



# Risk management and control system

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

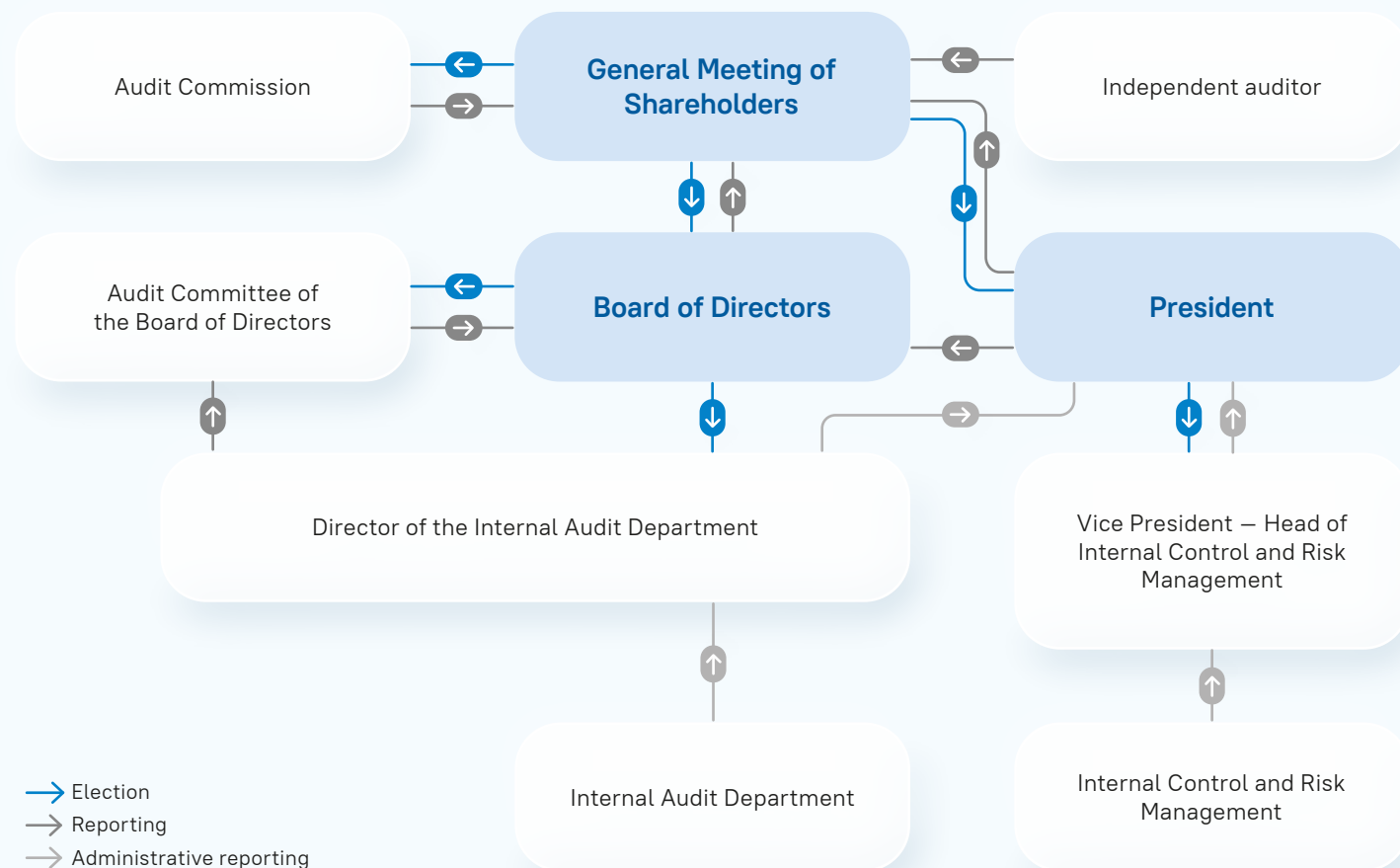
towards achieving goals related to accurate financial reporting, operational efficiency, and compliance.

The system comprises the following control bodies:

- Audit Commission;

- Audit Committee of the Board of Directors;
- Internal Audit Department;
- Internal control Department;
- Risk Management Service;
- Auditor (external control).

## Risk management and control structure



→ Election  
 → Reporting  
 → Administrative reporting

## Audit Commission

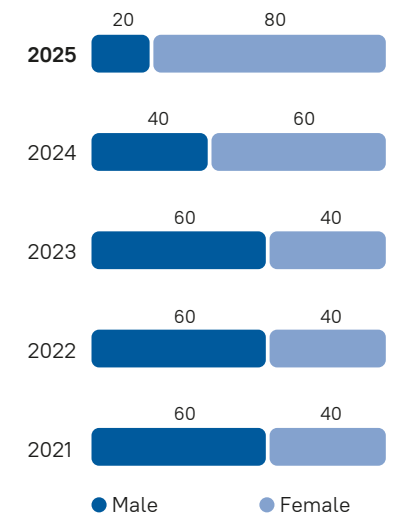
The Audit Commission serves as the control body that monitors the financial and business operations of the Company. The five members of the Audit Commission are elected annually at the Annual General Meeting of Shareholders.

