



HUMAN RESOURCES

One of the Company's focus areas is to nurture corporate culture aimed at boosting employee performance and commitment to take responsibility for delivering results.

IN 2020, NORNICKEL CO-FOUNDED WOMEN IN MINING RUSSIA, A PROJECT TO SUPPORT WOMEN'S DEVELOPMENT IN THE MINING INDUSTRY.

In 2021, **56 female employees** of Nornickel submitted applications to participate in the all-Russian contest Talented Woman in the Extractive Industry, with 11 of them short-listed and three winning the contest.

Nornickel views its employees as its key asset and invests in their professional and personal development while creating an environment promoting employee performance and engagement.

The Company makes sure all employees enjoy equal rights and treatment regardless of gender, age, race, nationality, and origin. Nornickel provides all its employees with the same opportunities to unlock their potential, and promotes them solely on the basis of professional competencies. Respect for each employee and their rights lies at the heart of Nornickel's business. The Company does not use child or forced labour.

Awards and industry recognition

IN 2021, NORNICKEL SHOWED STRONG PERFORMANCE IN BEST EMPLOYER RANKINGS:



Best employer in the metals and mining industry among students, graduates and professionals according to Universum and Randstad Award



Best employer in the metals industry among students of leading higher education institutions (HEI) according to the Best Company Award ranking by Changellenge, as well as the 2nd place in the Power of Growth category, reflecting steady growth of interest from students in business programmes



Best employer in the metals industry, as well as 14th best employer for its target audience in Future Today's ranking based on a survey of Russian university students



16th place (out of more than 600 companies) among the largest companies in the national employer ranking by HeadHunter and RBC



Silver in Forbes' ranking of Russia's best employers (top 50 out of 104 participating companies), gold in the Employees and Society category, and platinum in the Corporate Governance category.

PREVENTING THE SPREAD OF COVID-19

In 2021, the Company continued supporting healthcare facilities and local businesses. A major programme was completed to monitor and promote employee vaccination, with regular PCR testing, vaccine procurement, mobile vaccination sites (including in remote areas), extra days off after vaccination, and gifts for the vaccinated.

During the coronavirus pandemic, the Company was making supplementary payments in addition to temporary disability benefits in case of post-vaccination adverse reactions, as well as to employees who had to self-isolate and were unable to perform their duties. In some of its operating regions, the Company reimbursed taxi fares to employees commuting to work.

On average, 69% of Nor Nickel employees have received at least a first vaccine. At many enterprises, including large companies such as NTEC and Kola MMC, over 80% of the workforce has been vaccinated. Overall, it can be said that the Company's operations have adapted to the pandemic.

