

# Incentives and rewards

Nornickel's comprehensive employee incentive system combines financial and non-financial incentives. This integrated approach is aimed at improving efficiency and productivity, strengthening corporate culture, and fostering employee loyalty.

The Company's internal compensation policy defines the objectives, principles, and other aspects related to the financial motivation of its employees. Financial incentives are based on the principles of internal equity, external competitiveness, performance-based rewards, and a straightforward remuneration system.

The Company strictly prohibits any form of discrimination in setting or changing wages based on gender, age, race, nationality, origin, or religion.

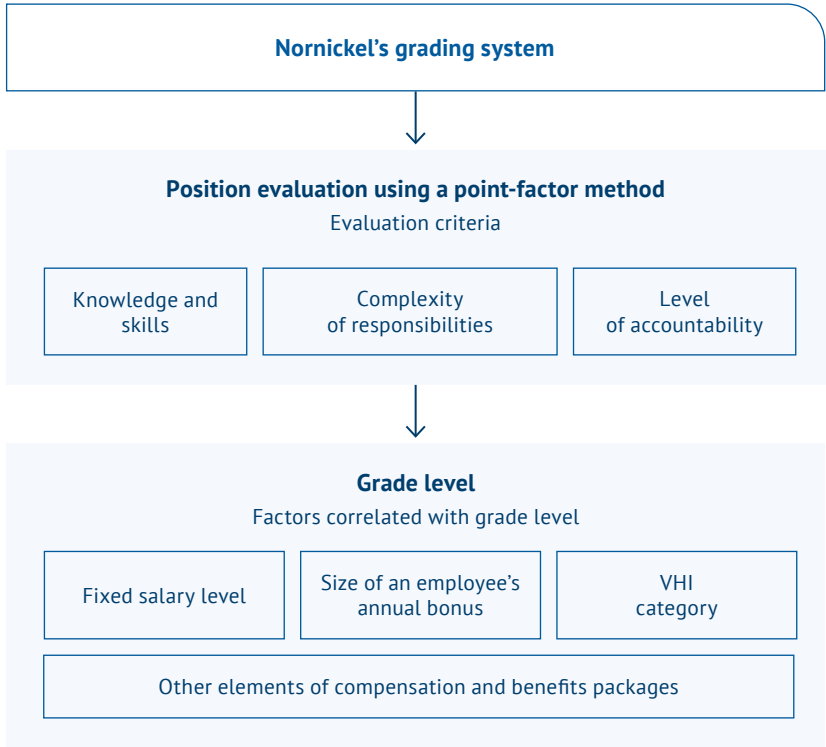
At Nornickel, transparency of financial remuneration is ensured through a well-established grading system.

The Company has policies in place that regulate:

- fixed salaries;
- annual bonus rates;
- the approach to awarding bonuses based on operational performance and remunerating employees of project management offices;
- rules for paying lump-sum bonuses.

The Company regularly analyses salary levels and trends, along with the cost of living, both on average across the country and in its regions of operation. These assessments inform salary adjustments. Effective 1 July 2024, employee salaries were increased by 10% to reflect the cost-of-living adjustment<sup>1</sup>.

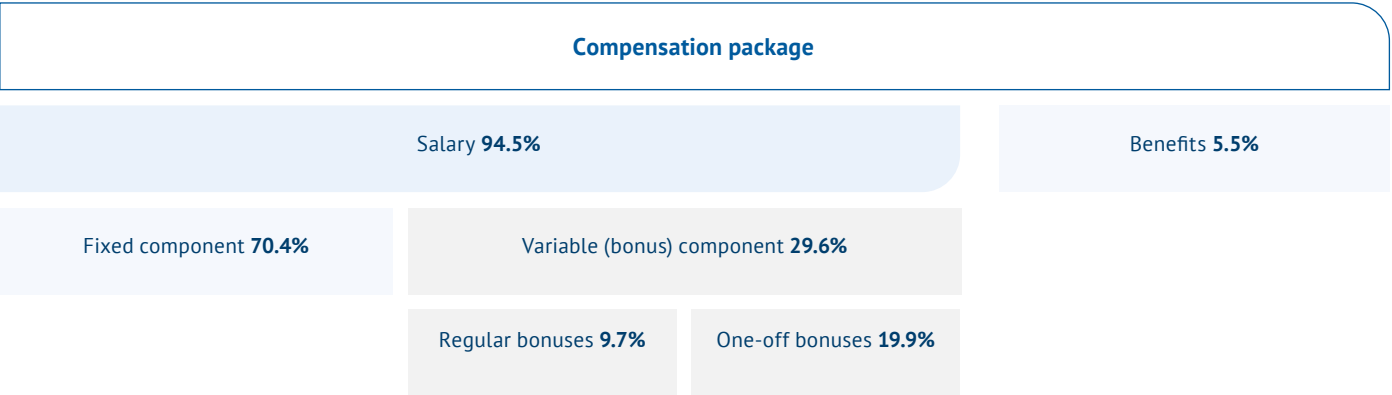
A particular emphasis is placed on keeping employees informed about pay policies, rules, significant changes in remuneration, and available benefits. In addition to mandatory familiarisation with internal regulations under the Russian Labour Code, communication campaigns are held across the Company. These include in-person meetings where HR staff explain upcoming changes and answer employee questions. Information about such changes is also disseminated through posters, videos, email newsletters, push notifications, and other available communication channels. Through the Supernika corporate app, employees can access personal pay information both online and in real time.