In 2025, the Audit Commission audited Nornickel's business operations for 2024, 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 2025 will be reported to the Annual General Meeting of Shareholders in 2026.

## 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 2024. Members who are Nornickel employees are not paid remuneration for their service on the Audit Commission. No bonuses or other rewards were paid in 2025.

### Members of the Audit Commission by gender, %



### Audit Commission's remuneration

Type of remuneration	2025	
	RUB mln	USD thousand
For serving on the Audit Commission	5.9	70

## 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 Internal Audit Department operates on the basis of the Regulations on the Internal Audit Department and the Internal Audit Policy approved by the Board of Directors.

To ensure independence and objectivity, the Internal Audit Department reports functionally to the Board of Directors and administratively to Nornickel's President.

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 2025

In 2025, the Internal Audit Department conducted 26 audits in the following areas:

- mining operations control;
- risk management at tailings dams;
- maintenance and repair of energy facilities;
- health and safety;
- social investment projects;
- production-related services;
- transportation expenses;
- corporate processes (procurement, sales, turnkey projects, inventory management);
- 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. In particular, 100% of the Company's procurement activities are subject to continuous audit, with the range of metrics applied and hypotheses tested expanded annually.

Based on recommendations issued during audits, management develops corrective actions. During 2025, over 800 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.

## Assessment

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 2025 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 2026

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 2026 internal audit plan approved by the Board of Directors includes 27 audits. The audit plan includes both engagements aimed at assessing and improving the organisation's governance, risk management, and internal control processes, and advisory engagements, the nature and scope of which are approved by the relevant stakeholders.

**26 inspections and audits**

conducted in 2025



## 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 and extremist 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 an integrated risk management and internal control 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".

## Compliance control

**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.**

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;
- Other internal documents.

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. Additionally, to improve compliance culture, the Company has developed a remote learning course on regulatory risk management in the CUUIIMM area.

<sup>1</sup> The Company is subject to Federal Law No. 224-FZ dated 27 July 2010.



## AML/CFT compliance

The Company implements a set of measures to prevent money laundering, terrorist and extremist financing, and the proliferation of weapons of mass destruction (AML/CFTE/PWMD).<sup>1</sup>

AML/CFTE/PWMD internal controls are embedded in the Company's ICS and 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/CFTE/PWMD (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.**

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

In 2025, Nornickel maintained its leading position in the annual Anti-Corruption Rating 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 commitment to high standards of ethical and transparent business conduct.




ensures that it upholds its corporate values, mitigates and prevents potential risks, and remains in full compliance with applicable regulatory requirements.

Anti-corruption policies and procedures are applicable across the entire Group and integrated into all business processes.

For more details on the 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 website.

**Nornickel does not engage with political parties, affiliated foundations, or related organisations, nor does it make facilitation payments.**



## Identification of risks

Corruption risk management is an integral part of the anti-corruption compliance system. The Company identifies, analyses, and assesses corruption risks on a regular basis. All corruption risks at the Company are identified based on information on potential violations by employees, taking into account the specific business processes classified as exposed to such illegal practices. 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.

In the reporting year, the Company proved its compliance with anti-corruption requirements by submitting a declaration to the Anti-Corruption Charter of Russian Business.

### In 2025, to further develop and improve its anti-corruption compliance system, the Company:

- assessed the effectiveness of controls implemented to mitigate corruption risks;
- conducted an annual survey on corruption and the effectiveness of anti-corruption initiatives, covering employees from four Group entities;
- continues its efforts to automate conflict of interest management;
- delivered a training campaign on managing risks arising out of conflicts of interest for Group employees responsible for implementing anti-corruption procedures;
- provided training to designated HR personnel across the Group's entities on reviewing and managing potential conflicts of interest when contracting with former government officials;

- took measures to monitor and assess compliance with the legal requirements 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 has a strong sense of personal ownership. When joining the Company, all employees take an induction briefing on anti-corruption compliance and are required to familiarise themselves with anti-corruption documents and 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.

## Training and awareness statistics

Activities	2021	2022	2023	2024	2025
Employees that have received training on anti-corruption	9,805	31,025	25,800	10,507	12,236
Employees that the Company's Anti-Corruption Policy has been communicated to	76,626	81,492	81,347	78,826	77,161

<sup>1</sup> Nornickel is subject to Federal Law of the Russian Federation No. 115-FZ On Anti-Money Laundering and Combating the Financing of Terrorism, dated 7 August 2001.



