

SUSTAINABLE DEVELOPMENT

CERTIFICATES

MMC NORILSK NICKEL

Certificate:

- ISO 9001
- ISO 14001

Audit frequency:

- *Surveillance audit – annually,*
- *recertification audit – every three years*

Date of last audit:

- December 2020: *recertification audit (Desk Audit phase, remote)*
- October–November 2020

Auditor:

Bureau Veritas Certification

KOLA MMC

Certificate:

- ISO 9001
- ISO 14001
- OHSAS 18001

Audit frequency:

- *Surveillance audit – annually,*
- *recertification audit – every three years*

Date of last audit:

- August–September 2020

Auditor:

Bureau Veritas Certification

NORILSK NICKEL HARJAVALTA

Certificate:

- ISO 9001
- ISO 14001
- ISO 45001

Audit frequency:

- *Surveillance audit – annually,*
- *recertification audit – every three years*

Date of last audit:

- September 2020

Auditor:

British Standards Institution

GIPRONICKEL INSTITUTE

Certificate:

- ISO 9001

Audit frequency:

- *Surveillance audit – annually,*
- *recertification audit – every three years*

Date of last audit:

- October 2020

Auditor:

Societe Generale de Surveillance (SGS)

NKOMATI

Certificate:

- ISO 9001
- ISO 14001
- OHSAS 18001

Audit frequency:

- *recertification audit – every three years*

Date of last audit:

- September 2018

Auditor:

DQS

MMC NORILSK NICKEL

(Murmansk Transport Division, Nadezhda Metallurgical Plant, Copper Plant)

Certificate:

- ISO/IEC 27001:2013

Audit frequency:

- *Surveillance audit – twice a year,*
- *recertification audit – every three years*

Date of last audit:

- February–September 2020

Auditor:

British Standards Institution

ENVIRONMENTAL PROTECTION AND CLIMATE CHANGE

IMPROVEMENT OF SUSTAINABILITY-RELATED CORPORATE GOVERNANCE

During the year, Nornickel focused on strengthening its corporate governance to improve sustainability performance. The Environmental Task Team was set up at the Board level, chaired by Gareth Penny, the independent Chairman of the Board of Directors, and is comprised solely of independent directors. The new team was set up primarily in response to the Board of Directors' desire to pay closer attention to sustainability in general, and environment in particular.

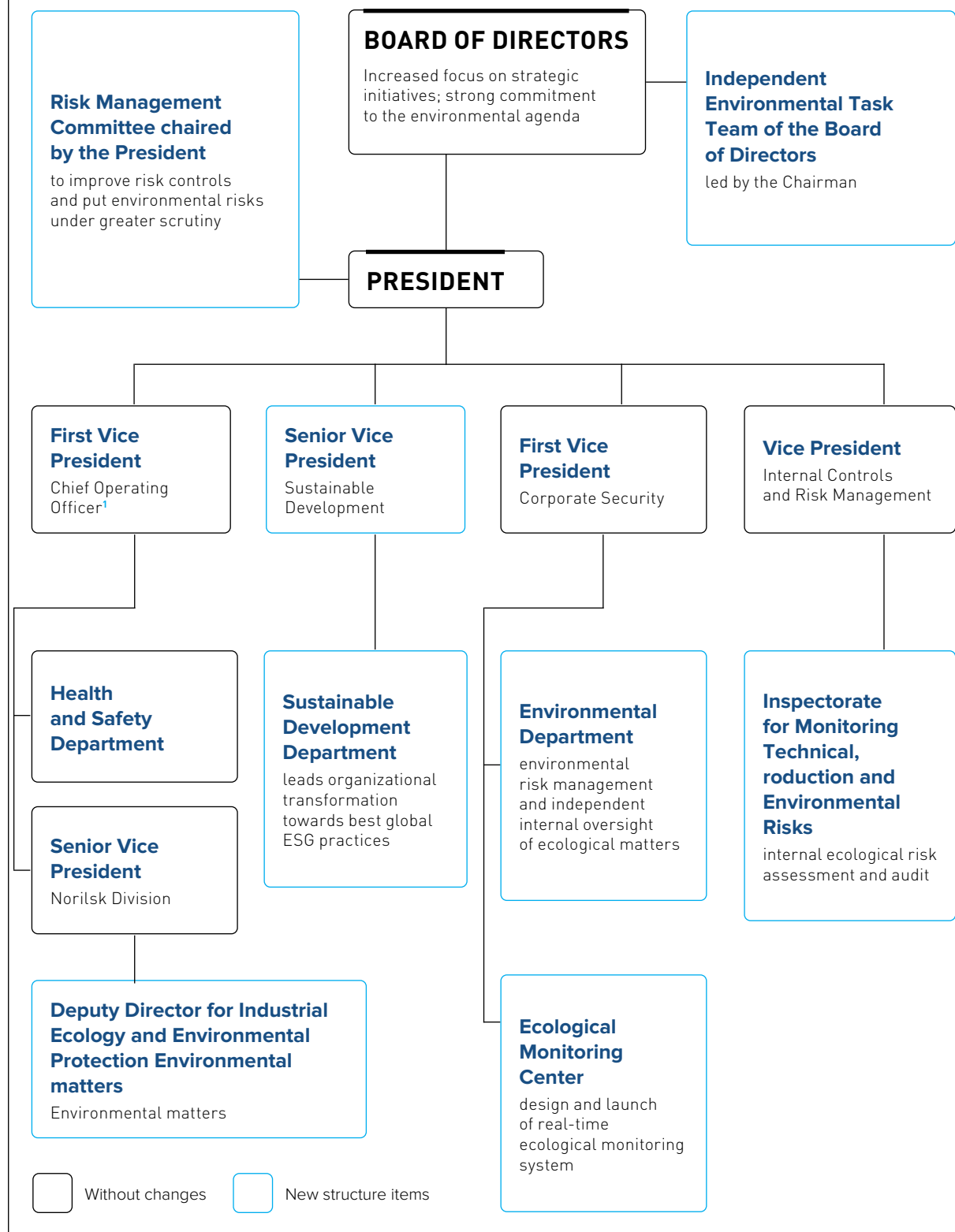
Significant organisational changes were made at the management level within the Company. Thus, to improve the efficiency of risk management and supplement the existing system of industry committees, was set up a new Risk Committee headed by the President of the Company. The creation of the Committee marks the completion of a vertical risk management structure fully penetrating the Company from the level of blue-collar workers to its President, Management Board and Board of Directors.

The Ecology Department and the Inspectorate for Monitoring Technical, Production and Environmental Risks were also established in 2020 to enable more efficient management of the risks of negative environmental impact, and enhance environment-related industrial safety. We set up the Ecological Monitoring Centre which will create an ecology monitoring system in line with best practices. The Ecology Department cooperates with all units across the Company, being responsible for implementing the strategy aimed at assessing environmental risks and minimising the Company's adverse environmental impacts, as well as restoring ecosystems in Nornickel's regions of operation.

Last year, a new position of Senior Vice President for Sustainable Development was created (filled by Andrei Bougrov), and the Sustainable Development Department was set up. The key tasks of the new department are to improve sustainability performance and coordinate the Company's units in order to bring internal processes and regulations in line with the best international standards, such as ICMM and IRMA. Senior Vice President for Sustainable Development will focus on relationships with all stakeholders and support the Environmental Task Team of the Board of Directors.

In 2021, senior management's KPIs will include the Zero Environmental Incidents indicator with a weight of 20% (of team KPIs) to ensure a clear link between the implementation of the Company's environmental strategic priorities and the level of remuneration.

UPDATED STRUCTURE OF CORPORATE GOVERNANCE IN THE FIELD OF SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT



¹ On 1 March 2021, the position of First Vice President – Operations Director was removed from the Company's organisational structure, with Senior Vice President of the Norilsk Division now reporting directly to the Company's President, while the Health and Safety Department became part of the Strategy, Strategic Projects, Logistics and Procurement function.

ENVIRONMENTAL STRATEGY

In 2020, the Company completed the development of its Holistic Environmental Strategy in key areas: air, water, land, tailings and waste, biodiversity, and climate change. All six areas of the Strategy follow a single logic in developing a set of initiatives designed to achieve the respective goals.

Nor Nickel focused on developing modern, efficient, environmentally friendly production with strategic priorities including sustainable development and unlocking the Company's potential in the medium and long term, taking into account the expanded environmental and climate agenda. The key element of the environmentally friendly growth strategy remains the Sulphur Programme 2.0, which implies dramatic reduction of sulphur dioxide emissions in the Norilsk industrial region and complete elimination of emissions along the Russian border on the Kola Peninsula. The expansion of environmental initiatives aimed at reducing negative environmental impact and mitigating production risks covers water resources (maintaining recycled water ratio and reducing industrial effluent pollution), tailings and waste (ensuring safe operation of tailings facilities and minimising the environmental impact of mineral and non-mineral waste), rehabilitating legacy damage (waste collection and land reclamation), and restoring biodiversity. The Climate Change Strategy is primarily aimed at mitigating physical climate-related risks, improving energy efficiency, and ensuring the long-term competitiveness of products by maintaining the GHG emission intensity index in the bottom quartile of global metals and mining industry GHG intensity curve.

HOLISTIC ENVIRONMENTAL STRATEGY

CLIMATE CHANGE



AIR



WATER



STRONG PERFORMANCE

NN vs. Peer avg.¹

-38% Absolute emissions, Scope 1+2, Mt CO₂e.

-138x Absolute emissions, Scope 3, Mt CO₂e²

1.0x Renewable electricity share³, %

-80% NOx emissions, K tonnes

-65% Solids / Dust, tonnes

-51% Total water withdrawal, M m³

-14% Total water discharge, M m³

1.5x Water recycled and reused ratio, %



TARGETS

MINIMIZE IMPACT ON CLIMATE CHANGE (REDUCE CO₂ INTENSITY EMISSIONS) AND MITIGATE PHYSICAL CLIMATE-RELATED RISKS

Key next steps:

Delivery on energy efficiency, CO₂ reduction and physical risks mitigation initiatives

IMPROVE AIR QUALITY (REDUCE SO₂ EMISSIONS) IN THE AREAS OF OPERATIONS (NORILSK INDUSTRIAL AREA AND KOLA PENINSULA)

Key next steps:

Execute on Sulphur Programme 2.0 and other air emissions reduction projects

MAINTAIN RECYCLED WATER RATIO AND REDUCE POLLUTION; CONTINUE PROVIDING CLEAR WATER TO LOCAL COMMUNITIES

Key next steps:

Build and run new water treatment facilities, adopt new technical solutions, remediate pollution from environmental incidents in line with GNE recommendations⁴

¹ Peers include Anglo America , BHP Billiton, Vale, Rio Tinto, Freeport where public data is available;

² Incl. only downstream part of the supply chain;

³ Of total electricity;

⁴ Great Norilsk Expedition

TAILINGS & WASTE



LAND



BIODIVERSITY



STRONG PERFORMANCE

NN vs. Peer avg.¹

-138x

Non-mineral waste recycled and reused ratio, %

-80%

Total land disturbed, K hectares

Legacy focus:

- Supporting of several nature reserves (Taimyrsky, Putoransky, Pasvik, Laplandsky and other Nature Reserves)
- Protection of rare animal species and support of the reproduction of aquatic bioresources



TARGETS

MAINTAIN SAFE OPERATION OF TAILINGS FACILITIES AND MINIMIZE ENVIRONMENTAL IMPACT OF MINERAL AND NON-MINERAL WASTE

Key next steps:

Build mass balance model for waste management and prepare for the self-assessment under Global Tailings Standard

REHABILITATE LEGACY DAMAGE AND UPGRADE MINE AND PLANT CLOSURE PLANS

Key next steps:

Review asset closure plans in all divisions; follow GNE⁴ recommendations in soil recovery; waste collection and land reclamation at Norilsk area

STRENGTHEN BIODIVERSITY PROGRAM

Key next steps:

Biodiversity remediation following recent environmental incidents, launch regular monitoring of impacts on biodiversity and continue support of nature reserves

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2020, the Environmental Management System¹ (EMS) continued to operate as part of the Corporate Integrated Quality and Environmental Management System (CIMS) providing an opportunity to coordinate environmental and quality initiatives with other initiatives. This approach improves both overall and environmental performance of the Company.

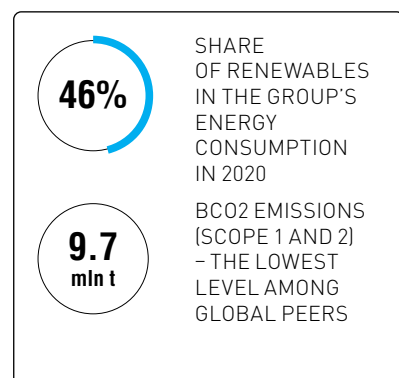
SYSTEM AUDIT

In line with ISO 14001:2015 and ISO 9001:2015, the Company confirms the EMS compliance with the standard by engaging Bureau Veritas Certification (BVC) to conduct surveillance audits once a year and recertification audits every three years. In December 2020, BVC auditors conducted a desk audit of the Corporate Integrated Quality and Environmental Management System and the Environmental Management System of PJSC MMC NORILSK NICKEL as part of a recertification

audit, which confirmed the Company's compliance with ISO 14001:2015 and ISO 9001:2015. The field recertification audit to be conducted at the Company's facilities is scheduled for March–April 2021. During 2020, Nornickel also conducted internal and corporate audits involving specially trained and competent personnel. As a result, audits were conducted at the following sites of the Company:

- Head Office – 19 audits
- Polar Division – 20 audits
- Polar Transport Division – 38 audits
- Murmansk Transport Division – 3 audits
- Kola MMC – 25 audits

CLIMATE CHANGE



In 2020, GHG emission targets to 2030 were set and a physical risk assessment was conducted.

In 2020, the Company implemented the following climate change initiatives:

- Made its first disclosures on GHG emissions and water discharges via the Carbon Disclosure Project questionnaire
- Disclosed its Scope 3 GHG emissions
- Set long-term climate change targets (until 2030)
- Assessed climate risks for the Company's product portfolio
- Started developing a monitoring system for buildings and structures located in permafrost areas and other initiatives to minimise the physical risks related to climate change.

