)**	5	–	–	(2)	**(3)**
Other provisions	**(89)**	30	–	–	1	**(58)**
Loans and borrowings, trade and other payables, lease liabilities	**(145)**	58	–	21	(51)	**(117)**
Other assets	**15**	8	–	–	1	**24**
Other liabilities	**33**	24	7	(5)	–	**59**
Tax loss carry-forwards	**(106)**	(19)	–	(1)	11	**(115)**
Net deferred tax (assets)/ liabilities	**(94)**	**219**	**7**	**–**	**(57)**	**75**

Accounting for foreign exchange differences for tax purposes due to changes in legislation is disclosed in Note 32.

At 31 December 2024, 2023 and 2022 deferred tax assets and liabilities are offset only to the extent they relate to the same legal entity within the Group following the expiry of the agreement on the consolidated taxpayers group on 1 January 2023.

Unrecognised deferred tax assets

Deferred tax assets that have not been recognised were as follows:

	At 31 December		
	2022	2023	2024
Deductible temporary differences	150	144	223
Tax loss carry-forwards	124	93	118
Total	**274**	**237**	**341**

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

At 31 December 2022, a deferred tax asset of USD38 million related to tax losses of previous years on disposal of shares of OJSC “Third Generation Company of the Wholesale Electricity Market” was not recognised as it had occurred before the Company joined the consolidated taxpayers group. As the agreement that established the consolidated taxpayers group expired on 1 January 2023 and taking into account an assessment of the probability for recovery of the above deferred tax asset considering the conditions stipulated by Federal Law No. 420-FZ dated 28 December 2013, this asset was recognised in full in 2023. At 31 December 2024, the specified deferred tax asset was fully utilised.

At 31 December 2024 unrecognised deferred tax assets in the amount of USD118 million related to other tax loss carry-forwards may be carried forward indefintely without expiry due to specific rules stated by art. 283 “Carry-Forward Of Losses” of the Tax code of the Russian Federation (31 December 2023: USD93 million and 31 December 2022: USD86 million).

At 31 December 2024, the Group did not recognise a deferred tax liability in respect of taxable temporary differences of USD4,000 million (31 December 2023: USD3,382 million and 31 December 2022: USD6,611 million) associated with investments in subsidiaries, because management believes that it is able to control the timing of reversal of such differences and does not expect their reversal in foreseeable future.

14. Property, plant and equipment

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Cost						
Balance at 1 January 2022	**10,491**	**3,436**	**4,235**	**252**	**2,582**	**20,996**
Additions	1,703	–	–	–	2,756	**4,459**
Transfers	–	437	787	160	(1,384)	–
Change in decommissioning provision	(34)	(27)	–	–	–	**(61)**
Additions of right-of-use assets and remeasurement of the lease liability	–	125	27	15	–	**167**
Disposals	(87)	(79)	(179)	(11)	(22)	**(378)**
Other	21	4	16	(28)	(13)	–
Effect of translation to presentation currency	410	140	135	6	129	**820**
Balance at 31 December 2022	**12,504**	**4,036**	**5,021**	**394**	**4,048**	**26,003**
Additions	1,556	–	–	–	2,102	**3,658**
Transfers	–	376	484	98	(958)	–
Change in decommissioning provision	(140)	17	–	–	–	**(123)**
Additions of right-of-use assets and remeasurement of the lease liability	–	368	27	10	–	**405**
Disposals	(99)	(22)	(142)	(8)	(23)	**(294)**
Other	(1)	14	14	(42)	12	**(3)**
Effect of translation to presentation currency	(2,796)	(894)	(1,025)	(91)	(913)	**(5,719)**

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Balance at 31 December 2023	**11,024**	**3,895**	**4,379**	**361**	**4,268**	**23,927**
Additions	1,298	–	–	–	2,035	**3,333**
Transfers	–	380	589	56	(1,025)	–
Change in decommissioning provision	(5)	280	–	–	–	**275**
Additions of right-of-use assets and remeasurement of the lease liability	–	14	27	6	–	**47**
Disposals	(72)	(31)	(78)	(53)	(88)	**(322)**
Other	(9)	12	(2)	(22)	14	**(7)**
Effect of translation to presentation currency	(1,396)	(496)	(501)	(39)	(618)	**(3,050)**
Balance at 31 December 2024	**10,840**	**4,054**	**4,414**	**309**	**4,586**	**24,203**

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Accumulated depreciation and impairment						
Balance at 1 January 2022	**(3,806)**	**(1,719)**	**(2,510)**	**(130)**	**(132)**	**(8,297)**
Charge for the year	(582)	(183)	(424)	(48)	–	**(1,237)**
Disposals	77	65	91	7	9	**249**
Impairment loss, net	(50)	(17)	(12)	2	(13)	**(90)**
Other	(2)	(2)	(5)	7	–	**(2)**
Effect of translation to presentation currency	(172)	(93)	(91)	(4)	(2)	**(362)**
Balance at 31 December 2022	**(4,535)**	**(1,949)**	**(2,951)**	**(166)**	**(138)**	**(9,739)**
Charge for the year	(498)	(214)	(390)	(65)	–	**(1,167)**

	Mining assets and mine development cost	Non-mining assets and right-of-use assets: Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Capital construction-in-progress	Total
Disposals	90	19	107	8	19	**243**
Impairment loss, net	(48)	(22)	(46)	(1)	(60)	**(177)**
Other	1	–	(3)	3	–	**1**
Effect of translation to presentation currency	1,002	418	604	38	31	**2,093**
Balance at 31 December 2023	**(3,988)**	**(1,748)**	**(2,679)**	**(183)**	**(148)**	**(8,746)**
Charge for the year	(480)	(252)	(391)	(70)	–	**(1,193)**
Disposals	66	22	75	51	79	**293**
Impairment loss, net	(52)	(4)	(15)	–	(352)	**(423)**
Other	1	(6)	–	3	5	**3**
Effect of translation to presentation currency	510	218	312	23	61	**1,124**
Balance at 31 December 2024	**(3,943)**	**(1,770)**	**(2,698)**	**(176)**	**(355)**	**(8,942)**
Carrying value						
At 31 December 2022	7,969	2,087	2,070	228	3,910	16,264
At 31 December 2023	7,036	2,147	1,700	178	4,120	15,181
At 31 December 2024	6,897	2,284	1,716	133	4,231	15,261

Capitalised borrowing costs for the year ended 31 December 2024 amounted to USD 815 million (for the year ended 31 December 2023: USD439 million and for the year ended 31 December 2022: USD277 million). The capitalisation rate used to determine the amount of borrowing costs was 12.36% per annum for the year ended 31 December 2024 (for the year ended 31 December 2023: 7.26% and for the year ended 31 December 2022: 5.05%).

At 31 December 2024 mining assets and mine development cost included USD3,159 million of mining assets under development (31 December 2023: USD3,097 million and 31 December 2022: USD3,738 million).

At 31 December 2024 non-mining assets included USD25 million of investment property (31 December 2023: USD29 million and 31 December 2022: USD39 million).

Impairment

At 31 December 2024, 2023 and 2022, the Group performed impairment analysis of its assets and did not identify any indicators of economic impairment of assets, except as described below.

During the year ended 31 December 2024, the Group announced reconfiguration of production facilities in Norilsk after 2027. As a result, the Group revised the baseline scenario for the copper production chain configuration as well as recoverable amounts of certain capital construction-in-progress assets and recognised an impairment loss of USD311 million in respect of certain individual assets in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2024. During the year ended 31 December 2024, the Group also recognised an increase of decommissioning provision relating to the above-mentioned reconfiguration (Note 26).

In 2020 a federal law set a 3.5 times increase of mineral extraction tax on the types of ores mined by the Group. The Group assessed this change in the tax legislation as an indicator for impairment of its ore mining and processing operation on the Kola Peninsula. The recoverable amount of this cash-generating unit (CGU) was determined based on the value-in-use calculations. As a result, these ore mining and processing assets in the amount of USD264 million were fully impaired at 31 December 2020.

Since 2021 the Group developed and continues to implement optimisation plans in order to increase ore mining and processing operations' cash flows and mitigate the negative impact of higher mineral extraction tax.

In April 2023, the Group announced reconfiguration of its mining operations on the Kola peninsula in order to increase efficiency and accelerate the development of mining capacities, as well as termination of a certain outdated mining facility till the end of 2024. As a result, in 2023 the Group revised the amount of the decommissioning obligations and recognised an increase in the provisions for the reconfiguration of mining facilities (included in Other provisions – See Note 26).

At 31 December 2024, 2023 and 2022, the Group did not identify indicators of an increase of the recoverable amount of this CGU. For the year ended 31 December 2024 the Group recognised further impairment of additions to property, plant and equipment in the amount of USD68 million and to intangible assets in the amount of USD2 million within Impairment of non-financial assets in the disclosed consolidated income statement (for the year ended 31 December 2023: USD28 million and for the year ended 31 December 2022: USD2 million).

The most significant estimates and assumptions used in determination of value in use at 31 December 2024, 2023 and 2022 were as follows:

- Future cash flows were projected based on budgeted amounts, taking into account actual results for the previous years. Forecasts were assessed up to 2048 for the purposes of the analysis as at 31 December 2024 (to 2048 and 2047 for the purposes of the analysis as at31 December

2023 and 2022, respectively). Measurements were performed based on discounted cash flows expected to be generated by a separate cash-generating unit;

- Management used adjusted commodities prices for copper-nickel concentrate price forecast. Prices adjustments were made based on current contract terms;
- Production information was primarily based on internal production reports available at the date of impairment test and management's assumptions regarding future production levels;
- Inflation indices and foreign currency trends are in general consistent with external sources of information. At 31 December 2024, forecast inflation rate was within 3.1-4.2% (31 December 2023: 2.1-5.1% and 31 December 2022: 2.5-6.9%), USD/RUB exchange rates were within the range of 102.0-141.9 (31 December 2023: 92.00-114.76 and 31 December 2022: 76.68-89.79);
- A pre-tax nominal discount rate of 27.3% at 31 December 2024 (31 December 2023: 22.3% and 31 December 2022: 19.1%) was calculated based on weighted average cost of capital and reflects management's estimates of the risks specific to the cash-generating unit.

During the year ended 31 December 2023, the Group identified indicators of impairment and performed the impairment analysis of assets related to tourism and sports development projects in the regions where the Group operates. As a result, the recoverable amount of these assets was revised and the impairment loss in the amount of USD53 million was recognised in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2023. At 31 December 2024, the Group identified indicators of additional impairment of these assets and recognised USD10 million in Impairment of non-financial assets in the disclosed consolidated income statement for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group recognised impairment loss in respect of certain individual assets of property, plant and equipment in the amount of USD34 million and of intangible assets in the amount of USD16 million, respectively (for the year ended 31 December 2023: impairment loss USD98 million and for the year ended 31 December 2022: impairment loss USD88 million).

