

Employees

HR policy

People are Nornickel’s main value. The Company views its employees as its core asset and invests in their professional and personal development, provides them with safe and comfortable working conditions as well as decent pay and benefits package, and seeks to boost their performance and ownership of work-related tasks.

HR policy: investing in human capital



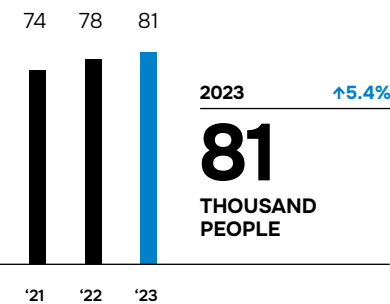
Nornickel retains leadership in key Russian and international rankings of the best employers

Contribution to the UN SDGs



Increase in headcount as capacity expands and environmental and production projects are implemented,

THOUSAND PEOPLE



RUB 184.1 THOUSAND

Average monthly salary of Nornickel employees in 2023

6%
Proportion of the benefits package in the compensation package

Business Ethics Code

The Company has in place the Business Ethics Code, a fundamental document that plays a major role in ensuring compliance with professional standards and commitment to Nornickel’s core values.

Every employee is fully aware of the content and significance of the Business Ethics Code. To encourage commitment to the principles set out in the Code, the Company operates a system of rewards and incentives.

To address potential breaches of the Code, procedures are in place for employees to safely and confidentially report relevant situations. All reports are subject to subsequent investigation. The Company guarantees that no disciplinary action or sanctions, including dismissal, demotion, or bonus forfeiture, will be applied to employees who report breaches of the Code.

Human rights and working conditions

The Company respects the rights and freedoms of its employees as well as those of its stakeholders – partners, investors, contractors, local communities, customers, and consumers.

Nornickel upholds the principles of international standards such as the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Nornickel complies with the laws of the countries in which it operates.

The Company implements programmes for the development and social support of its employees, upholding their rights in respect of social security, education, family welfare, housing, freedom of artistic expression, and participation in cultural life.

The Company is committed to fostering an inclusive work environment free from any form of discrimination. We work towards ensuring equal opportunities in hiring, promotion, training, and remuneration for all employees, regardless of ethnicity, nationality, religion, gender, age, sexual orientation, marital status, special needs, or any other protected characteristic under applicable law.

The Company hires employees, including those with disabilities. According to the employment quotas, the share of such employees is 2% of the average headcount, excluding employees involved in hazardous or dangerous work. We provide necessary working conditions for this category of people with regard to the work and rest schedule, duration of the annual paid leave, extra days off, additional financial assistance, and other parameters.

The Company strictly adheres to the following principles with respect to its employees:

- Zero tolerance for the use of child labour, forced or slave labour
- Zero tolerance for the employment of persons aged under 18 for hazardous and/or dangerous work
- Zero tolerance for violence or discrimination
- The Company does not engage female employees in extreme or dangerous working conditions

- The Company ensures its employees’ right to safe working conditions
- The Company makes sure all employees enjoy equal rights and opportunities regardless of gender, age, race, nationality, and origin
- The Company provides all employees with equal opportunities for unlocking their potential. Employee performance is evaluated on a fair and impartial basis, and recruitment and promotion decisions are tied exclusively to professional abilities, knowledge, and skills
- The Company respects the right to form trade unions and does not prevent employees from joining them

The Company has adopted internal labour regulations, which are approved in consultation with the trade union organisation and establish employees’ working hours. The Company has a standard working week of 40 hours as determined by applicable Russian laws and regulations. Employees involved in hazardous or dangerous work enjoy a reduced working week of not more than 36 hours. Women employed in the Far North and equivalent areas work 36 hours per week unless a shorter working week is stipulated by Russian laws and regulations. The Company arranges for accurate work time control for each employee.

Work on weekends and overtime is paid as per the Labour Code of the Russian Federation.

Awards and industry recognition

In 2023, Nornickel entered a number of best employer lists:

- Top 30 best employers in HeadHunter’s ranking
- Gold in the *Forbes Employer Rating* with the highest scores in the Employees and Society and Corporate Governance categories
- No. 1 among metals companies in Changellenge’s *Best Company Award* ranking of the best employers according to young respondents
- No. 8 in *Future Today’s* ranking of top employers selected by students
- Grand Prix of HeadHunter’s HR Brand of the Year award in the Grand Federation category for the Present for the Future: Developing Engineering Potential project
- Project of the Year Grand Prix of AKMR’s People Are Key award for the Present for the Future: Developing the Engineering Potential of the Industry and the Company project
- Three EMBRAS international awards in the Employer Image, Good Deeds, and Business Results categories
- Crystal Pyramid* award for the best employer brand in metallurgy
- Two top awards of the WOW!HR International Business Awards in the HR Hero and Workplace categories

Staff composition

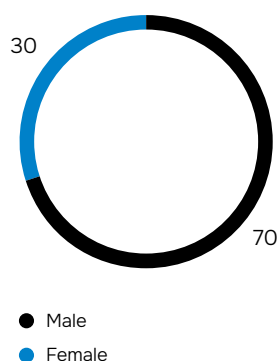
In 2023, the Group’s average headcount was 80.6 thousand employees, of which 99.5% were employed by its Russian companies. In 2023, the Company’s turnover rate stood at 11.4%. Nornickel is among the largest employers in the Norilsk Industrial District and Kola Peninsula, employing 67% and 15% of the regional workforce, respectively. Local population accounts for 99.7% of the headcount. The average headcount increase in 2023 was driven by the Company’s investment strategy as well as organisational and technical changes.

Employees under permanent employment contracts account for 94% of the workforce.

Since Nornickel is a production company, the proportion of men in its workforce is significantly higher than that of women.