TARGETS TO 2030:

- Maintain GHG emissions (Scope 1 and 2) in absolute terms not higher than 10 mln t CO₂ equivalent from operations with a 30–40% increase in metal production (compared to 2017)
- Maintain GHG emissions (Scope 1 and 2) per tonne of Ni equivalent in the bottom quartile of the global GHG intensity curve for the nickel industry²
- Strive to increase low-carbon energy usage
- Manage climate-related risks by building resilience strategies and helping communities in the Norilsk industrial region and Murmansk region
- Encourage the shift to a low carbon future by using R&D to help develop new solutions and by engaging in cross-industry climate dialogue

STRATEGY HIGHLIGHTS:

- Adoption of a programme to assess physical risks related to climate change and large site monitoring
- Implementation of energy efficiency initiatives and increased consumption of low-carbon energy
- Reduction of CO₂ emissions

Nornickel's Board of Directors considers the Company's climate change strategy as a matter of priority and is responsible for its review and approval.

¹ Based on the global GHG intensity curve for the nickel industry by Wood MacKenzie Group (CO₂ per tonne of Ni equivalent).

CLIMATE RISK MANAGEMENT

Repercussions of climate change, including abnormal weather or lasting changes in weather patterns, may affect Nor Nickel's operations in the longer run. Physical consequences of climate change can include soil thawing, changes in water levels in water bodies, precipitation amounts and wind loads, which can have a material adverse effect on Nor Nickel's operations. As part of its Risk Management Strategy, Nor Nickel implements a full range of measures to monitor and control these risks, including the introduction of a system to monitor buildings and structures in the Norilsk Industrial District, and is engaged in:

- monitoring permafrost-based structures using satellite images and early detection of any possible deformations under an agreement with SOVZOND, the leading Russian space monitoring company
- evaluating supporting piles deformation and soil temperature by means of confirmative geological drilling
- installing strain gauges and temperature sensors
- upgrading the Polar Division's Diagnostic Centre and the permafrost laboratory.

Climate-related risks may also unlock additional opportunities for Nor Nickel driven by the strong demand for metals required in a future low-carbon economy. For example, nickel is a key component in EV batteries, and copper is used in EV charging infrastructure.

Key climate change risks

Insufficient water resources: water shortages in storage reservoirs of Nor Nickel's hydropower facilities may

result in insufficient water head at HPP turbines leading to lower power output as well as drinking water shortages in Norilsk.

Key risk factors: abnormal natural phenomena (drought) caused by climate change.

Impact on Nor Nickel's development goal and strategy:

- Efficient delivery of finished products (metals) in line with the production programme
- Timely supply of products to consumers
- Social responsibility: comfort and safety of people living in Nor Nickel's regions of operation

Risk assessment:

- Impact on goals: medium
- Source of risk: external
- Year-on-year change in risk: stable

To manage this risk, Nor Nickel:

- implements a closed water circuit to reduce water withdrawal from external sources
- carries out regular hydrological observations to forecast water levels in rivers and other water bodies
- cooperates with the Federal Service for Hydrometeorology and Environmental Monitoring (Rosgidromet) on setting up permanent hydrological and meteorological monitoring stations in order to improve the accuracy of water level forecasts for major rivers across Nor Nickel's regions of operation
- dredges the Norilskaya River and prepares its production facilities for reducing their energy consumption in case of risk occurrence
- refurbishes its hydropower plants to increase power output through improving the hydroelectric units' performance (implementation period: 2012–2021).

Permafrost thawing: loss of bearing capacity by pile foundation beds may lead to deformation and collapse of buildings and structures.

Key risk factors: climate changes, average annual temperature increase over the last 15 to 20 years, increased depth of seasonal permafrost thawing.

Impact on Nor Nickel's development goal and strategy:

- Efficient delivery of finished products (metals) in line with the production programme
- Social responsibility: comfort and safety of people living in Nor Nickel's regions of operation

Risk assessment:

- Impact on goals: medium
- Source of risk: external
- Year-on-year change in risk: stable

To manage this risk, Nor Nickel:

- regularly monitors the condition of foundation beds underneath buildings and structures built on permafrost
- performs geodetic monitoring of the movement of buildings
- uses satellite technology to monitor Nor Nickel's assets and further analyse the data
- regularly monitors the condition of Nor Nickel's buildings and structures via an information system for conducting geotechnical surveys
- monitors soil temperature in buildings' foundations
- monitors the compliance of its facilities with operational requirements for crawl spaces
- takes corrective actions to ensure safe operating conditions for buildings and structures.

GHG EMISSIONS

In 2020, GHG emissions (Scope 1 and 2) totalled about 9.7 mln t. GHG emissions decreased in 2020 on the back of lower production volumes at the Polar Division, reduced fuel consumption by the Company's own air carriers as a result of restrictions imposed due to the COVID-19 pandemic, and the shutdown of metallurgical production at Kola MMC.

Nornickel's key production facilities are located in the Norilsk Industrial District, beyond the Arctic Circle, and operate in sub-zero temperatures for about eight months of the year. Since the Norilsk Industrial District is isolated from the federal energy infrastructure, Nornickel generates electricity and heat locally at its own generating facilities (100% owned by the Group). As a result, the bulk of GHG emissions comes from the Company's energy assets. At the same time, as Nornickel is the only producer of electricity and heat in the Norilsk Industrial District, the Company also fully meets the demand for energy resources and heat from social infrastructure facilities and the local population. The share of GHG emissions generated by infrastructure facilities and households in Nornickel's regions of operation is on average 8% of the total Scope 1 and 2 GHG emissions.

The goal by 2030 is to retain GHG emissions (Scope 1 and 2) from production below 10 mln t of CO₂ equivalent despite production growth and the launch of Sulphur Programme 2.0.

In 2020, the Company quantified indirect GHG emissions (Scope 3) in accordance with the GHG Protocol, including emissions associated with product transportation from the Company's production assets to the customer and first use of the product. Total Scope

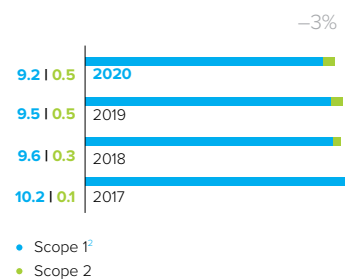
3 downstream GHG emissions in 2020 amounted to 2.6 mln t. Indirect GHG emissions (Scope 3) increased in 2020 due to the ramp-up to design capacity of Bystrinsky GOK, which boosted the production and sales of iron ore concentrate with its relatively high carbon footprint from first use.

RENEWABLES AND ENERGY EFFICIENCY

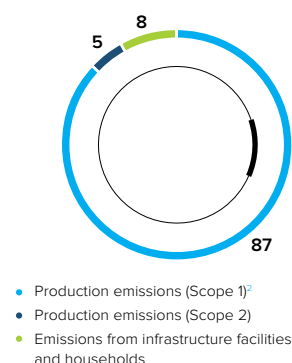
Since its inception in 1935, the Company has been developing in a harsh climate, given that its major production asset, the Polar Division, is located in the Norilsk Industrial District beyond the Arctic Circle. As such, this remote region has never been connected to Russia's energy and transport infrastructure. Therefore, the Company has historically been self-sufficient in building its operations, including in terms of electricity/energy generation and transmission. Natural gas is the core low-carbon source for power generation in our largest Norilsk Division, which is used to generate about 76.5% of electricity consumed, with hydro power accounting for close to 23.5%. Diesel fuel, fuel oil, petrol and jet fuel are used by Nornickel's transport assets. Use of high-carbon fuel by energy assets is minimised. Only small amounts of coal are used in certain production processes.

The Company's key renewable energy source is hydropower generated by the Group's Ust-Khantayskaya and Kureyskaya HPPs. In 2020, renewables accounted for 46% of total

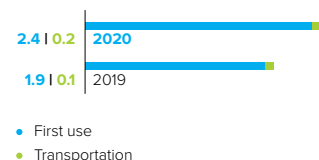
GHG EMISSIONS (MLN T CO₂ EQUIVALENT)¹



GHG EMISSIONS BROKEN DOWN BY SOURCE IN 2020 [%]



SCOPE 3 DOWNSTREAM GHG EMISSIONS ESTIMATE (MLN T)



FOR MORE DETAILS, PLEASE SEE [NORNICKEL'S THE SCOPE 3 DOWNSTREAM GHG EMISSIONS REPORT](#)



¹ GHG emissions were calculated as per the GHG Protocol Guidelines. When calculating GHG emissions across the Group, the following greenhouse gases were taken into account: carbon oxide (CO₂), nitrogen oxide (N₂O) and methane (CH₄). Direct methane emissions (coming mostly from gas transportation units) represent a small share of total emissions and amount to about 150 ktpa of CO₂ equivalent. Based on the inventory results, the data for 2018 and 2019 were recalculated in 2020.

² Nornickel's GHG emissions include emissions from supplying electricity to Norilsk through NTEK, along with potential CO₂ emissions from Sulphur Programme 2.0.

electricity consumed by the Group and 55% of total electricity consumption within the Norilsk Industrial District.

The use of other renewables, such as solar, geothermal and wind energy, is impracticable as Nornickel's core production assets are located beyond the Arctic Circle in the Norilsk Industrial District, in harsh climatic conditions. Overall, the Group's own energy assets (including Kola MMC and other assets that mainly purchase electricity from third parties) generate about 84% of total electricity consumed by the Group. The Group also supplies electricity

and heat to external consumers, primarily local social infrastructure and communities in the Norilsk Industrial District.

Nornickel is committed to the responsible use of heat and electricity. In 2020, our electricity and fuel consumption decreased due to lower metal production by the Norilsk Division, discontinued metallurgical operations at Kola

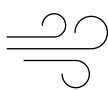
MMC and reduced air transportation by the Group's own air fleet due to transportation restrictions caused by the COVID-19 pandemic.

5

CLIMATE IMPACT ON THE USE OF RENEWABLES BEYOND THE ARCTIC CIRCLE



Air temperatures stay below freezing point for about eight months a year



Strong gusts of wind with speeds of up to 50 m/s are followed by dead calms lasting for weeks



Polar nights and twilights last for more than 100 days



On average, there are no more than 70 sunny days per year



Permafrost is 300 to 500 metres deep



Soils and ice are prone to seasonal thawing

ENERGY GENERATION AND CONSUMPTION BY THE GROUP (TJ)³

No.	Indicator	2016	2017	2018	2019	2020
1	Fuel consumption by the Company ⁴	172,425	156,569	148,910	144,772	141,237
	• natural gas	151,081	134,709	129,335	125,329	122,216
	• diesel fuel and fuel oil	15,423	15,221	13,788	13,535	13 939 ⁵
	• petrol and jet fuel	3,789	5,178	4,127	3,820	2,902
	• coal ⁶	2,132	1,460	1,660	2,087	2,180
2	Electricity and heat from own renewable sources (HPPs)		12,414	14,877	15,058	15,310
3	Electricity and heat purchased from third parties		10,483	10,931	11,331	11,200
4	Sales of electricity and heat to third parties		19,503	18,926	18,766	17,254
5	Total consumption of electricity and fuel (1 + 2 + 3–4)		159,962	155,792	152,395	150,493

³ For a detailed breakdown of the Group's energy consumption by company, please see the 2020 Sustainability Report.

⁴ Including the fuel used to generate electricity for Norilsk.

⁵ Including the diesel fuel spill in May 2020.

⁶ Coal is only used in production processes, with Kola MMC accounting for 46% of total consumption, GRK Bystrinskoye 25%, the Polar Division 15%, Norilsk Production Support Complex 10%, and other subsidiaries 4%.

The Group attaches great importance to improving the energy efficiency of its existing and future production sites, focusing on retaining GHG emissions within the declared targets under its comprehensive environmental programme. The programme provides for investing close to USD 4 billion in upgrading and boosting the safety of the energy infrastructure on the Taimyr Peninsula in 2021–2025. The investments will cover a wide range of projects related to equipment replacement at thermal and hydropower plants, and upgrade of fuel tank storage facilities, power grids and gas pipelines.

Major projects completed in 2020 include:

- replacement of a turbine at Ust-Khantaiskaya HPP
- replacement of the main step-down substation supplying electricity to the South Cluster.

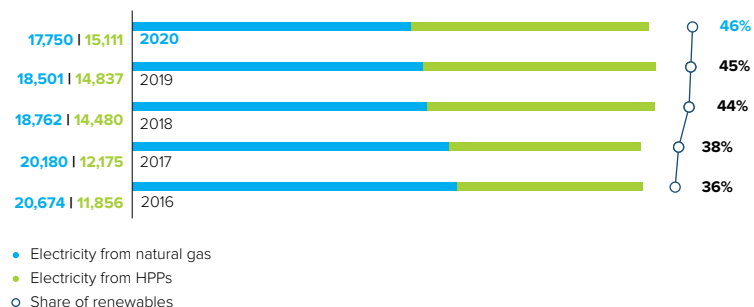
Fuel equivalent savings in 2020 totalled 10,778 t of fuel equivalent, and 7,879 thousand kWh of electricity, with 40 energy saving initiatives implemented.

In 2020, fuel consumption per unit of electricity supplied by CHPPs was 284 g/kWh, that is 7.8 g/kWh lower than the target level.

FUEL CONSUMPTION BY THE COMPANY (TJ)



ELECTRICITY CONSUMPTION (TJ)



AIR

Target: improve air quality (reduce SO₂ emissions) in the areas of operation.

Key next steps: execute on Sulphur Programme 2.0 and other air emission reduction projects.

High sulphur dioxide emissions from the smelting of sulphide concentrates with high sulphur content are a key environmental issue for the Company. Nornickel's strategic plan is to transform the Company into an environmentally clean and safe business by implementing Sulphur Programme 2.0 at the Polar Division and Kola MMC.

Sulphur Programme 2.0 in the Polar Division is expected to reduce sulphur dioxide emissions in the Norilsk Industrial District by 45% in 2023 and by 90% in 2025 (2015: baseline). The project is phased in at the Nornickel's two core downstream facilities: Nadezhda Metallurgical Plant and Copper Plant.

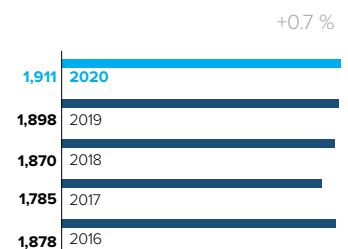
SULPHUR PROGRAMME 2.0 AT KOLA MMC

The environmental project at Kola MMC provides for the complete shutdown of smelting operations in Nikel, upgrade of the beneficiation plant in Zapolyarny, and shutdown of the copper refining facility in Monchegorsk.

The upgrade of the beneficiation plant was completed in 2019. The shutdown of Nornickel's smelting shop in Nikel in late 2020 helped reduce sulphur dioxide emissions by 71% in Nikel and Zapolyarny and by 58% in 2020 (from a 2015 baseline) in the Russia–Norway border area. The copper refining facility in Monchegorsk was closed in March 2021, which will help reduce emissions at Kola MMC by another 85% (2015: baseline).