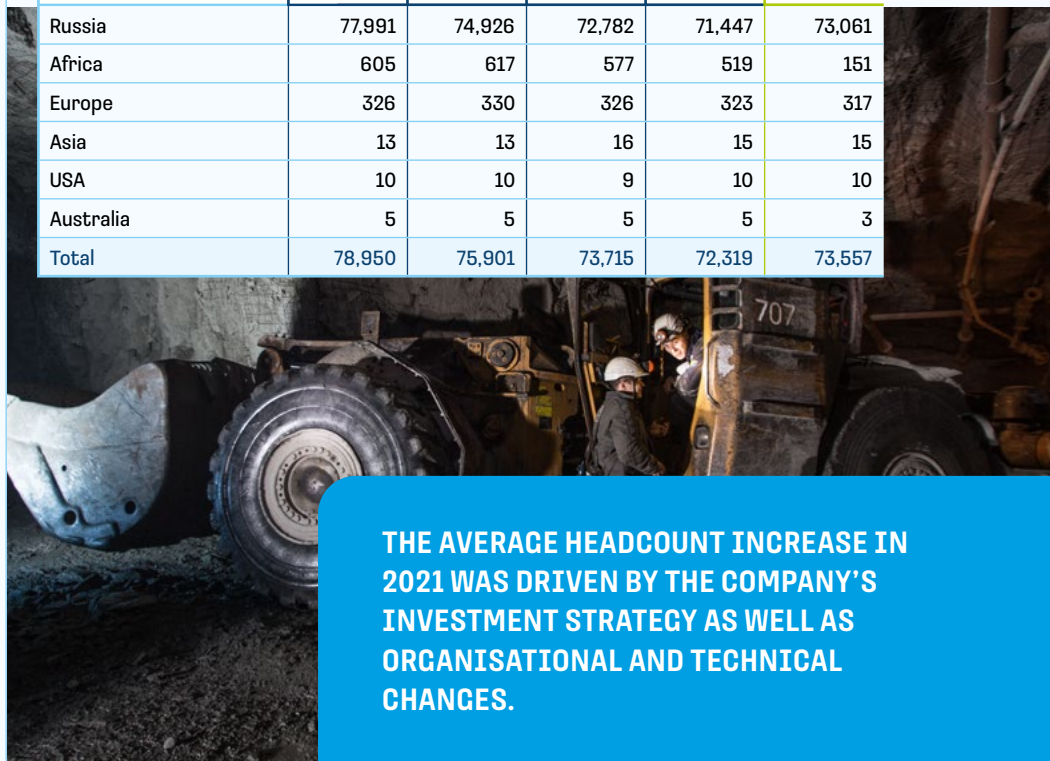
Staff composition

In 2021, the Group's average headcount was 73,557 employees, of which 99% were employed by its Russian companies. Nor Nickel is among the main employers in the Norilsk Industrial District and Kola

Peninsula, employing 67% and 16% of the regional workforce, respectively. Local population accounts for 99.8% of the headcount.

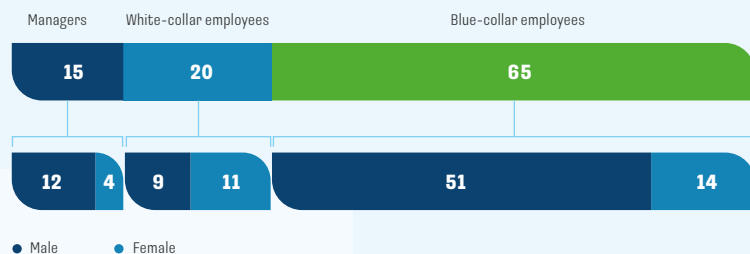
The Group's average headcount (people)

Location	2017	2018	2019	2020	2021
Russia	77,991	74,926	72,782	71,447	73,061
Africa	605	617	577	519	151
Europe	326	330	326	323	317
Asia	13	13	16	15	15
USA	10	10	9	10	10
Australia	5	5	5	5	3
Total	78,950	75,901	73,715	72,319	73,557

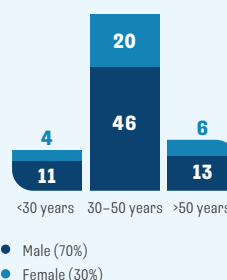


THE AVERAGE HEADCOUNT INCREASE IN 2021 WAS DRIVEN BY THE COMPANY'S INVESTMENT STRATEGY AS WELL AS ORGANISATIONAL AND TECHNICAL CHANGES.

Headcount by category (%)¹



Headcount by age and gender (%)¹



¹ Russian operations.

Recruitment

PARTNERSHIPS WITH UNIVERSITIES

To spark the interest of young people in professions of mining and metallurgical engineers and the industry on the whole, the Company has launched programmes for undergraduate and graduate students of Russian industry-related universities.

The Company focuses on training and upskilling students majoring in professions that are highly valued at Nornickel. For example, our standard format of the Conquerors of the North educational programme moved online and became available to a wider audience of students from Russian universities involved in the industry.

In 2021, 2,080 students applied for the programme, of which 1,360 passed screening and were invited to join, with 590 completing the programme.

The Conquerors of the North online academy has served as a tremendous library of knowledge for students. The participants listened to 30 video lectures and did a case study to consolidate their

knowledge. Nornickel was the first Russian mining company to engage undergraduates and graduates in addressing real business challenges and promptly move the programme online in response to the pandemic spread in Russia.

In 2021, an online apprenticeship programme was run remotely for the Head Office in Moscow. The best graduates of the leading Moscow universities took part in the programme.