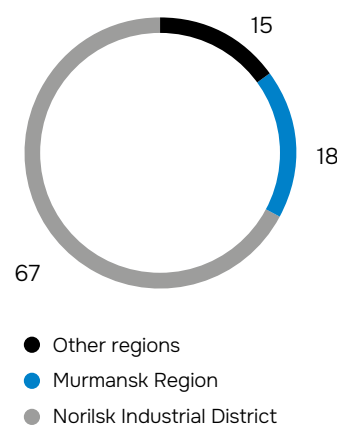
80.6 THOUSAND

EMPLOYEES
The average headcount of Nornickel employees in 2023



99.7%

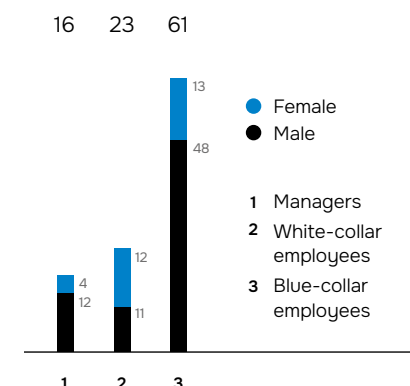
The share of new hires from among local population



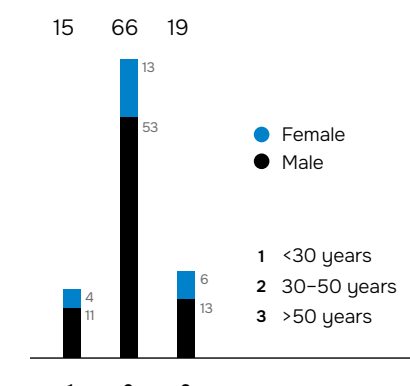
Average headcount

Location	2021	2022	2023
Russia	73,061	77,980	80,166
Africa	151	38	47
Europe	317	331	322
Asia	15	15	22
USA	10	10	5
Australia	3	0	0
TOTAL	73,557	78,374	80,562

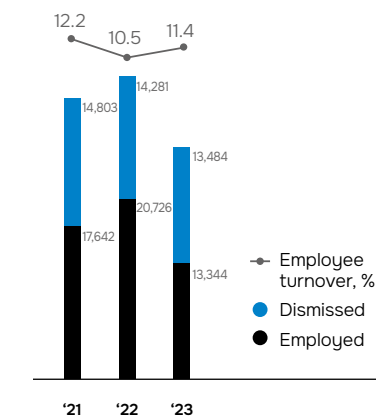
Headcount by category and gender¹, %



Headcount by age and gender¹, %



Employee turnover, PEOPLE²



Recruitment

The Company’s headcount grows every year. Nornickel aims to provide equal hiring opportunities for employees while attracting talent from across Russia and training them to match its production needs. The Norilsk Nickel Corporate University offers numerous upskilling and retraining programmes. Internal candidates have a priority when filling vacant positions. In 2023 alone, more than 4 thousand employees were promoted within the Group.

All vacancies in the Company are posted on public resources and on the intranet portal. Candidates can send their CVs by e-mail, telephone a 24/7 call centre, or visit HR support centres. In addition, recruitment centres were opened in shopping malls in Norilsk, Ufa, Orsk, and Irkutsk. Feedback is given to each candidate.

The call centre received 3,155 phone calls from job applicants in 2023.

In addition, a branded HR Support Centre featuring a comfortable waiting area, queue management system, and career advice service was opened in Norilsk to welcome candidates in person.

A programme was launched to hire back employees who had previously left the Company. In 2023, 3.5 thousand former employees were contacted by phone as part of the programme. Over 3.3 thousand of them showed interest in vacancies, and 880 were re-employed.

Eight units of the Norilsk Division operate on a shift basis. In 2023, 1,919 employees worked on rotational shifts, primarily crane operators, electricians, drivers, and technicians.

Career guidance

The Company pays special attention to career guidance for school students and young people both in the cities where it operates and throughout Russia.

A unique encyclopaedia platform, Nornickel’s City of Occupations, was created for school students: an interactive map incorporating game mechanics such as quizzes, quests, and a conversational bot. The map includes descriptions of 147 occupations and offers a career guidance test to identify a “candidate’s” strengths and

3,155

phone calls from job applicants handled by the call centre in 2023

> 4 THOUSAND

employees promoted within the Group

880

people employed under the programme to hire back employees who had previously left the Company

1,919

employees worked on rotational shifts

¹ Based on the average annual RUB/USD exchange rate given at the end of the Report.

² The ratio of resignations, dismissals for breach of labour discipline, and negotiated terminations to the average headcount as at the year-end.

weaknesses. The platform also features guidelines for parents to help their child choose a career.

The Conquerors of the North four-week online educational programme is available for students across Russia majoring in professions that are in-demand at the Company. In 2023, 2,090 students applied for the programme, with 336 people completing it and recommended for further employment and internships at Nornickel.

The third stream of the First Arctic programme aimed at building the leadership potential of university graduates was launched, with 323 applicants evaluated and 20 winners employed as a result.

The Company also runs the Career Start-up programme to attract young talent to internship programmes. In 2023, 516 students from 20 Russian higher education institutions and 200 students from five vocational training institutions completed their internships under the Polar College programme.

626 students were accepted for on-the-job and pre-graduation internships, including 360 students employed for temporary jobs as part of student construction brigades. Corporate scholarships were awarded to 454 students.

In addition, Nornickel supports federal programmes aimed at engaging young people, such as the Your Move championship and the I Am a Professional Olympiad.

Recruitment for the Sulphur Project

In October 2023, Nornickel inaugurated the Sulphur Project at Nadezhda Metallurgical Plant, marking the launch of Russia's most ambitious environmental project to date. The sulphuric acid production and neutralisation shop will need to fill over 500 jobs, including over 70 jobs for specialists and managers and over 400 blue-collar jobs. As at end-2023, 418 people were already employed, including 64 managers and specialists and 354 blue-collar employees.

In addition to general jobs and jobs that can be covered by related enterprises, such as repair technician, electrical equipment repair and maintenance electrician, electric and gas welder, bunkerman, crusher operator, and many others, the enterprise needs specialists in new jobs, specifically neutralisation and oxidation unit operators. Such specialists were trained in Omsk under training programmes developed by the Omsk Polytechnic College; students studied theory independently while practical studies took place at Omsk Rubber Plant.

Staff for the new shop at Nadezhda Metallurgical Plant was trained by seasoned mentors across three sites of the Norilsk Division: Copper Plant, Nadezhda Metallurgical Plant, and Talnakh Concentrator.

Project staff was recruited both on the local labour market and outside Norilsk in a 50/50 split, with employees from other Polar Division entities and invited specialists from other Russian regions across a wide geography, including Vladikavkaz, Bashkortostan, Chelyabinsk Region, Zabaykalsky Territory, Krasnoyarsk Territory, etc.