Right-of-use assets

	Buildings, facilities and infrastructure	Machinery, equipment and transport	Other	Total
Balance at 1 January 2022	**92**	**108**	**14**	**214**
Additions of right-of-use assets and remeasurement of the lease liability	125	27	15	**167**
Disposals (Note 21)	(4)	(69)	(3)	**(76)**
Depreciation	(34)	(8)	(4)	**(46)**
Effect of translation to presentation currency	(9)	(22)	(2)	**(33)**
Balance at 31 December 2022	**170**	**36**	**20**	**226**
Additions of right-of-use assets and remeasurement of the lease liability	368	27	10	**405**
Disposals	(1)	–	–	**(1)**
Impairment loss, net	(2)	–	–	**(2)**
Depreciation	(36)	(6)	(6)	**(48)**
Effect of translation to presentation currency	(74)	(8)	(5)	**(87)**
Balance at 31 December 2023	**425**	**49**	**19**	**493**
Additions of right-of-use assets and remeasurement of the lease liability	14	27	6	**47**
Disposals	(1)	–	–	**(1)**
Impairment loss, net	–	(1)	–	**(1)**
Depreciation	(35)	(7)	(6)	**(48)**
Effect of translation to presentation currency	(48)	(8)	(2)	**(58)**
Balance at 31 December 2024	**355**	**60**	**17**	**432**

15. Investments in significant subsidiaries

Subsidiaries by reportable segments	Nature of business	Effective % held 31 December 2022	31 December 2023	31 December 2024
GMK Group				
-	Gas transportation	100	100	100
-	Gas extraction	100	100	100
-	Rental of property	100	100	100
-	Repairs	100	100	100
-	Construction	100	100	100
-	Production of spare parts	100	100	100
-	Electricity production and distribution	100	100	100
GRK Bystrinskoye				
-	Geological works and construction	100	100	100
-	Ore mining and processing	50.01	50.01	50.01
South Cluster				
-	Ore mining and processing	100	100	100
Kola Division				
-	Repairs	100	100	100
-	Metallurgy	100	100	100
-	Mining and metallurgy	100	100	100
Other non-metallurgical				
-	Distribution	100	100	100
-	Distribution	100	100	100
-	Distribution	100	-	-
-	Distribution	100	100	100
-	River shipping operations	100	100	100
-	Research	100	100	100
-	Airport	100	100	100
-	Supplier of fuel	100	100	100

16. Investments in associates and joint ventures

In December 2023, the Group acquired 50% in joint venture, which is implementing a project on production of flat rolled products from stainless steel in the Russian Federation.

In September 2023, the Group cofounded joint venture with a 50% interest. The company engages in geological survey, exploration and production of hydrocarbons in the Russian Federation.

In July 2022, the Group cofounded joint venture with a 50% interest. The company develops a lithium ore deposit in the Russian Federation.

The carrying amount of investments in associates and joint ventures is presented in the table below:

	Investments in joint ventures in the field of: Stainless steel products	Lithium ore development	Oil and gas	Investments in associates	Total
At 1 January 2022	–	–	–	**17**	**17**
Investments in associates and joint ventures	–	–	–	12	**12**
Share of losses of associates and joint ventures	–	–	–	(17)	**(17)**
Disposals	–	–	–	(8)	**(8)**
Effect of translation to presentation currency	–	–	–	4	**4**
At 31 December 2022	–	–	–	**8**	**8**
Investments in associates and joint ventures	55	15	1	–	**71**
Share of losses of associates and joint ventures	–	–	–	(1)	**(1)**
Effect of translation to presentation currency	–	–	–	(2)	**(2)**
At 31 December 2023	**55**	**15**	**1**	**5**	**76**
Investments in associates and joint ventures	37	8	86	–	**131**
Share of losses of associates and joint ventures	(4)	(1)	(1)	–	**(6)**
Effect of translation to presentation currency	(8)	(2)	(9)	(1)	**(20)**
At 31 December 2024	**80**	**20**	**77**	**4**	**181**

At 31 December 2024 the Group's share in contractual capital commitments of the Group`s joint ventures amounted to USD155 million (at 31 December 2023: USD242 million).

17. Other taxes

	At 31 December		
	2022	2023	2024
Taxes receivable			
Value added tax recoverable	584	392	299
Advance payments of other taxes	10	17	34
	594	409	333
Less: impairment of value added tax recoverable	(8)	(5)	(5)
Other taxes receivable and other taxes payable subject to offset on a unified taxpayer account	(109)	(60)	(36)
Other taxes receivable	**477**	**344**	**292**
Taxes payable			
Social security contributions	135	96	66
Value added tax	112	82	91
Mineral extraction tax	78	67	59
Property tax	18	20	18
Other	105	67	46
Other taxes receivable and other taxes payable subject to offset on a unified taxpayer account	(109)	(60)	(36)
Other taxes payable	**339**	**272**	**244**

Each subsidiary of the Group in the Russian Federation calculates the amount of a single tax payment payable to the budget taking into account the offset of taxes receivable and taxes payable. Other taxes receivable and other taxes payable are presented on a net basis for each Russian subsidiary of the Group in the disclosed consolidated statement of financial position. Income tax payable or income tax receivable of each subsidiary of the Group are presented separately in the disclosed consolidated statement of financial position in accordance with IFRS.

Taxes receivable and taxes payable including income tax after offset on a unified taxpayer account of each subsidiary of the Group registered in the Russian Federation, are presented below.

	At 31 December		
	2022	2023	2024
Other taxes receivable	**477**	**344**	**292**
Income tax receivable	**17**	**101**	**38**
Income tax and taxes other than income tax subject to offset on a unified taxpayer account	(9)	(42)	(48)
Taxes receivable (including income tax) after offset of taxes payable on a unified taxpayer account	**485**	**403**	**282**
Other taxes payable	**339**	**272**	**244**
Income tax payable	**169**	**7**	**49**
Income tax and taxes other than income tax subject to offset on a unified taxpayer account	(9)	(42)	(48)
Taxes payable (including income tax) after offset of taxes receivable on a unified taxpayer account	**499**	**237**	**245**

18. Inventories

	At 31 December		
	2022	2023	2024
Work-in-process and semi-products	1,870	1,640	1,312
Refined metals and other metal products	1,967	1,194	1,027
Less: allowance to net realisable value for finished goods and work-in-process	(81)	(79)	(69)
Total metal inventories	3,756	2,755	2,270
Materials and supplies	1,257	1,123	903
Less: allowance for obsolete and slow-moving items	(68)	(61)	(59)
Materials and supplies, net	1,189	1,062	844
Inventories	**4,945**	**3,817**	**3,114**

At 31 December 2024 a part of the metal semi-product stock in the amount of USD169 million net of impairment in the amount of USD100 million was presented in other non-current assets in line with the Group's production plans (31 December 2023: USD183 million net of impairment of USD101 million and 31 December 2022: USD163 million net of impairment of USD92 million).

At 31 December 2024 the Group recognised an allowance to net realisable value in respect of metal by-products in stock in the amount of USD21 million (31 December 2023: USD17 million and 31 December 2022: none).

19. Trade and other receivables

	At 31 December		
	2022	2023	2024
Trade receivables	675	666	1,305
Other receivables	250	207	167
	925	873	1,472
Less: allowance for expected credit losses	(79)	(109)	(98)
Trade and other receivables, net	**846**	**764**	**1,374**

In 2024, 2023 and 2022, the average credit period on metal sales varied from 0 to 30 days. At 31 December 2024 the credit period of trade accounts receivable was up to 90 days. Trade receivables are generally non-interest bearing.

At 31 December 2024 trade and other receivables include USD1,168 million of accounts receivable measured at fair value through profit or loss, Level 2 of fair value hierarchy (31 December 2023: USD500 million and 31 December 2022: USD563 million). The fair value is measured using the forward market price at the reporting date corresponding to the quotation period specified in the contract.

At 31 December 2024, 2023 and 2022 there were no material trade accounts receivable which were overdue or individually determined to be impaired.

The average credit period on sales of other products and services for the year ended 31 December 2024 was 36 days (for the year ended 31 December 2023: 37 days and for the year ended 31 December 2022: 39 days). No interest was charged on these receivables.

At 31 December 2024 debtors with a carrying value of USD31 million (31 December 2023: USD31 million and 31 December 2022: USD65 million), were included in the Group's other receivables that were past due but not impaired. Management of the Group believes that these amounts are recoverable in full.

The Group did not hold any collateral for accounts receivable balances.

Ageing of other receivables past due but not impaired was as follows:

	At 31 December		
	2022	2023	2024
Less than 180 days	54	26	27
180-365 days	11	5	4
	65	**31**	**31**

Movement in the allowance for expected credit losses was as follows:

	At 31 December		
	2022	2023	2024
Balance at the beginning of the year	**48**	**79**	**109**
Change in allowance	22	54	12
Accounts receivable written-off	(2)	(1)	(9)
Effect of translation to presentation currency	11	(23)	(14)
Balance at the end of the year	**79**	**109**	**98**

During the year ended 31 December 2024, the Group recognised allowance for expected credit losses under certain contracts with foreign equipment suppliers for the total amount of USD20 million due to low probability of recovery caused by the failure of suppliers and/or guarantor banks to meet their obligations (during the year ended 31 December 2023: USD37 million and during the year ended 31 December 2022: USD35 million).

20. Cash and cash equivalents

	At 31 December		
	2022	2023	2024
Current accounts			
RUB	266	71	56
USD	591	659	354
CNY	209	653	510
EUR	53	133	100
other	17	45	52
Bank deposits			
RUB	74	134	525
USD	584	283	16
CNY	57	102	181
other	–	48	–
Other cash and cash equivalents			
RUB	3	2	4
USD	28	5	2
CNY	–	4	19
other	–	–	3
Total	**1,882**	**2,139**	**1,822**

21. Disposal of subsidiaries and foreign joint operations

On 6 July 2023, the Group sold its interest in the trading subsidiary Norilsk Nickel USA, Inc. for a consideration in the amount of USD8 million. The net assets of the disposed subsidiary in the amount of USD44 million at the date of disposal primarily included refined metals stock recognised at production cost in the amount of USD29 million, as well as other assets in the amount of USD15 million. Income from disposal in the amount of USD30 million was recognised in Gain/(loss) from disposal of subsidiaries in the disclosed consolidated income statement, including the recognition of receivables for the supply of refined metals from Norilsk Nickel USA, Inc. in the amount of USD66 million. Net cash inflow from disposal of the subsidiary was recognised in the disclosed consolidated statement of cash flows.

On 25 March 2022, the Group sold its interest in the subsidiary JSC "AK "Nordstar" engaged in transportation services for a consideration of RUB1 million (USD0.02 million) resulting in a net cash outflow from disposal of the subsidiary recognised in the disclosed consolidated statement of cash flows in the line Net cash (outflow)/inflow from disposal of subsidiaries. Loss on disposal in the amount of USD110 million was recognised in the disclosed consolidated income statement for the year ended 31 December 2022.

22. Share capital and dividends

Authorised and issued ordinary shares

At 31 December 2024 the number of the Group's authorised and issued shares amounts to 15,286,339,700 (31 December 2023 and 2022: 152,863,397 taking into account cancellation occurred in October 2022).

In December 2023, an extraordinary General meeting of shareholders of the Company decided to implement a 100-for-1 split of the Company's ordinary shares in order to increase their attractiveness to investors and their liquidity on the Moscow Stock Exchange.

The split of shares was completed on 4 April 2024. As a result of the split, one share with a nominal value of 1 rouble was split into 100 shares of the same category with a nominal value of 1/100 of a rouble (1 kopeck) each.

On 11 August 2022, the extraordinary General meeting of shareholders of the Company decided to reduce the Company's share capital by cancelling 791,227 ordinary shares. The state registration of the amendments to the Company's Charter related to the reduction of the Company's share capital was carried out on 17 October 2022. The cancellation of treasury shares was recognised in the disclosed consolidated statement of changes in equity for the year ended 31 December 2022.