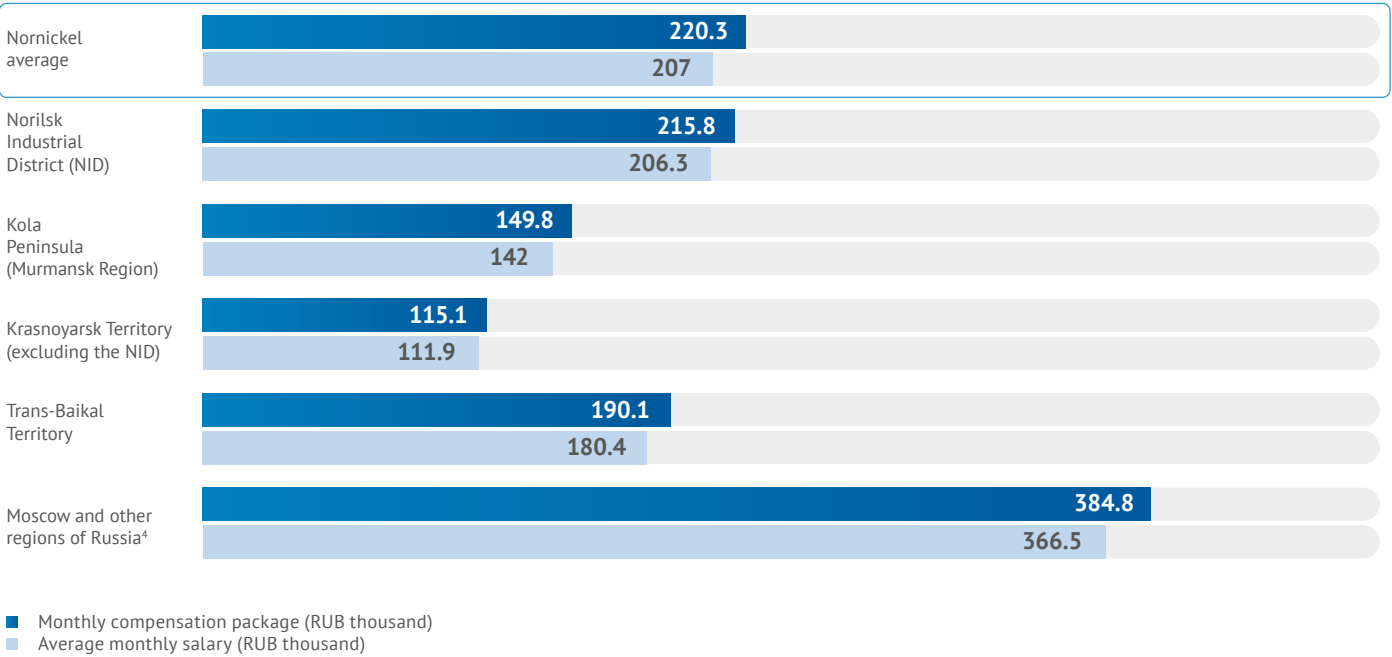
<sup>1</sup> Salary reviews are conducted on a single date across the entire Company. However, given the scale and diversity of the Company's business areas, ad-hoc decisions may also be made outside the scheduled review period. These typically relate to staffing situations – for instance, when certain categories of employees are leaving the Company or if challenges arise in recruitment, targeted measures are taken.

<sup>2</sup> The definition used for "significant locations of operation" is provided in the [Glossary](#). This table discloses data only for the Norilsk Nickel Group's key production and administrative units with a headcount of at least 500 employees.