2,090
students applied for participation in the Conquerors of the North online programme

323
applicants evaluated as part of the First Arctic programme for university graduates

516
university students completed their internships under the Career Start-up programme»

200
students from vocational training institutions completed their internships under the Polar College programme

454
students awarded corporate scholarships

Outplacement following an asset closure

At the end of 2023, the Company began the conservation of the Kaula-Kotselvaara mine on the Kola Peninsula. The Company developed a set of measures for redundant miners – those who decided to terminate their employment with the Company as well as those who opted for moving to other Company units. The former received support payments, while the latter benefited from a whole package of measures, from finding vacancies within the Company and training in new jobs while retaining their salaries to reimbursement of relocation expenses and housing rent if their new place of work was in another city. The programme was agreed with the social and labour council and primary trade union organisations.

The Succession programme implies that a redundant employee is trained by another Company employee of retirement age with a severance pay paid to the mentor upon completion of training.

Nornickel has fully delivered on its programme of social guarantees to redundant employees: beneficial terms for moving to other production facilities within the Company, a retraining programme, and a pension plan. Nornickel launched a dedicated Employment Centre to provide all-round support to employees affected by the mine shutdown (including by providing information, advice, and career guidance) and to partner with other

Group entities 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.

190 employees of the Kaula-Kotselvaara mine and 36 employees of other Company units chose to terminate their employment as part of the Social Support Programme, while 299 employees were employed within the Group.

When an employee is employed by other Group companies, Nornickel provides:

- ✓ reimbursement of rental expenses when relocating to another city
- ✓ retention of the same salary during one calendar year
- ✓ reimbursement of relocation expenses for the employee and their family members
- ✓ reimbursement of baggage fees
- ✓ priority right to participate in corporate subsidised loan programmes to purchase housing at the new place of employment
- ✓ training/retraining/certification in a new job/position at the Company's expense.

In case of termination, an employee is entitled to:

- ✓ a severance pay of six or more average monthly salaries (as well as additional payments to pensioners, socially vulnerable employee groups, and participants in the Succession programme)
- ✓ early payment of corporate pensions to participants in corporate pension plans who receive old-age or disability pension or pension for length of service
- ✓ reimbursement of relocation expenses for the employee and their family members
- ✓ reimbursement of baggage fees
- ✓ the right to early termination of participation in housing programs in favor of an employee
- ✓ retention of the VHI policy for one calendar year from the date of employment termination.

Training and career

Nornickel offers ample opportunities for employee development, guided by the principles of accessibility, innovation, and relevance.

In 2023, the Company continued to foster a culture of continuous learning and expand an accelerated training ecosystem to boost professional excellence and enhance and build managerial, corporate, and critical competencies.

2023 saw a continued trend towards higher share of employees completing training – now at 6% of the workforce, or a 94% increase, while the share of in-person training decreased. 42% of Nornickel’s total training was focussed on building critical skills and 50% – on building professional competencies.

In addition, a career marathon was held for the first time, involving over 1.8 thousand employees, with over 30% of them already promoted in 2023.

Professional competency development

In 2023, the Company changed the format of developing professional competencies by introducing distance learning and a module-based approach which accelerated timelines and improved the quality of training. A successful pilot project triggered a change to the entire approach to organising professional training.

In 2023, ten group training programmes covering the Company’s core jobs were developed and approved by the customer. Along with distance-learning modules, these programmes comprised modules devoted to operating various types of equipment. In particular, the most complicated programmes involving

simulator training and sessions at the underground training base (to train LHD operators, operators of self-propelled underground vehicles, and hole drillers) were redesigned accordingly.

360-Degree management programme

Along with level-specific manager development programmes, the Company offers extensive opportunities to develop management and corporate skills to employees who have passed a 360-degree assessment. In 2023, the 360-Degree Management programme offered in-person training that included training sessions, business games, and real-world management case studies. Participants independently chose their training topics based on the assessment results, a dialogue with their manager, and their individual development plan.

In-person trainings within the programme are grouped into three themed development areas: operational discipline, systems thinking, and people skills.

In 2023, the programme comprised 59 in-person training sessions involving over 1 thousand employees, and nine online workshops that had 3.5 thousand views.

School of leadership

In 2023, the School of Leadership training programme was launched for middle managers to build team management skills. This crash course

Training in figures:

- ✓ Reduced duration of one training activity
- ✓ Unchanged split between in-person (30%) and online (70%) learning
- ✓ Increased coverage of in-house training (86% of the average headcount) at Nornickel Academy

Increased training volumes

UP BY **45%** Y-O-Y

Number of person-events per person:

4.1 EVENTS

> **1.8** THOUSAND

Company employees participated in a career marathon

> **1** THOUSAND

employees participated in face-to-face trainings within the 360-Degree Management programme

comprises four online modules and one three-day in-person module, Leadership Workshop, where participants practice their newly acquired knowledge. The programme focuses on transforming routine approaches to thinking, acting, and interacting with colleagues.

In 2023, 356 managers were trained under the programme.

One of the pressing tasks in the reporting year was designing a development programme for line managers aimed primarily at improving understanding of their management role and developing their management skills. The need for extensive coverage (Nornickel employs over 6 thousand line managers and supervisors) prompted an innovative solution: an AI-powered chatbot integrated into the Supernika corporate app, which enables training anytime and anywhere. Besides, interaction with artificial intelligence helps employees get a grasp of modern digital technologies.

Training young managers

As part of the In a Good Company project, young managers aged under 35 were invited to compete for the opportunity to study at one of the most prominent business schools in Russia, the Graduate School of Management at Saint Petersburg University. More than 65 young managers completed the studies in 2023. The top graduates mastered best practices in people management, becoming role models to Company employees.

Building practical skills

Employee training infrastructure is becoming increasingly focussed on learning practical skills with every year. In 2023, Nornickel set up two lean production laboratories, in Norilsk and Monchegorsk, and launched the most advanced work-at-height simulator at

Talnakh. The simulator was custom-designed for Nornickel to match the Company’s production profile and requirements. It allows practicing more than 25 basic skills for working at height, with over 2 thousand employees trained on the simulator over four months.

In 2023, the Norilsk Nickel Corporate University’s underground training base at the Anhydrite shaft of the Kayerkansky mine was ranked among the top 15 industrial tourism facilities. The base is used for training professionals in complex mining operations.

The Company is also strongly focussed on creating a comfortable learning environment. Specifically, the renovated building of the corporate university in Monchegorsk has become a key venue for training and professional skills competitions as well as for corporate events. The next step is a large-scale renovation project for the corporate university building in Norilsk.