Earnings per share

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024
	Not adjusted for split	Adjusted for split	Not adjusted for split	Adjusted for split	
Basic and diluted earnings per share (US Dollars per share):	35.705	0.357	15.596	0.156	0.086

The earnings and weighted average number of outstanding shares used in the calculation of basic and diluted earnings per share are as follows:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
Profit for the period attributable to shareholders of the parent company (USD mln)	5 458	2 384	1 313

Weighted average number of shares outstanding

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024
	Adjusted for split	Not adjusted for split	Adjusted for split	Not adjusted for split	
Shares outstanding at 1 January	15,286,339,700	152,863,397	15,286,339,700	152,863,397	15,286,339,700
Shares outstanding at 31 December	15,286,339,700	152,863,397	15,286,339,700	152,863,397	15,286,339,700
Weighted average number of issued ordinary shares	**15,286,339,700**	**152,863,397**	**15,286,339,700**	**152,863,397**	**15,286,339,700**

The number of authorised and issued shares has been adjusted for a proportional change in their number, as if the split of shares had been completed at the beginning of the earliest period presented.

American Depositary Receipts (ADRs)

On 28 April 2023 the term of permission of the Government Commission for the Control of Foreign Investments in the Russian Federation to continue trading of ADRs certifying the rights to the Company's shares outside the Russian Federation lapsed. In accordance with clause 5 of Article 6 of Federal Law No. 114-FZ On Amendments to the Federal Law On Joint-Stock Companies and Certain Legislative Acts of the Russian Federation dated 16 April 2022, starting that date the Company's shares, which remain accounted for on depo accounts of depository programs are not vested with voting rights for holders, not considered for counting votes and no dividends are paid on them. ADR holders retain the right to surrender their ADRs in exchange for obtaining the Company's shares. At the same time, the foreign issuing bank closed the conversion of ADRs into Company's shares with the date of opening currently being unknown. In accordance with the procedure established by the Federal Law "On Joint Stock Companies" for the unclaimed dividends, they may be claimed by those who were ADR holders as of 28 April 2023 and who received the Company's shares upon conversion of the ADRs belonging to them. Accordingly, dividends declared but not remitted to holders of ADRs remain on demand by recipients and are presented as dividends payable in the disclosed consolidated statement of financial position, as described below.

On 23 May 2023, the ADRs were removed from the list of securities admitted to trading on the London Stock Exchange. According to the latest information available to the Group, the percentage of Company`s shares remaining on depo accounts of depository programs was 5.27% of the share capital of the Company as at 7 October 2024.

Dividends

Dividends declared and paid in Russian roubles were translated to US dollars using prevailing RUB/USD rates at the declaration date and payment date, respectively, as presented in the table below.

		Dividends declared			Dividends paid		Receipt of dividends not remitted to shareholders and ADR holders
Dividends for the period	Declaration period	Per share RUB	Per share USD	Total USD million	Payment period	Total USD million	Total USD million
9 months 2023	December 2023	915.33	9.87	1,508	January February 2024	1,480	16
Annual 2021	June 2022	1,166.22	18.94	2,895	June 2022	3,146	544
9 months 2021	December 2021	1,523.17	20.81	3,181	January 2022	3,050	–

Dividends declared per share in the table above are shown without taking into account the effect of the split of shares.

Dividends on demand by recipients are presented in the table below:

	At 31 December		
	2022	2023	2024
Dividends on demand by recipients declared for the period:			
9 months 2023	–	1,560	108
12 months 2021	460	359	315
other periods	36	5	3
Total dividends payable	**496**	**1,924**	**425**

At 31 December 2024, dividends for 9 months 2023 were not remitted primarily to holders of ADRs on the basis of Article 6 of Federal Law No. 114-FZ dated 16 April 2022 On Amendments to the Federal Law “On Joint-Stock Companies” and certain legislative acts of the Russian Federation.

At 31 December 2024, 2023 and 2022, annual dividends for 2021 were not remitted primarily to holders of ADRs due to restrictions placed by the Decree the President of the Russian Federation No. 95 at 5 March 2022 and the decision of the Board of Directors of the Central Bank of the Russian Federation at 10 June 2022.

23. Non-controlling interest

At 31 December 2024, 2023 and 2022 aggregated financial information relating to the subsidiary, LLC “GRK “Bystrinskoye”, that has material non-controlling interest, before any intra-group eliminations, is presented below:

	At 31 December		
	2022	2023	2024
Non-current assets	1,268	981	886
Current assets	1,774	1,537	2,310
Non-current liabilities	(88)	(72)	(120)
Current liabilities	(86)	(68)	(753)
Net assets	2,868	2,378	2,323
Net assets attributable to non-controlling interest	**1,434**	**1,189**	**1,162**

	For the year ended 31 December		
	2022	2023	2024
Net profit for the year	793	971	1,001
Other comprehensive (loss)/income for the year	90	(494)	(328)
Total comprehensive income for the year	883	477	673
Profit attributable to non-controlling interest	396	486	500
Other comprehensive (loss)/income attributable to non-controlling interest	**45**	**(247)**	**(164)**

	For the year ended 31 December		
	2022	2023	2024
Cash flows from operating activities	783	737	849
Cash flows (used in)/from investing activities	(650)	310	(996)
Cash flows used in financing activities	(177)	(977)	–
Net (decrease)/increase in cash and cash equivalents	**(44)**	**70**	**(147)**

24. Loans and borrowings

	Currency	Fixed or floating interest rate	Average nominal % rate During the year ended 31 December 2022	2023	2024	Maturity	At 31 December 2022	2023	2024
Unsecured loans									
Loan agreements with contractual maturity of less than 12 months	RUB	floating	12.67%	11.14%	17.80%	2025	995	1,226	503
	RUB	fixed	–	12.00%	–	2024	–	3	–
Loan agreements with contractual maturity of more than 12 months	USD	floating	3.17%	6.44%	6.75%	2025-2028	5,055	2,679	571
	RUB	floating	13.3%	11.92%	19.40%	2026-2028	697	1,558	3,735
	EUR	floating	0.99%	4.14%	4.63%	2025-2028	19	17	13
	CNY	floating	–	–	11.40%	2027	–	–	144
Total loans							6,766	5,483	4,966
Bonds	USD	fixed	3.38%	2.98%	2.68%	2025-2026	2,743	1,746	998
	CNY	floating	3.75%	3.69%	3.52%	2025	703	700	660
	CNY	fixed	3.95%	3.95%	3.95%	2025	562	560	528
	RUB	fixed	8.48%	8.48%	9.75%	2025	710	556	245
	RUB	floating	–	12.41%	19.07%	2028-2029	–	667	2,549
Total bonds							4,718	4,229	4,980
Total							**11,484**	**9,712**	**9,946**
Less: current portion due within twelve months							(4,295)	(4,335)	(2,834)
Non-current loans and borrowings							**7,189**	**5,377**	**7,112**

The Group is obliged to comply with a number of restrictive financial and other covenants, including maintaining certain financial ratios and restrictions on pledging and disposal of certain assets. At 31 December 2024, 2023 and 2022 the Group fulfills its obligations on loans and borrowings in accordance with loans and bonds transactional documentation. The Group confirms its intentions to fulfill its obligations on loans and borrowings in full on time and comply with covenants and does not expect their violation for at least 12 months after the reporting date.

At 31 December 2024, 2023 and 2022 loans and borrowings were not secured by any collateral.

In 2022 – 2024 all loans were raised on market terms existing at the drawdown dates reflecting such factors as the currency of the debt, expected maturities, changes in the key rate and credit risks inherent to the Group. The Group did not use collateral and did not assume any financial obligations to lenders other than servicing the debt.

During the year ended 31 December 2024 the Group received a floating rate rouble loan from an unrelated party in the amount of USD2,504 million (at the USD/RUB exchange rate effective as of drawdown date) with maturity in 2028. In 2023 the Group received floating rate rouble loans from unrelated parties in the amounts of USD1,699 million and USD1,092 million (at the USD/RUB exchange rates effective as of drawdown dates) with maturity in 2028 and 2024, respectively. The lenders can use various instruments to fund their own activities, including issuing bonds to an unlimited range of qualified investors.

In October and March 2024, the Group issued two rouble-denominated exchange-traded bonds on the Moscow Exchange (MOEX) in the amounts of USD1,041 million and USD1,078 million at the USD/RUB exchange rates effective as of the issuance dates.

In May 2023 the Group issued rouble-denominated exchange-traded bonds on the Moscow Exchange (MOEX) in the amount of USD748 million at the USD/RUB exchange rates effective as of the issuance date.

In accordance with the requirements of Presidential Decree No. 430 dated 5 July 2022 (as amended on 22 May 2023) "On repatriation of foreign and Russian currency by the residents who participate in international economic activity", on 20 and 22 December 2023 the Company placed two issues of replacement bonds, which were paid for on issue by transfer of Eurobonds or in cash with proceeds intended for the purchase of Eurobonds. Replacement bonds were placed in the amount of USD316 million and USD338 million in respect of Eurobond issues maturing in 2025 and 2026, respectively. The coupon rate, payment schedule, currency and maturity of the replacement bonds are identical to the Eurobond issues in respect of which they were placed. The amount of the Group's debt as a result of the placement of replacement bonds has not changed.

25. Lease liabilities

Currency	Average borrowing rate during the year ended 31 December, % 2022	2023	2024	Maturity	At 31 December 2022	2023	2024
Lease liabilities							
RUB	9.52%	10.07%	11.33%	2025-2071	210	496	443
USD	2.81%	3.37%	4.25%	2026-2033	12	13	11
EUR	6.88%	6.80%	6.95%	2025-2050	11	11	8
Total lease liabilities					233	520	462
Less: current portion of lease liabilities					(43)	(54)	(81)
Non-current lease liabilities					**190**	**466**	**381**

At 31 December 2024 lease liabilities with original term of lease payments in excess of 15 years amounted to USD67 million (31 December 2023: USD85 million and 31 December 2022: USD67 million).

In May 2023, the Group received the railway infrastructure in Norilsk region for free use for a period of 49 years under the agreement with the Federal Property Management Agency with a corresponding obligation to incur expenditure in order to comply with the regulatory requirements for non-public railways in the Russian Federation. The Group recognised this agreement in accordance with IFRS 16 Leases, therefore, the Group recognised a liability at the discounted value of cash outflows in the amount of USD322 million and a corresponding right-of-use asset.

26. Provisions

	Decommissioning	Environmental	Tax	Other	Total
Balance at 1 January 2022	**768**	**259**	**4**	**9**	**1,040**
Accruals	–	–	7	8	**15**
Utilization	(32)	(18)	(4)	(4)	**(58)**
Change in estimates	(36)	93	(4)	(7)	**46**
Unwinding of discount	73	29	–	–	**102**
Effect of translation to presentation currency	(37)	(13)	1	–	**(49)**
Balance at 31 December 2022	**736**	**350**	**4**	**6**	**1,096**
Accruals	–	–	2	14	**16**
Utilisation	(50)	(8)	(1)	(6)	**(65)**
Change in estimates	(75)	(32)	(1)	(3)	**(111)**
Unwinding of discount	49	29	–	–	**78**
Effect of translation to presentation currency	(154)	(79)	–	(2)	**(235)**
Balance at 31 December 2023	**506**	**260**	**4**	**9**	**779**
Accruals	284	25	6	74	**389**
Utilisation	(48)	(15)	(1)	(3)	**(67)**
Change in estimate	(4)	(22)	–	(4)	**(30)**
Unwinding of discount	68	36	–	–	**104**
Effect of translation to presentation currency	(87)	(32)	(1)	(1)	**(121)**
Balance at 31 December 2024	**719**	**252**	**8**	**75**	**1,054**
including the current portion:					
At 31 December 2022	146	24	4	6	180
At 31 December 2023	61	16	4	9	90
At 31 December 2024	73	17	8	75	173

Fuel spill in Norilsk

On 29 May 2020 an incident occurred at the site of heat and power plant No. 3 (HPP-3) in the Kayerkan neighbourhood of Norilsk: diesel fuel storage reservoir was damaged through sudden failure of support posts, which resulted in approximately 21.2 kt of diesel fuel leakage. According to the Group's assessment, the incident was caused by defects in design and construction as well as by unusually hot weather, which led to thawing of permafrost resulting in sinking of support posts.