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.

In 2025, an interactive memo on the Company's key anti-corruption requirements and principles was developed and published on the corporate portal.

As of the end of 2025, the percentage of employees that the Company's anti-corruption policies and methods have been communicated to was 100%.

### 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.

The Company set up standing conflict of interest commissions across the Group to ensure legal compliance and improve

corporate culture. For more details on anti-corruption efforts, including the Company's conflict of interest management process, please see [the Sustainability Report](#).

### Feedback channels

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. All Group employees and partners have ready and easy access to information about the Company's anti-corruption policies and measures, available on its official website in the Anti-Corruption section.

### Preventing fraud

The Company continuously works to detect and prevent the risks of corporate fraud. As part of this effort, updated requirements are developed for each function and dedicated controls are introduced across the functions potentially exposed to corporate fraud risks. The Company carries out regular preventive activities, including initiatives delivered through its corporate information channels.

### Investigations

When information is received that contains data indicating corporate fraud or corruption, the Company conducts mandatory internal investigations.

More than 150 such investigations were completed in 2025. As a result, instances of unlawful actions aimed at embezzlement of the Company's property were identified. Based on the findings, law enforcement authorities initiated 94 criminal cases, including 87 related to corporate fraud

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.



and 7 related to corruption. Fraud by contractors in the provision of various services was also identified. As a result of comprehensive measures taken, the Company recovered material damages in excess of RUB 200 million.

In 2025, 11 reports about potential employee corruption were received via the Corporate Trust Line (CTL). Following the review and investigation of all reports submitted via the CTL, evidence of corruption was found in two cases. Appropriate response measures were taken.

### Statistics on CTL reports about corruption or fraud

Indicators	2022	2023	2024	2025
<b>Number of CTL reports accepted for investigation, broken down by topic:</b>				
• Corruption	0	4	2	11
• Corporate fraud	3	10	6	18
<b>Number of confirmed CTL reports, broken down by topic:</b>				
• Corruption	0	0	0	2
• Corporate fraud	0	2	4	2

### Measures for counterparties

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

To prevent procurement misconduct and maximise value for money through the unbiased selection of the best proposals, Nornickel's employees responsible for procurement procedures adhere to the following rules:

- procurement relies on the principle of division of roles;
- commercial proposals submitted by suppliers are compared using objective and measurable criteria approved prior to sending a relevant request for proposal;
- the selection results and the winning bidder in the material procurement process are approved by the collective procurement body comprised of representatives from various functions of Nornickel;

- a master agreement containing an anti-corruption clause is signed 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 corruption risks. Moreover, by signing the master agreement, suppliers acknowledge that they have read the Company's Anti-Corruption Policy and the Anti-Corruption Basics for Counterparties guidance document.

To ensure the Company's economic security, more than 32 thousand reliability checks were conducted in 2025, covering both potential and existing counterparties. These assessments reviewed counterparties' reliability, solvency, financial stability, legal compliance, corruption risks, and ability to meet contractual obligations. To identify and analyse significant changes in the financial performance of the Company's major counterparties, the Company runs a monitoring project.

Under this project, in 2025, checks were run on 400 counterparties, each with a total contract value exceeding RUB 300 million.

### 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. The Company's guiding principles in this area include a commitment to free and fair competition, compliance with antitrust laws, and a continuous, proactive approach to managing antitrust risks.

Nornickel carries out internal assessments and identifies business units whose activities are exposed to antitrust risks. At such units, the Company designates antitrust compliance officers 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 officers regarding actions or omissions prohibited under antitrust laws. Activities to identify antitrust risks are also carried out through legal support of the Group's

business processes. These processes cover executing investment projects, tariff decision making, removing price controls for certain activities, establishing procedures for counterparty engagement as well as entering new markets for the Company's products and more.

This ensures that the Company's operations comply with applicable antitrust laws and prevents breaches. 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.

### Corporate Trust Line

To enhance the effectiveness and timeliness of measures designed to prevent ethical breaches, including corruption, discrimination, and human rights violations, Nornickel has established a Corporate Trust Line (CTL) speak-up programme. Both Company employees and external stakeholders are encouraged to use the Company's CTL to report any suspected breaches. All reports submitted to the CTL 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 CTL, 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 CTL 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.

#### Reporting channels (24/7)



8 (800) 700-19-41,  
8 (800) 700-19-45



1st Krasnogvardeysky Drive 15, Moscow, Russia, 123112, Corporate Trust Line of MMC Norilsk Nickel



skd@nornik.ru



Reporting form on the [nornickel.ru](https://nornickel.ru) website



SuperNika corporate app

#### 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	2021	2022	2023	2024	2025
Number of incoming reports	1,243	1,463	2,079	1,279	1,198
Number of accepted reports	422	589	859	651	693
Including confirmed breaches:	96	159	193	180	169
• Ethical standards and principles <sup>1</sup>	–	13	21	15	22
• Corruption	0	0	0	0	2
• Human rights violation	–	0	0	0	0

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.