Digital training tools, such as the Nornickel Academy platform, have become commonplace for 80% of Nornickel employees. The platform offers training courses to develop professional and management skills and provides insights into modern trends and tools as well as expert advice. We collaborate with the Alpina Publisher publishing house to develop an electronic reading room currently offering over 10 thousand books free of charge. In 2023, Company employees completed more than 221 thousand courses.

Assistance programme

Since the Company’s production sites are located in remote areas, Nornickel actively sources staff from other regions of Russia. To help them better adapt to new environment, Nornickel launched the Assistance programme targeting not only skilled talent and managers but also young employees and talent with hard-to-find skills. All employees coming to Taimyr are provided with comfortable living conditions and reimbursed for relocation and resettlement costs.

356

managers trained under the School of Leadership programme in 2023

> **65**

young managers (under 35) trained at the Graduate School of Management at Saint Petersburg University

> **2** THOUSAND

employees trained on a work-at-height simulator

> **221** THOUSAND

courses completed by Company employees on the Nornickel Academy platform in 2023

> **10** THOUSAND

books are available in the electronic reading room of Nornickel Academy

Today, the programme covers more than 4.5 thousand Nornickel employees, including 1.6 thousand who joined the Company in 2023.

Relocation programme

The employee relocation programme has been in place since early 2022. The programme supports all employees relocating to another

region, whether they remain with their current employer or are transferred to other units within the Group. Along with the standard reimbursement of travel, baggage, accommodation, and subsistence cost and an additional leave for settling in, relocated employees receive a supplementary relocation allowance amounting to up to 40% of the salary, depending on the destination.

Relocation to a new place of work unlocks opportunities for employees' personal and professional growth, while the Company is able to fill vacancies even if there are no sufficiently qualified candidates in the talent pool and on the labour market of the relevant operating regions.

Currently, 61 Nornickel employees are covered by the programme, including 27 who joined in 2023.

Corporate culture

Nornickel nurtures its corporate culture to bring together activist employees, enhance their engagement in achieving the Company's strategic objectives and involvement in the corporate and social activities of its facilities and regions of operation.

In the second half of 2023, the Company ran a large-scale corporate culture diagnostic covering the Head Office and 16 production facilities. Analysis of the current state and changes in corporate culture since 2016 yields the following key findings:

- Nornickel's corporate culture is becoming stronger and more homogeneous. 64% of respondents believe that employees live corporate values
- The Company has become more united and has successfully adapted to the current environment. Employee communication channels were enhanced, and understanding and acceptance of corporate values deepened. Today, Nornickel is focussed on workplace safety, environmental awareness, social development, cooperation, and innovation
- Corporate culture development drove a significant improvement in employee engagement while enhancing mutual understanding and vertical communication within the team. The significance of

these achievements is confirmed by a clear correlation between corporate culture assessment and employees' confidence in the Company's management

- An important element of corporate culture development is systematic communication of the Company's values and their integration into the hiring, assessment, and career planning processes
- The objectives of corporate culture development may need to be revised in view of generational change as well as changes in the external environment and business priorities. Going forward, this may drive the need to update the value model. Currently, increasing priority is given to people, cooperation, effectiveness, safety, progress, and initiative

Mentoring

In 2023, the Company introduced a mentoring system. Top 100 managers holding CCE ICF international

certificates acted as mentors to high-potential employees. 40 mentoring meetings were held in the reporting year.

In a Good Company programme

Nornickel's youth programme, In a Good Company, was created to unite employees aged under 35 and encourage their professional and creative growth in various areas and spheres. Programme participants are invited to implement projects within four tracks: professional practice, growth, social practice, and creativity.

The programme's additional objective is to identify talented students and young talents outside the Company, attract them to work at Nornickel, and make their onboarding as fast and successful as possible.

Programme participants can communicate via an internal online app that had 6,725 registered

users (Company employees) as at end-2023, which accounted for 20.3% of the target audience.

Corporate volunteering

Corporate volunteering is an important tool for human capital development. Volunteering has become an integral part of Nornickel's corporate culture and social mission, as evidenced by almost 4 thousand employees in the community of volunteers in the Plant of Goodness program, who annually attract about 40 partners and conduct more than 410 volunteer events.

In 2023, Plant of Goodness was named the winner of the Employer Brand Award & Summit in the Good Deeds category which featured social projects.

The program carries out a wide range of volunteer and charity projects in which everyone can choose what suits them: the Icebreaker educational programme, the Poneslos ("Let's Roll!") environmental initiative, and the Your Habitat regional ecological shifts. More details are available on the Company website and in the Sustainability Report.

Dialogue with employees

Nornickel's management is strongly focussed on employee engagement and continues to promote vertical dialogue. In 2023, the following events were organised:

- The main Nornickel Live Q&A session involving the Company's Vice Presidents
- Divisional Nornickel Live Q&A sessions involving division heads and enterprise senior managers
- Corporate dialogues involving enterprise heads and key managers

Employees actively engage in dialogues with management and submit a large number of questions,

more than 7 thousand per year. In 2023, more than 25 thousand employees participated in Q&A sessions, and about 3 thousand employees took part in corporate dialogues.

The most significant topics of discussion included the remuneration and bonus system, social support, and safety culture. In 2023, Nornickel ran seven major information campaigns covering changes in these areas: salary increase from 1 July; bonuses for the Company Day, annual performance, and H&S achievements; progress of the Support from Nornickel programme, etc.

Efficient communication is enabled by applying a multichannel approach and training a large number of in-house speakers. Specifically, in 2023, more than 1 thousand in-house speakers maintained live contact and engaged with employees, and the total audience of our information campaigns exceeded 250 thousand people, i.e. each employee was contacted on average more than three times over the year.

Open dialogue with management helps build employees' confidence, reduces stress, and increases employee engagement.

6,725

employees registered in the online application of the In a Good Company programme

In 2023, Plant of Goodness, a corporate volunteering programme, attracted

~ 4 THOUSAND EMPLOYEES

40 PARTNERS

and enabled

> 410 ACTIVITIES

In 2023, more than

25 THOUSAND

employees participated in Q&A sessions

70%

↑5%

employee satisfaction in 2023

> 250 THOUSAND

people reached by information campaigns in 2023

Engagement

Nornickel conducts regular targeted polls and surveys to measure employee engagement and assess social programmes.