The Company continues to support talented students from industry-related universities, with Nornickel's corporate scholarship awarded to 72 students in 2021.

ENGAGEMENT

Nornickel goes through the engagement management cycle every year to maintain an environment conducive to integration.

This cycle includes three phases:

- "Let Everyone Be Heard. What Do You Think?" survey
- Analysing the survey findings

- Developing and implementing resulting solutions

In 2021, the engagement index grew by 2 p.p. y-o-y to 56%, in particular in the following categories:

- Conditions for success: +4 p.p.
- The higher score was due to improved workplace amenities, equipment upgrades and renovation projects
- Rewards and recognition: +2 p.p.
- Pay satisfaction grew 5 p.p. y-o-y
- Career opportunities: +4 p.p.

Also, the score on the perceptions of top management metric was out of the risk zone for the first time in four years, with the score on the environmental awareness metric gradually improving.

The survey includes focus group polling among 73 thousand employees from 32 Nornickel enterprises. In 2021, 46.8 thousand employees were covered by the survey, up 10% y-o-y.

All governance levels, from units of individual entities to the Group as a whole, are involved in both survey data analysis and the development and implementation of improvements.

Development programmes and trainings

The Company provides great opportunities for accessible training, paying particular attention to using advanced technologies for various employee categories. More than 24 thousand employees are active users of the Nornickel Academy corporate education platform, which constantly expands its remote learning opportunities.

Over 150 training courses are now publicly available on the Nornickel Academy platform. The catalogue features courses on the following subjects:

- Me and the Company
- Professional development
- Personal development
- Managing people and processes

The most popular courses in 2021 were the ones developing management and digital skills, as well as job-specific courses and mandatory trainings and briefings. Over 5.3 thousand employees completed training courses to develop their management skills.

The Fundamentals of Non-ferrous Metallurgy course was developed in 2021 for Nornickel specialists with non-metallurgical backgrounds, completed by over 700 employees.

More than 2 thousand people took courses themed around Digitalisation and Information Technology on the Nornickel Academy platform in 2021. The most popular course was Digital Literacy, which was developed under the Digital Nornickel programme to summarise in an accessible

way which digital solutions, technologies and tools are currently available on the market, which have been implemented in Nornickel, and which anyone can use in their daily work. A total of 46.7 thousand people completed the course by the end of 2021.

Overall, 115.5 thousand person-events were held as part of training and retraining programmes, covering 52.2 thousand employees. A total of 5,058 thousand person-hours of training were delivered to 21.7 thousand employees in corporate training centres (41.6 thousand person-events). As restrictions imposed in Russia precluded face-to-face training, the Company actively used remote learning formats for its employees (75.3 thousand person-events).

LEADERSHIP DEVELOPMENT

The Company maintains its focus on the development of management skills among its leaders. A corporate development programme for top 100 managers, as well as high-potential managers, selected by HR committees, has been in place for four years now. The programme was delivered in a hybrid format during 2021, with a total of 22 managers trained. The programme leverages the project-based approach, whereby participants are involved in designing real-life projects to develop specific business areas for the Company. Each training module included theory, presentations by speakers, project work on group assignments, and plenary discussions of the group work results.

On the Path to Efficiency programme has set a good example in fostering a digital learning culture. It includes five modules aimed at improving the management skills of middle management:

- Results-based management ("Manage!")
- Labour productivity ("Improve!")
- Effective communications ("Negotiate!")
- Financial management ("Analyse!")
- Team management ("Interact!")

In 2021, management training under the 360-Degree Management programme was continued, with 360-degree assessment of managers' skills.

The programme focused on the development of corporate and management skills. Participants could select training topics themselves based on their assessment results and development areas highlighted in their individual development plans. Training was offered on six topics:

- HR management
- Execution management
- Corporate skills development
- Communications
- Systems thinking
- Partner relations

A total of 139 managers were trained.

Supervisor School, a new training programme for line managers, was launched in 2021, with 72 supervisors trained. Participants who completed feedback questionnaires rated the programme at 9.6 on a 10-point scale.