In 2020, emissions from Nornickel's Russian operations totalled 1,968 kt, up 0.8% y-o-y. The increase was driven by a temporary growth in sulphur dioxide emissions from the Polar Division due to increased production and processing

SULPHUR DIOXIDE EMISSIONS (KT)



of sulphur-containing feedstock. Despite the increase, emissions did not exceed the Company's set limits.

During adverse weather conditions, the Company took extra measures to control pollutant emissions in residential areas. Production process at metallurgical plants was stopped for this reason 205 times in 2020.

Norilsk maintains an automatic toll-free enquiry service line offering forecasts on the impact of metallurgical operations on the city air quality to anyone dialling +7,391,942 0007.

AIR POLLUTANT EMISSIONS ACROSS THE GROUP [KT]

Indicator	2016	2017	2018	2019	2020
Across Norilsk Nickel Group	1,936.4	1,845.8	1,926.6	1,952.7	1,968.1
Sulphur dioxide (SO ₂)	1,878.0	1,785.0	1,869.6	1,898.1	1,910.8
Nitrogen oxide (NO _x)	10.1	11.5	11.2	10.3	10.0
Particulate matter	14.3	14.0	14.5	13.3	14.6
Other pollutants	34.1	35.3	31.3	30.9	32.8
Polar Division	1,787.6	1,705.0	1,789.0	1,819.2	1,857.5
Sulphur dioxide (SO ₂)	1,758.2	1,675.9	1,764.7	1,798.6	1,836.9
Nitrogen oxide (NO _x)	1.5	1.6	0.6	0.5	0.6
Particulate matter	6.2	6.1	5.5	4.2	4.1
Other pollutants	21.7	21.5	18.2	15.8	16.0
Kola MMC	132.9	121.9	117.5	110.8	83.4
Sulphur dioxide (SO ₂)	119.7	109.1	104.8	99.4	73.2
Nitrogen oxide (NO _x)	1.1	1.2	1.8	1.8	1.6
Particulate matter	7.4	6.9	7.6	7.0	6.1
Other pollutants	4.7	4.7	3.3	2.7	2.4

WATER

Targets: maintain recycled water ratio and reduce pollution; continue providing clear water to local communities.

Key next steps: build and run new treatment facilities, adopt new technical solutions, remediate pollution from environmental accidents in line with the Great Norilsk Expedition recommendations.

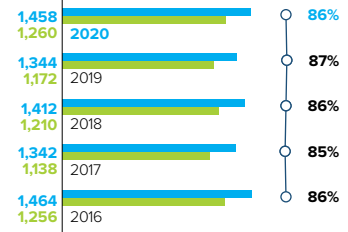
The Company's major production assets are located in regions with sufficient water resources. Nonetheless, the Company is extremely careful about its use of fresh water and strictly complies with restrictions applicable to industrial water withdrawal. **The Company is committed to sustainable use of water resources and prevention of water body pollution.**

Nornickel's key production facilities use closed water circuits to maintain water withdrawal on a relatively low level. Furthermore, the Company never withdraws water from protected natural areas. In 2020, 86% of all water used by the Company was recycled or reused. Water is mostly withdrawn from surface and underground water bodies as well as from wastewater of other companies and natural water inflow. Natural water inflow and meltwater accounted for 12% of the total water withdrawal in 2020. All facilities using water have programmes in place to monitor water bodies and water protection areas.

Wastewater discharge also does not exceed the approved limits or have any major impact on biodiversity of water bodies and related habitats.

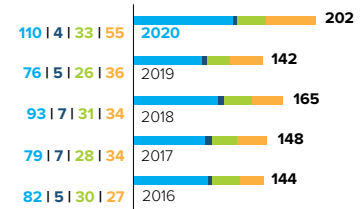
The year-on-year increase in discharge can be explained by the fact that, as of 2020, the Report discloses wastewater discharge to municipal sewage networks.

WATER CONSUMPTION (MCM)



- Consumed water volume
- Volume of reused and recycled water
- Share of reused and recycled water

WASTEWATER DISCHARGE (MCM)



- Clean
- Treated
- Insufficiently treated
- Contaminated

WATER CONSUMPTION AND DISCHARGE

WATER WITHDRAWAL

375 Mcm

Surface sources – 260 Mcm

Underground sources – 31 Mcm

Wastewater – 29 Mcm

Natural water inflow – 47 Mcm

Other – 8 Mcm

WATER CONSUMPTION

1,458 Mcm =

198 (new) + 1,260 (reused and recycled water)

31 Mcm – water reused in other production processes (2%)

1,229 Mcm recycled water (84%)

WASTEWATER DISCHARGE

202 Mcm

Clean – 110 Mcm

Treated – 4 Mcm

Insufficiently treated – 33 Mcm

Contaminated – 55 Mcm

WATER RISK MANAGEMENT

The Company also conducts assessments of impact on water resources on an ongoing basis.

The impact on water resources can materially affect the Company's financial performance.

Procedures used by Nornickel to identify and assess the risks of its impact on water resources include:

- wastewater inventory
- monitoring of wastewater discharge volume and quality at discharge sites
- observation of surface water bodies at control points upstream and downstream of discharge sites

- investments in improving the performance of water treatment systems and building new systems
- we also monitor wastewater treatment processes at treatment facilities and take organisational and technical measures to improve treatment effectiveness.
- Tailings and waste

5

TAILINGS AND WASTE

Targets: maintain safe operation of tailings facilities and minimise environmental impact of mineral and non-mineral waste.

Key next steps: build mass balance model for waste management and prepare for the self-assessment under Global Tailings Standard.

WASTE

The Company reuses most of its industrial waste as approximately 99% of the waste generated are hazard class 5, i.e. non-hazardous waste. This is mostly waste from the mining and smelting operations, including rock and overburden, tailings, and metallurgical slags. Ore extraction waste is used as backfill for underground workings and open pits, road fill, or for tailings dam reinforcement. The increase in waste generation in 2020 was attributed to the commissioning of Bystrinsky GOK.

TAILINGS

Nornickel currently operates six tailing dumps: four in the Norilsk Division, taking tailings from Talnakh and Norilsk concentrators and Nadezhda Metallurgical Plant; one at Kola MMC, storing tailings from Zapolyarny Concentrator; and Bystrinsky GOK tailing dump.

WASTE GENERATION BY HAZARD CLASS (KT)

Hazard class	2016	2017	2018	2019	2020
V	32,118	30,722	29,517	35,300	144,052
IV	1,114	1,190	1,191	1,115	1,175
III	30	12	15	5	7
II	5.8	2.4	1.1	0.03	0.05
I	0.1	0.1	0.1	0.04	0.04
Total	33,267	31,926	30,725	36,420	145,234

BIODIVERSITY

In 2020, the Company developed its Biodiversity Strategy and set an ambitious goal to care about nature reserves and protect biodiversity across its operating regions.

Target: strengthen biodiversity programmes.

Key next steps: remediate biodiversity following recent environmental incidents, launch regular monitoring of impacts on biodiversity and continue support of nature reserves.

COOPERATION WITH NATURE RESERVES

In the Murmansk Region, the Pasvik and the Lapland nature reserves are 10 to 15 km away from Kola MMC's production sites. In the Krasnoyarsk Region, the boundaries of the Putoransky Reserve buffer zone are at a distance of between 80 km and 100 km from the Polar Division's production sites.

To help protect the unique arctic nature, the Company has been providing support to nature reserves for more

than 10 years now, with its total annual value running into hundreds of millions of roubles. These efforts are in line with Nornickel's environmental strategy, which incorporates a large-scale investment programme.

In the Zabaykalsky Region, the Company supports the development of research capabilities and environmental awareness programmes of the Relict Oaks State Nature Reserve.

ENVIRONMENTAL INCIDENT

On 29 May 2020, an accidental damage to a diesel fuel storage tank caused by a sinking of piles and depressurisation of the emergency fuel storage tank at CHPP-3 in the Kayerkan District of the city of Norilsk resulted in a spill of 21 thousand tonnes of diesel fuel. Since CHPP-3 is located in a remote area, the city was not impacted by the spill. The Company immediately initiated a response to the fuel spill, completing the first and second phases of clean-up by end-2020:

- Over 90% of spilled fuel was collected
- River shores were treated with sorbents and washed off
- The collected water/fuel mixture was transported to an industrial site near Nadezhda Metallurgical Plant where fuel was separated from water
- About 190 thousand tonnes of contaminated soil was collected, removed and placed in special storage facilities pending disposal

Following the incident, a number of independent studies were carried out to identify its causes and impact on the environment and local communities, in particular:

- a technical investigation by Environmental Resources Management Limited (ERM) at the request of Nornickel's Board of Directors. The investigation resulted in a report assessing the causes of the incident
- The Great Norilsk Expedition of the Siberian branch of the Russian Academy of Sciences (RAS) comprised of 30 scientists from 14 RAS research institutes. The objective of the Great Norilsk Expedition was to study the environment, biodiversity and permafrost in the Norilsk area, as well as to assess the consequences of the fuel spill. A report on the expedition's findings was published
- an ethnographic expedition that included interviews with 100 representatives of indigenous peoples of the North living in Taimyr to assess the impact of the fuel spill incident on indigenous peoples of the North, as well as to prepare proposals for a new long-term agreement between Nornickel and indigenous peoples of the North.

THE INVESTIGATION RESULTED IN



THE EXPEDITION'S FINDINGS WAS PUBLISHED



Immediately after the incident, the Company launched a dedicated programme to improve industrial safety and minimise the risk of similar incidents in the future, which included:

- emergency inspection of fuel storage facilities
- phasing out “at risk” fuel storage facilities
- designing alternative fuel storages
- accelerating the infrastructure repair and upgrade programme, including the fuel and energy complex
- updating the permafrost monitoring system
- developing a monitoring system for foundations built on permafrost
- updating the environmental risk assessment system: controls, procedures, maps
- upgrading fuel storage embanking
- upgrading emergency response plans and response services.

At the end of 2020, the Company signed a contract with Hydrotechnologies – Siberia engaging it to clean up contaminated soil using microbiological remediation. Special bacteria that oxidise oil will be introduced into the soil. Rehabilitated soil will be suitable for industrial and construction use.

Nornickel plans to completely eliminate the consequences of the fuel spill. Throughout 2021–2022, remediation and environmental clean-up efforts will continue, a programme to monitor water bodies and soils and a plan to restore contaminated land and shoreline will be developed, separated water will be disposed of, and contaminated soil will be remediated.

Specifically, the following initiatives are planned for 2021:

- Installation of protective and sorbent barriers in water bodies before the snow melts
- Monitoring the contaminated area to determine the volume of residual contamination and using probes to check the level of contamination
- Restoring the shoreline
- Treating residual soil contamination with sorbents
- Collecting diesel fuel residues
- Soil remediation
- Soil replacement in severely damaged areas
- Planting vegetation to restore damaged soil

On 12 February 2021, the Krasnoyarsk Region Arbitration Court ruled that the Company should pay environmental damages in the amount of RUB 146.2 billion (approximately USD 1.9 billion). Upon thorough consideration of the court ruling and assessment of the prospects for an appeal, Nornickel decided to pay the damages. The Company made a provision for the damages in its 2020 financial statements; the damages were paid in March 2021.

CLEAN-UP PROGRAMME

Our clean-up programme and efforts to address historical pollution (including the demolition of abandoned buildings and scrap collection and recycling) are two other extremely important priorities under the Environmental strategy.

Our objective is to clean up unused facilities:

- **467 abandoned buildings and structures**
- **> 1.3 mln t of industrial waste**
- **> 2 mln t of rubbish**
- **> 600 kt of scrap**

Planned activities:

- Collecting and disposing of stainless steel and other metal scrap
- Recycling scrap
- Disassembling buildings and disposing of waste
- Cleaning up the territory.

ENVIRONMENTAL PERFORMANCE OF THE COMPANY'S FOREIGN ASSETS

NORILSK NICKEL HARJAVALTA

The company is fully environmentally permitted and operates a certified integrated management system compliant with ISO 9001 and ISO 14001.

Norilsk Nickel Harjavalta's main environmental impact comes from air emissions of ammonia (NH₃) and nickel (Ni), and water discharges of nickel, sulphates (SO₄) and ammonium ions (NH₄⁺). In 2020, Norilsk Nickel Harjavalta met all permit requirements for emissions, discharges and waste disposal volumes.

ENVIRONMENTAL INDICATORS

Indicator	2016	2017	2018	2019	2020
Air pollutant emissions					
Ni	72	71	85	40	34
NH ₃	1.6	1.7	1.2	1.6	1.3
Water (Mcm)	70	69	84	38	33
Wastewater					
Water consumption	0.8	0.9	1.0	1.0	1.0
Waste (kt)	10.9	11.1	11.8	11.5	11.4
Generation					
Generation	7.0	5.5	2.8	5.7	5.1
Disposal	0.8	0.8	1.1	1.3	1.2

Norilsk Nickel
Harjavalta



NKOMATI

The company operates in accordance with both local environmental protection regulations and Nornickel corporate standards. Nkomati pays close attention to environmental safety, is certified and regularly audited for compliance with ISO 14001 and ISO 9001.

ENVIRONMENTAL INDICATORS

Indicator	2020
Water consumption (Mcm)	0.1
Waste generation (t)	1,647
Waste disposal (t)	1,598
Environmental protection expenditures (USD mln)	0.6



HUMAN RESOURCES

AWARDS AND INDUSTRY RECOGNITION

In 2020, Nornickel entered a number of best employers lists:

- The World's Most Attractive Employers by Universum and Randstad Award: No. 1 among students and professionals in the Metals & Mining category
- The Best Company Award by Changellenge: No. 1 among students and young professionals in the Metals & Mining category
- HeadHunter's Russian Employers Rating: No. 12 among Top 100 employers
- Ranking by FutureToday based on students' opinions across Russian universities
- Top 3 employers in the metals and mining industry

One of the Company's focus areas is to nurture corporate culture aimed at boosting employee performance and commitment to delivering against targets. 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 talent 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 protection of human rights is reflected in a number of internal documents, including the Company's Code of Business Ethics, Personal Data Policy, Regulations on Anti-Embezzlement, and Human Rights Policy. The Company does not use child labour.

Nornickel is committed to achieving operational excellence, implements standard approaches to developing its business unit structures, and has put together a list of job titles to standardise job creation.

PREVENTING THE SPREAD OF COVID-19

In 2020, Nornickel topped the rating of Russian metals companies that provided the most comprehensive response to the pandemic COVID-19.

