

SOCIAL AND CHARITY INITIATIVES

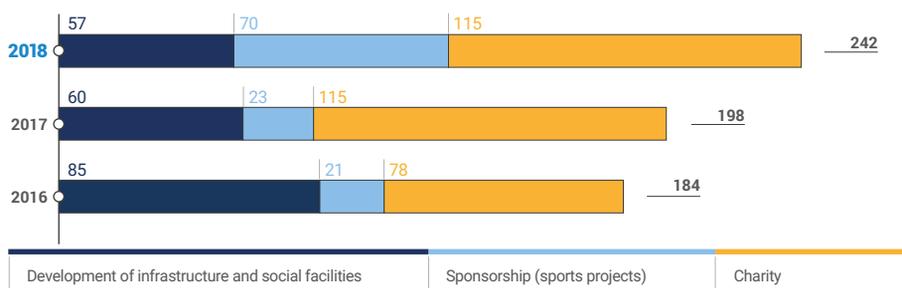
The Norilsk Nickel Group is the world's largest metals and mining company, playing a significant role in the Russian economy. Its geography and financial performance determine the Company's strong impact on the social and economic life of the regions where it operates. With its key facilities located in one-company towns, Nornickel seeks to maintain favourable social climate and comfortable urban environment providing the Company's employees and their family members with ample opportunities for their creative pursuits and self-fulfilment.

The core principle behind this interaction is the 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 the Company's employees in life and at work, remoteness of the Company's key industrial facilities and the toughening competition for human capital across the industry are the factors

for Nornickel to make its social policy highly effective, human-centred and contributing to the Company's excellent reputation as an employer.

Social expenses¹ (USD mln)



¹ Excluding expenses of social programmes for employees.

SOCIAL PARTNERSHIP

Russian operations of the Norilsk Nickel Group have established a social partnership framework aimed at reconciling the interests of employees and employers on matters pertaining to the regulation of social and labour relations.

The Company meets all obligations under the Labour Code of the Russian Federation, collective bargaining agreements and joint resolutions.

In regulating labour relations, employee interests are represented by social and labour councils and trade union organisations.

Social partnership framework



In regulating labour relations, employee interests are represented by **trade unions** and **social and labour councils**

Trade union organisations

As at the end of 2018, 10.8% of employees engaged in the Group's Russian operations were members of trade union organisations.

Trade unions of the companies located in Norilsk and on the Taimyr Peninsula form a single Trade Union Organisation of the Company and its subsidiaries. Trade unions of the companies operating in the Murmansk Region are joined under two umbrella trade union organisations – Regional Trade Union Organisation of Kola MMC and its Subsidiaries Employees and Primary Trade Union Organisation of Kola MMC.

Trade union organisations of the Company and its subsidiaries, Kola MMC, Bystrinsky GOK, NordStar Airlines and Zapolyarye Health Resort are all members of the Trade Union of MMC Norilsk Nickel Employees, an interregional trade union organisation. In the reporting year, the relationship between the employer and the Trade Union was governed by the Social Partnership Agreement signed in 2014 to formalise implementation procedures for joint initiatives ensuring sustainable performance, operating and financial excellence, employee welfare, health and safety, and enhancement of social benefits.

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

In order to develop interregional social partnership, Interregional Cross-Industry Association of Employers "Union of Entities of the Copper and Nickel and Supporting Industries" (the Association of Employers) was founded by the Group's Russian companies in the Krasnoyarsk Territory and the Murmansk Region. In November 2018, the Association of Employers and the interregional public organisation initiated collective bargaining to develop

and sign an interregional cross-industry agreement for the key players of the copper and nickel and supporting industries for 2019–2022. Signing the agreement and increasing the number of organisations to apply its provisions are slated for 2019.

Social and labour councils

In 2018, the share of employees represented by social and labour councils across the Group stood at 78%.

The Group's companies located on the Taimyr Peninsula and in the Murmansk Region established social and labour councils back in 2006 to represent the interests of employees who are not members of trade unions. Chairs of the local councils make up the Social and Labour Council of MMC Norilsk Nickel and the Social and Labour Council of Kola MMC.

Offices for operational, social and labour matters

In addition to the Corporate Trust Service, the Group launched offices for operating, social and labour relations back in 2003. They are primarily tasked with response to employee queries, control of their processing, and prompt resolution of conflicts. On a monthly basis, the offices monitor the staff's social status, enabling us to solve reported issues in a timely manner. In 2018, the Group's companies in the Norilsk Industrial District ran 24 offices that received about 52,000 queries and requests mostly from employees (78%), former employees (21%) and local communities (1%). They mainly focused on social and working matters (72.5% of queries and requests), legal matters (26%) and other matters (1.5%).

The Group has also set up collective bargaining commissions, labour dispute commissions, social benefits commissions/committees, social insurance commissions, health and safety commissions/committees, social and labour relations committees, etc.

Collective bargaining agreements

In 2018, the share of employees covered by collective bargaining agreements stood at 81%.

In 2010, the Group entered into 21 collective bargaining agreements, including two entities that signed these agreements for the first time.

To streamline efforts on the employment-related social partnership, in 2018, the Group prepared guidelines for developing and entering into collective bargaining agreements. The collective bargaining agreements of the Group's Russian companies comply with the applicable laws and meet the majority of employee expectations.

There were no social or labour disputes during the reporting period.

78%

the share of employees represented by social and labour councils across the Group in 2018

81%

of employees covered by collective agreements in 2018¹

Engaged in Norilsk Nickel's Russian operations were members of trade unions as at the end of 2018

11%

 of employees

¹ Including entities that have no collective bargaining agreements in place but have approved local regulations that make MMC Norilsk Nickel's Collective Bargaining Agreement effective at these entities, including foreign assets.