In 2023, the engagement survey covered 57,145 Company employees, 6,563 more than in 2022. Employee engagement increased by 5 p.p. y-o-y and currently exceeds the industry benchmark by 6 p.p.

In 2023, efforts to improve engagement focussed primarily on increasing the amount and quality of internal communications, boosting the bonus component and developing remuneration programmes, targeting the most sensitive audiences (young

talent and active employees), and promoting social partnership. In addition, the Company improved working conditions and business processes, ensured the supply of necessary equipment and resources, and improved the accessibility of information about vacancies and internal promotions.

The Company's business objectives were also integrated into the engagement management cycle. In 2023, more than 500 activities were delivered to increase engagement, of which 53% directly supported enterprises' current goals: implementing the production programme, ensuring uninterrupted equipment operation, attracting talent to remote areas, etc.

5 P.P.

Year-on-year increase in employee engagement

>500

activities delivered to increase engagement in 2023

Remuneration

Key performance indicators

The bonus system for Nornickel's managers and specialists is based on the achievement of KPIs, including financial performance, social responsibility, occupational safety, environmental safety, operational efficiency, and capital management metrics. In 2023, a total of 18,390 employees of the Group were assessed against their KPIs.

KPI setting is driven by the principles of balance, regularity, validation, decomposition, and ambition as well as the SMART criteria. Cascading is used in KPI setting: a manager breaks down their KPIs into components which become their subordinates' KPIs. Therefore, when employees meet their KPI targets, their superiors' KPIs are also achieved.

The performance of Head Office employees and Group managers is evaluated separately. In 2020, a new incentive system was introduced for all employees of project management offices (PMOs): project bonuses and traditional annual bonus were replaced with project completion bonuses to motivate key project staff and retain them until the project is completed. In 2023, the performance of the project bonus system was evaluated by 1,328 Group employees.

In addition, an automated 360-degree assessment procedure was run at 30 Group enterprises. Following the assessment, employees receive feedback from their superiors, discuss areas for improvement, and build their individual development plans for the year. In 2023, the assessment covered more than 5 thousand

18,390

Group employees assessed against their KPIs in 2023

>5 THOUSAND MANAGERS

7 THOUSAND SPECIALISTS

covered by an automated 360-degree assessment

managers at all levels, including top management, and 7 thousand specialists, of whom 85% filled in their individual development plans.

Salary and benefits package

Nornickel has in place a comprehensive employee incentive system aimed at improving operational efficiency and labour productivity, delivering robust performance, and retaining highly skilled employees.

Financial rewards are governed by the Company's remuneration policy and include salary and a benefits package. In its turn, salary includes fixed and variable components.

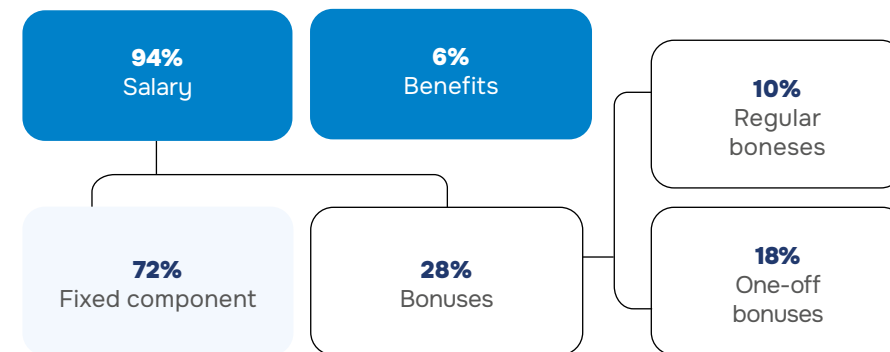
The variable component is linked to the Company's performance and KPI achievement as well as progress on capital construction investment projects. The variable component of remuneration includes one-off bonuses paid for the fulfilment of one-off tasks that deliver an economic benefit.

6.1%

Increase in Company employees' salaries from 1 July 2023

Nornickel employees' salaries do not depend on their gender, age, race, nationality, origin, and religion.

Employee compensation package breakdown



Nornickel has in place a grading system, which is a key tool to develop and implement various HR-related programmes. Positions are graded using the point rating method, which takes into account the required knowledge and skills, the complexity of tasks involved, and the responsibility level in each job.

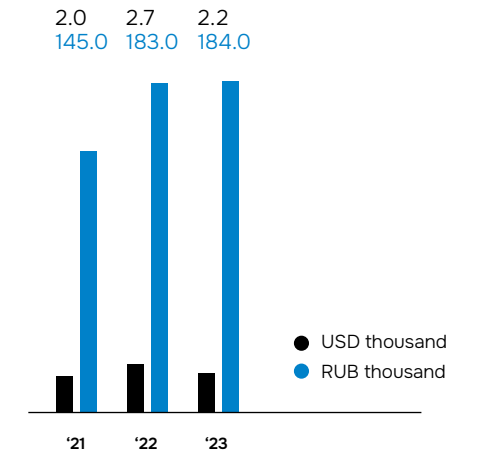
A position's grade determines the amount of fixed salary and annual bonus, the category of the VHI programme, and other components of the compensation package.

The Company has developed and implemented policies to determine salary levels and annual bonus rates.

A uniform approach to performance-based bonuses is used along with project-based bonuses and uniform rules for paying one-off bonuses. In 2023, the automation of the year-end performance bonus process was completed for all employee categories.

The Company regularly reviews pay levels and trends and makes sure that salaries exceed the subsistence minimum, while also considering the cost of living – both the nation-wide averages and the average figures for each of its operating regions. Wage indexation is done annually based on the review results. Specifically, the Company increased employees' salaries by 6.1% from 1 July 2023.

Average monthly salaries of Nornickel employees¹



¹ Based on the average annual RUB/USD exchange rate given at the end of the Report.

