



APPROVED BY  
Resolution of the Board of Directors of  
PJSC MMC Norilsk Nickel  
(Minutes No. GMK/36-pr-sd dated 29 November  
2021)

## **PJSC MMC Norilsk Nickel Freedom of Association Policy**

### **1. Scope**

This Freedom of Association Policy of PJSC MMC Norilsk Nickel (hereinafter referred to as the Policy) sets forth the fundamental operating principles, obligations, initiatives, and management entities of MMC Norilsk Nickel (hereinafter, the Company) and the Norilsk Nickel Group business units (hereinafter collectively referred to as the Group) regarding freedom of association.

The requirements hereof shall be mandatory for the Company employees. This Policy applies to all the Norilsk Nickel Group business units in which the Company directly or indirectly owns more than 50% of the authorized capital (hereinafter referred to as NN BUs), subject to restrictions and requirements of applicable law.

### **2. General Information**

The Group's objective regarding freedom of association is to build a respectful and mutually beneficial dialogue with professional associations and other Group staff representatives.

The Group recognises the employees' right to establish, join, participate in and withdraw from trade unions in order to protect their interests and bargain collectively.

The implementation hereof is intended to contribute to minimising or eliminating freedom of association risks and promote sustainable development.

This policy applies across all stages of the Company's production activities including exploration, extraction, smelting, refining, manufacturing of finished products, marketing and sale of non-ferrous and precious metals.

The Company also expects its contractors and suppliers to comply with the principles and provisions hereof.

### **3. Statutory Framework**

3.1. The Group is guided by federal and regional laws of the Russian Federation and those of other countries where it operates, as well as recognised Russian and international standards<sup>1</sup> regarding freedom of association. This policy also considers and is based on the principles and requirements of the Universal Declaration

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<sup>1</sup> IFC Performance Standards.

of Human Rights, United Nations Declarations, International Labour Organisation Convention 87 (*Freedom of Association and Protection of the Right to Organise*) and Convention 98 (*The Right to Organise and Collective Bargaining*), the UN Sustainable Development Goals, the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability, the UN Guiding Principles on Business and Human Rights, the GRI Reporting Standards and the Voluntary Principles on Security and Human Rights (VPSHR). The Group engages with stakeholders in a manner consistent with the recommendations<sup>2</sup> of ISO 26000:2010 and AA1000SES, 2015.

3.2. This Policy shall be read in conjunction with:

- Business Ethics Code of PJSC MMC Norilsk Nickel;
- Human Rights Policy of PJSC MMC Norilsk Nickel;
- Local Community Relations Policy and other policies of PJSC MMC Norilsk Nickel.

#### **4. Commitments and Principles**

4.1. The Company and Russian business units within Norilsk Nickel Group (hereinafter referred to as NN RBUs) guarantee the right of employees to establish and join trade unions of their choice and without coercion. This excludes any form of discrimination based on trade union activity. Employees may exercise this right without prior authorisation or fear of pressure, intimidation or reprisal.

4.2. The Company and NN RBUs are committed to protecting their staff against any restriction of their freedom of choice, such as discrimination based on race, skin colour, gender, ethnicity, language, religion, disability, political preference or any other feature, loss of wages or dismissal.

4.3. The company and NN RBUs maintain neutrality towards all professional associations and other staff representatives.

4.4. The Company and NN RBUs guarantee their employees the right to draw up their statutes and administrative regulations, freely choose their representatives, organise their apparatus and activities without any interference on the part of the Company or NN RBUs.

4.5. The Company and NN RBUs shall impose no periodic renewal requirements or other conditions for the continued existence of trade unions.

4.6. To the extent possible, the Company and NN RBUs shall create favourable conditions for the operation of trade unions of the Company and NN RBUs: to provide, free of charge, meeting and document storage facilities, furniture, communication and office equipment, and to make information available to all employees.

4.7. The Company and NN RBUs respect the right of employees to collective agreements. To the extent possible, the Company shall provide facilities for staff representatives to assist in developing an efficient collective agreement. This may include allocating time for staff representatives to act as representatives or attend trade union meetings and training without loss of wages or fringe benefits.

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<sup>2</sup> These standards are non-binding and do not require conformity certification.

4.8. The Company and NN RBUs interact with staff representatives by providing them with all relevant information<sup>3</sup> in a timely manner to enable meaningful negotiations.

4.9. The Company and NN RBUs respect the right to strike in accordance with national legal regulations. The Company and NN RBUs do not discriminate against employees who participate or intend to participate in such strikes.

4.10. The Company and NN RBUs shall not hire substitute employees to undermine, prevent or break a legal strike, support lockouts or avoid good-faith negotiations. Such substitutions shall only be possible in cases aimed at observing critical health and safety, maintenance and environmental measures during the strikes described above.

4.11. When operating outside the Russian Federation in a territory where the right to a trade union is restricted, the Company and NN RBUs shall take measures to ensure fair treatment of their employees in accordance with applicable law and international best practices.