Detailed report statistics are published annually in the [Sustainability Report](#)

### Risk management system

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

#### Nornickel has set the following key risk management objectives:

- increase the likelihood of achieving the Company's goals;
- improve resource allocation;
- boost Nornickel's investment case and shareholder value.

The risk management system is based on the principles and requirements set forth in Russian laws, as well as professional standards,

including the Corporate Governance Code recommended by the Bank of Russia, GOST R ISO 31000-2019 Risk management. Principles and guidelines, COSO Enterprise Risk Management – Integrating with Strategy and Performance, and Recommendations for Public Joint Stock Companies to Organise Risk Management, Internal Controls, Internal Auditing, and the Work of Auditing Committees Under Boards of Directors (Supervisory Boards) (Appendix to the Bank of Russia's Letter No. IN-06-28/143 dated 1 October 2020). The Company has developed and implemented a Risk Management Policy (approved by the Board of Directors in 2023).

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.

<sup>1</sup> Ethical Standards and Principles as well as Human Rights and Freedoms were designated as distinct topics within the classifier in 2022.

<sup>2</sup> 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

### Audit Committee of the Board of Directors

- 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 2025, the Company completed the following projects and initiatives to develop, improve, and maintain the maturity of its risk management system:

- automated capital construction investment project risk management using a governance, risk, and compliance (GRC) system;
- updated the quantitative assessment of the cumulative impact of risks on functional strategies;
- as part of risk culture initiatives, introduced an online training course on investment project risk management and a risk culture self-assessment 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 2026 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.

In line with risk management system improvement plans, the following areas have been prioritised for 2026:

- Further automating risk management system functionality
- Enhancing approaches to quantitative risk assessment in strategic and operational planning

- Developing the methodology to analyse, assess, and manage various categories and types of risks
- Applying and enhancing the concept for assessing long-term climate-related risks in line with TCFD requirements<sup>1</sup>

## Key strategic risks

The Company's strategic risks were updated in 2025. Nornickel sees the following groups of risks as its key risks: lower demand for the Company's products, lower productivity and disruptions of operations, increase in the Company's staffing shortage, and 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.

Nornickel maintains insurance contracts with major Russian insurers.