In combating the pandemic in close cooperation with federal and municipal authorities, the Company focuses on employee health and safety, and business continuity as well as on preventing the spread of the virus across local cities. Nornickel spent about RUB 12 billion (USD 157 million) to fight the pandemic and support not only its employees, but also the healthcare system across its footprint. In the early months of the pandemic, additional payments were set for employees who remained at their stationary workplaces. The Company upgraded a number of healthcare centres by supplying 412 ventilators, 7 critical care vehicles, 15 mobile and 2 stationary research laboratories, as well as hundreds of thousands of COVID-19 tests.

During the pandemic, the Company implemented a set of support measures for SMEs affected by the lockdown. Small businesses leasing the Company's facilities in Norilsk were granted rent holidays. Social entrepreneurs and participants of the World of New Opportunities corporate charity programme, who had previously received loans from Nornickel for social business development were granted credit holidays.

Nornickel continued recruitment as none of its investment projects was closed. Overall, the coronavirus pandemic made no material impact on the Company's operations.

STAFF COMPOSITION

In 2020, the Group's average headcount totalled 72,319 people.

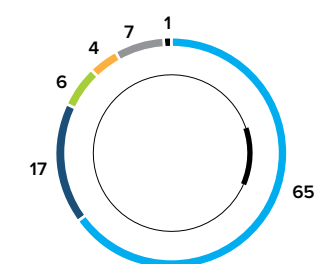
The decrease in the average headcount in 2020 was driven by the continued implementation of a programme to improve labour productivity and reduce costs.

Nornickel is among the main employers in the Norilsk Industrial District and Kola Peninsula, hiring 65% and 17% employees, respectively. Local population accounts for 99.7% of the headcount.

Local population accounts for

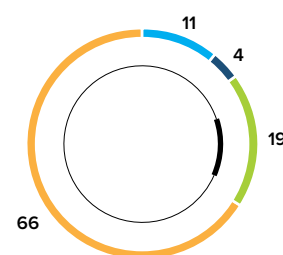
99.7%

HEADCOUNT BY REGION (%)



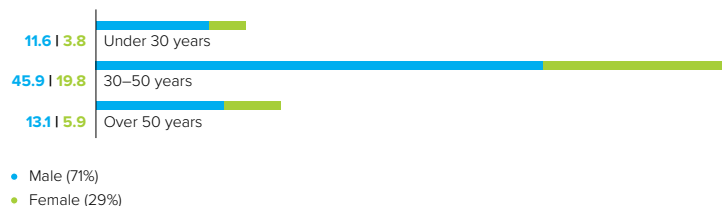
- Norilsk Industrial District
- Murmansk Region
- Krasnoyarsk Region (except the Norilsk Industrial District)
- Zabaykalsky Region
- Moscow and other Russian regions
- Foreign operations

HEADCOUNT BREAKDOWN BY CATEGORY (%)¹



- Male managers
- Female managers
- White-collar employees
- Blue-collar employees

HEADCOUNT BREAKDOWN BY AGE AND GENDER (%)¹



THE GROUP'S AVERAGE HEADCOUNT (PEOPLE)

Location	2016	2017	2018	2019	2020
Russia	81,081	77,991	74,926	72,782	71,447
Africa	586	605	617	577	519
Europe	311	326	330	326	323
Asia	13	13	13	16	15
USA	10	10	10	9	10
Australia	5	5	5	5	5
Total	82,006	78,950	75,901	73,715	72,319

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-specific 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 2020, 1,602 students applied for participation while 323 participants completed the course.

The Conquerors of the North online academy has served as a tremendous library of knowledge for students. The participants listened to 23 video lectures and discussed 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 2020, an online apprenticeship programme kicked off for the first time in 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 the industry's universities, with Nornickel's corporate scholarship awarded to 90 students in 2020.

ASSISTANCE PROGRAMME

Since the Company's production sites are located in remote areas, Nornickel actively sources personnel for its production facilities from other regions of Russia. The Assistance Programme helps new hires adapt to their new environment and settle in at their new places of residence in 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 829 of the Company's employees, including 364 new participants, who joined in 2020. With this programme, the Company seeks to provide the participants with comfortable living conditions and reimburse them for relocation and resettlement costs.

FINANCING UNDER THE ASSISTANCE PROGRAMME (USD MLN)



ENGAGEMENT

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

This cycle includes three phases:

- Conducting the "Let Everyone Be Heard. What Do You Think?" survey
- Analysing survey findings
- Developing and implementing resulting solutions

In 2020, the engagement index grew by 10 p. p. from 2018, in particular, in the following categories:

- **Senior Management: +14 p. p.**
- **Respect and Acceptance: +11 p. p.**
- **Compensation and Recognition: +9 p. p.**
- **Conditions for Success: +9 p. p.**
- **Career Opportunities: +9 p. p.**
- **Performance Management: +9 p. p.**

The survey includes focus group polling among 73 thousand employees from 32 Nornickel's entities. In 2020, 42 thousand employees were involved in the survey, up 27% 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 development and implementation of improvements.

CORPORATE DIALOGUES AND FORUMS

A project to enhance dialogue between senior management and regular employees has been underway for the second year now to promote employee awareness, gain ownership of the Company's goals and values, and develop trust between labour and management. In 2020, the project included 32 corporate dialogues, the Nor Nickel Live video conference with the Company's vice presidents, and the "Challenges 2020: Environment, Pandemic, Safety" video conference, a video conference with engagement experts and internal value coaches, and six forums. A total of over 30 thousand Nor Nickel employees participated in these initiatives.

INTERNAL COMMUNICATIONS

Improvement of internal communications was focused on the coverage of engagement and corporate culture events by the corporate media and web portal. A total of four video courses on employee engagement, three video courses for enterprise managers on effective communications, and one e-course on the Company's corporate values for blue-collar employees were created in 2020. All materials were posted on the Nor Nickel Academy platform, and handouts on the programmes and information videos on the changes and initiatives implemented in the Company were produced.

DEVELOPMENT PROGRAMMES

PROJECT ENVIRONMENT PROGRAMME

The Company has launched the Project Environment development programme to develop a knowledge base and project management tools for employees involved in the implementation of capital construction investment projects. The Project Environment programme comprises two levels: Project Management (PM) for project office managers, and Professional for line managers and specialists.

From August to December 2020, training sessions within the "Project Environment. Professional" programme were held, broken down into eight

modules aimed at employee upskilling in relevant functional areas. More than 114 project office employees took part in the programme. An individual development track was designed for each employee depending on their position and functional area. The training sessions were held online.

In September 2020, the "Design Environment. PM" programme was launched, involving 47 Group managers. The programme comprises six modules covering the entire life cycle of a capital construction investment project, and aims to develop both engineering competencies and soft skills in HR management and contractor management. During the training sessions

the participants get acquainted with best practices in project management, development of leadership skills, and work in project teams. Any participant in the programme may propose project topics.

Training within the programme will continue in 2021 with the involvement of leading Russian and foreign experts. Participants will review global trends and practices in project management, as well as modern project management tools, such as cost engineering, planning and technical support of inventory supply, construction planning and quality control, risk management, contract management, etc.

ENHANCING PROFESSIONAL EXCELLENCE

In 2020, the Company continued its efforts to educate and upskill its employees. A total of 70.9 thousand person-events were held as part of training and retraining programmes, covering 36.7 thousand employees. A total of 3,462 thousand person-hours of training were delivered to 17.4 thousand employees in corporate training centres (38.3 thousand person-events). Due to the restrictions imposed in Russia, which preclude face-to-face training, the Company actively switched to distance learning formats for employees.

Particular attention is paid to using advanced technologies to train various categories of personnel. The launch of Nornickel Academy, a corporate training platform available to all Company employees, in 2020 expanded distance learning opportunities. More than 5,000 employees are active users of the platform.

Over 65 training courses are publicly available on the Nornickel Academy platform. The catalogue includes courses aimed at developing management and digital skills, job-specific courses, compulsory trainings and briefings. Management skills development comprises 22 courses, six of which focus on enhancing the effectiveness of work from home. 1,868 employees completed training courses to develop management skills. The Nornickel Academy platform offers 26 training courses aimed at developing digital skills, completed by more than 1,500 employees.

In 2020, 50 employees of the Company completed face-to-face training based on the results of their professional

competency assessment. Due to the epidemiological situation, there has been no face-to-face training since Q2 2020. In 2020, the Company continued implementing professional standards. 60 professions were analysed against 14 professional standards, covering about 5,000 employees. The Company is represented on, and actively participates in the activities of, the Board for Professional Competencies in Mining and Metals and the Board for Professional Competencies in HR Management.

In 2020, the Digital Nornickel training programme scheduled for two years was developed to improve the digital literacy of all Company employees. Training under the Digital Nornickel programme is conducted online, using the Tsifronikel mobile app. The app enables users to take a training course broken down into blocks, test their knowledge in a game test, and take part in various contests and tournaments, individually or within a team. More than 4,000 employees completed training between October and December.

360-DEGREE MANAGEMENT

In August 2020, training within the 360-Degree Management programme was completed for executives who had been assessed via the 360-degree competency review. The programme focused on development of corporate and management skills. Training was offered on six topics:

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

Company employees submitted 176 applications to participate in the 360-Degree Management programme. A total of 124 managers, the Group's Russian companies, and the Head Office completed the training.

TALENT POOL

In 2020, the Company kept developing the talent pool system at its production facilities to cover recruiting of lower and middle line managers. Due to the pandemic-related restrictions, training of pool members in the Corporate University was conducted online, and more attention was paid to mastering the required management skills in practice, on the job. Short reminders ("navigators") were developed for new project participants.

In addition, the Company is actively building up a talent pool to fill top management positions. In 2020, HR committees held 40 meetings devoted to key functional areas. One of the main topics discussed at the meetings of HR committees was the security of top positions and readiness of candidates for succession. Developing the talent pool using various methods, from designing an individual development plan to temporary work in a higher position, is a priority task for Nornickel.

REMUNERATION FRAMEWORK AND PAY

Nornickel's remuneration framework is linked to key performance indicators (KPIs) for different job grades, with assessment reliant on KPIs covering social responsibility, occupational safety, environmental safety, operating efficiency and capital management, and responding to cross-functional interests of stakeholders. In 2020, 12,045 employees of the Group were assessed against its KPIs. The framework is instrumental in streamlining performance assessment criteria and enabling the management and employees to align the current year's priorities with the Company's strategy and link an employee's pay level to their performance.

Automation of the KPI-based employee assessment commenced in 2018.

The automated system helped standardise talent pool management methods across the Group, consolidate relevant data into a shared database, and provide access to the assessment process through personal accounts for each employee. Starting from 2020, the framework covers virtually all units within the Company.

The Company put in place the procedure for performance evaluation whereby performance is managed by setting KPI targets and evaluating achievements against these targets. In 2020, a new incentive system was introduced for all employees of capital construction project offices: project bonuses and traditional annual bonus were replaced

with a project bonus. Bonuses are paid for the achievement of key project parameters and are aimed at motivating and retaining key project employees until project completion.

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

Principles of remuneration:

- Internal equity – remuneration management is based on the job description and grading methodology. The Company has a unified grading system across all functions
- External competitiveness – remuneration is based on the labour market data, with adjustments made for a company's focus, business location, and job grades
- Performance-based incentives – pay level is reviewed subject to the annual performance evaluation outcome
- Simplicity of the remuneration framework – pay level calculation and review procedures are transparent, and employees know how they can improve their pay levels

The compensation package comprises salary (94%) and benefits (6%).

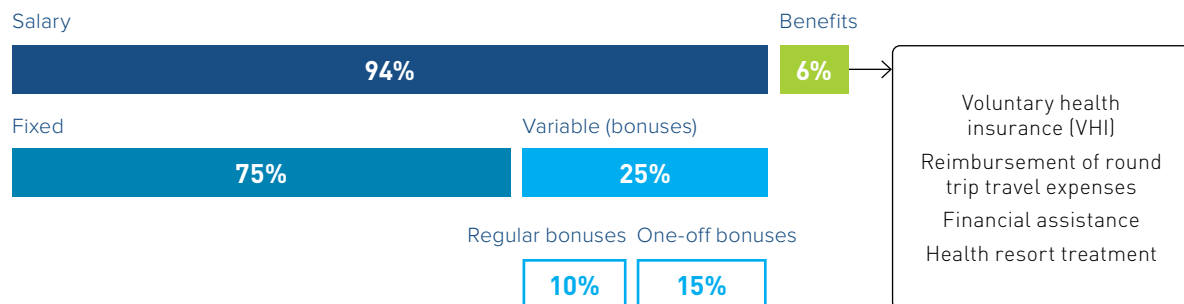
The salary consists of fixed and variable components (75% and 25%, respectively), with the latter linked to the Company's operating performance and achievement of relevant KPIs.

The social package includes the following:

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

Average monthly salaries of Nornickel employees are much higher than the minimum living wage in the Company's operating regions.

REMUNERATION PACKAGE ACROSS THE GROUP'S RUSSIAN OPERATIONS



NORNICKEL'S EMPLOYEE BENEFIT EXPENSES (PER YEAR)

Costs	2016	2017	2018	2019	2020
Total costs (USD mln)	103	123	128	147	99
Cost per employee (USD thousand)	1.3	1.6	1.7	2.0	1.4

MINIMUM LIVING WAGE IN NORNICKEL'S OPERATING REGIONS

Region	RUB thousand	USD
Murmansk Region	27.9	386
Norilsk Industrial District (NID)	31.5	437
Krasnoyarsk Region (excluding NID)	12.1	168
Moscow	20.2	279
Zabaykalsky Region	18.2	252

AVERAGE MONTHLY SALARIES OF NORNICKEL EMPLOYEES¹

Currency	2016	2017	2018	2019	2020
USD ²	1,405	1,784	1,780	1,835	1,827
RUB thousand	94	104	112	119	132

REWARDING PERFORMANCE

The Award Policy is closely linked to Nornickel's 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 contributing to overall performance of the business.

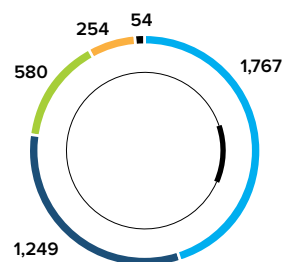
There are several categories of awards and incentives. Nornickel welcomes agency and state recognition of its

employees and nominates those who achieved prodigious results in operations and management and made significant contributions 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 that are initiated and awarded to employees on behalf of the enterprise where they work.