4.12. Employees are informed of all rights regarding freedom of association or collective bargaining at the time of recruitment.

4.13. The Company is committed to using the Corporate Trust Service and the Freedom of Association complaint management mechanism at an operational level as an additional aspect of broader trusted engagement with the Company and NN RBU staff. However, using the Corporate Trust Service (CTS) does not deprive employees of access to judicial or other non-judicial complaint management mechanisms. The Company shall respond to employee complaints respectfully and in good faith by providing timely constructive feedback on freedom of association and related rights issues.

## 5. Governance

Management entity	Key functional responsibilities
<b>1. Board of Directors</b>	
The Company's Board of Directors	Approves this PJSC MMC Norilsk Nickel Freedom of Association Policy, as well as amendments hereto. Approves the Group's Sustainability Report, including on freedom of association
PJSC MMC Norilsk Nickel Board of Directors Sustainability and Climate Change Committee	Provides the Board of Directors with opinions on assessment of efficiency and quality of the creation and implementation of key projects on freedom of association. Monitors the quality and efficiency of implementation of material changes to approved strategies, goals, programmes, projects and other significant freedom of association initiatives. Makes recommendations to the Board of Directors on implementing regulations and laws, standard and association requirements on freedom of association.

<sup>3</sup>Except for trade and state secrets.

<b>Management entity</b>	<b>Key functional responsibilities</b>
<b>2. Management Board</b>	
PJSC MMC Norilsk Nickel Management Board	Reviews the Group's Sustainability Report, including on freedom of association
PJSC MMC Norilsk Nickel Risk Management Committee	<p>Monitors key risks, including those identified in the course of interaction with stakeholders on freedom of association.</p> <p>Ensures appropriate responses to the said key risks.</p> <p>Makes recommendations to the PJSC MMC Norilsk Nickel Management Board regarding key risks, including those identified in the course of interaction with stakeholders on freedom of association.</p>
<b>3. The Company's Head Office Departments</b>	
Senior Vice President for HR, Social Policy and Public Relations	<p>Supervises and coordinates the development and implementation of HR and social policies in line with the Company's strategic objectives on freedom of association.</p> <p>Ensures the development and implementation of the Company's regional social policy on freedom of association.</p>
Sustainable Development Department	<p>Develops and implements the Sustainability Policy, including on freedom of association.</p> <p>Participates in monitoring and analysing changes in legislation and recognised international standards on sustainable development, including freedom of association.</p> <p>Provides methodological support for compliance with recognised international sustainable development standards, including freedom of association.</p> <p>Conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan (SEP) on freedom of association.</p> <p>Prepares an annual consolidated SEP, including on freedom of association</p>
Accounting, Taxation and Financial Reporting Department	<p>Organises financial risk accounting in accordance with the International Financial Reporting Standards and other standards, reflects financial assessment of significant risks associated with rights to freedom of association in the Group's financial reports.</p> <p>Prepares and certifies financial disclosures associated with rights to freedom of association.</p>
Economic Department	Ensures budgeting and control over budget performance in the Company and RBUs including special budgets and provisions.

<b>Management entity</b>	<b>Key functional responsibilities</b>
	<p>Ensures information collection to prepare the Company's public reporting as part of its functional area.</p> <p>Ensures coordination of the activities of related functions in order to automate data input and processing as well as control procedures for planning, accounting and budget data monitoring.</p>
<p>Corporate Security Department</p>	<p>Organises and controls safety and security, monitors the social situation at the Company's production division and takes part in organising activities to promote work team stability.</p> <p>Participates in human rights risk management within its functional responsibility area.</p> <p>Participates in reviewing and resolving stakeholder complaints/requests and in organising and conducting internal investigations within its functional responsibility area.</p>
<p>HR Department</p>	<p>Participates in stakeholder engagement on social policy issues within the Department's area of responsibility, including issues related to the right to freedom of association.</p> <p>Ensures social stability in the Company/NN RBU teams within its functional responsibility area.</p> <p>Develops company-wide methodological approaches and principles for social and labour relations.</p> <p>Participates in considering and resolving stakeholder complaints/requests within its functional responsibility area.</p>
<p>Social Policy Department</p>	<p>Participates in stakeholder engagement on social policy and sustainability issues, including those related to the right to freedom of association; liaises with stakeholders in the regions of operation.</p> <p>Regularly analyses the social situation in the Company's regions of operation.</p> <p>Participates in considering and resolving stakeholder complaints/requests within its functional responsibility area.</p>
<p>Federal and Regional Programmes Department</p>	<p>Ensures continuous stakeholder engagement for sustainable development in the regions of operation in line with the Freedom of Association Policy.</p> <p>Engages stakeholders in implementing federal and regional projects/programmes by the Company and NN RBUs.</p>

