

Tax strategy

GRI 207-1

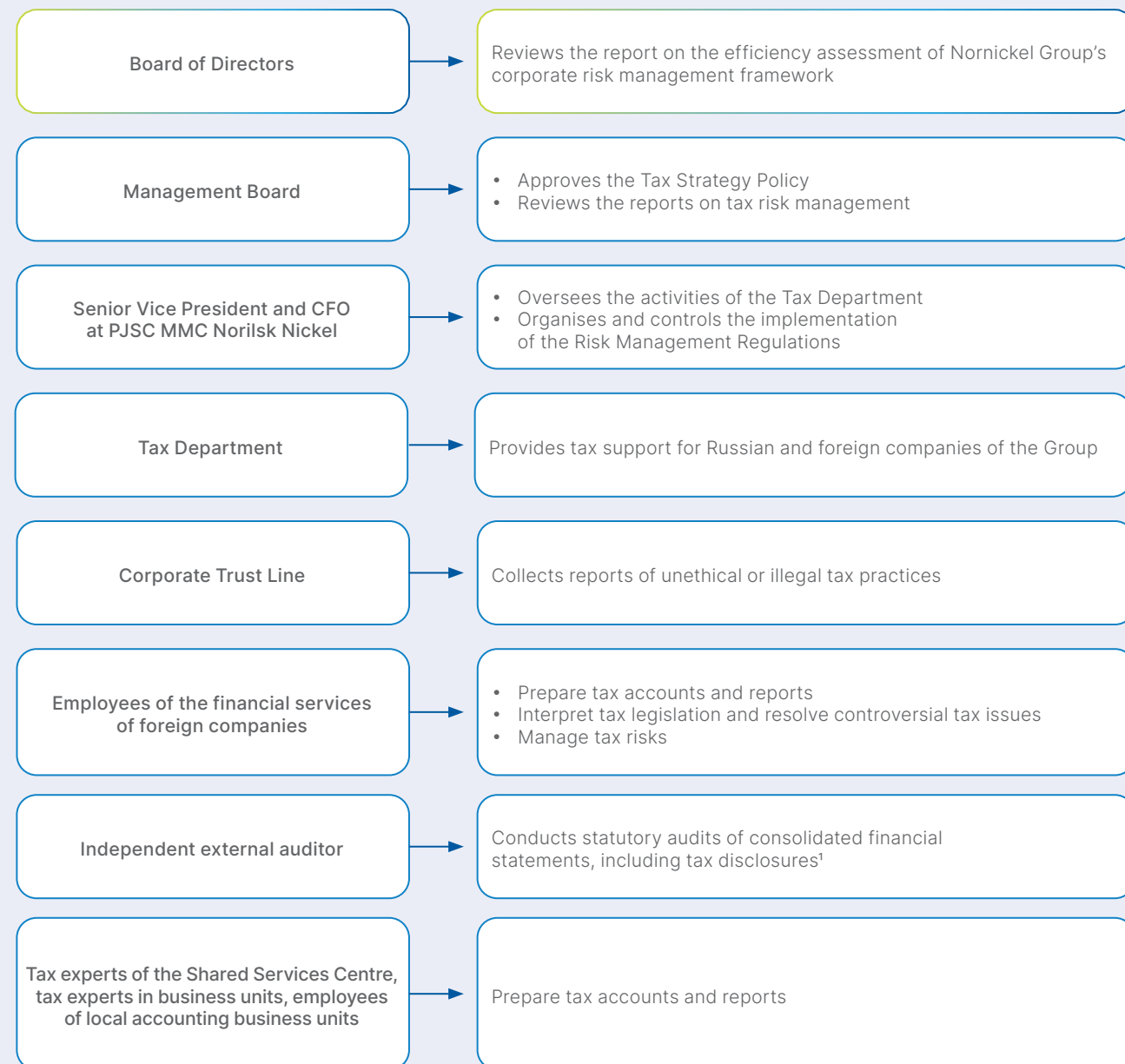
Nornickel is one of the largest taxpayers in the Russian metals and mining industry. The Company ensures strict compliance with tax laws and pays all taxes on time.

The Group's Tax Strategy Policy sets general operating principles for the tax functions of MMC Norilsk Nickel and its subsidiaries and improves the efficiency of their financial and economic operations by managing the tax

burden and tax risks. The Policy is the key document that governs all taxation aspects at the Company.