EMPLOYEE AWARDS IN 2020 (PS)



- Internal awards from the Group's enterprises
- Awards from regional and municipal authorities
- Corporate awards
- Ministerial and agency awards
- State awards

Categories of awards and incentives

1 STATE, AGENCY AND REGIONAL AWARDS

- State awards
- Awards from industry ministries
- Awards from regional and municipal authorities

2 CORPORATE INCENTIVES

- Badge of honour,
- Honorary titles, special honorary titles of MMC Norilsk Nickel

3 INTERNAL INCENTIVES AT ENTERPRISES

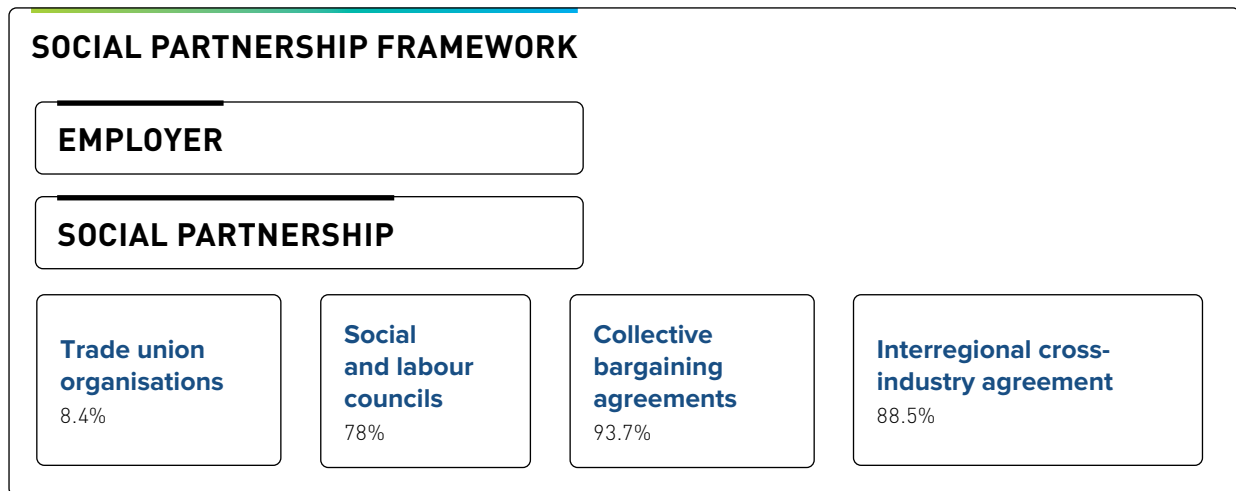
- Honorary titles of NN RBUs³, Nornickel's branches and Head Office
- Certificates of merit and letters of acknowledgement from NN RBUs³, Nornickel's branches and Head Office

¹ Russian operations.

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

³ Russian subsidiaries of Nornickel.

SOCIAL PARTNERSHIP



The Group companies have in place a social partnership framework aimed at aligning the interests of employees and employers in the regulation of social and labour relations. Nornickel 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 represent employee's rights and protect their interests when holding collective bargaining negotiations, 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.

In line with the requirements of the labour law, the opinion 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 unions 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 2020, trade unions contributed to:

- additional social support for current and former employees during the COVID-19 pandemic
- the increase in the minimum standards of financial assistance to employees

- the increase in reimbursements of round trip travel expenses and baggage fees for employees and their families living in the Far North and territories equated thereto
- collective bargaining to discuss, negotiate and conclude the first collective bargaining agreement between Nornickel – Shared Services Centre and GRK Bystrinskoye.

A total of 8.4% of employees of the Group's Russian entities were members of trade unions organisations at end-2020. In 2020, the relations between Nornickel and the Trade Union of MMC Norilsk Nickel Employees were governed by the social partnership agreement signed in 2014. In December 2020, Nornickel and its Trade Union concluded another social partnership agreement.

SOCIAL AND LABOUR COUNCILS

Group enterprises located 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 2020, the percentage of employees represented by social and labour councils was 78% of the total headcount across the Group's Russian entities.

OFFICES FOR OPERATIONAL, SOCIAL AND LABOUR MATTERS

In addition to the Corporate Trust Service speak-up programme, the Group launched 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 industrial units to be handled in accordance with the topics raised. The timing and quality of the responses are monitored by the offices. When handling complaints, the offices adhere to the principle that precludes sending complaints to the managers whose actions are being challenged. In 2020, Group enterprises in the Norilsk Industrial District operated 24 offices which received about 40 thousand queries and requests from employees (81%), former employees (18%), and other individuals (1%).

COLLECTIVE BARGAINING AGREEMENTS

Collective bargaining agreements at the Group's Russian entities comply with the applicable laws and mostly meet employee expectations.

In 2020, Group entities signed eight collective bargaining agreements for a term of three years, including two entities that signed these agreements for the first time.

Thus, by end-2020, all collective bargaining agreements of the Group's Russian entities were signed based on unified approaches to regulating social and labour relations within the social partnership framework.

The percentage of employees covered by collective bargaining agreements stood at 93.7% in 2020.

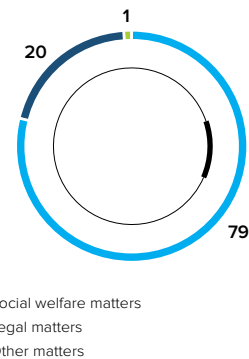
Collective bargaining commissions perform ongoing monitoring of the performance of obligations under collective bargaining agreements by the parties. The Group entities have also set up labour dispute commissions, social benefits commissions/committees, social insurance commissions, occupational safety 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 entities in 2020.

INTERREGIONAL CROSS-INDUSTRY AGREEMENT

The Interregional Cross-Industry Association of Employers "Union of Copper and Nickel Producers and Production Support Providers" (the "Association") was registered in 2018 at the initiative of two regional associations established by the Group's Russian entities located in the Krasnoyarsk Region and Murmansk Region.

MAIN TOPICS OF QUERIES AND REQUESTS (%)



Based on the collective bargaining process in 2019, the interregional cross-industry agreement on copper and nickel producers and production support providers for 2019–2022 was signed. The agreement governs social and labour relations between the Association member employers and their employees, 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 2020, a number of changes were made to the agreement to bring it in line with the amended labour law.

OUTPLACEMENT FOLLOWING THE CLOSURE OF THE SMELTING SHOP IN NIKEL

By discontinuing the smelting operations in December 2020, Norinickel completely eliminated sulphur dioxide emissions in the Russia–Norway border area and improved the environment in the Pechengsky District.

Nornickel decided to shut down the smelting shop in Nikel in November 2019 and immediately developed an outplacement programme for the affected employees. The programme was agreed with the social and labour council and primary trade union organisations of Kola MMC and Pechengstroy. Nornickel provided a comprehensive outplacement programme for the shop's employees who lost their job, making it easy for them to transfer to other operations of the Company, as well as setting up a retraining programme and a pension plan. Of the 660 employees of the smelting shop, 72% chose to continue working at the Company.

In 2020, Nornickel launched a dedicated Employment Centre to provide all-round support to employees affected by the shutdown of the smelting operations (including by providing information, advice and career guidance) and to partner with other Group entities, the government of the Murmansk Region and local employers on job opportunities for redundant employees. All staff-related decisions and actions complied with the Russian labour and employment laws and Nornickel's social support programme. Total expenses under this programme in 2020 exceeded RUB 478 million, including RUB 402 million paid to 241 dismissed employees as compensation, severance pay or financial assistance. In addition, 265 employees were re-employed within the Group, retaining their salaries and obtaining compensation for living expenses and financial assistance for home purchase. These initiatives have been ongoing for several years.

KEY PROVISIONS OF THE SOCIAL SUPPORT PROGRAMME

When employees are re-employed within Norilsk Nickel Group, they are offered:

- housing rent reimbursement in case of relocation
- same salary for one calendar year
- compensation for travel expenses of employees and their families
- reimbursement of baggage fees
- preemptive right to participate in corporate programmes to purchase housing at the new location
- training/retraining/certification in a new trade/job with all costs paid by the Company.

In case of redundancy:

- Severance pay in the amount of at least six months' average salaries (as well as additional payments for retirees, socially vulnerable groups and participants of the Succession programme)
- Early provision of a corporate pension to participants of corporate pension plans who are eligible for a superannuation, disability or long service pension
- Compensation for travel expenses of employees and their families
- Reimbursement of baggage fees
- Financial assistance for housing purchase under the Our Home/My Home and Your Home programmes
- Voluntary health insurance policy maintained for one calendar year from the termination date

The Succession programme provides for training of an affected employee by another Nornickel employee (above the retirement age) with a severance pay to the mentor upon completion.

Currently, the Association of Employers comprises 22 entities. The agreement covers 88.5% of employees of the Group entities.

In March 2021, the Company closed its copper refining operations in Monchegorsk, which will affect a total of 701 employees. The Company plans

to apply the approved employee social support programme to employees of its metallurgical operations.

HEALTH AND SAFETY

STRATEGIC GOALS

Continuous reduction in injury rates



Decrease in lost time injuries to the level of 2013

Zero fatalities



Zero-tolerance policy on work-related fatalities

The health and safety of our people as well as mitigation of ore mining and processing risks is a top priority in Nornickel's operations.

OCCUPATIONAL HEALTH KPIS

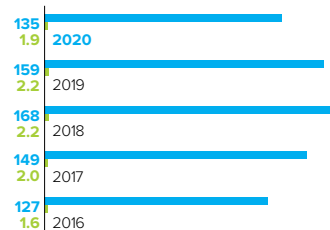
20% OF KPIS

- Linked to total recordable injuries (TRI)

12% TO 28% OF KPIS

- In KPI scorecards of heads of production units.
- A failure to prevent a fatality blocks them from receiving a performance bonus.

EXPENSES FOR IMPROVING WORKING CONDITIONS AND LABOR PROTECTION



- Total cost (USD mln)
- Cost per employee (USD thousand)

CERTIFICATION

In 2020, Nornickel approved and implemented the new Regulations on the Occupational Health Management System compliant with ISO 45001:2018 in line with its plans. As part of the preparations for certification of the existing occupational health

management system to ISO 45001:2018, the Company passed an internal pre-certification audit and an external certification audit. As a result of the certification audit, the Company was certified to ISO 45001:2018.

At end-2020, all key production enterprises of the Group had health and safety certification:

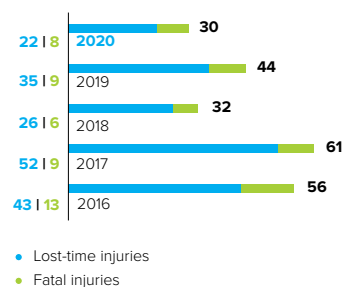
- MMC Norilsk Nickel to ISO 45001
- Kola MMC to OHSAS 18001
- Norilsk Nickel Harjavalta to ISO 45001

INJURY RATES

In 2020, the lost time injury frequency rate (LTIFR) decreased by 34% to 0.21 (0.32 in 2019), hitting all-time lows within the observation period while remaining below the industry average. Due to measures taken to comply with basic industrial safety standards and improve the safety standards management system, the number of lost time injuries decreased by 32% (from 44 to 30 incidents) while

the number of fatalities decreased by 11% (from nine to eight incidents). All fatalities were reported to the Board of Directors and thoroughly investigated to avoid similar injuries in the future. Nornickel's management views safety and zero work-related fatalities as its key strategic priorities and continues dedicated programmes to prevent and avoid accidents and work-related injuries.

WORK-RELATED INJURIES (PEOPLE)



INJURY RATES

Indicator	2016	2017	2018	2019	2020
FIFR	0.11	0.08	0.05	0.08	0.08
LTIFR	0.35	0.44	0.23	0.32	0.21
Contractors' work-related injuries	10	16	19	9	15
Including fatalities	7	1	2	1	3

MAIN CAUSES OF FATALITIES

Indicator	2016	2017	2018	2019	2020
Fall from height	3	0	1	1	0
Falling objects	0	1	0	0	2
Moving objects/parts	1	1	0	2	1
Rock fall	2	0	1	0	2
Road traffic accident (RTA)	4	0	1	0	0
Electrocution	2	1	0	0	3
Exposure to extreme temperatures	1	0	0	1	0
Explosion	0	4	0	1	0
Other	0	2	3	4	0
Total	13	9	6	9	8

RESPONSIBILITY AND ACCOUNTABILITY

The Audit and Sustainable Development Committee deals with industrial safety matters. The Committee reviews management reports on industrial safety performance every quarter, with management participating in the Committee's meetings required to provide detailed account of causes of injuries, measures taken to prevent similar injuries occurring in the future and disciplinary actions taken against the employees at fault.

Remuneration payable to all heads of production units is linked to their industrial safety performance. They are personally responsible for the life and health of each of their subordinates. In addition, team KPIs for all employees include injury rate reduction across the Group enterprises (20% of team KPIs). Industrial safety targets weigh between 12% and 28% of the overall KPI (including individual KPIs). A failure to prevent

a fatality reduces to zero the health and safety indicator in the KPI scorecard (injury rate reduction), hence the amount of remuneration is also reduced.

The Company also has a dedicated Health, Safety and Environment Committee, which is focused on improving efficiency and accountability in industrial safety. The Committee meets quarterly at the Group's various production sites of branches and Russian companies of the Group to discuss improvements to industrial safety management, including:

- analysis of the circumstances and causes of severe and fatal work-related injuries
- status of measures planned and implemented to prevent similar injuries across the Company's enterprises
- programmes of organisational and technical measures to improve health and safety.

MANAGEMENT'S COMMITMENT AND LEADERSHIP

In 2020, the Group adopted a corporate standard for the management's health and safety commitment. In line with the standard, managers prepare annual plans of personal health and safety commitments, which include personal and group meetings with employees at production units, participation in audits of the occupational health management system, as well as Engineers and Technicians Days conducted with line managers (pre-shift briefings, workplace visits, discussions and recommendations to managers). Performance against personal commitments is included in each manager's individual KPIs.

ENGAGEMENT WITH ORGANISATIONS REPRESENTING

Engagement with organisations representing

The Group's collective bargaining agreements have health and safety provisions. At the end of 2018,

companies of the copper and nickel and supporting industries developed and signed an interregional cross-industry agreement setting out, among other things, the obligations and commitments of the parties in relation to health and safety.

The Company and most of its subsidiaries have joint health and safety committees made up of management, employee and trade union representatives.

CONTRACTORS

As all maintenance and construction operations at the existing production facilities are classified as high-hazard, contractor personnel is required to attend induction and target briefings on occupational health prior to the commencement of any work. Work permits also include occupational health requirements to be observed during work preparation and performance.