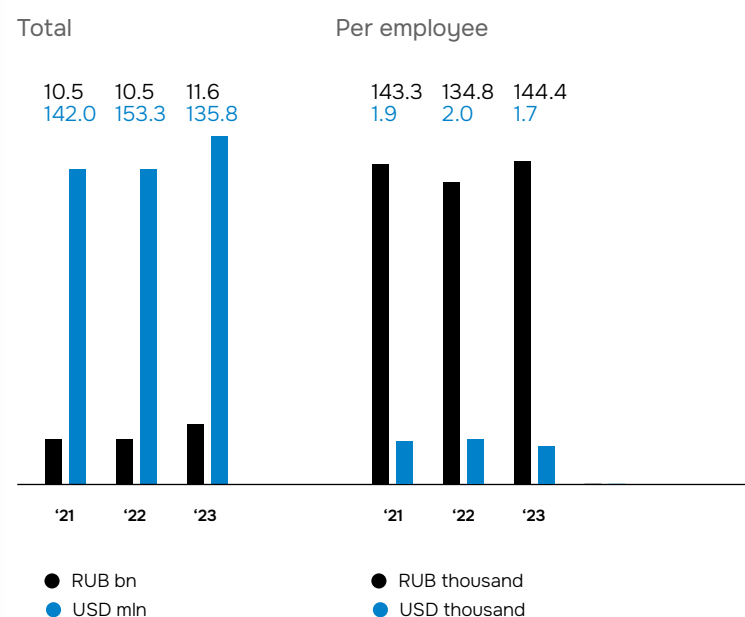
Minimum wage rate and employee remuneration by region

Region	Established minimum wage rate		Average monthly salaries of Nornickel employees	
	RUB	USD	RUB	USD
Norilsk Industrial District	42,230	495	184,936	2,169
Murmansk Region	37,357	438	127,778	1,499
Krasnoyarsk Territory (excluding NID)	25,987	305	95,596	1,121
Zabaykalsky Territory	24,363	286	154,470	1,812
Moscow and other regions of Russia	17,054	200	316,722	3,715

The benefits package includes the following benefits and compensations:

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

Benefits package costs at Nornickel’s Russian entities



VHI policy

Voluntary health insurance covers 100% of Group employees. In addition, employees can take out a policy at the corporate rate for one close relative.

Employees residing in the Far North are entitled to medical assistance under a VHI policy in these regions and beyond. All insurance programmes offer the same range of services with only the level of clinics and covered regions differing depending on employee category.

100%
of Group employees covered by voluntary health insurance

Additional employee incentives

Digital Investor

In 2023, Nornickel launched the Digital Investor programme, unique in the Russian market. It aims to build a new model of the employer-employee relationship. The Company covers 100% of employees' expenses on purchasing digital financial assets (DFAs), a new investment instrument based on the blockchain technology. DFAs entitle their holders to cash payments and securities; they are issued and circulated on dedicated platforms under the supervision of the Bank of Russia.

Nornickel's DFAs are called minetokens. The price of one minetoken equals the value of one Company share at issuance and at redemption. The number of DFAs granted to an employee is determined by their length of service with the Group as at 1 January 2023.

In 2023, the project was implemented in the Norilsk Industrial District, Moscow, Saint Petersburg, Sochi, Saratov, Arkhangelsk, and the Krasnoyarsk Territory, and in the first quarter of 2024, it was rolled out to the Murmansk Region and the Zabaykalsky Territory. At the time of writing this Report, more than 60 thousand Company employees already became DFA holders.

Under the programme, one year after the receipt of minetokens, holders are entitled to sell them to investors registered on the special platform. After five years, the DFAs will be automatically redeemed and their holders will receive an amount equivalent to the value of the respective number of Nornickel shares at redemption.

Thus, the remuneration of Nornickel DFA holders is linked directly to the Company's capitalisation, which ensures additional motivation for strong performance and success of the team.

Simultaneously with the start of the project, the Company launched an information campaign to explain all features of the new instrument to employees. A dedicated training programme and an online educational module were developed, and a series of webinars was held with leading experts on financial literacy and investment. In particular, over 200 HR specialists were trained and became ambassadors for the programme across all Company enterprises. In addition, employees can get an answer to any question about digital assets by calling the hotline, visiting the website, or examining other informational materials.

Award policy

Nornickel's Award Policy is closely linked to its values and strategic priorities. Employees are rewarded for outstanding professional achievements and contribution, innovations that drive growth and add value, efforts going beyond formal agreements with employees, and contribution to overall performance of the business. Resolutions on corporate incentives are passed by the President of the Company.

Employees may also be rewarded at the initiative of relevant enterprises.

Nornickel welcomes recognition of its employees' accomplishments by the government and regional and municipal authorities and nominates those who achieved outstanding results in operations and management and made a significant contribution to production development.

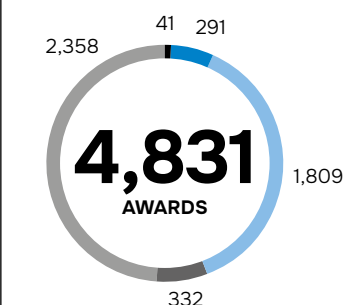
Number of DFAs granted to an employee depending on length of service

Length of service, years	Number of DFAs
Up to 1	0
1-4	2
5-9	4
10-14	6
15-19	8
Over 20	10

> **60 THOUSAND**

Company employees already holding DFAs at the time of writing this Report

Employee awards in 2023



- Governmental and President of Russia awards
- Ministerial and agency awards
- Awards from regional and municipal authorities
- Corporate awards
- Internal awards

Social partnership

The social partnership framework regulates labour relations within the Company and is a key tool to engage with employees. Other engagement mechanisms include offices for social and labour relations, a response centre, and task forces at branches.

Trade union organisations

The Company has 58 trade union organisations that are united into territorial trade unions and are part of the Trade Union of MMC Norilsk Nickel Employees, an interregional public organisation.

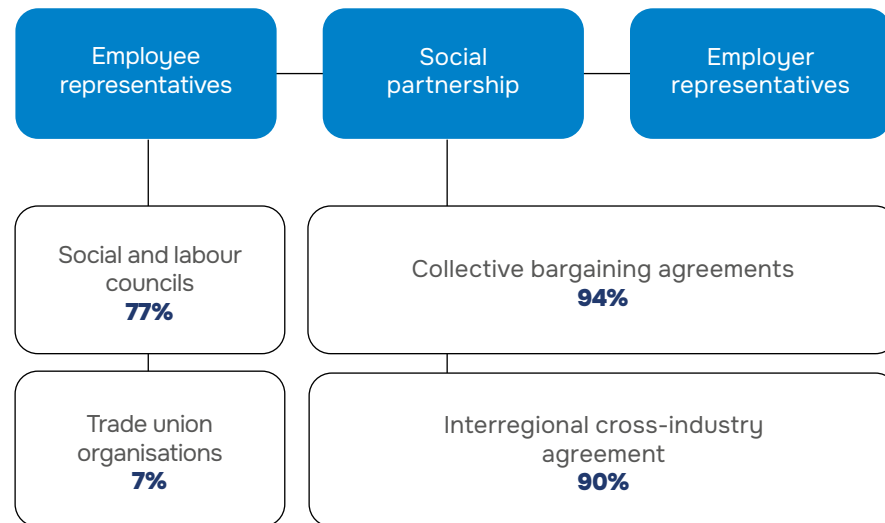
The trade unions of transport and logistics divisions of the Krasnoyarsk region are members of the Yenisey Basin Trade Union of Russia's Water Transport Workers, headquartered in Krasnoyarsk.