The incident resulted in contamination of nearby water bodies and land in the area of leakage as well as damage to biological resources. The main stage of clean-up works following the incident was completed in 2020. As at the reporting date the Group has mainly settled its liabilities with respect to compensation of damages to water bodies, soil, wildlife and broader environment. The Group's liabilities with respect to compensation of damages to aquatic bioresources are described below.

On 29 July 2021, Yenisei territorial administration of the Federal Agency for Fishery (Rosrybolovstvo) filed a lawsuit for compensation of damages to aquatic bioresources for the total amount of RUB58.65 billion (USD810 million).

On 3 September 2021 during the court hearing, the parties agreed to proceed with the dispute settlement by negotiating an amicable agreement, which would include compensation in kind of the damage caused to aquatic life by artificially reproducing the affected fish species and releasing the fry to the water bodies.

Subsequently on 15 April 2022 the amount of claims was increased by the Federal Agency for Fishery to RUB58.96 billion (USD725 million).

On 22 July 2022, the court confirmed the amicable agreement between the parties. In accordance with the terms of the agreement the Group's subsidiary will fully compensate damage to aquatic bioresources in kind by releasing the fry of different fish species (sturgeon, muksun, broad whitefish, vendace and nelma) to the water bodies of the Norilo-Pyasinskoe lake and river system damaged by the incident in years 2033-2050. Before 2033, the Group's subsidiary plans annual early release of the fry of the Siberian sturgeon to the Yenisei river starting 2023.

In addition, in order to ensure scientific support of recovery measures the Group 's subsidiary will provide financing of scientific research from 2023 to 2051 by Russian Federal Research Institute of Fisheries and Oceanography (VNIRO) with respect to assessment of the water bioresources conditions and their environment.

The key assumptions for determining the estimation of liabilities under the amicable agreement inherently contain a high degree of uncertainty, primarily due to the following: fishery research results, the cost of construction and operation of fish-breeding infrastructure, the costs of operation at the water bodies of the Norilo-Pyasinskoe lake and river system, the future fry purchase prices for aquatic bioresources, the possibility of achieving stable recovery of the population of the reproduced water bioresources, macroeconomic assumptions (including applicable inflation rates and risk-free rates), and the material effect of the discount factor for longer terms.

On 2 December 2022, the Russian Supreme Court received a cassation appeal from the Prosecutor General's Office against judgements of lower instance courts that upheld and confirmed the legitimacy of an amicable agreement between the Federal Agency for Fishery (Rosrybolovstvo), the Group's subsidiary and Russian Federal Research Institute of Fisheries and Oceanography (VNIRO) in a lawsuit initiated by Rosrybolovstvo.
On 30 January 2023, a judge of the Supreme Court ruled to reject the submission of the cassation appeal of the Prosecutor General's Office for a court hearing by the Judicial Chamber for Economic Disputes of the Supreme Court.
On 13 March 2023, the Deputy Chairman of the Supreme Court of the Russian Federation considered

a complaint filed by the Prosecutor General's Office of the Russian Federation on 6 February 2023 and upheld the earlier ruling of the Supreme Court of the Russian Federation.

At 31 December 2024, 2023 and 2022 the total discounted amount of the provision in relation to the diesel fuel spill at HPP-3 in Norilsk was recognised in the environmental provision in the disclosed consolidated statement of financial position.

The amount of the provision is subject to a high degree of uncertainty and will be adjusted in the future reporting periods as new facts and circumstances arise, including the reassessment of forecast cost for environment remediation, changes in macroeconomic and other factors. However, to the best of its knowledge and in accordance with the requirements of law the Group does not expect new significant claims to be filed with respect to the HPP-3 fuel spill in the future periods.

During the year ended 31 December 2024, the Group recognised an additional decommissioning provision in the amount of USD284 million due to the planned reconfiguration of production facilities in Norilsk after 2027 (see Note 14).

Key assumptions used in estimation of decommissioning obligations and environmental provisions were as follows:

	At 31 December		
	2022	2023	2024
Discount rates Russian entities	7.2% – 11.1%	12.0% – 12.7%	13.7% – 18.1%
Expected period of mine closure	from 2023 to 2125	from 2024 to 2125	from 2025 to 2125
Expected inflation over the period from 2025 to 2044	2.7% – 6.9%	2.3% – 6.1%	3.2%-6.9%
Expected inflation over the period from 2045 onwards	2.4% – 2.7%	2.1% – 2.2%	3.1% -3.2%

Present value of expected cost to be incurred for settlement of long-term provisions was as follows:

	At 31 December		
	2022	2023	2024
Due in years 2 – 5	412	332	472
Due in years 6 – 10	230	169	238
Due in years 11 – 15	134	84	83
Due in years 16 – 20	23	36	22
Due thereafter	117	68	66
Total	**916**	**689**	**881**

27. Social liabilities

Social liabilities of the Group include social provisions and payables relating to social commitments of the Group.

The table below represents changes in social liabilities of the Group during the year ended 31 December 2024, separately detailing changes in the provision in respect of the Comprehensive Social and Economic Development Plan for Norilsk (see the description below).

	Social liabilities	Incl. Comprehensive plan provision
Balance at 1 January 2022	**791**	**518**
Accruals of provision and payables	475	–
Utilisation and payment	(454)	(23)
Change in estimates	(68)	(14)
Unwinding of discount	78	50
Effect of translation to presentation currency	(8)	(2)
Balance at 31 December 2022	**814**	**529**
Accruals of provision and payables	267	–
Utilisation and payment	(304)	(34)
Change in estimates	(62)	(41)
Unwinding of discount	61	41
Effect of translation to presentation currency	(170)	(114)
Balance at 1 January 2024	606	381
Accruals of provision and payables (Note 11)	190	–
Utilisation and payment	(282)	(45)
Change in estimate (Note 11)	(64)	(53)
Unwinding of discount	73	48
Effect of translation to presentation currency	(60)	(40)
Balance at 31 December 2024	**463**	**291**
including the current portion:		
At 31 December 2022	201	100
At 31 December 2023	207	93
At 31 December 2024	164	80

Present value of expected cost to be incurred for settlement of long-term social provisions was as follows:

	At 31 December		
	2022	2023	2024
Due in years 2 – 5	320	188	192
Due in years 6 – 10	213	119	98
Due in years 11 – 15	77	90	8
Due in years 16 – 20	2	1	1
Due thereafter	1	1	–
Total	**613**	**399**	**299**

Carrying value of social provisions is determined based on the discounted cash flows required to settle the present obligation. The discount rate was between 15.0% to 18.1% at 31 December 2024 (31 December 2023: 12.0% and 12.7%; 31 December 2022: 7.2% and 10.5%).

In 2017–2024, the Group entered into several agreements with the governments of the regions where it operates, namely the Zabaikalsky Territory, the Krasnoyarsk Territory and the Murmansk Region. These agreements imply the Group's financial commitments in respect of the social and economic development of the regions, including the construction of social infrastructure facilities.

At 31 December 2024 the provision recognised with respect to the above-mentioned agreements in Social liabilities in the disclosed consolidated statement of financial position amounted to USD69 million (31 December 2023: USD74 million and 31 December 2022: USD67 million).

Comprehensive Social and Economic Development Plan for Norilsk

In February 2021, the Group entered into a four-party agreement with the Ministry for the Development of the Russian Far East and Arctic, the Krasnoyarsk Territory Government, and the Norilsk Municipality to implement comprehensive social and economic development programmes in Norilsk.

In December 2021, the Government of the Russian Federation approved the Comprehensive Social and Economic Development Plan for Norilsk (the "Comprehensive Plan"), which includes a schedule of mutual financial commitments of the Government of the Russian Federation, the Krasnoyarsk Territory Government, and the Group for the social and economic development of the city up to 2035. The Comprehensive Plan covers housing renovation, the overhaul and modernisation of the city's engineering and utilities infrastructure, construction, repair, reconstruction and development of social infrastructure facilities and resettlement of Norilsk and Dudinka citizens to areas with more favourable living conditions. In addition, the Comprehensive Plan provides for the preparation and subsequent update of the Norilsk development strategy setting the city as a core hub for the Taimyr development, designing the concept of regional tourism development and implementation of support programmes for small and medium-sized businesses in Norilsk. The financial commitments of the Company for 2021–2035 amount to RUB81.3 billion (USD1,094 million at the USD exchange rate at 31 December 2021).

In line with the Group's accounting policy (Note 4), in respect of the part of its obligations under the four-party agreement and the Comprehensive Plan amounting to RUB69.3 billion, the Group recognised a provision in its disclosed consolidated income statement for the year ended 31 December 2021 at the present value of cash outflows in the amount of RUB37.9 billion (USD514 million).

The remaining RUB12 billion (USD162 million at the USD exchange rate at 31 December 2021) in financial commitments under the Comprehensive plan will be recognised in the disclosed consolidated statement of financial position as part of property, plant and equipment once the expenditure is incurred.

At 31 December 2024, the Group recognised USD3 million under the Comprehensive Plan within property, plant and equipment in its disclosed consolidated statement of financial position (at 31 December 2023 and 2022: USD2 million).

In case of any changes to the nature, timing or amount of financing of particular measures stipulated by the Comprehensive Plan during its implementation, the Group will update the amount of social provisions in its disclosed consolidated financial statements accordingly.

During the year ended 31 December 2024, the Group also accrued USD7 million (for the year ended 31 December 2023: USD25 million; for the year ended 31 December 2022: USD121 million) of social provisions under various social programmes and contributions other than those referred to above.

28. Trade and other payables

	At 31 December		
	2022	2023	2024
Trade payables	614	422	370
Liabilities for acquisition of property, plant and equipment	546	561	575
Other creditors	171	206	165
Advances received under contracts with customers	50	84	99
Total	**1,381**	**1,273**	**1,209**

The contractual settlement terms of the liabilities for the purchase of the property, plant and equipment are presented below:

	At 31 December 2024	
	liabilities that are not part of supply chain finance	liabilities assigned by suppliers under supply chain finance
Due within 3 months	344	–
Due from 3 to 11 months	4	–
Due in 12 months	17	210
Total	**365**	**210**

According to the Group`s information, the amount of payables financed by financial agents matches the total amount of payables assigned in their favor at the reporting date.

29. Employee benefit obligations

Amounts recognised in the disclosed consolidated income statement in respect of employee benefits were as follows:

	For the year ended 31 December		
	2022	2023	2024
Wages and salaries	2,441	2,003	1,966
Social security costs including pension contributions to the Social Fund of the Russian Federation	633	573	549
Corporate pension plans (non-state pension fund)	11	9	10
Other employee benefits	177	198	157
Total	**3,262**	**2,783**	**2,682**

Corporate pension plans from the table above relate to defined contribution plans.

30. Related parties transactions and outstanding balances

Related parties include major shareholders and entities under their ownership and control; associates, joint ventures and joint operation, non-state pension fund, transactions with which are disclosed in Note 29, and key management personnel. The Group defines major shareholders as shareholders, which have significant influence over the Group activities. The Company and its subsidiaries, in the ordinary course of their business, enter into various sale, purchase and service transactions with related parties. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Transactions and outstanding balances are included in / excluded from the disclosure starting the date an entity has become / or ceased to be a related party, respectively.