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

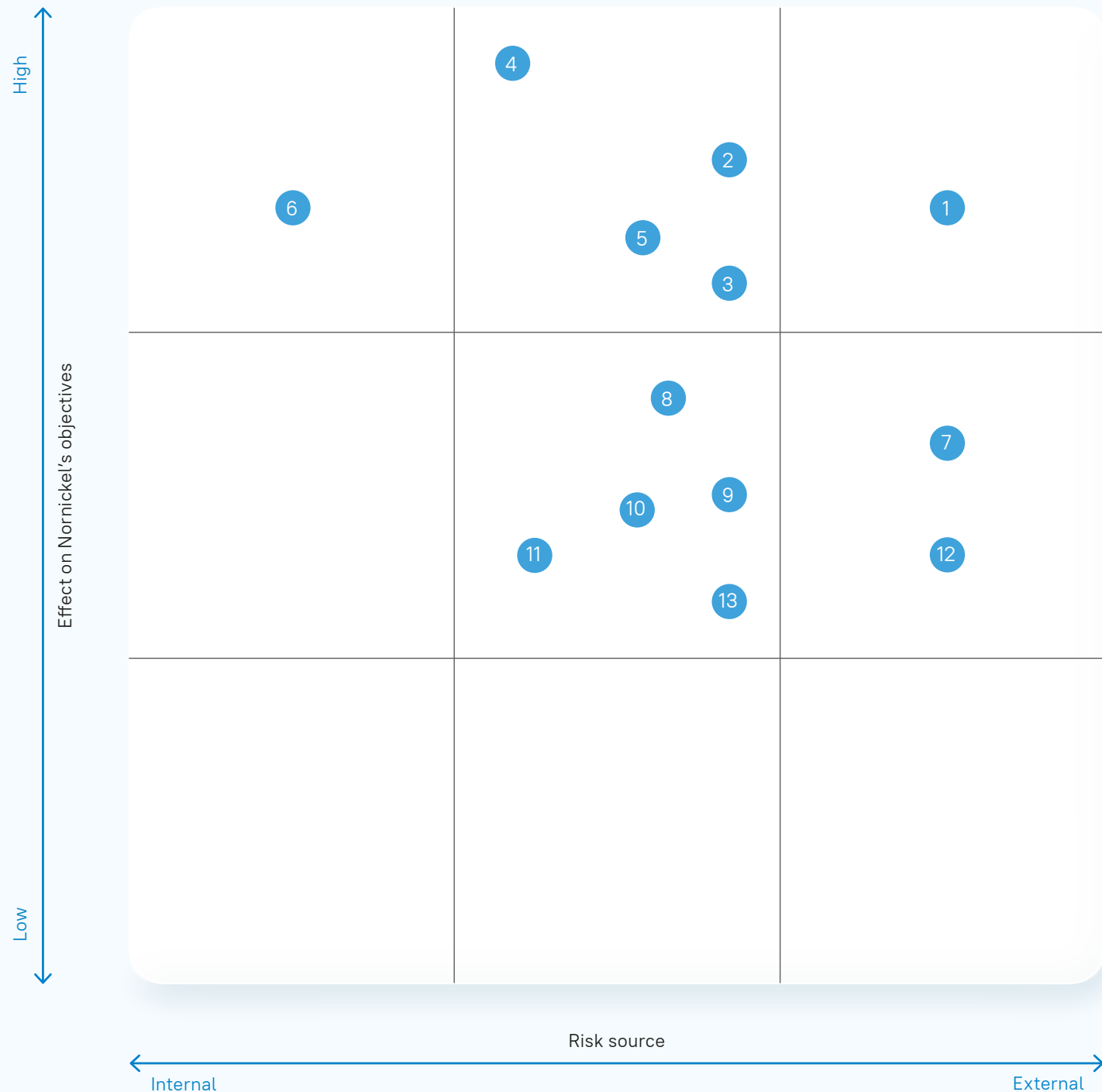


<sup>1</sup> Task Force on Climate-related Financial Disclosures.



### Map of Nornickel's material risks with year-on-year changes in 2025

#### Risk map



#### Risk

- 1 Price risk
- 2 Market risk
- 3 Financial risks
- 4 Technical and production risk
- 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
- 12 Low water levels in rivers
- 13 Social risk

Risk increased year-on-year   
  Risk decreased year-on-year   
  Risk has not changed year-on-year

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

Changes in key risk assessments in 2025 were largely driven by a volatile and uncertain external environment (macroeconomic indicators, financial conditions, logistical constraints, sanctions and regulatory factors), as reflected in risk changes over the reporting period.

The Company did not identify any instances of key risks materialising in 2025.

#### Climate-related risks

For more details on Nornickel's climate-related risks and opportunities, please see Nornickel's Sustainability Report.

To assess climate-related risks and opportunities, Nornickel is implementing a Climate Change Adaptation Action Plan that takes into account: the Bank of Russia's recommendations on public joint stock companies' disclosure of non-financial information;<sup>1</sup> the Russian Ministry of Economic Development's recommendations on climate risk assessments; other national regulations; and TCFD recommendations, which distinguish two main risk categories.

**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.**

#### Physical risks

These risks are associated with the impact of climate risk factors on the Company's facilities, including hazardous natural phenomena as well as gradual changes in environmental conditions, such as permafrost degradation, changes in river water levels, or an increased frequency of thunderstorms.

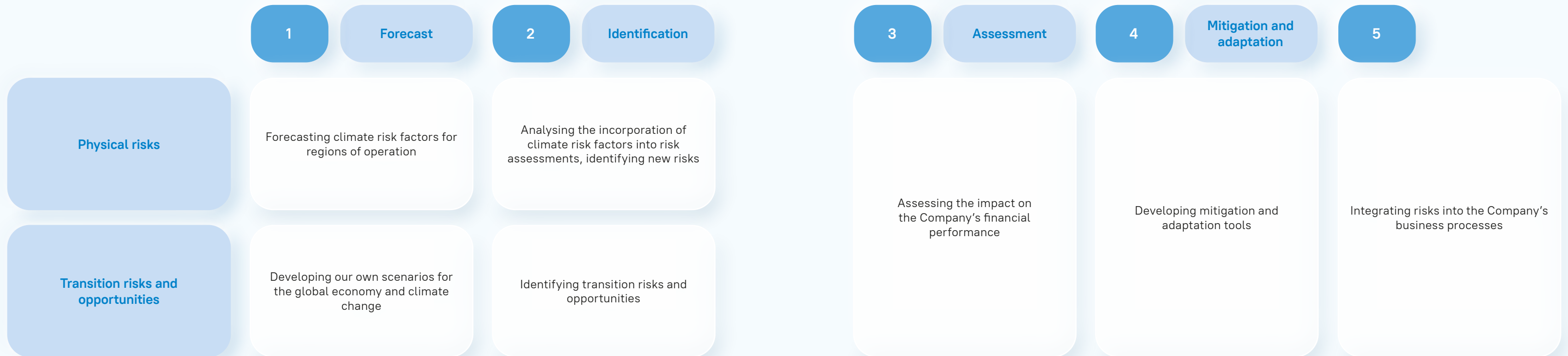
#### Transition risks

A group of regulatory, technological, market, and reputational risks arising from the global transition to a low-carbon economy that can substantially affect demand for Nornickel products.