ASSISTANCE PROGRAMME

Since the Company's production sites are located in remote areas, Nor Nickel actively sources staff for its production facilities from other regions of Russia. The Assistance programme helps new hires adapt to their new environment and settle into their new communities on the Taimyr Peninsula. The programme targets not only

highly qualified specialists and managers but also young talent and workers with hard-to-find skills. Today, it covers 1,587 of Nor Nickel employees, including 758 new participants, who joined in 2021. With this programme, the Company seeks to provide the participants with comfortable living conditions and reimburse them for relocation and resettlement costs.

1,587 employees
were participants assistance
programme

In 2021, the Company's expenses
for the social package amounted

USD 142 mln

USD 2.0 thousand
was the average monthly salary
of employees



Employee evaluation and remuneration

Nornickel's remuneration framework is linked to key performance indicators (KPIs) for different job grades. KPIs include social responsibility, occupational safety, environmental safety, operational efficiency, and capital management metrics, with due consideration of cross-functional interests. In 2021, more than 13 thousand employees of the Group were assessed against their KPIs.

KPI setting is driven by the Company's well-established principles of balance, regularity, KPI achievement validation, decomposition, and ambition, as well as the SMART criteria. Cascading is one of the tools used in KPI setting: a manager breaks down their KPI into components and cascades them to subordinates. Therefore, when each employee meets their KPI targets, their superiors' KPIs are also achieved.

The KPI framework is instrumental in streamlining performance evaluation criteria and enabling managers and

employees to align the current year's priorities with the Company's strategy and link an employee's pay to their performance.

The Company has a procedure in place for evaluating the performance of the Head Office employees and, separately, of Group company managers. In 2020, a new incentive system was introduced for all employees of project management offices (PMOs): project bonuses and traditional annual bonus were replaced with a project completion bonus. Bonuses are paid for the achievement of key project parameters and are aimed at motivating and retaining key project employees until project completion. In 2021, the project bonus system was used to evaluate the performance of 1,045 employees in the Group's project management offices.

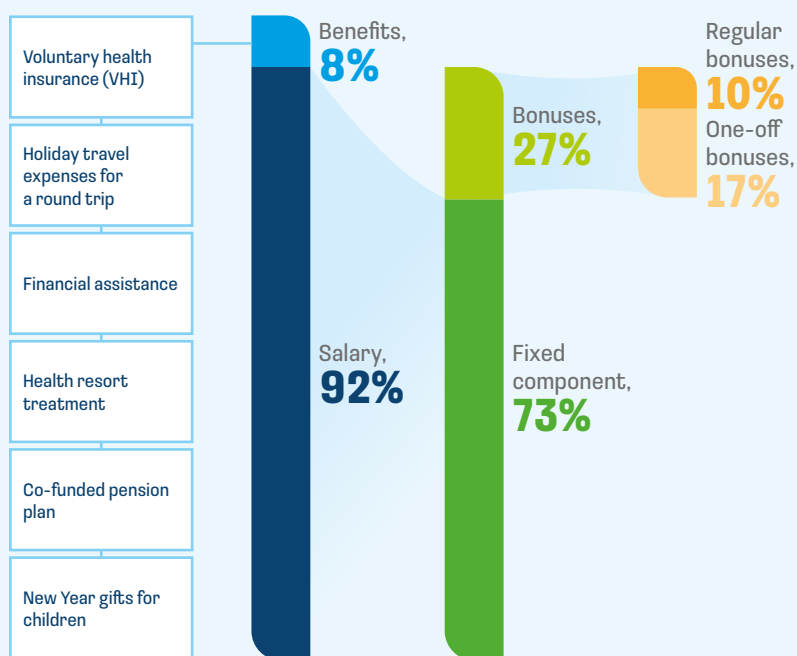
The performance evaluation process is supplemented with an automated 360-degree assessment procedure run at 28 Group enterprises. In 2021, the

360-degree assessment covered almost 2.4 thousand managers at all levels, including top management. Following the assessment, employees receive feedback from their superiors, discuss further development areas with them and build their individual development plans for the year.