Details of transactions between the Group and related parties are disclosed below:

	Entities under ownership and control of the Group's major shareholders			Associates, joint ventures and joint operation		
	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
Transactions with related parties						
Purchase of assets and services and other operating expenses	116	5	5	36	13	11
Sales of goods and services and other income	1	–	1	12	12	10
Repayments of loans and borrowings	800	225	–	–	–	7
Interest expense repaid	10	11	–	–	–	–
Interest expense accrued	10	11	–	–	–	–
Interest received	4	1	–	–	–	–
Interest income accrued	4	1	–	–	–	–
Proceeds from loans and borrowings	1,025	–	–	–	3	16
Fair value gain on the cross-currency interest rate swap contracts	41	–	–	–	–	–
Loans issued	–	–	–	–	30	9
Repayments of loans issued	–	–	–	–	27	9

	Entities under ownership and control of the Group's major shareholders			Associates, joint ventures and joint operation		
	At 31 December 2022	At 31 December 2023	At 31 December 2024	At 31 December 2022	At 31 December 2023	At 31 December 2024
Outstanding balances with related parties						
Accounts payable and lease liabilities	26	12	18	2	1	–
Accounts receivable	–	–	–	1	2	1
Cash and cash equivalents	258	–	–	–	–	–
Loans and borrowings	225	–	–	11	3	–
Derivatives (liabilities)	21	–	–	–	–	–

During the year ended 31 December 2024 the Group declared dividends in the amount of USD216 million to a related party, which is a non-controlling interest owner (during the year ended 31 December 2023: USD349 million; during the year ended 31 December 2022: none).

At 31 December 2022 the Group had USD42 million of guarantees received from a related party in respect of advances paid by the Group to its suppliers

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Compensation of key management personnel

Key management personnel of the Group consists of members of the Management Board and the Board of Directors. For the year ended 31 December 2024 remuneration of key management personnel of the Group including salary and performance bonuses amounted to USD72 million out of which long-term remuneration amounted to USD8 million (for the year ended 31 December 2023: USD90 million, no long-term remuneration, and for the year ended 31 December 2022: USD80 million, no long-term remuneration).

31. Commitments

Capital commitments

At 31 December 2024, contractual capital commitments not including Group's share in contractual capital commitments of the Group`s joint ventures (Note 16) amounted to USD1,935 million (31 December 2023: USD2,292 million and 31 December 2022: USD2,299 million).

Leases

The Group is a party to a number of lease contracts with variable lease payments that do not depend on an index or market rental rates, and hence are not recognised as lease liabilities. At 31 December 2024 total future non-discounted variable lease payments under such contracts with the maturity up to 2073 amounted to USD252 million (31 December 2023: USD280 million and 31 December 2022: USD358 million).

32. Contingencies

Legal contingent liabilities

The Group has a number of legal contingent liabilities with the probability of outflow of economic benefits being assessed by the management of the Group as possible, including matters arising from claims and disputes of a civil law and public law nature. At 31 December 2024 these liabilities amounted to USD40 million (31 December 2023: USD4 million and 31 December 2022: USD14 million).

Taxation contingencies in the Russian Federation

The Russian Federation currently has a number of laws related to various taxes imposed by both federal and regional governmental authorities. Applicable taxes include value-added (VAT), income tax, mandatory social security contributions to the Social Fund of the Russian Federation, mineral extraction tax and other levies. Tax returns, together with other legal compliance areas (for example, customs and currency control matters), are subject to review and investigation by government authorities, which are authorised by law to impose severe fines, penalties and interest charges. Generally, tax returns remain open and subject to inspection for a period of three years following the fiscal year.

While the management of the Group believes that it has recognised adequate provisions for tax liabilities based on its interpretation of the relevant legislation, the risk remains that the tax authorities in the Russian Federation could take a different view with regard to interpretive issues. This uncertainty may expose the Group to additional taxation, fines and penalties.

In March 2022, amendments to the Russian tax legislation were adopted. According to them, foreign exchange gains are accounted for tax purposes in the reporting period, when the underlying asset or liability is settled. Starting from 1 January 2023, the same tax accounting rules apply to foreign exchange losses. In December 2022 amendments to the Russian tax legislation allowed an early adoption of the above tax treatment of foreign exchange losses for the year ended 31 December 2022 at a taxpayer's option. The Group used this option. According to the Federal Law No. 259-FZ dated August 08, 2024 these tax accounting rules will apply up to 2027.

In accordance with Article 3 of Federal Law No. 302-FZ dated 3 August 2018, the agreement, which had established the consolidated taxpayers group (CTG), expired on 1 January 2023. Therefore, all entities of the Group that had previously been part of the CTG started to accrue and pay income tax on an individual basis from 1 January 2023.

On 1 January 2023, amendments to the Tax code of the Russian Federation were adopted. According to them, each company of the Group located in the Russian Federation pays taxes in a single tax payment (STP) to a unified taxpayer account.

Russia has legislation on transfer pricing, which reflects the basic principles established by the Organisation for Economic Cooperation and Development (OECD). The impact of any additional taxation in relation to transfer pricing may be material to the financial statements of the Group. Yet, the probability of such additional taxation cannot be reliably assessed.

The transfer pricing rules provide for an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and stipulate the principles and mechanisms for accruing additional taxes and interest in case prices in the controlled transactions differ from the market level.

Current Russian transfer pricing legislation requires businesses to conduct transfer pricing analysis for the majority of cross-border and major domestic inter-company transactions. Starting 2019, transfer pricing control, as a general rule, is applied to domestic transactions only if both criteria are met: the parties apply different income tax rates, and the annual turnover of transactions between them exceeds RUB1 billion (USD11 million at RUB/USD rate at 31 December 2024).

In addition to performing transfer pricing audits, Russian tax authorities may also review prices used in intra-group transactions. They may impose additional taxes if they conclude that taxpayers have received unjustified tax benefits as a result of those transactions.

In November 2023, amendments to the Tax Code of the Russian Federation introduced a mechanism for secondary adjustment of transfer pricing and provided for an additional withholding tax with respect to the tax base transferred outside Russia as a result of non-compliance with established transfer pricing control rules. In addition, the amendments significantly increased tax penalties for transfer pricing offenses.

According to Russia's Ministry of Finance, foreign states that take hostile actions against the Russian Federation, its legal entities and individuals have effectively stopped sharing information for tax purposes with the Russian Federation. It complicates tax control of pricing, including identification of the fact that parties to a transaction are related. The list of states and territories providing preferential tax treatment and/or not disclosing and sharing information on financial transactions (offshores) has been amended by including "unfriendly" states. Thereby transactions with counterparties from these countries may be recognised as controlled for tax purposes starting from 1 January 2024.

In August 2023 in accordance with the Presidential Decree No. 585 the core provisions of 38 double taxation agreements between Russia and "unfriendly" countries were suspended. The suspension effectively leads to application of standard withholding income tax rates as opposed to previously applied reduced rates in relation to the main types of passive and other income received by residents of these countries.

The Russian Government's Regulation No. 1538 dated 21 September 2023 introduced export customs duties on Group`s metal products for the period from 1 October 2023 to 31 December 2024. Unrefined or semi-refined gold (including gold with a platinum electroplated coating) or gold powder were exempted from these duties by the Russian Government's Decree No. 532 dated 25 April 2024.

On 20 December 2021, the OECD released Global Anti-Base Erosion Model Rules (GloBE) under Pillar Two (GloBE\Pillar Two) to assist in the implementation of global minimum top-up tax for multinational enterprises and address the tax challenges arising from the digitalisation and globalisation of the economy. Under these rules, multinational enterprises will have to pay additional income tax arising in the jurisdictions where they operate, if income in those jurisdictions is taxed at an effective tax rate below 15%. To this end, Pillar Two rules need to be adopted at the national level.

In 2023, the International Accounting Standards Board (IASB) published International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 – Income Taxes).

The Group operates in countries where the new tax legislation on the global minimum tax (Pillar Two) has already been partially enacted and applies to the income tax due for the period from 1 January 2024. In 2024 the application of the GloBE rules affected only the Group's subsidiaries in Cyprus and Switzerland. In Switzerland, the Qualified Domestic Minimum Top-Up Tax (QDMTT) rule is applied, allowing Switzerland to charge additional income tax under the GloBE rules locally without applying the additional tax rule at the level of the ultimate parent company (Income Inclusion Rule) or at the level of other Group`s subsidiaries (Undertaxed Payments Rule), if the effective tax rate on the qualified income of the Group's companies in Switzerland is below 15%. Additional tax obligations in Switzerland for 2024 are not expected to exceed USD1 milllion. In Cyprus only the Income Inclusion Rule was applied for 2024. Additional tax obligations in Cyprus for 2024 are not expected to exceed USD1 million. Obligations under the Undertaxed Payments Rule, which allocates the additional tax payment to the Group's subsidiaries if for any reason it has not been paid by the ultimate parent company, do not arise for the Group, as the respective legislation has not been in effect in any of the countries where the Group operates in 2024.

The Group applies the exception with respect to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with IAS12.

Environmental matters

The Group is subject to extensive federal, regional and local environmental controls and regulations in the countries where it operates. The Group's operations result in air and water pollutant emissions, as well as generation and disposal of production waste. The Group recognises expenditure on negative environmental impact levies as other levies in Costs of metal sales.

The Group periodically evaluates its environmental provisions pursuant to the environmental legislation in the countries where it operates. Such provisions are recognised in the disclosed consolidated financial statements as and when obligating events occur.

The management of the Group believes that there are no material obligations for environmental damage other than those recognised in these disclosed consolidated financial statements. However, potential liabilities, which may arise due to changes in environmental laws and regulations, cannot be reliably estimated but may be material. The Group is unable to predict the timing or extent to which environmental laws and regulations may change. Such change, if it takes place, may require that the Group modernises its technological processes to meet more stringent statutory requirements.

Russian Federation risk

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is influenced by the economic and financial markets of the Russian Federation, which display the characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop, which poses a risk of their varying interpretations and frequent change. This, together with other legal and fiscal impediments, creates additional challenges for entities operating in the Russian Federation.

Starting 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded restrictive economic measures against a number of Russian individuals and legal entities. Starting February 2022, the above countries have been imposing additional stringent restrictive measures against the Russian Government, large financial institutions and other legal entities and individuals in Russia. In addition, restrictions were imposed on exports and imports of certain goods and business-relevant services, including accounting, auditing, tax and management consulting and certain legal, engineering, architectural and IT consulting services, as well as aviation and maritime transportation sectors. In light of the imposed restrictive measures, a number of large international companies from the USA, the European Union and some other countries ceased, materially reduced or suspended their activities in the Russian Federation and business relationships with Russian citizens and legal entities. Moreover, there is a risk that further restrictive measures and similar types of pressure will be imposed. In response, the Russian Government has implemented a set of economic measures in order to secure and stabilise the Russian economy, as well as retaliatory restrictive measures, currency control measures, a number of key interest rate changes and other special economic measures.

The imposition and further tightening of the restrictive measures has led to an increased economic uncertainty, including the lowering of liquidity and high volatility in the equity markets, volatility of the Russian rouble exchange rates and key interest rate, a reduction in both local and foreign direct investment inflows, procedural difficulties in currency payments for Russian issuers and significant limitations in the availability of debt financing. In addition, many Russian companies are practically devoid of access to international stock and debt capital markets, thus having to look for alternative ways to raise financing and growing more dependent on the state support. The Russian economy is in the process of adaptation, involving the substitution of export markets that become unavailable, replacement of procurement and technology import markets, as well as changes in the logistics and production chains.

On 28 February 2022, the stock market of the Moscow Exchange discontinued trading in shares and corporate bonds. Trading in shares and corporate bonds on the Moscow Exchange was resumed in late March 2022, while restrictions continue to apply to a number of securities transactions made by non-residents of Russia. On 3 March 2022, the London Stock Exchange suspended trading in depositary receipts (ADRs) issued for the Company's ordinary shares. In accordance with Federal Law No. 114-FZ On Amendments to the Federal Law On Joint-Stock Companies and Certain Legislative Acts of the Russian Federation an automatic and a forced conversion of ADRs into the Company's shares was implemented in 2022. ADRs the rights to which are recorded by Russian depositories were converted automatically. ADRs the rights to which are recorded by foreign depositaries could have been converted based on an application until 10 November 2022. Before the end of the 2022 as part of the forced conversion, the Company's shares were credited to the applicants that submitted the required documents.