<b>Management entity</b>	<b>Key functional responsibilities</b>
	Participates in considering and resolving stakeholder complaints/requests within its functional responsibility area.
Risk Management Service	<p>Monitors the implementation of key risk management measures, including those related to freedom of association.</p> <p>Develops company-wide methodological approaches and principles for risk management.</p> <p>Provides the PJSC MMC Norilsk Nickel Management Board Risk Management Committee with consolidated information on managing key risks, including those related to freedom of association.</p>
Internal Audit Department	Conducts independent internal audit of the risk management system efficiency, including in freedom of association
Public Relations Department	Interacts with the Company's departments when publishing information related to the right to freedom of association on the Company's website
Internal Control Department	<p>Receives complaints/requests related to interaction with professional associations, their representatives and other staff representatives received via the Corporate Trust Service (CTS), determines their accuracy, analyses and processes such information.</p> <p>Organises and conducts inspections following complaints/requests related to interaction with professional associations, their representatives and other staff representatives received via the CTS.</p> <p>Monitors the status of control activities carried out as a result of the inspections initiated by the CTS.</p> <p>Informs the heads of the Company's departments, NN BUs, NN RBUs' business curators and separate divisions' curators with regard to the statistics of applications filed with the CTS relating to the issues concerning stakeholder engagement, systemic flaws and violations detected via the CTS.</p>
<b>4. Company's Production Divisions and Business Units within the Norilsk Nickel Group</b>	
NN BUs and the Company Production Divisions	<p>Participate in stakeholder engagement related to the right to freedom of association.</p> <p>Participate in considering and resolving stakeholder complaints/requests within their functional responsibility area.</p>

## 6. Policy Implementation Monitoring and Assessment

The Company undertakes the following measures aimed at monitoring and assessing the implementation hereof:

6.1. Analysing freedom of association activities for reporting in accordance with the International Council on Mining and Metals (ICMM) guidelines.

6.2. Every three (3) years, the Company undertakes an independent verification of the reporting documents of the Company's major production division by evaluating the results of stakeholder engagement as per the standard of the International Council on Mining and Metals (ICMM) individually for each production department.

## 7. Reporting

7.1. The Company reports on its activities on freedom of association in the Group's Sustainability Report and Annual Report, as well as in other non-financial reporting on economic, social and environmental performance in accordance with the Global Reporting Initiative (GRI) standards.

7.2. The Company seeks to disclose information<sup>4</sup> in accordance with the standards of the Initiative for Responsible Mining Assurance (IRMA), membership obligations of the International Council on Mining and Metals (ICMM) and other standards adopted by the Company.

7.3. The Company considers the UN Global Compact and the UN Guiding Principles on Business and Human Rights when reporting on its activities.

## 8. Liability

Senior Vice President for HR, Social Policy and Public Relations is responsible for making timely amendments and addenda hereto.

## 9. General Provisions

This Policy is subject to a regular review by the Company's Board of Directors (at least every 5 years).

## 10. Terms, Definitions and Abbreviations

10.1. The following terms apply herein with their respective definitions:

10.1.1. **Norilsk Nickel Group** means PJSC MMC Norilsk Nickel and the Norilsk Nickel Group business units.

10.1.2. **Stakeholders** are individuals, legal entities, groups and associations whose interests may be affected by the Company's activities, as well as parties that may influence it.

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<sup>4</sup> Except for potentially sensitive information considered a trade or state secret, and information related to vulnerable groups and other stakeholders.

10.1.3. **Collective agreement** is a legal act governing social and labour relations in an organisation concluded by employees and the employer via their representatives.

10.1.4. **Collective bargaining** is a process of negotiation between the representatives of employees and the employer aimed at concluding a collective agreement that regulates wages, working conditions, fringe benefits and other aspects of remuneration and employee rights, including freedom of association.

10.1.5. **Stakeholder Engagement Plan** is a list of activities ensuring that stakeholder engagement is efficiently managed.

10.1.6. **Legal norms** are binding, established, sanctioned and guaranteed by the state rules of behaviour of individuals, their collectives and associations, that reflect the level of freedom of citizens and organisations and regulate social relations.

10.1.7. **Production Unit** means a division (mine, plant or factory, etc) carrying out production and business activities resulting in products and/or services with its own corporate structure.

10.1.8. **Trade Union** is a voluntary public association of citizens bound by common production and professional interests relating to the nature of their activity, established for the purpose of representing and protecting their social and labour rights and interests.

10.2. The following abbreviations are used herein:

Group	Norilsk Nickel Group
NN BUs	Norilsk Nickel Group business units
UN	United Nations
SEP	Stakeholder Engagement Plan
NN RBUs	Norilsk Nickel Group Russian business units
CTS	Corporate Trust Service
GRI	Global Reporting Initiative
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
IRMA	Initiative for Responsible Mining Assurance
UNGP	United Nations Guiding Principles on Business and Human Rights
VPSHR	Voluntary Principles on Security and Human Rights