Tax management at Nornickel Group

GRI 2-9, 2-12, 2-13, 207-2



¹ For more details, please see our [consolidated financial statements](#)

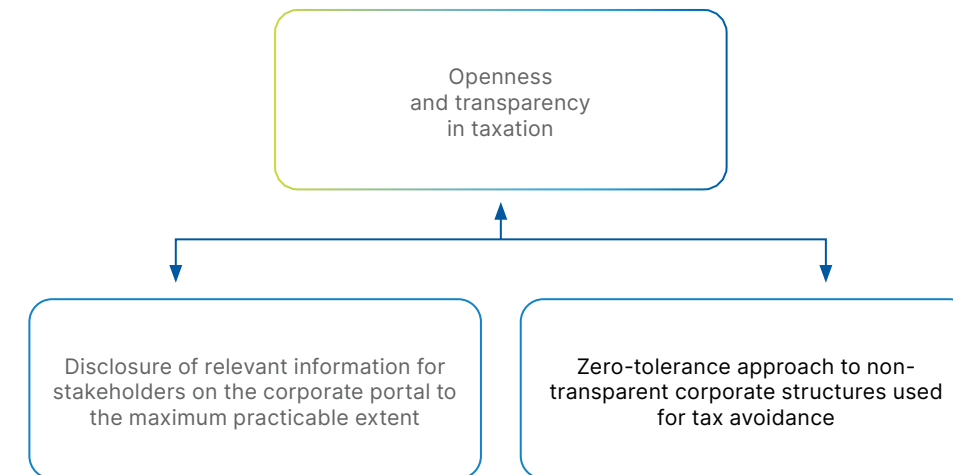
The Head of the Tax Department, who reports to Nornickel's Senior Vice President and CFO, is in charge of the Tax Strategy development. The tax strategy and any substantial amendments thereto are subject to approval by Norilsk Nickel's Management

Board. Updates and significant changes are introduced as needed, but at least once every three years.

The Company's Tax Department prepares internal regulations based on the current legislation, arbitration practice, regulatory clarifications and other circumstances,

and communicates them to the Group's business units. If necessary, the Tax Department requests specific clarifications from competent authorities or a reasoned opinion of the tax authority required for the companies participating in tax monitoring.

Approach to taxation



As a responsible company, Nornickel is committed to openness and transparency in its taxation aspects.

Intra-group transactions between the Group's companies are made using market prices. In terms of transfer pricing, the Group complies with the basic principles set out in the Organisation for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and follows the laws and regulations of Russia and other countries of operation.

Nornickel takes a conservative approach to all controversial tax issues arising in all jurisdictions across the Group's footprint. The Group considers unacceptable any use of aggressive tax planning schemes.

The Group's foreign entities interpret applicable tax legislation and resolve controversial tax issues independently.

Cooperation with tax authorities

GRI 207-3

The Group's companies interact with tax authorities as part of tax control, when obtaining clarifications on the current legislation, and when signing pricing agreements.

Nornickel interacts with tax authorities on an ongoing basis using the tax monitoring framework, which provides tax authorities with real-time access to the Company's tax and accounting data. By giving tax authorities direct access to its corporate accounting system, the Group clearly demonstrates its highly professional and ethical approach to tax matters.



2022 tax payments breakdown¹ (RUB mln)

Indicator	Income tax	Mineral extraction tax	Licences and similar payments	Total
MMC Norilsk Nickel Group	68,114	66,334	23	134,471
South Cluster	4,394	5,989	0	10,383
Kola MMC Group	0	2,286	0	2,286
NN Harjavalta	137	0	0	137
GRK Bystrinskoye	112	457	0	569
Other mining businesses	546	0	0	546
Other non-metals businesses	1,172	0	0	1,172
Total	74,475	75,066	23	149,564

2022 tax payments by country (RUB mln)

Indicator	Income tax	Mineral extraction tax	Licences and similar payments	Total
Russia	73,166	75,066	23	148,255
Finland	137	0	0	137
Switzerland	1,035	0	0	1,035
Other countries	137	0	0	137
Total	74,475	75,066	23	149,564

Information on the Company's tax payments is disclosed in line with the Extractive Industries Transparency Initiative (EITI) requirements.

¹ Income tax payments are reflected in accordance with the taxpayer's belonging to the reporting segment. Income tax payments for the consolidated taxpayers group are, therefore, reflected in MMC Norilsk Nickel Group reporting segment due to the affiliation of the responsible member of the consolidated taxpayers' group to this segment. Here, MMC Norilsk Nickel Group means the operating segment which includes mining, processing and metallurgy operations, as well as transportation, energy, repair and maintenance services on the territory of the Taimyr Peninsula. Kola MMC Group means the operating segment which includes mining and processing operations, metallurgy, energy and mineral exploration operations on the territory of the Kola Peninsula. The data include Norilsk Nickel Harjavalta.

Business Ethics and Anti-Corruption

Nornickel is committed to conducting business in a transparent, honest and ethical manner. This approach is not only beneficial in building trust-based relationships with investors, partners,

employees, and other stakeholders, but is also instrumental in improving social and economic conditions for the Company.

Nornickel sets the bar high for its employees and partners with respect to integrity and responsible business conduct, and has

zero tolerance to any form of corruption at all levels. With an anti-corruption and compliance framework in place, the Company works to eliminate any and all unethical and corrupt practices.

Anti-corruption practices: allocation of responsibility

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