In addition to remote learning opportunities offered by the Nornickel Academy platform, employees who develop individual development plans based on the 360-degree assessment results can benefit from access to the corporate electronic library and take training on the 360-Degree Management programme.

The Company's compensation package comprises salary and benefits. The salary consists of fixed and variable components, with the latter linked to the Company's operational performance and achievement of relevant KPIs.

Compensation package across the Group's Russian enterprises



The benefits package includes the following benefits and compensations:

- Voluntary health insurance and major accident insurance coverage
- Discounted tours for health resort treatment and recreation of employees and their families
- Reimbursements of holiday travel expenses for a round trip and baggage fees for employees and their families living in the Far North and territories equated thereto
- One-off financial assistance to employees experiencing major life events or in difficult life situations
- Complementary corporate pension plan
- Other types of social benefits under the existing collective bargaining agreements and local regulations

Nornickel's annual employee benefit expenses

Expenses	2017	2018	2019	2020	2021
Total (USD mln)	123	128	147	99	142
Cost per employee (USD thousand)	1.6	1.7	2.0	1.4	1.9

Nornickel employees' salary levels depend on the work complexity, individual expertise and skills, and their personal contribution to the Company's performance. The Company prohibits any discrimination by setting or changing wages based on gender, age, race, nationality, origin or

religion. Its compensation policy is based on the principles of internal equity, external competitiveness and performance rewards.

The Company makes regular reviews of pay levels and trends, as well as the cost of living – both the nation-wide averages and the average figures for each of its operating

regions, with wage indexation done annually based on the review results. The Company constantly evaluates its pay levels to make sure they are not below the established living wage. Monitoring results suggest that all employees at the Company are paid above the minimum living wage in the Company's operating regions.

Minimum living wage in Nornickel's operating regions

Region	RUB thousand	USD
Norilsk Industrial District (NID)	33.3	452
Murmansk Region	29.4	399
Moscow and other regions of Russia	20.6	280
Krasnoyarsk Region (excluding NID)	20.5	278
Zabaykalsky Region	19.2	261

Average monthly salaries of Nornickel employees¹

Currency	2017	2018	2019	2020	2021
USD ²	1,784	1,780	1,835	1,827	1,970
RUB thousand	104	112	119	132	145

ADDITIONAL EMPLOYEE INCENTIVES

Nornickel's Award Policy is closely linked to its values and strategic priorities. The Company rewards its employees for outstanding professional achievements and contribution, innovations that drive growth and add value, efforts going beyond formal agreements with Nornickel, and contribution to overall performance of the business.

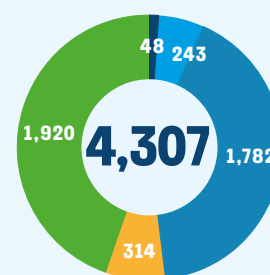
There are several levels of awards and incentives. Nornickel welcomes recognition

of its employees by the state, as well as by government agencies and regional and municipal authorities and nominates those who achieved outstanding results in operations and management and made a significant contribution to production development.

Corporate incentives are Company-level awards.

Resolutions on corporate incentives are passed by the President of the Company. There are also internal incentives, which are initiated and awarded to employees on behalf of the enterprise where they work.

Employee awards in 2021 (ps)



- Governmental awards
- Ministerial and agency awards
- Awards from regional and municipal authorities
- Corporate incentives
- Internal incentives at enterprises

¹ Russian enterprises.

² Based on the average annual RUB/USD exchange rate given at the end of the Report.

Social partnership

The Group enterprises have in place a social partnership framework aimed at aligning the interests of employees and employers in the regulation of social and labour relations. Nor Nickel meets all its obligations under the Labour Code of the Russian Federation, collective bargaining agreements, and joint resolutions.

Key tasks of employee representatives in a social partnership are to protect employees' rights and interests when negotiating collective bargaining agreements, signing or amending a collective bargaining agreement, overseeing its performance, and resolving labour disputes.

Within the current social partnership framework, employee representatives are involved in resolving issues relating to the regulation of social and labour relations, conducting special assessments of working conditions and implementing measures to prevent work-related injuries and occupational diseases. The view of employee representatives is taken into account when adopting local regulations on social and labour relations, compensation, work hours, labour standards, provision of guarantees and allowances, occupational health, etc.