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



### Developing climate risk management procedures



The Company's assets are located in regions that have long been affected by climate change. The Company takes this impact into account and, in line with TCFD recommendations, integrates the long-term impacts of climate risk factors into its business processes. Under the TCFD framework, transition risks can be classified both as a risk factor and as a risk. The Company has compiled a list of its transition risks and ran their assessment.

The analysis of physical risks relies on public scenarios of the Intergovernmental Panel on

Climate Change (IPCC) (SSP1-2.6, SSP2-4.5, SSP5-8.5) localised for all regions where the Company operates its production sites. To analyse transition risks, the Company relies on own scenarios for the global economy and climate change until 2060.

Permafrost degradation is the key physical climate risk. As part of permafrost thawing risk management, the Company further develops its building and structure monitoring system, which provides continuous automated monitoring of the technical condition of its assets. The monitoring

system is developed by the Buildings and Structures Monitoring Centre of the Polar Branch in Norilsk, which is responsible for monitoring the technical condition and permafrost, and serves as a centre of excellence in engineering geology.

#### Permafrost degradation

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

<b>Key risk factors</b>	Average annual temperature increases, including over the last 15 to 20 years, that have resulted in deeper seasonal thawing of permafrost
<b>Effect on Nornickel's development goals and strategy</b>	<ul style="list-style-type: none"> <li>Effective delivery of finished products (metals) in line with the production programme</li> <li>Social responsibility: comfort and safety of people living in Nornickel's regions of operation</li> <li>No emergency situations of interregional or nationwide scale, including environmental damage</li> </ul>
<b>Risk assessment</b>	Effect on objectives: <b>medium</b> Risk source: <b>external</b> Year-on-year change in risk: <b>stable</b>
<b>Mitigants</b>	To manage this risk, Nornickel: <ul style="list-style-type: none"> <li>timely 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;</li> <li>takes actions to ensure that buildings and structures are technically operational.</li> </ul>



### Low water levels in rivers

Water shortages in storage reservoirs of Nornickel’s hydropower facilities may result in lower renewable energy generation and to drinking water shortages in Norilsk.

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

### Transition risks and opportunities

To assess risks and opportunities arising from the global energy transition, Nornickel has developed three own scenarios for global economy and climate change until 2060 through collaboration with the Institute for Economic Forecasting of the Russian Academy of Sciences (IEF RAS).

About 190 public socio-economic scenarios were analysed to develop corporate scenarios. The resulting three global economy and climate change scenarios until 2060 (Rapid Transition, Sustainable Palladium, and Global Growth) are aligned with temperature pathways described in IPCC’s public scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5, respectively.

According to the most likely (baseline) scenario, Sustainable Palladium, 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.

#### A scenario analysis of the consolidated financial and economic model until 2040

Based on its corporate scenarios for global socio-economic development and climate change, Nornickel has conducted a scenario analysis of the consolidated financial and economic model until 2040.

The analysis has shown that under any scenario – whether one of accelerated decarbonisation or of a global retreat from such efforts – Nornickel’s basket of metals ensures the resilience of its financial position through to 2040. The analysis findings suggest that the EBITDA outlook is most favourable for the Company under the Global Growth scenario and least favourable under 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. The Company estimates the probability of the Global Growth scenario at 5%.

### Key characteristics of the scenarios developed to assess transition risks and opportunities until 2060

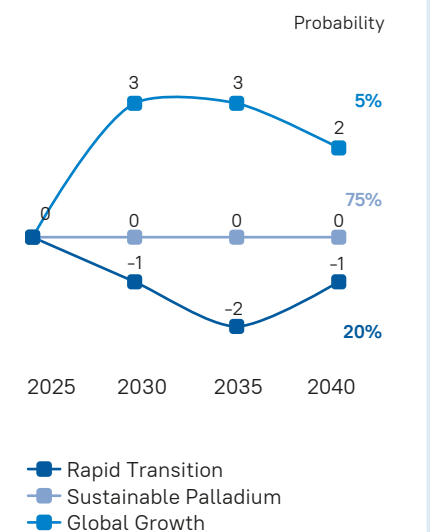
Scenarios	Rapid Transition SSP1-2.6	Sustainable Palladium SSP2-4.5	Global Growth SSP5-8.5
Probability	20%	75%	5%
Development focus	Low-carbon development paradigm with the global community’s efforts focused on the reduction of GHG emissions	Maintaining current socioeconomic trends. Traditional industries 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 <sub>2</sub> prices	Major increase	Moderate increase	At 2021 levels
Temperature change by 2050 <sup>1</sup>	+1.7 °C	+2.0 °C	+2.5 °C

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 smaller than in the Sustainable Palladium scenario as a result of the general trend towards reduction in car ownership and use as well as ride-sharing growth.

