

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.

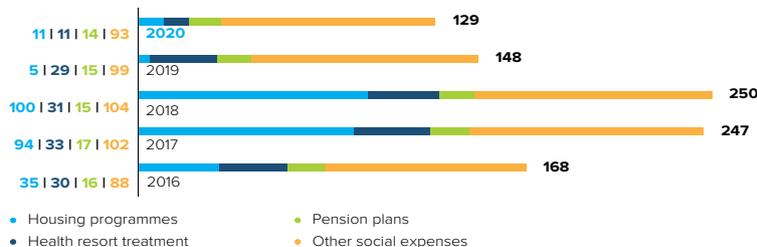
Nornickel pays special attention to corporate competitions, including the employees' popular sports such as hockey, futsal, volleyball, basketball, alpine skiing, snowboarding, and swimming. Family sports contests are yet another focus area. One of Nornickel's social policy highlights is the support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

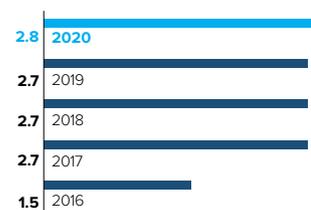
Other activities include regular Spartakiads and various mass sports events held across its footprint and involving not just Nornickel employees and their families but also local residents. In 2020, most of the activities were cancelled due to the COVID-19 pandemic.

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