TRADE UNION ORGANISATIONS

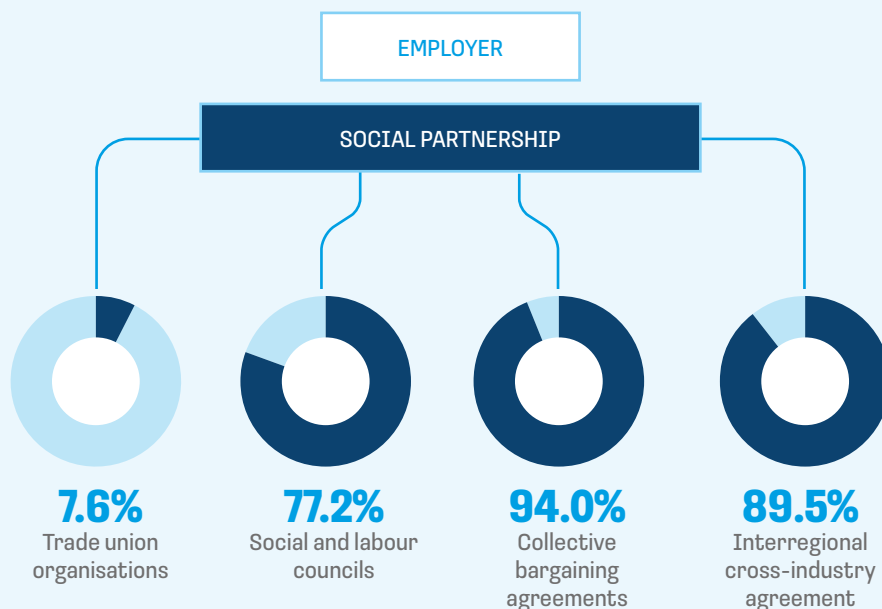
The Group has 58 primary trade union organisations united into local trade union organisations of the Norilsk Industrial District and Murmansk Region, which are part of the Trade Union of MMC Norilsk Nickel Employees, an interregional public organisation.

The trade unions of transport and logistics divisions are members of the Yenisey Basin Trade Union of Russia's Water Transport Workers, headquartered in Krasnoyarsk.

In 2021, trade unions contributed to:

- additional social support for current and former employees during the COVID-19 pandemic
- harmonising the types of financial assistance provided to employees of the Group enterprises and their family members

Social partnership framework



- additional social support for employees with disabilities
- increased reimbursement levels for relocation costs of employees terminating their employment (for Group enterprises located in the Far North and parts of the Krasnoyarsk Region territories equated thereto)
- collective bargaining on a three-year extension and amendment of interregional cross-industry agreement with copper and nickel producers and production support providers for 2019–2022.

A total of 7.6% of employees of the Group's Russian entities were members of trade unions as at year-end 2021.

SOCIAL AND LABOUR COUNCILS

Group enterprises in the Norilsk Industrial District and in the Murmansk Region established social and labour councils back in 2006 to represent the interests of all employees within the framework of social partnership at the local level. Social and labour councils are authorised to raise matters relating to health resort treatment, recreation and leisure programmes for employees, disease prevention, catering and workplace arrangements, and provision of personal protective equipment.

In 2021, the percentage of employees represented by social and labour councils was 77.2% of the total headcount across the Group's Russian enterprises.

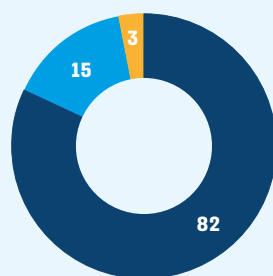
64 thousand queries were received in offices for operational, social and labor matters

OFFICES FOR OPERATIONAL, SOCIAL AND LABOUR MATTERS

In addition to the Corporate Trust Line speak-up programme, the Group set up offices for operational, social and labour matters back in 2003. They are primarily tasked with response to employee queries, follow-up, and prompt resolution of conflicts. On a regular basis, the offices monitor social environment across operations, enabling timely responses to reported issues.