On 21 July 2022 and on 26 July 2022 the European Union and Great Britain respectively, introduced a ban against the import of gold of Russian origin on top of other restrictive measures.

On 16 December 2022, the European Union, among other restrictive measures, introduced a ban on investments in the mining industry in Russia and also banned the supply of various equipment, including industrial. At the same time in accordance with the European Union ruling these restrictive measures do not apply to mining and production of palladium, nickel, copper, cobalt, rhodium and iron ore.

On 24 February 2023 the US Department of the Treasury's Office of Foreign Assets Control (OFAC) identified the mining and metallurgical sector of the Russian economy as a sector against which further sanctions may be imposed.

On 29 June 2022, the United Kingdom imposed personal restrictions against Potanin V. O. These restrictions are mandatory within the UK and for all British citizens and legal entities registered in the UK. According to the advice of an external legal counsel and the management's assessment, these restrictions do not expand to the Group and its subsidiaries.

On 15 December 2022, OFAC updated Specially Designated Nationals and Blocked Persons List (SDN List) to include Potanin V. O. SDN list also included legal entities associated with one of the major shareholders.

OFAC also stated that the restrictive measures do not apply to the Company. In the current geopolitical circumstances, as each counterparty doing business with the Group independently decides on the application of its own internal restrictions on interaction with Russian legal entities, the management has to assume that some counterparties might reconsider their trade, financial or other operations with the Group.

On 14 December 2023, the United Kingdom adopted amendments to the sanction legislation, which, among other things, establish a ban on trade in a number of metals, which originate or are located in Russia. These restrictions are applicable to, among some other metals, to nickel, copper and cobalt that are produced by the Group. Initially the UK Government published a Trade License authorizing UK persons to purchase warrants for Russian metals on international metal exchanges, provided that such trade does not involve physical delivery of such metals to the territory of the United Kingdom or to UK persons. At the same time, on 12 April 2024, the United States and UK issued a joint statement and established a ban on the import of nickel, copper and aluminum of Russian origin into their territory, as well as a ban on the provision of services related to the purchase of these metals, including the issuance of warrants. As a part of this ban, The United Kingdom terminated a trade license, which caused an effective ban on trading of Russian metals on the London Metal Exchange produced after 12 April 2024.

On 12 June 2024, OFAC have expanded the sanctions lists by targeting Russian financial infrastructure and adding to the SDN list such entities as The Moscow Exchange (MOEX), The National Clearing Center (NCC) and The Non-Bank Credit Institution Joint Stock Company National Settlement Depository (NSD).

On 23 August 2024, OFAC expanded sanctions against Russia and included several support and service subsidiaries of the Group, as well as one mining subsidiary of the Group in the SDN list based on U.S. Presidential Decree No. 14024.

The Group believes that these sanctions should not affect its status as a reliable counterparty and will not significantly affect the Group's operations.

The longer-term effects of potential additional restrictive measures are difficult to determine. Still, they may have a significant impact on the Group`s business.

Supply and distribution channels reconfiguration

In 2022, most of suppliers fully withdrew from the Russian market while others suspended deliveries of goods and services to Russian legal entities. As a result, procurement from these suppliers has become unavailable to the Group. During the year ended 31 December 2024, the Group has finished transition to alternative suppliers from Russia and other countries. However, such deliveries may take longer time due to complicated logistics and financial arrangements, which in turn affects the schedules of a number of investment projects and investment obligations.

The Group is also in the process of reconfiguring its distribution channels, which led to extended sales logistics chains and revision of the supply basis of the part of the Group`s metals, which alongside with restrictive measures and time-consuming processes of reengineering the customer base and sales markets had multidirectional effect on the finished goods inventories level. These processes also led to the increase of the level of accounts receivable and concentration of the Group's credit risk. The Group plans to implement measures to accelerate the turnover of accounts receivable during 2025. The Group has also reallocated a significant part of its copper, nickel and precious metal sales volumes from Europe mainly to Asian and Russian markets.

Overall impact of risks and uncertainties on the Group's financial position and financial results

These disclosed consolidated financial statements provide the management's point of view on the level of impact of the current business environment in the Russian Federation on the Group's operations and financial position. Taking into account the measures taken by the Group in respect of the risks stemming from imposed economic restrictions and overall changes in business environment, Group management does not expect an adverse impact on going concern of the Group for at least 12 months after 31 December 2024. The actual impact of the future business environment may differ from the management's assessment.

The management will continue to monitor the situation closely and will implement necessary measures to mitigate negative consequences of possible future events and circumstances, as they occur.

33. Climate change

The Group acknowledges that climate change is one of the most significant and urgent global issues that poses high risks to the Group's economic activities and society as a whole. The Group's climate change vision is outlined in a number of key documents, including Environmental and Climate Change Strategy, Climate Change Policy and Environmental Policy.

The Group considers the impact of climate change on judgements and estimates made when preparing the Group's disclosed consolidated financial statements. While not a primary judgment or estimate on its own, climate change could significantly influence various judgements and estimates made by the Group, particularly where these are reliant on longer-term forecasts. Potential impacts of climate change on judgements and estimates relate to physical risks and transition risks and opportunities.

Physical risks

The Group is aware of and monitors climate change in the regions where it operates. This change is currently assessed more as a source of risks rather than opportunities. The Arctic regions of the Group operations are more vulnerable to risks due to the pace of climate change, which is higher than the global average, in particular related to mean temperature rise and permafrost degradation. Linear infrastructure facilities such as power grids and gas and water pipelines located in the permafrost areas are expected to be more affected by climate change risks.

In order to mitigate the effects of physical risks the Group has deployed a system to monitor the technical condition of buildings and structures located in permafrost areas and has been implementing measures to maintain and improve reliability of production facilities and infrastructure. In case the Group identifies risks related to stability of certain structure, the Group may be required to reassess useful economic life of respective assets and the associated decommissioning obligations.

As at the reporting date, the Group believes that there is no material impact of physical risks on the estimates used to prepare this disclosed consolidated financial statements.

Transition risks and opportunities

Climate-related transition risks and opportunities arise from global efforts to transition to a lower-carbon economy. Energy transition is one of the core instruments aiming to reduce greenhouse gas emissions and combat climate change. It refers to the global shift from fossil fuels to renewable energy sources, driven by government policies, international agreements like the Paris Agreement, and technological advancements in energy storage and efficiency.

The Group acknowledges that energy transition may lead to different trends on metal markets and therefore transition risks and opportunities may arise and indirectly impact the Group's revenue through fluctuations in product prices. The Group expects stronger demand for nickel and copper as one of the key transition materials, driven by the growth of "green" energy and battery production. At the same time, there are long-term expectations of decrease in demand for palladium, rhodium and platinum to some extent due to the replacement of internal combustion engine (ICE) vehicles with electric vehicles.

As the producer of diversified metals portfolio including metals tied to mature industries with a non-zero carbon footprint as well as those linked to "green" technologies, the Group currently expects the effect of transition risks and opportunities related to change in demand for its products to be relatively neutral.

34. Financial risk management

Capital risk management

The Group manages its capital in order to safeguard the Group's ability to continue as a going concern and to maximise the return to shareholders through the optimisation of debt (long and short-term borrowings) and equity (share capital and retained earnings) structure.

Management of the Group regularly reviews its level of leverage calculated as the ratio of Net Debt to EBITDA to ensure that it is in line with the Group's financial policy aimed at preserving investment grade credit ratings.

At 31 December 2024, 2023 and 2022 the Company maintained credit ratings from Russian rating agency Expert RA at RUAAA investment grade level. At 31 December 2024 the Russian rating agency NCR also assigned the Group at RUAAA investment grade level.

Financial risk factors and risk management structure

In the normal course of its operations, the Group is exposed to a variety of financial risks: market risk (including interest rate and currency risk), credit risk and liquidity risk. The Group has an explicit risk management structure aligned with internal control and analysis procedures that enable it to assess, evaluate and monitor the Group's exposure to financial risks, including their change due to the current economic situation and imposition of restrictive economic measures.

Interest rate risk

Interest rate risk relates to changes in interest rates that could adversely impact the financial results of the Group. The Group's interest rate risk arises from borrowings at floating rates.

In order to manage this risk, the Group forms the structure of debt portfolio by balancing loans and borrowings with fixed and floating interest rates, while considering market opportunities and current macroeconomic parameters, in particular, the parameters and measures of the monetary policy of the Central Bank of the Russian Federation and official medium-term forecasts of macroeconomic indicators, including the value of base rates.

At 31 December 2024, the share of loans and borrowings of the Group with the rate linked to the key interest rate of the Central Bank of the Russian Federation and other rouble floating rates, was 68.2% of the total amount of loans and borrowings and (at 31 December 2023: 35.5% and at 31 December 2022: 15% (see Note 24)).

During the year ended 31 December 2022, the key interest rate was changed several times following restrictive measures imposed by the USA, the EU and other countries and changes in key macroeconomic parameters, such as inflation rate and rouble exchange rate. The key interest rate was increased to 20% in the end of February 2022, followed by a gradual decrease to 7.5% by the end of December 2022. During the year ended 31 December 2023, the key interest rate of the Bank of Russia was increased from 7.5% to 16% by the end of December. During the year ended 31 December 2024 the key interest rate of the Bank of Russia was increased from 16% to 21% by the end of December.

In 2023 a fundamental reform of major interest rate benchmarks was implemented globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group's unsecured US dollar-denominated floating rate loans used USD LIBOR1M rates, which ceased to be published after 30 June 2023. The Group signed amendments to certain loan agreements to replace LIBOR rate with the alternative rate – Term Secured Overnight Financing Rate (Term SOFR) not later than USD LIBOR publication stop date and switched the remaining loan agreements with floating interest rates to the alternative rates in 2023.

Management believes that the Group's exposure to interest rate risk fluctuations is at an acceptable level.

Currency risk

Currency risk relates to changes in the fair value or future cash flows of a financial instrument denominated in foreign currency because of changes in exchange rates.

The major part of the Group's revenues and related trade accounts receivable are denominated and/or settled in US dollars and Chinese Yuans, while expenditure is primarily denominated in Russian roubles and therefore the Group is exposed to fluctuations of the USD and CNY exchange rate. Currency risk arising from other currencies is assessed by management of the Group as immaterial.

Restrictive measures imposed by the USA, the EU and some other countries in 2022 with respect to the Central Bank of the Russian Federation and Russia's international reserves as well as the counter-measures of the Russian government and the Central Bank relating to capital flows controls and currency control led to an increased volatility of the rouble exchange rate. The RUB/USD exchange rate ranged from 82.63 roubles for 1 US Dollar to 109.58 roubles for 1 US Dollar during the year ended 31 December 2024 (during the year ended 31 December 2023: from 67.57 roubles for 1 US Dollar to 101.36 roubles for 1 US Dollar and during the year ended 31 December 2022: from 51.16 roubles for 1 US Dollar to 120.38 roubles for 1 US Dollar). Taking into account the exchange rates at 31 December 2024, 2023 and 2022, the Group preserves its financial stability.

On 12 June 2024, the United States introduced restrictive measures against the Moscow Stock Exchange, so exchange trading and settlements of deliverable derivatives in US dollars and Euros were suspended. Since 13 June 2024, the Central Bank of the Russian Federation has been setting the official exchange rates of US dollar and Euro against Russian rouble based on the results of interbank currency conversion transactions on the over-the-counter foreign exchange market as reported by the credit institutions.