After 2035, stress scenarios are closer to the base scenario Sustainable palladium due to the difference in the growth rate of metal prices: the price growth rate in Rapid Transition is higher, and in Global Growth, on the contrary, is lower relative to Sustainable palladium.

For a full list of transition risks and opportunities, their impact on the Company, as well as detailed forecasts of changes in demand for the Company’s products under the three scenarios, please see [Nornickel’s 2024 Climate Change Report](#).

### EBITDA deviations from the baseline in the Sustainable Palladium scenario until 2040



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



## 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.

<b>Key risk factors</b>	<ul style="list-style-type: none"> <li>Lower demand for metals produced by Nornickel</li> <li>A slowdown in the global economy in general and in the economies consuming Nornickel metals in particular</li> <li>Supply and demand imbalance in metals markets</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of metals produced by the Company with alternative materials</li> <li>Unfavourable monetary policy</li> </ul>
<b>Effect on Nornickel's development goals and strategy</b>	Upgrade of the existing and construction of new facilities to ramp up the Company's output of key metals and maintain financial stability	
<b>Risk assessment</b>	Effect on objectives: <b>high</b> Risk source: <b>external</b> Year-on-year change in risk: <b>stable</b>	
<b>Key mitigants</b>	Nornickel is consciously accepting the existing price risk. To manage this risk, Nornickel: <ul style="list-style-type: none"> <li>continuously monitors and forecasts supply and demand dynamics for key metals;</li> <li>secures feedstock supplies for key consumers through long-term contracts to deliver metals in fixed volumes;</li> </ul>	<ul style="list-style-type: none"> <li>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;</li> <li>searches for new applications and uses for palladium.</li> </ul>

## 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.

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



## Financial risks

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

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

## Technical and production risks

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

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



## 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.

<b>Key risk factors</b>	<ul style="list-style-type: none"> <li>Changes in forecasts of ore volumes, grades, and properties resulting from follow-up exploration</li> <li>Changes in investment project timelines</li> </ul>	<ul style="list-style-type: none"> <li>Further changes to budgets of investment projects</li> <li>Amendments to project performance targets in the course of implementation</li> </ul>
<b>Effect on Nornickel's development goals and strategy</b>	<ul style="list-style-type: none"> <li>Strategic goal: growth driven by Tier 1 assets</li> <li>Developing Nornickel's mining, concentration, and metallurgical assets</li> <li>Developing the Company's mineral resource base and upgrading core production processes at Nornickel's Tier 1 assets</li> </ul>	
<b>Risk assessment</b>	<p>Effect on objectives: <b>high</b></p> <p>Risk source: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>	
<b>Key mitigants</b>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>carries out accelerated exploration and updates project performance targets and the mining plan (a long-term production plan) based on the progress of its major investment projects developing the mineral resource base</li> <li>conducts resource, geomechanical, and hydrogeological modelling</li> <li>holds external audits of geological data</li> <li>develops an in-house geological and mining information system</li> <li>models mining options in geological and mining information systems</li> <li>as part of the project assurance process, conducts internal (cross-functional) audits of major investment projects at each stage in their life cycle</li> </ul>	

## Health and safety risks

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

<b>Key risk factors</b>	<ul style="list-style-type: none"> <li>Suboptimal methods of work organisation</li> </ul>	<ul style="list-style-type: none"> <li>Process flow disruptions</li> <li>Exposure to hazards</li> </ul>
<b>Effect on Nornickel's development goals and strategy</b>	Health and safety	
<b>Risk assessment</b>	<p>Effect on objectives: <b>high</b></p> <p>Risk source: <b>internal</b></p> <p>Year-on-year change in risk: <b>stable</b></p>	
<b>Key mitigants</b>	<p>Pursuant to the Occupational Health and Safety Policy approved by the Board of Directors, Nornickel:</p> <ul style="list-style-type: none"> <li>continuously monitors compliance with H&amp;S requirements;</li> <li>improves the working conditions for its employees and contractors deployed at Nornickel's production facilities, including by implementing new technologies and labour-saving solutions as well as through enhancing industrial safety at production facilities;</li> <li>provides employees with certified state-of-the-art personal protective equipment;</li> <li>improves the system of stationary gas analysers, provides employees with portable gas analysers;</li> <li>carries out preventive and therapeutic interventions and enforces hygiene protocols to reduce the potential impact of work-related health and safety hazards;</li> </ul>	