Queries submitted to offices are reviewed by relevant specialists or are forwarded to functional or production units depending on the issue raised in the query. The offices control turnaround time and quality of responses. When handling complaints, the offices adhere to the principle that precludes sending complaints to the managers whose actions are being challenged. In 2021, Group enterprises in the Norilsk Industrial District operated 25 offices which received over 64 thousand queries and requests from employees (81%), former employees (18%) and other individuals (1%).

Main topics of queries and requests (%)



- Social welfare matters
- Legal matters
- Other

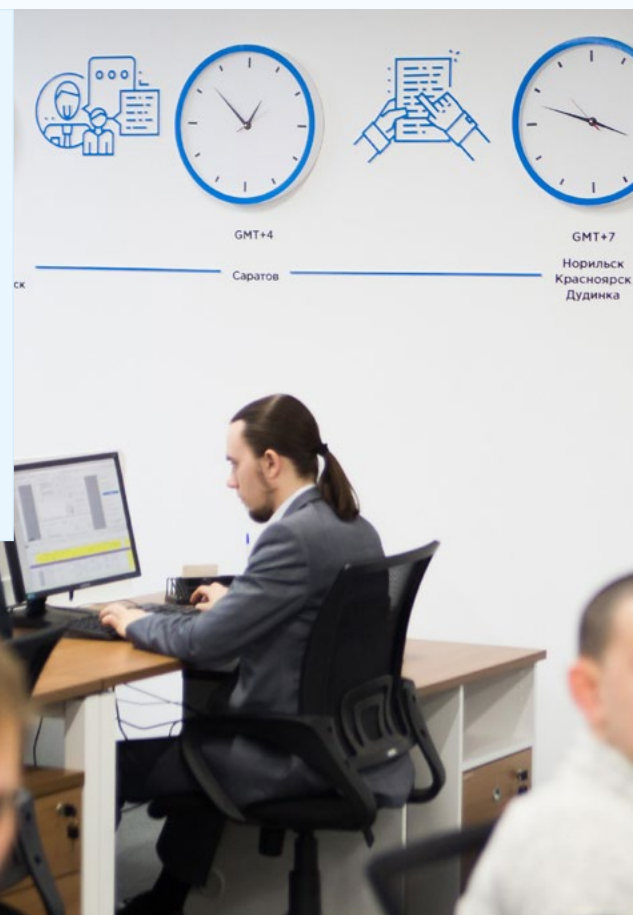
COLLECTIVE BARGAINING AGREEMENTS

Collective bargaining agreements at the Group's Russian enterprises comply with the applicable laws and adequately reflect employee expectations.

In 2021, the Group enterprises extended for another three years four collective bargaining agreements which historically provided one of the industry's best benefits packages. Every year, Nor Nickel reimburses holiday travel expenses for employees and their families, offers medical insurance, health and recreation programmes, complementary corporate pension plan, and develops housing and professional training programmes.

At present, all collective bargaining agreements of the Group's Russian enterprises are based on unified approaches to regulating social and labour relations within the social partnership framework. In 2021, collective bargaining agreements covered 94% of employees.

Collective bargaining commissions continuously monitor the performance of obligations under collective bargaining



agreements by the parties. The Group enterprises have also set up labour dispute commissions, social benefits commissions/committees, social insurance commissions, occupational safety commissions/committees, social and labour relations commissions, etc. No breaches of collective bargaining agreements and no strikes or mass layoffs were recorded across the Group enterprises in 2020.

INTERREGIONAL CROSS-INDUSTRY AGREEMENT

Collective bargaining in 2019 led to the conclusion of an interregional cross-industry agreement for copper and nickel producers and production support providers for 2019–2022. The agreement governs social and labour relations and defines uniform corporate approaches to compensation, provision of guarantees, allowances and benefits to employees, work and rest hours, occupational health, and other matters.

In December 2021, the agreement was extended for 2022–2025 with a number of amendments. Currently, the Association of Employers comprises 22 entities. The agreement covers 89.5% of employees of the Group enterprises.

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