A special standard setting requirements for contractors at the contractor selection phase was developed and implemented in 2018 to better monitor and promote the safety of work performed by contractors on the sites of Nornickel enterprises. In 2020, Nornickel consistently monitored compliance with the standard, including through joint inspections of compliance with

work safety requirements and meetings of health and safety councils (committees) involving contractor representatives. Contractors failing to comply with health and safety requirements were fined for a total of more than RUB 20 million (USD 277 thousand) in 2020.

CORPORATE STANDARDS AND SAFETY MEASURES

Nornickel's production enterprises have process-, job- and operation-specific regulations and guidelines in place containing dedicated industrial safety sections.

Nornickel has corporate industrial safety standards that apply to both the Group's employees and contractors' personnel. The Group's production units are regularly audited for compliance with applicable industrial safety requirements. A total of 25 audits took place in 2020 in accordance with the approved schedule, with production site managers and their deputies also involved in the audits.

As part of the Implementation of the Industrial Safety Management System programme, in 2020, Nornickel continued rolling out its Control, Management, Safety Automated System (CMS AS).

CMS AS is a SAP EHSM-based information system designed to collect, process, record and analyse health and safety data.

During the year, CMS AS was launched at Norilsk Support Complex, NTEK, Norilskpromtransport, Taimyr Fuel Company, and Polar and Murmansk Transport Divisions of PJSC MMC NORILSK NICKEL. Nornickel plans to continue rolling out CMS AS across the Group's remaining subsidiaries in 2021.

Nornickel's Technology Breakthrough programme aims to improve planning processes, automated day-to-day monitoring and production safety at all of the Company's Operations units covering all production operations, from ore mining to metals production. In 2020, on completing the first basic phase of the programme, the Company:

- Introduced and launched 44 information systems with 3,195 active users
- equipped all underground mines with positioning and communication systems, created a powerful system to transmit virtually unlimited data from the surface to underground

and back – in other words, built the basic infrastructure for managing mining operations

- collected and digitised all equipment data sheets, started developing process sheets for the most critical equipment, which allows effective production asset management via a unified system
- ensured real time remote control over 80% of operations (almost all key processes) from control centres at the Company's Polar Division and Kola MMC.

Further development in 2020–2024 will be guided by the Technology Breakthrough 2.0 programme (second phase), which includes 11 programmes aimed at further improvement, production excellence and safety.

As part of implementing the Concept of Rock Bolting Systems Improvement at Nornickel Mines (launched in 2017) and to promote mining safety, in particular by minimising personnel access to unsupported parts of workings (reducing the risk of rock fall), the Company held following activities in 2020:

- completed a feasibility study and ordered two roof bolters for Kola MMC
- ordered 44 units of self-propelled bolters, delivered to the Polar Division, including 3 for the Komsomolsky, Mayak and Oktyabrsky Mines using new types of binder (two-component polymer resin) and rock bolting (composite hollow self-drilling anchor bolts) (second phase of equipment procurement)
- changed standard diameters of steel-polymer anchor bolts
- drilled production wells (one per mine) at the Oktyabrsky Mine (with the acceptance of construction concrete and grouting currently underway) and the Komsomolsky Mine (perforating)

- tested a prospective type of support – yielding tendon straps, which are much less difficult to install than combined arch support
- tested mechanical wet mix shotcreting and steel fibre-reinforced shotcreting methods, which significantly increase the durability of shotcrete reinforcement
- fully switched from anchor-shotcrete to mechanical steel-polymer supports for the capital construction of underground workings by Polar Construction Company.

BUILDINGS AND STRUCTURES MONITORING SYSTEM PROJECT

The project aims to ensure safe operating conditions for buildings and structures through timely identifying loss of bearing capacity of soil, piles and foundations through geotechnical and satellite monitoring subject to the results of geological surveys.

In 2020, the following initiatives were launched under the project:

- Development of a targeted business process for supervising and monitoring the operating conditions of buildings and structures in the Norilsk Industrial District
- Primary digitisation of technical documentation for buildings and structures
- Implementation of Stage 1 of the monitoring well drilling programme
- Inspection of pile foundations

Information support systems for geotechnical monitoring (163 facilities) are scheduled for piloting by the end of 2021.

EMPLOYEE TRAINING

The Company is committed to ensuring its people have all the necessary knowledge, skills and capabilities to perform their duties in a safe and responsible manner.

Training begins immediately after an employee is hired with an induction safety briefing and subsequent on-the-job briefings. Briefings are then repeated

regularly in accordance with the existing corporate programmes. There are also interactive training courses for employees in key positions.

In 2020, 9,500 employees attended online health and safety training sessions. The online courses are created by in-house resources. The Company produced 58 distance learning industrial

safety courses, 33 videos and seven multimedia briefings for blue-collar professions. The Company leverages internal expertise and today's formats to quickly produce new high-quality interactive training courses to accomplish its business tasks.

PROVISION OF PERSONAL PROTECTIVE EQUIPMENT

Employees are provided with safety clothing, footwear and other personal protective equipment to mitigate the adverse impact of work-related harm and hazards. Employees working in contaminated conditions are

provided with free-of-charge wash-off and decontaminating agents. In 2020, the Nornickel purchased personal protective equipment worth over RUB 3 billion (USD 42 million).

Workers with on-site production experience of less than three years wear special red helmets with the word "Caution" on them and protective clothing with "Caution" badges that make them stand out.

INDUSTRIAL SAFETY COMPLIANCE

The Company has a zero-tolerance approach to unsafe behaviours, as prevention of safety breaches plays the most important role in reducing injuries and accidents.

Nornickel has put in place an industrial safety compliance monitoring system featuring multi-tier control with ad-hoc, targeted and comprehensive industrial safety inspections. The first tier control involves the line manager

(aided by designated members of the occupational health team) and focuses primarily on workplace set-up. The second and higher control tiers involve special industrial safety commissions with representatives of management and employees.

In addition to the above prevention and control initiatives, the Company regularly conducts behavioural audits

in accordance with the approved schedule. The prevention and control team has identified and disciplined over 10 thousand non-compliant employees, including by partially or completely stripping them of their bonuses.

PREVENTION OF OCCUPATIONAL DISEASES

The Company promotes disease prevention and healthy lifestyle amongst its staff to minimise the risk of occupational diseases, with management focused on communicating to all employees the importance of complying with safety requirements and protecting one's own health. Nornickel also seeks to introduce meaningful occupational health initiatives taking into account both workplace and individual risk factors.

The Company offers its staff regular disease prevention screening in line with recommendations from the healthcare authorities. Employees undergo

compulsory pre-employment, regular and ad-hoc medical examinations at the Company's expense. Special medical examinations at occupational pathology centres are provided to employees exposed to hazardous substances.

Production enterprises have dedicated medical aid posts to perform pre-shift health checks and provide medical assistance on request during working hours.

Depending on their respective workplace hazards, employees are provided free-of-charge with personal protective

equipment (PPE), including respiratory protection (respirators, gas masks), hearing protection (earmuffs, earplugs), eye protection (glasses/goggles with UV filters, visors), skin protection (gloves, protective and regenerative creams, protective outerwear).

Employees working in harmful and hazardous conditions receive free food, milk and other nutritional products for therapeutic and preventive purposes to promote health and prevent occupational diseases.

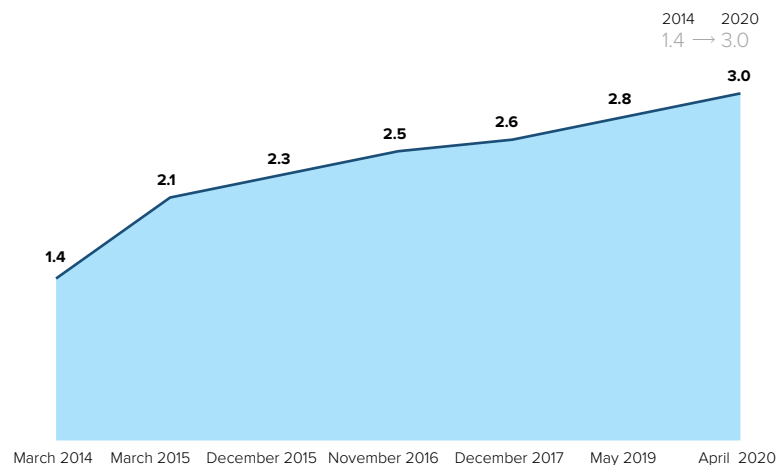
OCCUPATIONAL DISEASES

Indicator	2016	2017	2018	2019	2020
Total	339	361	318	290	235

INDEPENDENT SYSTEM ASSESSMENT

Since 2014, we engage an independent company to conduct out an annual assessment of our occupational health management system and safety culture to identify focus areas for further improvement of corporate occupational health management, and mitigate risks of injuries and accidents at the Group's major entities. Since 2014 the stable improvements in the safety culture level have been driven by increased employee engagement on health and safety matters and leadership demonstrated by senior management of entities as well as improved knowledge of risk assessment and management.

SAFETY CULTURE LEVEL ON THE BRADLEY CURVE



SOCIAL STRATEGY

Nornickel is playing an important role in the Russian economy. Due to its geography and financial strength, the Company has a strong impact on the social and economic life in the regions in which it operates. With its enterprises located mostly in single-industry towns, Nornickel seeks to maintain a favourable social climate and comfortable urban environment, providing its employees

and their family members with ample opportunities for creative pursuits and self-fulfilment.

The core principle behind this social contribution is a partnership involving all stakeholders in the development and implementation of social programmes based on the balance of interests, cooperation and social consensus.

The harsh climate faced by Nornickel employees in life and at work, the remoteness of the Company's key industrial facilities, and the increasing competition for human capital across the industry call for a highly effective, human-centred social policy that would promote Nornickel's reputation as an employer of choice.

SOCIAL PROGRAMMES FOR EMPLOYEES

HEALTH IMPROVEMENT PROGRAMMES

Given the harsh climate of the Far North and the difficult working conditions at mining facilities, Nornickel has been consistently investing in health programmes for employees and their families. Health improvement and health resort treatment are among the most popular programmes offered by Nornickel as part of its social policy.

In 2020, about 11,200 thousand employees and their family members had recreation and treatment in corporate Zapolyarye Health Resort (Sochi). Over 2,000 employees spent their holidays in other health resorts. The Company compensates its employees an average of about 82% of the trip voucher cost. Due to the pandemic, the vouchers for trips to foreign countries and children health camps were not offered.

SPORTS PROGRAMMES

Given the harsh climate of the Far North, supporting healthy lifestyle behaviours is a key focus area in the personal development of Nornickel employees. Sports programmes seek to promote a healthy lifestyle, foster team spirit, improve interpersonal communication and develop corporate culture.

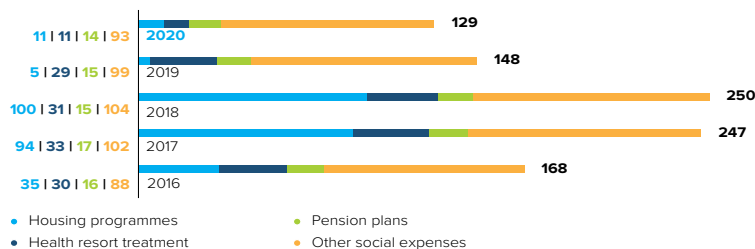
Nornickel pays special attention to corporate competitions, including the employees' popular sports such as hockey, futsal, volleyball, basketball, alpine skiing, snowboarding, and swimming. Family sports contests are yet another focus area. One of Nornickel's social policy highlights is the support of amateur sports.

In 2018, the Night Hockey League was registered in Norilsk to promote amateur hockey. The teams are made up of the Company's employees.

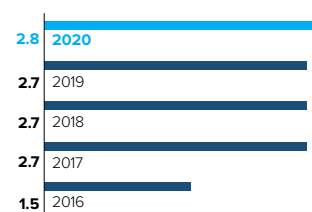
Other activities include regular Spartakiads and various mass sports events held across its footprint and involving not just Nornickel employees and their families but also local residents. In 2020, most of the activities were cancelled due to the COVID-19 pandemic.

A total of 11,098 thousand employees participated in sports and recreational activities in 2020, including 6,725 persons who took part in sports and recreational activities in Q1 2020 (prior to the introducing quarantine measures) and 4,373 persons who attended online sports and recreational activities.

SOCIAL PROGRAMMES FOR EMPLOYEES (USD MLN)



SPORTS EXPENSES (USD MLN)



HOUSING PROGRAMMES

Nornickel currently operates several housing programmes for its employees.

In 2020, Nornickel continued its consolidated housing programme, Our Home/My Home, whose members were able to purchase ready-to-move-in apartments on preferential terms across Russia, usually in the Moscow, Tver or Krasnodar Regions. Since 2010, the Company has purchased closely located properties to create a more comfortable living environment for employees by developing additional infrastructure and optimising maintenance of residential premises for the property management company. Each programme member buys an apartment through co-investment: the employer covers up to half the purchase price payable but not more than RUB 3 million (USD 41 thousand), with the rest paid by the employee. The cost of housing is fixed for the entire period

of the participation. The property title is registered in the name of the employee only at the end of their participation in the programme; however, the participant may move in immediately after the apartment is purchased. Since the programme launch in 2010, the Company has purchased 3,826 ready-to-move-in apartments.

Also in 2020, Nornickel continued implementing its Your Home housing programme, which was successfully launched in 2019. It will be implemented similarly to the Our Home/My Home programme, except that the title to the apartment will be immediately registered in the name of the employee, though encumbered by a mortgage. The encumbrance is removed from the property once the employee fully repays the debt to the seller. Since the launch of the programme, the Company has purchased 1,789 ready-to-move-in apartments, with the list of regions extended to Yaroslavl.

Nornickel also operates the Corporate Social Subsidised Loan Programme offering Nornickel employees an interest-free loan to pay the initial instalment and reimbursing a certain percentage of interest paid to the bank on the mortgage loan. Overall, approximately 700 employees have already taken part in the programme.

PENSION PLANS

Nornickel offers its employees private pension plans. Under the Co-Funded Pension Plan, Nornickel and its employees make equal contributions to the plan. The Complementary Corporate Pension Plan provides incentives for pre-retirement employees with considerable job achievements and a long service record at Nornickel enterprises.

PENSION PLANS COVERAGE

Indicator	2016	2017	2018	2019	2020
Co-Funded Pension Plan					
Financing (USD mln)	7.8	8.6	7.7	7.6	7.2
Number of participants	17,322	15,700	13,916	12,304	11,519
Complementary Corporate Pension Plan					
Financing (USD mln)	6.7	8.5	6.7	6.1	5.7
Number of participants	614	718	545	525	511
Other pension plans					
Financing (USD mln)	1.0	0.1	0.9	1.0	0.9
Number of participants	1,755	1,118	1,114	1,151	1,064

Introduction

NORTH FOR NORTHERNERS

In summer 2020, an ethnological expedition supported by Nornickel visited the Taimyr Peninsula. The expedition was part of a programme to support indigenous peoples of the North – a key component of the Company's social and economic policy across its footprint. Following the expedition, Nornickel signed cooperation agreements with organisations representing the interests of indigenous peoples and planned a number of initiatives to create new jobs, subsidise helicopter transportation, support targeted training for local residents, and so on.

