

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 Ranstad 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.

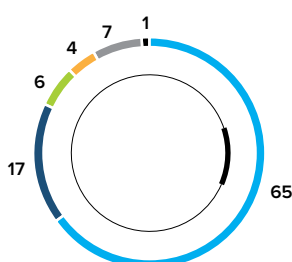
The decrease in the average headcount in 2020 was driven by the continued implementation of a programme to improve labour productivity and reduce costs.

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

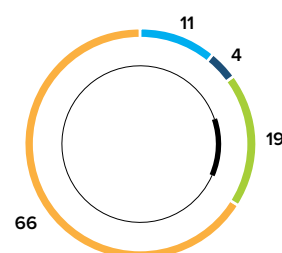
99.7%

HEADCOUNT BY REGION (%)



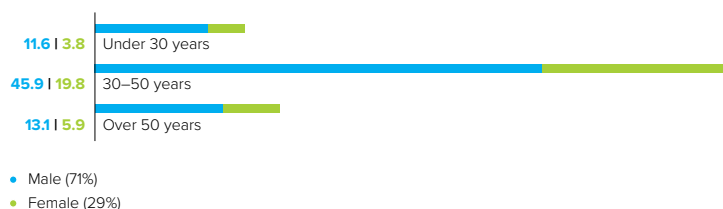
- Norilsk Industrial District
- Murmansk Region
- Krasnoyarsk Region (except the Norilsk Industrial District)
- Zabaykalsky Region
- Moscow and other Russian regions
- Foreign operations

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:

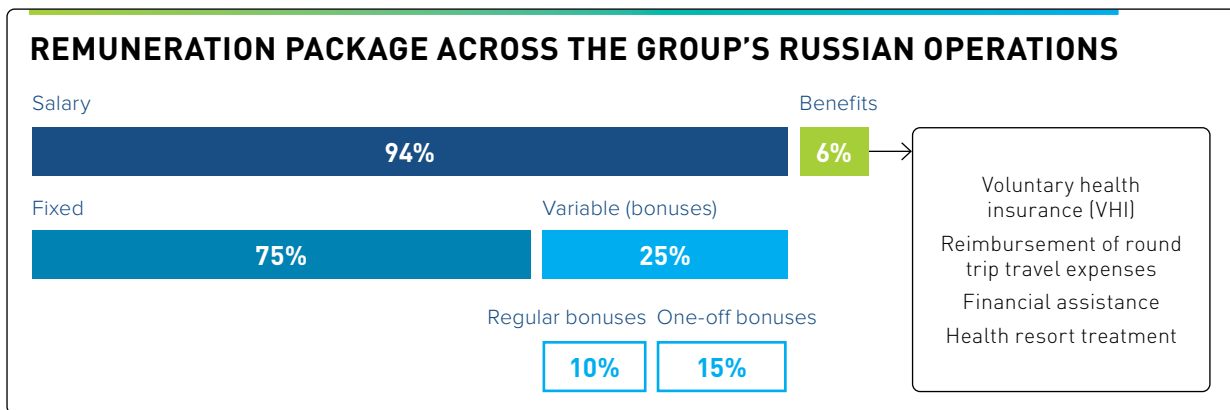
- Internal equity – remuneration management is based on the job description and grading methodology. The Company has a unified grading system across all functions
- External competitiveness – remuneration is based on the labour market data, with adjustments made for a company's focus, business location, 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.



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.

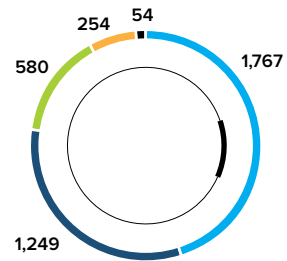
There are several categories of awards and incentives. Nornickel welcomes agency and state recognition of its

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

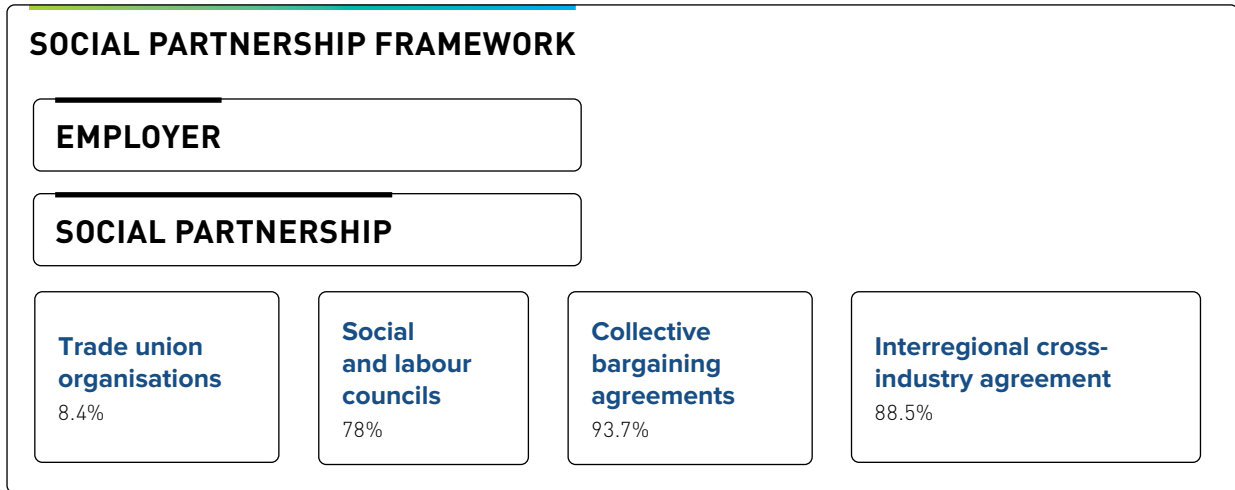
- Honorary titles of NN RBUs³, Nornickel's branches and Head Office
- Certificates of merit and letters of acknowledgement from NN RBUs³, Nornickel's branches and Head Office

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.

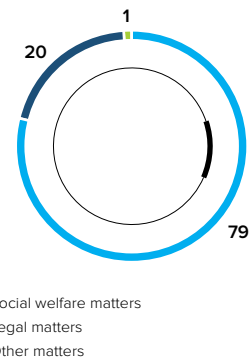
Collective bargaining commissions perform ongoing monitoring of the performance of obligations under collective bargaining agreements by the parties. The Group entities have also set up labour dispute commissions, social benefits commissions/committees, social insurance commissions, occupational safety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