## Compliance risks

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

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

## 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.

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



## Environmental risks

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

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

## Social risk

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

<b>Key risk factors</b>	<ul style="list-style-type: none"> <li>Headcount / staff composition optimisation projects</li> <li>Rejection of Nornickel's values by individual employees and/or third parties</li> <li>Limited ability to perform annual cost-of-living pay adjustments</li> </ul>	<ul style="list-style-type: none"> <li>Dissemination of false and inaccurate information about Nornickel's plans and operations among Group employees</li> <li>Reallocation of funds originally intended for social programmes and charitable programmes and projects</li> </ul>
<b>Effect on Nornickel's development goals and strategy</b>	Social responsibility: <ul style="list-style-type: none"> <li>Partnering with regional and local authorities to develop a social infrastructure that supports a safe and comfortable living environment for local communities</li> <li>Facilitating the employees' professional and cultural development and building up talent pools across Nornickel's regions of operation</li> <li>Running wide-ranging charitable programmes and projects</li> </ul>	
<b>Risk assessment</b>	Effect on objectives: <b>medium</b> Risk source: <b>mixed</b> Year-on-year change in risk: <b>stable</b>	
<b>Key mitigants</b>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>strictly adheres to the terms and conditions of collective bargaining agreements between Group companies and employees (Group enterprises have signed a total of 22 collective bargaining agreements);</li> <li>interacts with regional and local authorities as well as civil society institutions;</li> <li>fulfils its social obligations under public-private partnership agreements;</li> <li>runs corporate social responsibility programmes and the People of the Territory social capital programme aimed at supporting and promoting regional community initiatives, including by Nornickel employees and indigenous peoples of Taimyr and the Lovozersky District of the Murmansk Region;</li> <li>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;</li> </ul>	<ul style="list-style-type: none"> <li>carries out regular sociological monitoring across its operations;</li> <li>runs the Made with Care programme to enhance employee comfort;</li> <li>surveys Norilsk residents on living standards, employment, migration trends, and general social sentiment to identify major issues, including through the City Resident's Social Portrait survey;</li> <li>runs social projects and programmes aimed at supporting employees and their families as well as Nornickel's former employees;</li> <li>maintains dialogues with stakeholders and conducts stakeholder questionnaire surveys when preparing the Nornickel Group's public sustainability reports;</li> <li>provides a range of social support measures to redundant staff.</li> </ul>



## Supply chain risks

Supply chain interruption/disruption within the existing transport and logistics system (to contractual transshipment points).

<b>Key risk factors</b>	<ul style="list-style-type: none"> <li>Challenging natural and climatic conditions in the regions of operation</li> <li>Limitations of the transport and logistics system</li> <li>Growing inflation, FX rates, pricing pressure from suppliers, poor planning, and other factors</li> </ul>	<ul style="list-style-type: none"> <li>Breach of contracts by contractors</li> <li>Foreign regulators imposing restrictions that affect operations of Nornickel and its key partners, including sanctions affecting the pricing structure and delivery terms and conditions</li> </ul>
<b>Effect on Nornickel's development goals and strategy</b>	<ul style="list-style-type: none"> <li>Effective delivery of finished products in line with the production programme</li> <li>Timely supply of products to consumers</li> </ul>	
<b>Risk assessment</b>	Effect on objectives: <b>medium</b> Risk source: <b>mixed</b> Year-on-year change in risk: <b>stable</b>	
<b>Key mitigants</b>	To manage this risk, Nornickel: <ul style="list-style-type: none"> <li>actively engages Russian manufacturers as well as manufacturers from friendly countries to expand competition;</li> <li>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;</li> </ul>	<ul style="list-style-type: none"> <li>drafts lists of critical manufacturers of equipment and materials, works to prevent supply disruptions, and monitors the suppliers' performance;</li> <li>implements its Procurement Excellence Programme;</li> <li>implements its Logistics Infrastructure Development Programme.</li> </ul>

## Independent audit

An independent auditor for Nornickel's financial statements is selected through competitive bidding in accordance with the Group'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 General Meeting of Shareholders of MMC Norilsk Nickel.

In 2025, 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 2025.

Upon reviewing Kept's reports, the Audit Committee of the Board of Directors 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 2025 totalled RUB 232.4 million (USD 2.8 million), net of VAT, with the share of other audit-related services accounting for 16% of the total.

To prevent conflict of interest, Kept has a specific policy in place, covering different types of services it provides to auditees. The policy ensures compliance with the requirements of the International Ethics Standards Board for Accountants (IESBA), the Russian Independence Rules for Auditors and Audit Firms.

### Auditor's fees<sup>1</sup>

Service type	2023	2024	2025	
	RUB mln	RUB mln	RUB mln	USD mln
Audit services	125.8	133.9	150.4	1.8
Auxiliary audit services	36.7	44.3	45.0	0.5
Other audit-related services	69.7	102.0	37.0	0.4
<b>Total</b>	<b>232.2</b>	<b>280.2</b>	<b>232.4</b>	<b>2.8</b>

<sup>1</sup> Figures may not sum up due to rounding.