When planning investments in the development of its operating regions, Nornickel carefully studies local economies and ways of life. In Taimyr, the support for indigenous peoples of the North inhabiting the peninsula is now an important part of the Company's social agenda.

Given the challenging local climate, these efforts are mostly focused on supporting essential services through subsidising air transportation, supplying building materials and diesel fuel, and constructing social infrastructure facilities. We place a particular emphasis on renovating existing infrastructure. In Dudinka alone, Nornickel financed the repair of an orphanage and a sports facility, construction of a new fitness centre and renovation of the Neptun swimming pool. The Russian North is unique for its rich natural resources, but also for the culture of local peoples. The Company organises events to support local customs and traditions and is committed to preserving northern languages. The indigenous ways

of life among local reindeer herders and fishermen require special approaches, which are often incompatible with those of a market economy. Nornickel helps them get integrated into modern production chains and offer their products to a wider audience.

Nornickel organised the ethnological expedition to better understand the region's current agenda, as well as the contemporary cultural diversity and customs of the indigenous peoples of Taimyr. Its participants were also tasked with assessing the impact of man-made factors on the everyday life of local communities and the social and economic development of the peninsula.

The Company's specialists conducted over a hundred interviews and surveys with members of Taimyr major ethnic groups engaged in traditional crafts. A detailed ethnological map was drawn up based on the results of the research. To map the contaminated area and assess

the impact of anthropogenic pollution, researchers collected and analysed soil and water samples. This is the first case in Russia when an ethnological study assessed the impact of anthropogenic pollution on traditional land use rather than planned economic activities.

Among other things, the study established that the accident at Norilsk CHPP-3 affected about 700 people using Lake Pyasino and the Pyasina River as their traditional fishing grounds. In this situation, Nornickel made a decision, unprecedented in Russia, to voluntarily compensate for the damage caused.

The list of victims has been agreed with local communities, and payments are already ongoing. A total of about RUB 174 million will be allocated for these purposes. In addition to direct payments, the Company will support land remediation, fish stocking of local water bodies as well as create new jobs and production facilities.

The local population appreciated this approach, and, according to social activists, it can serve as a benchmark for other subsoil users in the region.

Following the expedition, Nor Nickel also signed cooperation agreements with the Russian Association of Indigenous Peoples of the North (RAIPON), the Regional Association of Indigenous Peoples of the North of the Krasnoyarsk Region, and the Association of Indigenous Peoples of Taimyr of the Krasnoyarsk Region. Together, these organisations represent more than 90% of the indigenous peoples of the Russian North.

A comprehensive five-year plan for assisting the development of indigenous peoples was drawn up with Nor Nickel's contribution. The plan provides for supporting traditional crafts, financing healthcare services and home construction projects, creating

infrastructure and developing tourism and culture. Specific tasks were set together with the local communities as they will be responsible for determining what needs to be done first. Tourism, reindeer husbandry, fishing and hunting have been listed among the development priorities for the region. Specifically, Nor Nickel plans to build fish and venison processing facilities, purchase refrigerator units and provide targeted training in professions required by the Company.

Much will also be done to preserve the indigenous culture of Taimyr. Nor Nickel will take part in the construction of an ethnic theme park, which will feature workshops showcasing traditional fur, leather, horn and tusk products. The Company also supports the development of local languages, which has been a focal point in recent decades. Learning aids will be developed and published with support from the Company.



SOCIAL INVESTMENTS

SUPPORT FOR INDIGENOUS PEOPLES OF THE NORTH

Indigenous peoples of the North, such as Nenets, Dolgans, Nganasans, Evenks and Enets, currently residing on the Taimyr Peninsula, count over 10 thousand persons.

Nornickel respects the rights, natural habitats, traditional culture and trades, historical heritage and interests of indigenous peoples within the Company's footprint and pursues a policy aimed at enhancing and fostering good neighbourly relations.

Recognising the rights of indigenous peoples to preserve their traditional way of life and addressing their needs for decent living standards and modern services, the Company has been engaged in philanthropy and social projects to improve the quality of life for Taimyr indigenous minorities for several decades.

The Company's key commitments with respect to indigenous rights are set out in the relevant Policy. Nornickel complies with all applicable international codes and laws regarding the support for indigenous peoples of the North and recognises the rights of local communities to preserve their traditional lifestyle and indigenous trades. The Company's metals and mining assets are located outside indigenous territories in the Taimyrsky Dolgano-Nenetsky Municipal District, so the indigenous peoples do not have to move, and their traditional trades and cultural heritage are not affected.

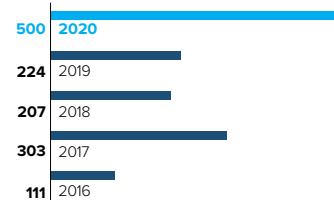
The Company also offers regular assistance in response to specific requests from non-governmental organisations that represent the interests of indigenous peoples of Taimyr. For example, in October

2020, the Company was approached by the Husky Tyl (Husky Wind) indigenous community with a request to provide financial assistance for air transportation of 10 musk oxen (calves) from the Yamal-Nenets Autonomous District to the village of Volochanka. The Company allocated the necessary funds and worked out the logistics. Due to unfavourable weather conditions, the helicopter was forced to land in Norilsk where the Company provided a heated warehouse for the musk oxen to spend a day until the weather improved. At present, the calves are safely acclimatising at a musk ox farm (10 km from the village).

A good example of how Nornickel helps to preserve national traditions and culture of the indigenous peoples of Taimyr includes celebrations of professional holidays for tundra residents organised and held by the Company on an annual basis: the Reindeer Herder's Day and Fisherman Day, with valuable gifts and prizes for participants of national holiday competitions in Taimyr settlements. To that end, the Company purchases items that are most popular among local communities, including tents, petrol power generators, household equipment, outboard motors, inflatable boats, GPS navigators, sleeping bags, binoculars, etc. The Company's annual expenses for these purposes exceed RUB 5 million (USD 70 thousand).

Support and development of local communities are central to Nornickel's charity efforts and a key part of its World of New Opportunities charity programme. As part of the programme, the Company holds the annual Socially Responsible Initiatives Competition and provides grants for the winners. In 2020, seven projects by representatives of the indigenous peoples of the North received a total funding of RUB 6.8 million (USD 95 thousand).

SOCIAL EXPENSES (USD MLN)¹



KEY OBLIGATIONS OF THE COMPANY REGARDING THE RIGHTS OF INDIGENOUS PEOPLES FIXED IN THE RELEVANT POLICY

Communities use grants to build ethnic theme parks, sports grounds, set up ethnic clubs, children's groups, ethnic sewing shops, organise celebrations of national holidays and implement projects involving elderly people, youth and children.

In 2020, implementing its Indigenous Rights Policy, Nornickel launched the Taimyr Students targeted programme to train representatives of indigenous peoples at Norilsk State Industrial Institute in courses that are most relevant for the Company. In 2020, 15 students started their studies at Norilsk State Industrial Institute under the programme, with their tuition fees fully covered by Nornickel. The Company's spending on the programme totalled RUB 1,152 thousand (USD 16 thousand).

In 2020, as part of its social and economic projects to develop infrastructure, support education and culture and improve the living standards of the indigenous peoples, Nornickel developed new long-term programme to support key business areas of the indigenous minorities

¹ According to IFRS statements.

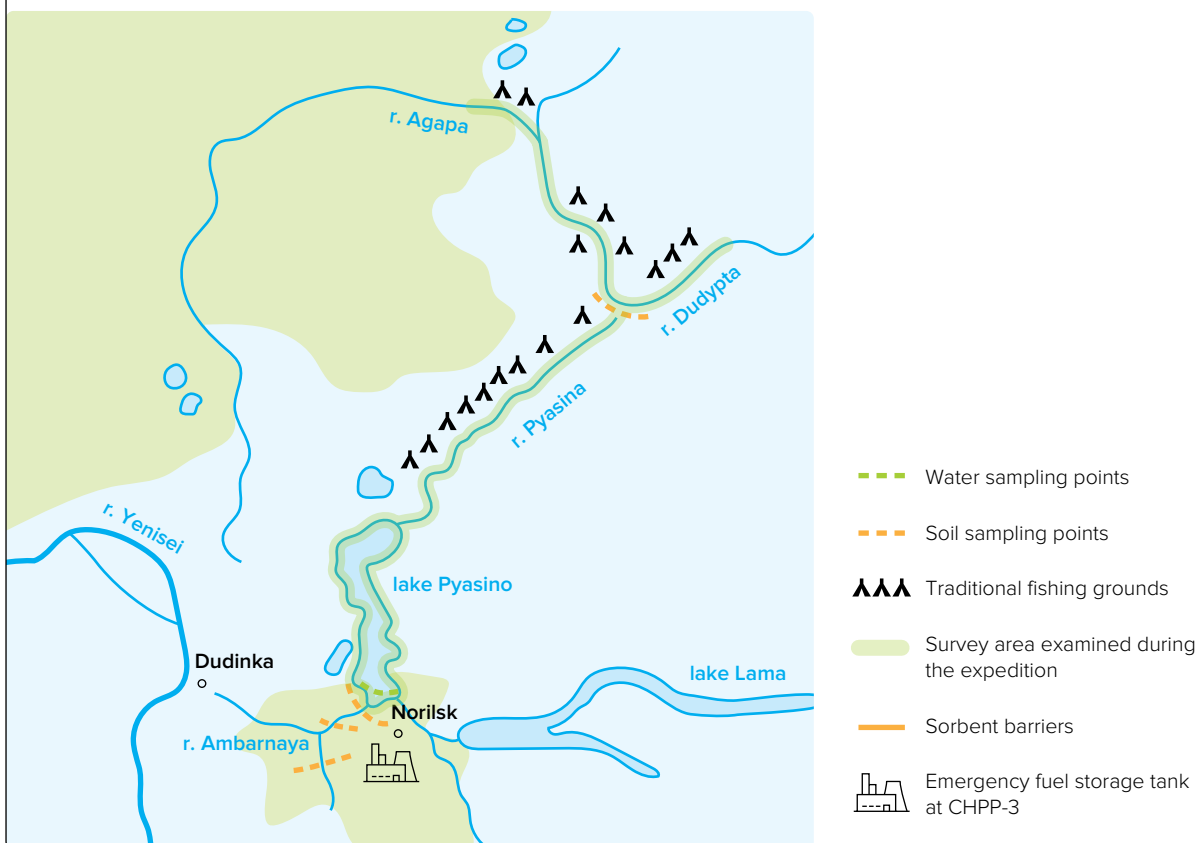
of Taimyr. A follow-up to an ethnological expedition carried out in the summer of 2020 on the Taimyr Peninsula, the programme includes over 40 specific initiatives aimed at supporting traditional activities, developing indigenous trades, and reproducing renewable resources, which forms the basis for their traditional lifestyle and conservation of indigenous ethnic groups, as well as provides for funding to support housing, healthcare, infrastructure, tourism and socio-cultural projects. The programme is planned to be implemented within five years, with its financing totalling about RUB 2 billion (USD 28 million). Each initiative under the programme has been agreed with indigenous communities.

The supporting measures are outlined in an agreement on cooperation signed by Nor Nickel, the Russian Association of Indigenous Peoples of the North, the Regional Association of Indigenous Peoples of the North of the Krasnoyarsk Region, and the Local Public Organisation "Association of Indigenous Peoples of the Taimyr of the Krasnoyarsk Region". The agreement is an important milestone of the historical partnership between the Company and indigenous peoples living in the Taimyrsky Dolgano-Nenetsky Municipal District.

In 2020, Nor Nickel also started making cash payments to indigenous communities fishing in the area of Lake Pyasino and the Pyasina River who

were potentially affected by the diesel fuel spill at CHPP-3. Indigenous communities and the Russian Association of Indigenous Peoples of the North took part in compiling the list of 699 affected representatives of indigenous minorities based on an ethnological review conducted for the first time in Russia to assess ethnological consequences of an environmental incident. Total payments exceeded RUB 175 million (USD 2.4 million).

TRADITIONAL FISHING GROUNDS OF INDIGENOUS PEOPLES



COMPRISING 42 INITIATIVES:

- support for the traditional lifestyle of indigenous minorities on the Taimyr Peninsula
- support for educational projects, construction of a community centre
- construction of homes
- construction of children's playgrounds, purchase of sports equipment, etc.
- construction of new first aid stations, purchase of special equipment, etc.
- tourism and other development and support projects.

World of Taimyr project contest

In autumn 2020, the Taimyr Social Expedition visited Taimyr to develop proposals on a set of sustainable measures to support local social and public initiatives. The expedition held a series of focus groups, surveys and interviews. Its proposals determined a number of local development priorities such as traditional trades and ethno-tourism, creation of seasonal jobs, implementation of distance learning (online), etc.

The expedition's key proposals served as the basis for the regulations on a new World of Taimyr project contest, which will aim at supporting public initiatives and promoting sustainable development of Taimyr's indigenous territories. The Company started the World of Taimyr contest on 10 December 2020. In 2021, Nornickel will implement a unique training and support programme for project teams involving representatives of indigenous minorities, communities and public organisations of Taimyr.

The contest's key feature is that it only covers indigenous territories and communities within the Taimyrsky Dolgano-Nenetsky Municipal District. The maximum grant size is RUB 6.5 million (USD 90 thousand). The contest involves public and non-profit organisations, indigenous communities, as well as state and municipal organisations.

Every year, representatives of indigenous minorities take part in the Socially Responsible Initiatives Competition under the World of New Opportunities

charity programme. In 2020, grants were awarded to 1 indigenous community, 5 non-profit organisations and 11 budgetary institutions across Taimyr settlements.

Nornickel also offers regular assistance in response to specific requests from Taimyr municipalities and sponsorship support for indigenous peoples of the North, including through arranging air transportation and supplies of construction materials and diesel fuel. Nornickel's expenses on support for northern indigenous minorities totalled about RUB 100 million (~USD 1.4 million).

SUPPORT FOR LOCAL COMMUNITIES

In supporting regional development, Nornickel focuses on financing projects that create both commercial and social value. Nornickel makes a significant contribution to the development of local communities across its footprint and runs voluntary social programmes and projects to build an inclusive and people-friendly environment, protect the environment, and support local communities, both independently and in partnership with municipalities, regional and federal authorities, not-for-profits, NGOs, and professional associations. These programmes and projects address specific regional matters to drive economic growth and improve the local social situation.