The currency risk is managed by analysis of currency position, efficiency control of currency exchange operations and the best possible matching of cash inflows and cash outflows denominated in the same currency, although the restrictive measures and Russia's respective counter-measures limit the efficiency and availability of the above mentioned instruments of the Group currency risk management.

At 31 December 2024, 2023 and 2022, the carrying amounts of monetary assets and liabilities, excluding cross-currency interest rate swaps, denominated in foreign currencies other than functional currencies of the individual Group entities were as follows:

	At 31 December 2022			At 31 December 2023			At 31 December 2024		
	USD	CNY	Other currencies	USD	CNY	Other currencies	USD	CNY	Other currencies
Cash and cash equivalents	1,169	266	70	879	759	228	352	710	155
Trade and other receivables	1,425	–	134	992	90	66	1,601	15	9
Other assets	22	–	53	2	–	15	11	29	11
Total assets	2,616	266	257	1,873	849	309	1,964	754	175
Trade and other payables	761	3	63	556	7	95	537	9	44
Loans and borrowings	7,798	1,265	20	4,425	1,260	15	1,569	1,332	12
Lease liabilities	12	–	11	13	–	11	11	–	8
Other liabilities	7	–	8	2	–	–	2	–	1
Total liabilities	8,578	1,268	102	4,996	1,267	121	2,119	1,341	65

Given that the Group exposure to the currency risk for the USD- and CNY-denominated monetary liabilities is offset by the revenue from metal sales denominated in respective currencies, as well as the high correlation of the CNY and the USD, management believes that the Group's exposure to the currency risk is at an acceptable level.

The sensitivity analysis of interest rate and currency risks

At the reporting date the Group's monetary liabilities denominated in foreign currency exceed its corresponding assets. The table below shows a possible decrease in profit before tax from the remeasurement of the carrying value of the Group's net monetary liabilities denominated in foregin currency. Base assumption is a 20% strengthening of foreign exchange rates against the Russian rouble relative to the exchange rates on that date.

	Decrease of profit before tax for the year ended 31 December		
	2022	2023	2024
Interest rate risk			
1 p.p. RUB rate increase impact	(17)	(35)	(68)
1 p.p. USD rate increase impact	(45)	(24)	(6)
1 p.p. CNY rate increase impact	(7)	(7)	(8)
Currency risk			
USD20% strengthening against RUB	(1,261)	(695)	(31)
CNY 20% strengthening against RUB	(200)	(84)	(117)

The sensitivity analysis is prepared including cross-currency interest rate swap effects and assuming that the amount of loans and borrowings at floating rates outstanding at the reporting date was outstanding for the whole reporting period.

Credit risk

Credit risk means that a debtor may default on its contractual obligations as they fall due resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, bank deposits, uncollateralised trade and other receivables, as well as loans issued.

The Group mitigates the credit risk mainly through its allocation to a large number of counterparties and respective credit limits approval based on counterparties' financial position analysis and uses, if possible, trade financing and insurance instruments, bank guarantees and documentary forms of settlement.

The Group believes that credit risk remains at an acceptable level, taking into account ongoing measures to reconfigure sales channels (see Supply and distribution channels reconfiguration in the Note 32).

To analyse counterparty solvency, the Group uses information from credit rating agencies about the counterparty's assigned credit ratings and projections for its changes; should such information be lacking, financial stability and overall creditworthiness is assessed by calculating financial indicators and analysing the counterparty's financial statements for several reporting periods.

The outstanding balances of five financial institutions and five largest customers are presented below. In accordance with the conservative liquidity management policy the Group's cash and cash equivalents are placed at Russian and international credit and financial institutions, which mostly had credit rating according to the national scale Expert RA not lower than RUA+ for Russian banks, on the international Fitch scale not lower than BB- and/or on the scale of the rating agency Dagong scale is not lower than AA+ for international banks at 31 December 2024, 2023 and 2022.

	Outstanding balance at 31 December		
	2022	2023	2024
Cash and cash equivalents			
Bank A	510	616	423
Bank B	366	476	231
Bank C	258	183	221
Bank D	204	137	175
Bank E	88	134	168
Other	456	593	604
Total	**1,882**	**2,139**	**1,822**
Trade and other receivables			
Customer A	163	93	875
Customer B	160	90	105
Customer C	47	86	64
Customer D	38	65	39
Customer E	34	46	36
Other	404	384	255
Total	**846**	**764**	**1,374**

Management of the Group believes that the credit risk associated with cash and cash equivalents and trade and other receivables is at an acceptable level due to the high credit rating of the banks where these cash and cash equivalents are placed, as well as the implementation of measures to manage the credit risk associated with counterparties the Group interacts with.

At 31 December 2024, the Group does not expect a significant increase in expected credit losses on trade and other receivables and other financial assets.

The Group is not economically dependent on a limited number of customers because the majority of its products are metals traded on the global commodity markets.

Information on sales to the Group's customers is presented below:

	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ended 31 December 2024	
	Revenue USD million	%	Revenue USD million	%	Revenue USD million	%
Largest customer	1,950	12	1,292	9	2,126	17
Next 9 largest customers	5,861	35	4,904	34	4,623	37
Total 10 largest customers	7,811	47	6,196	43	6,749	54
Remaining customers	9,065	53	8,213	57	5,786	46
Total	**16,876**	**100**	**14,409**	**100**	**12,535**	**100**

The following table provides information about the exposure to credit risk for financial assets, excluding trade receivables measured at fair value through profit and loss:

		At 31 December		
	Note	2022	2023	2024
Cash and cash equivalents	20	1,882	2,139	1,822
Loans and other long-term receivables		100	46	34
Trade and other receivables other than those measured at fair value through profit and loss	19	283	264	206
Bank deposits over 3 months included in other financial assets		11	11	40

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due.

The Group's centralised treasury regularly monitors forecast and actual cash flows and analyses the repayment schedules to take timely and appropriate measures in order to minimise potential adverse effects, including through liquidity management and proactive loan portfolio management aimed at minimising the amount of short-term debt and maintaining the weighted average term of the loan portfolio at an acceptable level.

Current liquidity management involves detailed budgeting procedures, as well as analysis and structuring of a daily payment position for a 30-day period. The payment position is calculated separately for each currency and bank account. In addition to the continuous analysis of the payment position, at least three times a month the Group updates its rolling cash flow forecast model with a horizon of up to 12 months.

The Group manages liquidity risk by maintenance of liquid funds and a portfolio of committed credit facilities and overdrafts with a number of banks at a level, which is sufficient to cover possible revenue fluctuations taking into account market risks.

In particular, the Group had available committed debt facilities and overdrafts to finance its day-to-day liquidity requirements of USD7,153 million at 31 December 2024 (31 December 2023: USD3,819 million and 31 December 2022: USD2,788 million).

The Group continues its activities on expansion of credit limits capacity of its portfolio of confirmed and treasury credit lines. In order to optimise the average duration of liabilities and minimise risk of excess concentration of debt payments the Group considers all available options for arranging financing on the Russian market and holds negotiations with international financial institutions pursuing proactive debt portfolio management.

In accordance with the permissions received on a regular basis from government agencies on foreign currency payments of debt and interest to foreign creditors, the Group continues to service its debt in compliance with the terms of respective loan or bond facilities, including timing and currency of payments.

In September 2022, the consent of the holders of all 5 Eurobond issues of the Group was obtained to amend the transaction documentation, according to which the Company received the right to make payments to holders of Eurobonds in Russian depositories, bypassing a foreign paying agent, which allowed to (a) ensure compliance with the requirements of the Russian legislation and (b) continue payments to foreign depositories through a payment agent.

The maturity profile of the Group's trade payables, liabilities for the purchase of property, plant and equipment and other creditors, with their remaining contractual maturities before repayment was as follows:

	At 31 December		
	2022	2023	2024
Trade and other accounts payable except for advances received			
Due within 1 month	950	694	609
Due from 1 to 3 months	340	225	301
Due from 3 to 12 months	41	270	200
Total	**1,331**	**1,189**	**1,110**

The following table shows the maturity profile of the Group's borrowings, lease liabilities and derivative instruments based on contractual undiscounted payments, including interest, in accordance with management's plans and contractual terms regarding the maturity profile. The analysis of future interest payments on floating rate loans and borrowings at 31 December 2024 was performed using the interest rates applicable to the relevant instruments as of the reporting date.

At 31 December 2024	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**1,774**	1,274	500	–	–	–	–
Interest	**86**	72	14	–	–	–	–
	1,860	**1,346**	**514**	**–**	**–**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**8,187**	1,561	1,072	2,094	2,477	983	–
Interest	**4,318**	1,463	1,356	950	513	36	–
	12,505	**3,024**	**2,428**	**3,044**	**2,990**	**1,019**	**–**
Lease liabilities							
Lease liabilities	782	125	108	89	84	77	299
Total	**15,147**	**4,495**	**3,050**	**3,133**	**3,074**	**1,096**	**299**

At 31 December 2023	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**2,872**	1,032	1,340	500	–	–	–
Interest	**211**	121	76	14	–	–	–
	3,083	**1,153**	**1,416**	**514**	**–**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**6,859**	3,310	1,100	597	788	1,064	–
Interest	**1,476**	548	353	308	204	63	–
	8,335	**3,858**	**1,453**	**905**	**992**	**1,127**	**–**
Lease liabilities							
Lease liabilities	868	98	107	101	92	87	383
Cross-currency interest rate swap							
Payable	**364**	364	–	–	–	–	–
Receivable	**(271)**	(271)	–	–	–	–	–
	93	93	–	–	–	–	–
Total	**12,379**	**5,202**	**2,976**	**1,520**	**1,084**	**1,214**	**383**

At 31 December 2022	Total	Due in the first year	Due in the second year	Due in the third year	Due in the fourth year	Due in the fifth year	Due there- after
Fixed rate bank loans and borrowings							
Principal	**4,022**	1,000	1,105	1,417	500	–	–
Interest	**387**	155	134	84	14	–	–
	4,409	**1,155**	**1,239**	**1,501**	**514**	**–**	**–**
Floating rate bank loans and borrowings							
Principal	**7,488**	3,303	2,084	1,675	414	7	5
Interest	**480**	240	147	80	13	–	–
	7,968	**3,543**	**2,231**	**1,755**	**427**	**7**	**5**
Lease liabilities							
Lease liabilities	522	63	54	34	23	21	327
Cross-currency interest rate swap							
Payable	**375**	11	364	–	–	–	–
Receivable	**(368)**	(23)	(345)	–	–	–	–
	7	(12)	19	–	–	–	–
Total	**12,906**	**4,749**	**3,543**	**3,290**	**964**	**28**	**332**

Reconciliation of changes in liabilities and cash flows from financing activities:

	Loans and borrowings	Lease liabilities	Other	Total
Balance at 1 January 2022	10,226	235	72	10,533
Proceeds from loans and borrowings	9,104	–	–	**9,104**
Repayments of loans and borrowings	(7,775)	–	–	**(7,775)**
Payments of lease liabilities	–	(50)	–	**(50)**
Payments on exchange of flows under cross-currency interest rate swaps	–	–	(19)	**(19)**
Changes from financing cash flows	1,329	(50)	(19)	1,260
Other non-cash changes:				
Recognition of lease liabilities	–	169	–	**169**
Changes in fair value of the cross-currency interest rate swap	–	–	18	**18**
Effect of changes in foreign exchange rates	153	(17)	(4)	**132**
Changes arising from disposal of subsidiaries	–	(96)	–	**(96)**
Borrowing costs and amortisation of loans at effective interest rate	(224)	–	–	**(224)**
Other	–	(8)	–	**(8)**
Balance at 31 December 2022	**11,484**	**233**	**67**	**11,784**
Proceeds from loans and borrowings	5,569	–	–	**5,569**
Repayments of loans and borrowings	(6,642)	–	–	**(6,642)**
Payments of lease liabilities	–	(45)	–	**(45)**
Proceeds on exchange of flows under cross-currency interest rate swaps	–	–	8	**8**
Changes from financing cash flows	(1,073)	(45)	8	(1,110)
Other non-cash changes:				
Recognition of lease liabilities	–	417	–	**417**
Changes in fair value of the cross-currency interest rate swap	–	–	60	**60**
Effect of changes in foreign exchange rates	(705)	(85)	(19)	**(809)**
Borrowing costs and amortisation of loans at effective interest rate	6	–	–	**6**
Balance at 31 December 2023	**9,712**	**520**	**116**	**10,348**
Proceeds from loans and borrowings	7,273	–	–	**7,273**
Repayments of loans and borrowings	(6,229)	–	–	**(6,229)**
Payments of lease liabilities	–	(55)	–	**(55)**
Payments on exchange of flows under cross-currency interest rate swaps	–	–	(99)	**(99)**
Changes from financing cash flows	1,044	(55)	(99)	890
Other non-cash changes:				
Recognition of lease liabilities	–	59	–	**59**
Changes in fair value of the cross-currency interest rate swap	–	–	(16)	**(16)**
Effect of changes in foreign exchange rates	(812)	(62)	(1)	**(875)**
Borrowing costs and amortisation of loans at effective interest rate	2	–	–	**2**
Balance at 31 December 2024	**9,946**	**462**	**–**	**10,408**

Interest payable on loans and borrowings and lease liabilities (Notes 24 and 25) arising from financing activities is short-term and is paid within 12 months from the date of accrual.

35. Fair value of financial instruments

Financial instruments that are measured at fair value subsequent to initial recognition, are grouped into Levels 1 to 3 of fair value hierarchy based on the degree to which their fair value is observable as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

The management believes that the carrying value of financial instruments such as cash and cash equivalents (Note 20), other financial assets, trade and other receivables except for trade and other receivables at fair value through profit or loss and current accounts payable (Note 28) either approximates to their fair value or may not significantly differ from it. The fair value of trade and other receivables at fair value through profit or loss, as well as the level of the fair value hierarchy and the method of measuring are disclosed in Note 19.

The information below presents financial instruments not measured at fair value, including loans and borrowings (Note 24), trade and other long-term payables (Note 28).

	At 31 December 2022		At 31 December 2023		At 31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Fixed and floating rate bonds (Level 1)	4,156	3,323	3,668	3,155	4,452	4,115
Floating rate loans and borrowings (Level 2)	6,766	6,535	5,480	5,183	4,966	4,803
Fixed rate bonds (Level 2)	562	562	561	557	528	496
Fixed rate loans (Level 2)	–	–	3	3	–	–
Trade and other long-term payables (Level 2)	56	56	51	50	41	40
Total	**11,540**	**10,476**	**9,763**	**8,948**	**9,987**	**9,454**

The fair value of financial liabilities presented in the table above is determined as follows:

- the fair value of corporate bonds (Level 1 of fair value hierarchy) was determined as their market price at the reporting dates;
- the fair value of floating and fixed rate loans and borrowings and fixed rate corporate bonds (Level 2 of fair value hierarchy) at 31 December 2024, 2023 and 2022 was determined as the present value of future cash flows (principal and interest), discounted at the market interest rates, which are determined as of the reporting date based on the currency of a loan or a bond, its expected maturity and credit risks attributable to the Group;
- the fair value of trade and other long-term payables at 31 December 2024, 2023 and 2022 was determined as the present value of future cash flows, discounted at the best management estimate of market interest rates.

Glossary

Anode. Crude metal (nickel or copper) obtained from anode smelting and fed for electrolytic refining (electrolysis) whereby it is dissolved.

Refinement. The process of extracting high purity precious metals through their separation and removal of impurities.

Rich ores. Ores with high sulphide content (over 70%) and the following metal grades: 2–5% for nickel, 2–25% for copper, and 5–100 g/t for platinum group metals.

Probable ore reserves. Estimated based on the economically mineable part of indicated and, in some circumstances, measured mineral resources, including possible dilution and losses during mining operations.

Disseminated ores. Ores containing 5% to 30% sulphides, with the following metal grades: 0.2–1.5% for nickel, 0.3–2% for copper, and 2–10 g/t for platinum group metals.

Leaching. Selective dissolution of one or several components of the processed solid material in organic solvents or water solutions of inorganic substances. Kinds of leaching: acid leaching (leaching with acids as reagents), chlorine leaching.

Proven ore reserves. Estimated based on the economically mineable part of measured mineral resources, including possible dilution and losses during mining operations.

Metal extraction. The ratio between the quantity of a component extracted from the source material and its quantity in the source material (as a percentage or a fraction).

Cathode. Pure metal (nickel or copper) obtained as a result of electrolytic refining of anodes.

Cake. Solid residue from filtering pulp during leaching of ores, concentrates or metallurgical intermediates, and purification of processing solutions.

Conversion. Oxidation process to turn matte into converter matte (in smelting copper-nickel concentrates) or blister copper (in smelting copper concentrates) and remove slag (carbon, sulphur, iron and other impurities).

Concentrate. A product of ore concentration with a high grade of the extracted mineral, which gives its name to the concentrate (copper, nickel, etc.).

Cuprous ores. Ores containing 20% to 70% sulphides, with the following metal grades: 0.2–2.5% for nickel, 1.0–15.0% for copper, 5–50 g/t for platinum group metals.

Roasting. Heating ore to high temperatures to trigger chemical changes that enable subsequent metal recovery processes.

Concentration. Artificial improvement of metallurgical feedstock mineral grades by removal of a major portion of waste rock not containing any valuable minerals.

Oxide. A compound of a chemical element with oxygen.

Tailings pit. A complex of hydraulic structures used to receive and store mineral waste / tailings.

Vanyukov furnace. An autogenous smelter for processing concentrates, where smelting is performed in a bath of slag and matte, with intensive injection of air-oxygen mixture. The heat from oxidation reactions is actively used in the process.

Flash smelter. An autogenous smelter for processing dry concentrates, where the smelted substance is finely ground feedstock mixed with a gaseous oxidiser (air, oxygen), which holds melted metal particles suspended. The heat from oxidation reactions is actively used in the process.

Pyrrhotite concentrate. By-product of copper-nickel ore concentration.

Smelting. Pyrometallurgical process carried out at temperatures that ensure complete melting of the processed material.

Sublevel caving. An underground mining method in which ore blocks are developed from top to bottom via sublevels, and ore is extracted by blasting or causing sublevels to cave in. The voids formed after extraction get filled with fractured rock.

Pulp. A mixture of finely ground rock with water or a water solution.

Ore. Natural minerals containing metals or their compounds in economically valuable amounts and forms.

Mine. A mining location for extraction of ores.

Thickening. Separation of liquid (water) and solid particles in dispersion systems (pulp, suspension, colloid) based on natural gravity settling of solid particles in settlers and thickeners, or centrifugal settling of solid particles in hydrocyclones.

Metal grade. The ratio between the weight of metal in the dry material and the total dry weight of the material expressed as a percentage or grammes per tonne (g/t).

Sulphides. Compounds of metals and sulphur.

Drying. Removal of moisture from concentrates performed in designated drying furnaces (to a moisture level below 9%).

Tolling agreement. An agreement to process feedstock with subsequent shipping of finished product. The feedstock and end product are exempt from customs duties.

Converter matte. A metallurgical intermediate produced as a result of matte conversion. Depending on the chemical composition, the following types of converter matte are distinguished: copper, nickel and copper-nickel.

Filtration. The process of reducing the moisture level of the pulp by forcing it through a porous medium.

Flotation. A concentration process where specific mineral particles suspended within the pulp attach to air bubbles. Poorly wettable mineral particles attach to the air bubbles and rise through the suspension to the top of the pulp, producing foam, while well wettable mineral particles do not attach to the bubbles and remain in the pulp. This is how the minerals are separated.

Tailings. Waste materials left over after concentration processes and containing mostly waste rock with a minor amount of valuable minerals.

Ore mixture. A mixture of materials in certain proportions needed to achieve the required chemical composition of the end product.

Slag. Melted or solid substance with a varying composition that covers the surface of a liquid product during metallurgical processes (resulting from ore mixture melting, melted intermediate processing and metal refining) and includes waste rock, fluxes, fuel ash, metal sulphides and oxides, and products of interaction between the processed materials and lining of melting units.

Sludge. Powder product containing precious metals settling during electrolysis of copper and other metals.

Matte. Intermediate product in the form of an alloy of sulphides of iron and non-ferrous metals with a varying chemical composition. Matte is the main product accumulating precious metals and metal impurities the feedstock contains.

Electrolysis. A series of electrochemical reduction-oxidation reactions at electrodes immersed in an electrolyte as a result of passing of an electric current from an external source.

Electrowinning. Electrodeposition of metal from ores that have been put in solution. Ore or concentrate is leached with agents that dissolve metal-containing minerals or the entire material, so that the metal is deposited on the cathode. The electrolyte is typically reused in the process. The end product is high-purity metal cathode.

Measurement units

Weight	
1 metric tonne	1,000 kg
1 troy ounce	31.1035 g
1 g	0.03215075 oz t

Currency exchange rates in 2022–2024

Index	2022	2023	2024
Average rate Russian Rouble / US Dollar	68.55	85.25	92.57
Average effective rate Russian Rouble / US Dollar (for CAPEX)	66.96	84.86	93.39

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Disclaimer

The information contained herein relies on the data available to PJSC MMC NORILSK NICKEL as at the date of this Annual Report. After this Annual Report was prepared, the Company's operations as well as forecasts and overview of the current situation presented in the Report may have been affected by external or other factors, including the escalation of the geopolitical conflict in Ukraine, sanctions imposed by the United States, the European Union, the United Kingdom, and other nations against the Russian Federation as well as Russian individuals and legal entities, the Russian Federation's response to sanctions, economic and other measures introduced to maintain the economic and financial stability of the Russian Federation, and other factors beyond the Company's control. In particular, the United States, the European Union, the United Kingdom, and other nations have imposed export controls against the Russian Federation that restrict, among other things, supply of industrial equipment to the Russian Federation. These export controls may have a negative impact on the manufacturing capabilities of MMC Norilsk Nickel should it be unable to purchase and deliver equipment to the Russian Federation.

The Annual Report discloses the Company's short-, medium-, and long-term goals and plans. All plans and intentions outlined in this Annual Report are provisional and subject, among other things, to a number of economic, political, and legal factors, including the factors mentioned above, beyond Company's control. Forward-looking statements are subject to risks and uncertainties as they refer to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of the Company's future operational and financial performance, and actual results of the Company's operations, its financial position, liquidity, prospects, growth, strategy, and the development of the industry in which MMC Norilsk Nickel operates may differ materially from those expressed or implied by the forward-looking statements contained in this Annual Report. MMC Norilsk Nickel hereby disclaims any liability for any loss resulting from the use of this Annual Report, and assumes no obligation to update any forward-looking statements contained herein.

Information about market share and other statements regarding the industry in which MMC Norilsk Nickel operates, as well as the Company's position relative to its competitors, are based on publicly available information published by other metals and mining companies or obtained from trade and business organisations and associations. Such data and statements have not been independently verified, and the financial and operational performance metrics of MMC Norilsk Nickel's competitors used to assess and compare positions may have been calculated differently from the method used by MMC Norilsk Nickel.

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