## Employee compensation package breakdown across the Group's Russian entities in 2024 (%)



## Key compensation indicators in 2024 by region<sup>2,3</sup>



Average monthly nominal salary in Russia in 2024

RUB 99.0 thousand

Average salary of employees in large and medium-sized organisations in Norilsk in 2024

RUB 182.9 thousand

Average monthly nominal salary

in the Murmansk Region in 2024

RUB 118.2 thousand

in the Krasnoyarsk Territory in 2024

RUB 102.8 thousand

in the Trans-Baikal Territory in 2024

RUB 90.0 thousand

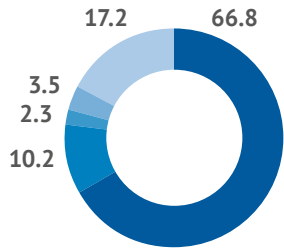
in Moscow in 2024

RUB 194.5 thousand

<sup>3</sup> Regional average salary data sourced from the Federal State Statistics Service (<https://www.fedstat.ru/indicator/57823>) and the Norilsk City Administration ([https://xn--h1aecgfmj1g.xn--p1ai/ser/ser\\_4.php](https://xn--h1aecgfmj1g.xn--p1ai/ser/ser_4.php)).

<sup>4</sup> Other regions include Saratov, Arkhangelsk, the Krasnodar Territory, Saint Petersburg, and others. The average monthly nominal salary in Moscow is used to represent the Company's other regions, as it has the highest salary level among them.

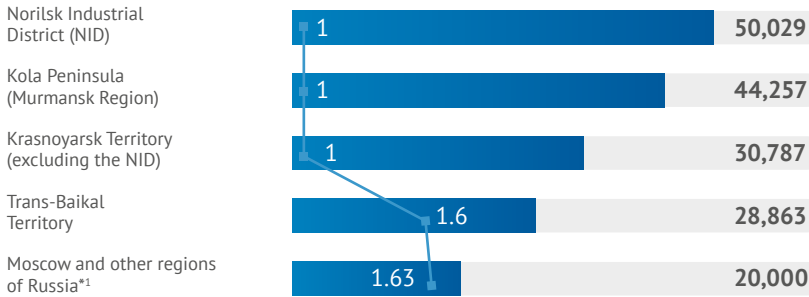
Share of regional payroll in total payroll (%)



- Norilsk Industrial District (NID)<sup>1</sup>
- Kola Peninsula (Murmansk Region)
- Krasnoyarsk Territory (excluding the NID)
- Trans-Baikal Territory
- Moscow and other regions of Russia<sup>1</sup>

GRI 202-1

GRI 14.17.2



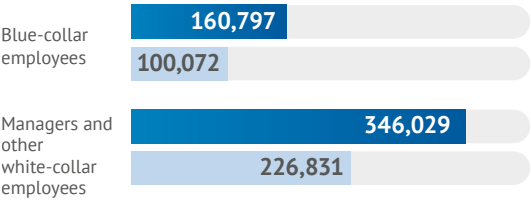
- Minimum wage rate (RUB)
- Ratio of the entry-level wage to the minimum wage

In 2024, the Company's average monthly salary exceeded the average nominal monthly salary across Russian organisations not classified as small businesses by 109.1%. Specifically, it was 38.8% higher than the average salary in the metal ore mining sector and 107.5% higher than in the metallurgical sector<sup>2</sup>. Work on weekends and overtime is paid as per the Labour Code of the Russian Federation. There were no delays in salary payments<sup>3</sup>.

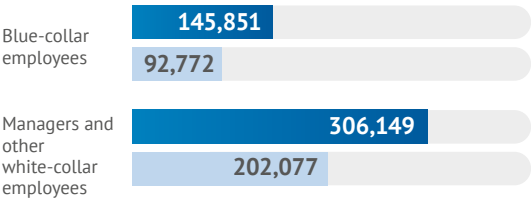
Remuneration breakdown by category and gender in 2023–2024 (RUB)

(MED-26)

2024



2023

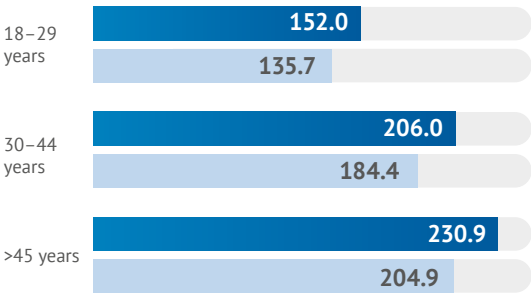


- Men
- Women

Occupational segregation by gender results in a pay gap of 60.7% among blue-collar employees<sup>4</sup>. For managers and other white-collar employees, the gender pay gap stands at 52.5%<sup>5</sup>.



Average monthly salary by age group (RUB thousand)

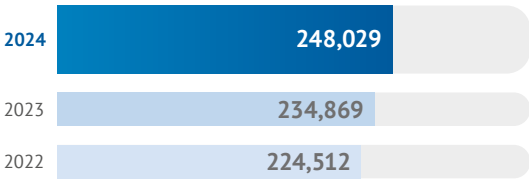


- 2024
- 2023

The pay gap between age groups is driven by differences in professional experience, education levels, and job positions.