In 2023, trade unions participated in negotiations to extend collective bargaining agreements at eight Group companies for three years, in quality audits of catering facilities and healthy meals suppliers, and in special assessments of employees' working conditions.

Social and labour councils

Social and labour councils have been in place since 2006 to represent the interests of all employees at the local level. They can raise matters relating to health resort treatment, recreation, and leisure programmes for employees, disease prevention, provision of personal protective equipment, workplace and catering arrangements, etc.

Social partnership framework at Nornickel



Offices for operational, social, and labour matters

In addition to the Corporate Trust Line speak-up programme, the Group set up offices for operational, social, and labour matters back in 2003. Their key functions are to respond to queries and requests, oversee their review, regularly monitor team climate, and promptly resolve conflict situations.

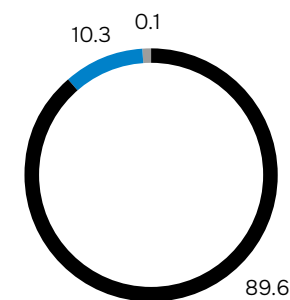
Relevant specialists review incoming queries and requests or redirect them to functions or production units and monitor response times and quality. Complaints are never forwarded to the managers whose actions are challenged.

In 2023, Group enterprises in the Norilsk Industrial District operated 26 offices, which received a total of over 49 thousand queries and requests from employees (82.5%), former employees (17%), and other individuals (0.5%).

> **49** THOUSAND

queries and requests received by offices for operational, social, and labour matters operated by Group enterprises in the Norilsk Industrial District

Main topics of queries and requests, %



- Social welfare matters
- Legal matters
- Other

Collective bargaining agreements

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

In 2023, Group enterprises extended for three years eight collective bargaining agreements, which have historically provided one of the industry's best benefits packages. Today, all collective bargaining

agreements of the Group's Russian entities stipulate a uniform approach to regulating social and labour relations.

No breaches of collective bargaining agreements and no strikes or mass layoffs took place across Group enterprises in 2023.

Interregional cross-industry agreement

The interregional cross-industry agreement, along with collective bargaining agreements, regulates

social and labour relations at Group enterprises. Participants in the agreement establish uniform corporate approaches to compensation, work and rest hours, provision of guarantees, allowances, and benefits to employees, occupational health, and other matters. This allows Group enterprises active in various industries to pursue a uniform social policy.

In December 2021, the agreement was amended and extended for 2022–2025. Currently, it covers 21 enterprises.

Social programmes for employees

Health improvement programmes

Health resort treatment and health improvement programmes for employees and their families are among the most popular programmes offered by Nornickel as part of its social policy in the Far North.

In 2023, 17.5 thousand employees and their family members improved their health at the corporate Zapolyarye Health Resort in Sochi; 7.1 thousand employees spent their holidays at other health resorts, with 1.6 thousand employees' children visiting children's health resorts. The Company compensates its employees an average of about 86% of the trip voucher cost.

Sports programmes

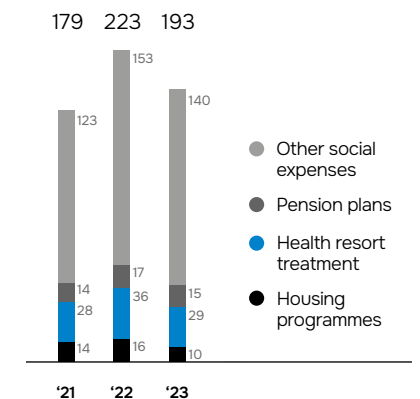
Another important social support programme run by Nornickel promotes corporate sports and supports healthy lifestyle. It aims to improve the quality of life, build a more attractive employer brand, and make sports more accessible to employees and local people in the Company's regions of operation.

The Company regularly holds sporting events with a particular focus on corporate competitions, including annual Spartakiads. Hockey, futsal, volleyball, basketball, alpine skiing, snowboarding, swimming, and family sports contests are particularly popular with employees. The Night Hockey League was established to encourage involvement in amateur hockey.

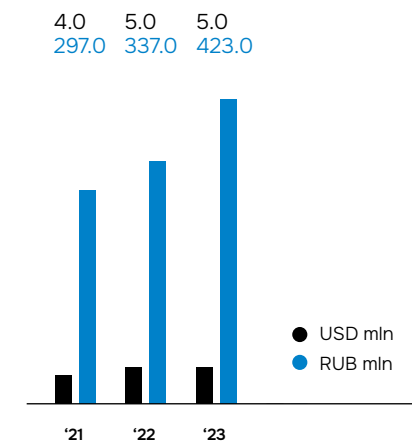
In 2023, a large-scale project, Nornickel: Hooked on Sport, was launched to help each employee stay physically active, eat healthy, effectively cope with stress, and feel satisfied with life and work. A mobile app was developed for project participants. The Company collaborated with Hero Race to organise the Nornickel Run Race at the Norilsk and Kola Divisions, which attracted a vast number of participants.

During the year, sporting and recreational events covered 27 thousand Company employees, live broadcasts of corporate competitions gathered over 55 thousand views.

Spending on social programmes for employees, USD MLN



Sports expenses



Housing programmes

In 2023, Nornickel continued its housing programmes, Our Home / My Home and Your Home, which enabled employees to purchase ready-to-move-in apartments on preferential terms across Russia.

Nornickel purchases housing at its expense and transfers it to employees under co-financing agreements: the employer pays up to 50% of the cost, but in any case no more than RUB 3 million (USD 35 thousand), with the rest paid by the employee within a certain period of employment with the Company (from 5 to 10 years). The cost of housing remains unchanged throughout the employee's participation in the programmes.