Norilsk Development Agency

The Norilsk Development Agency supports 16 SME investment projects in the service economy, manufacturing, and tourism with a total funding of around RUB 3 billion. The projects will create about 500 new jobs. IT-cube. Norilsk Children's Digital Training Centre is one of these investment projects. The agency applied to a grant competition held by the Ministry of Education of the Russian Federation to obtain a subsidy for the launches of children's digital training centres. The agency's application was supported by the city administration and the government

of the Krasnoyarsk Region. Currently, 400 school students receive training in the centre.

The Norilsk Development Agency and the city administration implement greening and landscaping projects within the Lake Dolgoye recreation park and projects to create modern public and neighbourhood spaces with direct participation of Norilsk residents. A number of projects to install sports grounds and workout zones with outdoor gym equipment and benches and art forms have already been completed. One of the more recent projects is residential eco-parking with four stations for simultaneous heating of eight vehicle motors. 2020 saw the completion of an initiative to restore the Olympians, the fourth mosaic restored under the Norilsk Development Agency's project with participation of the city administration and support from Nornickel. All these projects are part of a master plan for Norilsk development.

The agency is completing the development of the first phase of a master plan for the proposed Arctic tourist cluster. The project aims to preserve fragile arctic nature and develop conscious tourism while making tourism a viable business in the arctic part of the Krasnoyarsk Region. A total of 51 investors signed an agreement for the cluster development. Funding for the cluster investment projects totals RUB 4.3 billion. Despite the COVID-19-induced lockdown, at the end of 2020, tourist traffic was up 4% year-on-year and exceeded 5,000 people. The Federal Agency for Tourism awarded grants totalling over RUB 17 million to seven companies active in the cluster. 7 new routes have been developed, 8 tourist accommodation establishments received classifications, and 38 new guides were registered. First-ever agreement for the sale of tours to Khatanga was signed between local company Anabar-tour and regional tour operators. The Arctic. Putorana Plateau tourism and recreation cluster was included in the top 30 high-potential eco-tourism areas at an all-Russian eco-cluster contest.

In August 2020, a research expedition team including representatives of WWF Russia, Joint Directorate of Taimyr Nature Reserves and federal experts visited Pronchishcheva Bay. The expedition provided data to develop future tourist routes and explore the viability of setting up camps and visitor centres at abandoned polar stations, established contacts with residents of remote villages Syndassko and Popigay as potential tourist destinations and collected information for further development of the master plan for the Arctic. Putorana Plateau tourism and recreation cluster.

Second School centre for community initiatives in the Pechengsky District

In the context of its closure of a smelting shop in Nikel, the Company together with regional and municipal authorities and local communities developed a new concept for the social and economic development of Nikel and Pechengsky District to address various social matters such as providing jobs for the shop employees, creating a favourable environment for SME development in the region as well as attracting investors to the region.

In 2020, the Company and the Second School centre for community initiatives in the Pechengsky District held a contest to provide interest-free loans for business development in the Pechengsky District. A total of 11 business projects won the contest, including new hotels, abrasive manufacturing facility, trout farm, dairy farm, environmentally friendly plastic waste recycling facility, holiday camp, bakery, mobile retail outlets, and a cafe on wheels. The total cost of the projects to be financed by Nornickel stands at RUB 212 million (USD 3 million), with about 145 new jobs expected to be created. All projects will be completed as early as 2021.

Monchegorsk Development Agency

Monchegorsk administration and Nornickel launched the Monchegorsk Development Agency in September 2020 to create a favourable environment and opportunities to drive the city's

sustainable social and economic development. The agency will focus on three areas: business and investment, social and cultural projects, and tourism.

Relocation programme

In 2020, Nornickel and the Russian Government continued their joint implementation of a long-term target programme to relocate people from Norilsk and Dudinka (Krasnoyarsk Region) to other Russian regions with better climates. The programme provides for financing families entitled to relocation under government programmes and registered to purchase an apartment in Norilsk or Dudinka, with Nornickel operating as its sponsor. The programme was launched in 2011 and is scheduled for completion in 2020. Since its launch, the Company has donated a total of RUB 8,651 million (USD 207 million) under the programme. A total of 8,219 families exercised their relocation rights under the programme between 2011 and 2020, including 6,713 families from Norilsk and 1,506 families from Dudinka.

The Company fully discharged its financial obligations under the programme which was completed in 2020.

Construction of a sports and recreation centre

In 2020, the Company completed the construction of the Ayka sports and recreation centre in Norilsk. The centre was built under an agreement concluded in 2010 for collaboration and cooperation in the upgrade and development of social and utility infrastructure and housing in Norilsk. Investments in construction projects totalled more than RUB 3.6 billion (USD 50 million), including RUB 2.5 billion (USD 34.7 million) spent in 2020.

These projects span all areas within the Company's footprint. In Zabaykalsky and Murmansk Regions, such social projects have been running for several years under formal agreements.

In 2020, Nornickel provided RUB 400 million (USD 6 million) to finance social projects of Zabaykalsky Region Government, plus RUB 50 million (USD 0.65 million) for the Murmansk Region under a 3-year social and economic development programme.

Introduction

FIRST ON THE FRONTLINE OF FIGHT AGAINST THE COVID-19 PANDEMIC

Nornickel is Russia's No. 1 industrial company by COVID-19 spending, according to Forbes' ranking.

Last year, the global community faced a major disaster – the coronavirus pandemic. Within months, the pandemic disrupted the usual way of life for people all around the world. Nornickel management fully realised the gravity of the situation and joined the fight against the new infection as early as in March 2020.

Nornickel allocated over RUB 20 billion to fight the coronavirus – not only to protect its own enterprises but also to support local authorities, healthcare and educational institutions, and socially vulnerable citizens. The Company purchased over 460 thousand coronavirus tests and over 10 million protective masks, 356 ventilators, 400 thermal imagers, and 5 critical care vehicles. Nornickel financed the deployment of 2 stationary laboratories, 7 mobile laboratories, and 15 mini-laboratories in its regions

of operation; new equipment was also purchased for local hospitals to replace obsolete equipment.

These efforts did not go unnoticed. Forbes magazine ranked Nornickel as Russia's No. 1 industrial company by COVID-19 spending.

Distancing from COVID-19

First of all, the Company made every effort to implement social distancing rules to prevent the spread of the disease. All international business travel was suspended and business travel within Russia was significantly curtailed. In the shortest timeframe, 14% of the Company employees, about 10 thousand people, were shifted to remote working. Access to Nornickel production sites was minimised for white-collar employees.

As older people are particularly vulnerable to COVID-19, all Company employees over 65 were suspended from work in accordance with a decree of Russian President Vladimir Putin. In addition, Nornickel voluntarily developed coronavirus control measures to protect employees aged over 60. The Company made sure that none of its older, more experienced employees found themselves in a difficult financial situation due to the pandemic, and continued to pay them full salaries. Blue-collar employees who could not be shifted to remote working received additional compensation.

A 24-hour employee hotline was set up, with information about all measures taken by Nornickel to combat the pandemic made available to employees at any time.

Safe operations

Nornickel, one of Russia's leading industrial companies, is one of the world's largest producers of precious and non-ferrous metals. The strategically important task of ensuring its continuous operation was greatly complicated by the threat of COVID-19 spread.

To minimise the risk of employees contracting the disease, Nornickel provided all staff with personal protective equipment and installed dispensers with disinfectants and sanitiser in all production and office premises. In a new environment, agreements were renegotiated with cleaning companies to increase the frequency of disinfection of workplaces and administrative premises.

The Company monitored employee health on a daily basis using thermal imagers and non-contact thermometers. Employees in the risk group were regularly tested for coronavirus and self-isolated as necessary.

Specific safety measures were developed for shift workers, comprising mandatory testing and quarantine in dedicated observation facilities built and equipped by the Company. Shifts were extended to include the time spent in observation facilities.

Helping hand

"Since we are in good shape, we have to take care of our employees, protect them in every possible way, both medically and socially. That's the first thing. Secondly, we need to take a look around and help municipalities and towns, especially the single-industry towns where we operate," said Nornickel's President Vladimir Potanin. Businesses had to invest considerable financial and human resources to adapt to the pandemic, and small and medium-sized enterprises were hit the hardest. Supporting them was one of the most important aspects of Nornickel's local efforts.

At the expense of Nornickel subsidiaries, rent holidays for the duration of the pandemic were granted, cargo deliveries to Norilsk were subsidised, and pro bono accounting and legal services were offered to 116 regional enterprises.

The Company provided subsidies for utility bill payments to non-profits, and granted six-month loan holidays to social entrepreneurs.

Contribution to healthcare

During the pandemic, the efforts of healthcare workers are as vital as the uninterrupted supply of medicines and availability of medical instruments and equipment.

This is especially important in the Far North. Nornickel was supporting healthcare facilities in Norilsk and on the Taimyr Peninsula from the onset of the pandemic. The Company allocated substantial sums to purchase personal protective equipment for healthcare workers, medicines and medical equipment, including vitally important defibrillators, inhalers, pulse oximeters, etc. Twenty-five new Swiss ECG machines worth a total of RUB 9 million were purchased for three ambulance substations in Norilsk to replace the devices that had reached the end of their service life.

Nornickel supported the opening of an infectious disease ward for treating COVID-19 patients at the Monchegorsk Central District Hospital, equipped with ventilators. The Company also purchased state-of-the-art coronavirus testing equipment for the ward.

Doctors' efforts in minimising the spread of the virus were recognised: Nornickel awarded 27 Norilsk medics with RUB 50,000 certificates for their selfless fight against the pandemic.





CHARITY PROGRAMMES

World of New Opportunities programme

Nornickel runs the World of New Opportunities charity programme to provide sustainable development capabilities and opportunities to communities across its regions of operation. The programme aims at developing soft skills in local communities, demonstrating and introducing new social technologies, supporting and encouraging community initiatives, and creating a favourable environment for cross-sector partnerships.

In 2020, 90% of charitable events and projects scheduled for the year were held online, thus making it possible for Nornickel to continue reaching out to target audiences and achieve performance targets.

In February 2020, We Are the City! social technologies forum was held in Norilsk and Zapolyarny with over 2,000 participants. The forum was themed around People. Ideas. Locations – a synergy of caring people, useful ideas and meaningful public spaces. The main motivators were Russian and international experts: Guillermo Peñalosa, an urbanist and expert in park

and urban street transformation (Toronto, Canada); Vadim Mamontov, the founder and CEO of RussiaDiscovery; winners of the Socially Responsible Initiatives Competition as regional experts; social entrepreneurs and Nornickel employee volunteers.

In June 2020, the first SVET ON youth online forum was held with over 500 participants aged between 12 and 18 from the Company's operating regions, discussing youth entrepreneurship trends, ideas for regional volunteering development, engineering and digital technologies.

The IMAKE engineering marathon was held online for more than 1,300 young inventors, resulting in a new system to engage teenagers and their parents in research and invention activities. Five participants of the marathon won the regional stage of Concours Lépine 2020 (France). Also, two-week long engineering shifts were arranged during summer holidays (in July and August).

An online Convention of Social Entrepreneurs from the North in December 2020 gathered together over 200 registered participants from 33 Russian cities (Norilsk, Dudinka, Chita, Monchegorsk, Nikel,

Zapolyarny, Severodvinsk, Anadyr, Arkhangelsk, Naryan-Mar, Yakutsk, etc.) The convention focused on crisis as a time of business opportunity, with participants discussing coronavirus business cases and solutions and sharing their experiences and best practices.

In December 2020, the Company provided a total of RUB 154 million (USD 2.1 million) to support 109 social initiatives that had won the Socially Responsible Initiatives Competition.

All in all, about 27 thousand people from across Nornickel's footprint and beyond were involved in the social projects run under the World of New Opportunities charity programme in 2020.

The charitable programme's wider footprint is one of the benefits of using the online format to hold its events.

The Plant of Goodness corporate volunteer programme

Nornickel's corporate volunteering programme comprises a vast array of volunteer and charitable projects across all regions in which Nornickel operates – in the Norilsk Industrial District, on Kola Peninsula, in Chita and Moscow. The programme supports employee volunteers' social initiatives aimed to contribute to the social development



of our operating regions and better quality of life for local communities. At present, the Plant of Goodness volunteer community boasts over 2,500 participants, who have launched and delivered over 350 initiatives between themselves.

VOLUNTEERING DURING THE PANDEMIC

The coronavirus pandemic presented a real challenge to the corporate volunteering programme. Nevertheless, employee volunteers promptly responded to the new challenges with mutual aid projects. As part of COVID-19 response, a 200-strong employee volunteer team was set up, which prepared and delivered food baskets and medicines to vulnerable groups and made over 3,000 reusable masks. Also during the pandemic, employee volunteers congratulated 372 veterans on the Victory Day.

Bystrinsky GOK volunteers and the Baikal regional branch of the Union of Russian Volunteers arranged the delivery of essential supplies to local people in the high coronavirus risk group, people with reduced mobility and elderly people living alone, in Chita and Gazimursky Zavod. The Company financed

the procurement of food and provided the volunteers with personal protective equipment: masks, hand sanitisers, and gloves. Nornickel employees took special training from Russian volunteer university to help elderly people in emergencies. In Monchegorsk, the Plant of Goodness volunteers set up a small shop to make reusable masks. The Company helped with buying gauze for face masks, with the required number of volunteers found through the programme's chat.

THOSE WHO CARE, A CORPORATE PROGRAMME TO SUPPORT CHANGE WITHIN THE COMPANY

Those Who Care change-support programme for Nornickel employees was launched in 2020. The programme brings together activist employees of various professions from different enterprises to develop and implement change projects outside their functional roles or KPIs.

In 2020, Kola MMC hosted kick-off sessions, formed project teams, organised profiling business games (to define a participant's portrait and skills mix), and launched komunevseravno.ru website and the Change Makers Club.



Nornickel

CHANGES
IN MANAGEMENT

NEW TEAM WILL GIVE SUSTAINABILITY

| //photo: Interview of Vladimir Potanin

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[//NORNICKEL.COM](https://nornickel.com)

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Changes in organizational structure aiming at strengthening of the management team should support Nornickel's strategic drive to improve the sustainability and efficiency of operations. A new management Risk Committee to be created, which is to be chaired by the Company's President, that should help improving the efficiency of risk management. This will mark the completion of a vertical risk management structure fully penetrating the Company from the level of blue-collar workers to its President.