Total staff costs (RUB mln)

MED-24 / UNCTAD C.2.3



The annual increase in staff costs was primarily driven by salary indexation in line with expected inflation for the year.

## Nornickel's contribution to the Stable and Dynamic Economy national goal

### Targets and objectives:

d) Ensure sustainable growth of the population's incomes and pensions not lower than inflation rates

### Nornickel's performance highlights and plans

Consistent annual growth in average monthly salary at Nornickel (+12% vs 2023), with a competitive salary level targeted for 2025



<sup>1</sup> Data shown for Saratov.

<sup>2</sup> Source: Federal State Statistics Service [https://rosstat.gov.ru/labor\\_market\\_employment\\_salaries](https://rosstat.gov.ru/labor_market_employment_salaries).

<sup>3</sup> The only exceptions were payroll recalculations for previous periods, all of which were made in favour of employees.

<sup>4</sup> The gap is calculated as the difference between men's and women's average salaries, divided by women's average salary (for blue-collar employees).

<sup>5</sup> The gap is calculated as the difference between men's and women's average salaries, divided by women's average salary (for managers and other white-collar employees).





## The Digital Investor corporate programme

In 2024, Nornickel continued rolling out its Digital Investor programme by launching the Tenure module as part of its second cycle. The programme is centred around digital financial assets (DFAs) – cutting-edge, secure, high-tech solutions pegged to the value of Nornickel shares. The DFAs (minetokens) offered to Nornickel employees entitle holders to receive periodic payments equivalent to dividends on Nornickel shares, as well as income from the future sale or redemption of their tokens. The programme fosters employees' commitment to and ownership of the Company's performance, while enhancing Nornickel's appeal as an employer of choice.

The Tenure module targets new employees with more than one year of service as of 1 January 2024. The number of DFAs granted to each employee is based on their length of service with the Group<sup>1</sup>. Each DFA is pegged to the value of a hundred (100) Nornickel shares at both the time of issuance and redemption.

The second cycle of the programme is implemented through full (100%) Company financing of DFA purchases for employees. After one year of ownership, DFAs may be sold to other investors. After five years, the DFAs will be automatically redeemed, and their holders will receive a cash payment equivalent to the market value of the corresponding number of Nornickel shares at the time of redemption.

In connection with the launch of the Tenure module, the Company rolled out an updated awareness campaign explaining all aspects of the instrument, including a hotline, official website, and quick-reference guides. In parallel, Nornickel continues to run a series of webinars led by leading financial experts, focusing on financial literacy and investment skills. A dedicated training programme and updated online education module are also available to employees.

**>250**

HR professionals trained over the past two years to serve as programme ambassadors and experts across all Nornickel enterprises

**51.3**

thousand employees received RUB 796.33 per DFA (after tax) in January 2024

**69.5**

thousand Nornickel employees had become digital investors and received their minetokens by end-2024 (+35.5% y-o-y)

**45.6**

thousand employees have completed the Tsifronikel and Nornickel Academy training courses under the Digital Investor programme

**82.3%**

of respondents agreed that participation in the programme helps them better understand how their individual performance aligns with the Company's goals (in a survey of over 5 thousand employees)

**RUB 2.3 bn**

OPEX for the Digital Investor programme in 2024



## Employee recognition

**Achievements of Nornickel employees receive both external and internal recognition.**

employees may be nominated for departmental, regional, or local government awards for outstanding professional achievements.

At the corporate level, employee achievements are recognised in accordance with the approved MMC Norilsk Nickel's Award Policy, which is closely aligned with Nornickel's values and strategic priorities.

For exceptional services to the country, Company employees are honoured with state awards. In celebration of professional holidays and anniversaries, the most distinguished Company

In 2024, a total of

**4,377**

Company employees were recognised with awards at various levels

For outstanding operational and management performance

For extraordinary professional contribution

### Corporate incentives at Nornickel

For promoting innovations that drive business growth and add value

For efforts that go beyond the formal agreements between the Company and employees and benefit the business as a whole

In 2024, Nornickel introduced a new non-financial form of recognition: the Letter of Gratitude from the Vice President. This initiative allows the Company to acknowledge the contributions of individual employees or entire teams promptly, without the need for lengthy nomination and approval procedures. The Letter of Gratitude is awarded for long-standing dedication, outstanding contributions, or special occasions such as anniversaries or retirement.

Resolutions regarding corporate incentives are issued by the President of the Company. In addition, internal awards are initiated and granted by management of individual enterprises to recognise employees' achievements at the local level.

<sup>1</sup> Employees with 1–4 years of service are eligible for two DFAs; those with 5–9 years receive four DFAs; 10–14 years – six DFAs; 15–19 years – eight DFAs; and employees with more than 20 years of service are entitled to ten DFAs.