The Our Home / My Home programme entitles an employee to use the housing from the time they receive it, but the property title is registered in their name at the end of their participation in the programme. Under the Your Home programme, the property title is registered in the name of the employee immediately (with the title encumbered by a mortgage and encumbrance removed from the property once the employee fully repays the debt to the seller).

In 2014–2023, apartments for employees were purchased in the Moscow and Tver Regions, Krasnodar Territory, and Yaroslavl. To develop additional infrastructure, create a more comfortable living environment for employees, and optimise maintenance for the property management company, Nornickel purchased closely located properties. A total of 6,118 apartments have been provided to employees.

On top of this, Nornickel operates a subsidised loan social programme offering 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. More than 1.6 thousand employees have already benefited from these preferential loans.

Corporate 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. This provides incentives for pre-retirement employees with a long service record at Nornickel enterprises and considerable job achievements.

Support to former employees

As part of Nornickel's corporate social policy, the Company's Veterans programme aimed at supporting former employees targets unemployed pensioners who permanently reside in Norilsk. The main eligibility criterion is the employee's length of service at the Company.

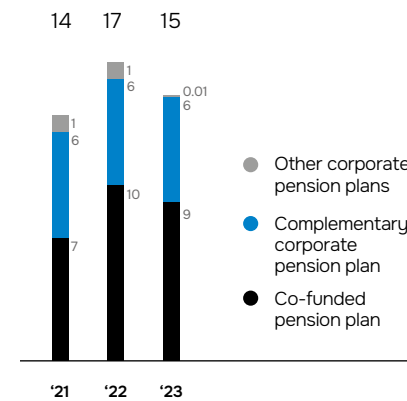
The Pensioner Financial Aid Fund supports former employees who retired prior to 10 July 2001 provided they had been employed by the Company for 25 years or more and permanently reside outside of the Norilsk Industrial District. The Fund relies on voluntary monthly contributions from employees and charitable contributions from the Company's budget.

The Company also provides targeted assistance to its former employees and their families in difficult circumstances, pays for health improvement, medicines, or funeral services.

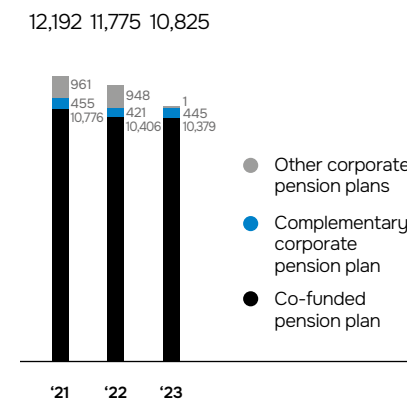
>1.6 THOUSAND employees benefitted from preferential mortgage loans

Contributions to, and participation in, corporate pension plans

Contribution, USD mln



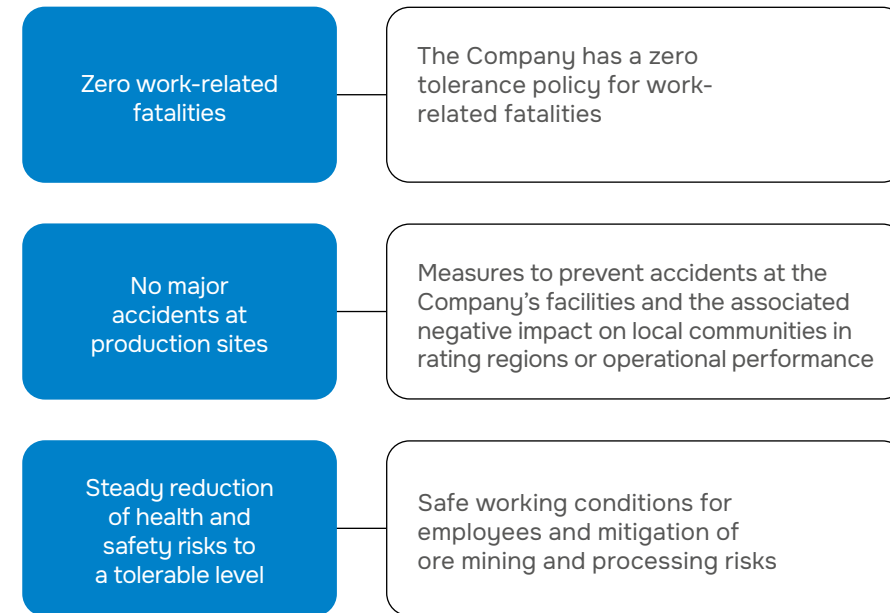
Number of participants, people



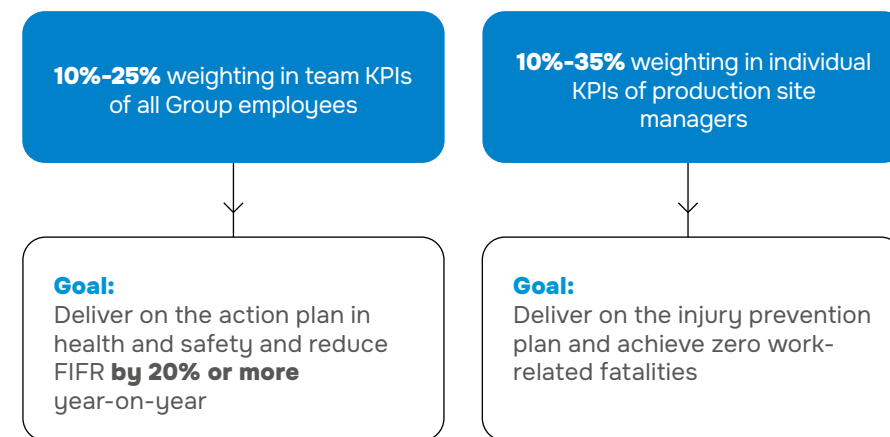
Health and safety

Management system

Strategic goals



Key performance indicators



Contribution to the UN SDGs



In 2022, the Company updated its key strategic objectives in health and safety for 2023–2025. Efforts in this area are primarily focussed on achieving an industry average injury rate and zero-rate fatalities.

Heads of production sites are personally responsible for the life and health of each of their subordinates. Injury and industrial safety metrics weigh between 10% and 35% in their individual KPIs. Failure to prevent a fatality blocks performance bonuses. In addition, team KPIs for all employees include injury rate and FIFR1 reduction by 20% or more, with 10%–25% weighting.

¹ Fatal Injury Frequency Rate, the number of fatalities per million hours worked.