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# THE NORILSK NICKEL GROUP OVERVIEW







## OVERVIEW

Norilsk Nickel (the “Company”, “Nornickel”) is the leading industrial company in the Russian Arctic, the world’s largest producer of palladium and high-grade nickel, and a major global producer of platinum and copper. Nornickel’s product portfolio also includes cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and sulphur.

The Group has **more than 80 companies**.

The Company’s core operations are grouped into three divisions – Norilsk, Kola (Murmansk Region) and Trans-Baikal. The divisions are comprised of Norilsk Nickel Group entities in respective regions that perform production (metals and mining) and support functions (energy supply, service and repairs, etc.), in addition to those directly engaged in core operations.

The Company’s Shared Services Centre is located in Saratov.

The Group also includes Gipronickel Institute, a St Petersburg-based research institute with branches in Norilsk and Monchegorsk.

### NORNICKEL'S SHARE

**1%**

in Russia's GDP

**>5.7%**

in Russia's Arctic GDP

**4.2%**

in Russia's industrial  
production

**14.2%**

in Russia's metallurgical  
production

**4.3%**

in Russia's exports





# ~60,000

of the Group employees live and work permanently beyond the Arctic Circle

The average headcount of the Group entities in 2020 was 72,319, including over 52 thousand in the Krasnoyarsk Region.

# RUB 129,100

the average monthly salary of Company employees in the Norilsk Industrial District in 2020

Between 2017 and 2020, Nornickel's payments to budgets of various levels totalled **RUB 514.2 billion**, including **RUB 293 billion** to the consolidated budget of the Krasnoyarsk Region.

The Company is the largest taxpayer in the Krasnoyarsk Region.

# RUB 85.1 bn

the Company's payments to the consolidated budget of the Krasnoyarsk Region in 2020





~RUB 325 bn

the Company's total  
investments in 2018–2020

Nornickel's growth strategy is unprecedented both in its scale and the size of investment.

Over the past five years, the Company has built new production capacity across its entire process chain, from beneficiation to refining.

This has enabled a boost in the production of certain metals by 10% and more, all while decommissioning obsolete and less environmentally friendly facilities located in Norilsk.

As a result, in the last two years, the Company has achieved accelerated productivity growth rates **averaging 8% per annum** while emissions in the host city of Norilsk **were cut by 35%**.



In 2019, Nornickel commissioned Bystrinsky GOK in the Zabaykalsky Region. This greenfield project built from scratch for the first time in the post-Soviet history is the largest mining and processing complex producing copper, gold and iron ore concentrates.

Bystrinsky GOK, **the largest greenfield project in the Russian metals industry**, combines ore mining and processing, as well as shipment of finished products to customers.



RUB 92.5 bn

investments in Bystrinsky GOK  
in 2005–2020



The Company has now embarked on the second, and even longer phase of its strategy, which involves a drastic increase in production, major modernisation and an ambitious environmental programme.

**>RUB 2<sup>tn</sup>**  
the Company's  
total CAPEX  
through 2030

By 2030, investments in production capacities throughout the value chain will boost ore production by **more than 60%** vs 2017 to 27–30 Mtpa, metal output up to **15%–30%** for nickel and copper and up to **30%–40%** for platinum group metals.



The Company's strategic plans for the Krasnoyarsk Region provide for the following projects:

**THE SULPHUR PROJECT** is a comprehensive environmental programme which aims to reduce sulphur dioxide emissions by up to 90% by 2025. The total cost of the project is estimated at RUB 250 billion, with the value of contracts signed to date already exceeding RUB 74 billion.

**THE SOUTH CLUSTER PROJECT** provides for developing the reserves in the northern part of the Norilsk-1 deposit, constructing new open-pit mines, expanding the Zapolyarnaya mine, and modernising Norilsk Concentrator. The project's total mining capacity will increase from 2 to 9 Mtpa.

**BOOSTING THE CAPACITY OF TALNAKH CONCENTRATOR** from 10 to 18 Mtpa.

**DEVELOPING THE SKALISTY MINE**, the deepest mine in Eurasia. Its current design depth is 2,056 m. The rich ore output at the Skalisty Mine is expected to grow by 14% by 2023 (from the current 2.1 Mtpa to 2.5 Mtpa).



## TRANSPORT AND LOGISTICS

Nornickel owns a modern transport infrastructure capable of handling most challenging freight logistics tasks and ensuring the continuity and sustainability of operations of the Group's enterprises. Nornickel's transportation and logistics assets cover the full range of transportation and freight forwarding services.

### NORILSK NICKEL'S TRANSPORTATION AND LOGISTICS ASSETS INCLUDE:

- **sea fleet** – six heavy ice-class vessels
- **river fleet** – 627 vessels
- **rail car and locomotive fleet** outside the Norilsk Industrial District – 118 container flatcars, one switch locomotive, one 2M62 diesel locomotive, as well as one TGM4 diesel locomotive and one TGM4A diesel locomotive owned by the Krasnoyarsk River Port
- **aircraft fleet** – helicopters (Norilsk Avia) and airplanes (NordStar Airlines).

**>RUB 9 bn**  
the Company's investments  
in transport and logistics  
in 2016–2020

The Company's unique Arctic fleet comprises five dry cargo vessels and one Yenisei heavy ice-class tanker (Arc7 as per the classification of the Russian Maritime Register of Shipping). The vessels are capable of breaking through Arctic ice up to 1.5 m thick without icebreaker support. The Yenisei tanker carries gas condensate exports from the Pelyatkinskoye gas condensate field to European ports and makes commercial trips to other destinations.

Nornickel's dry cargo fleet provides year-round freight shipping services between Dudinka, Murmansk, Arkhangelsk, Rotterdam, and Hamburg sea ports while also serving other destinations.



## POLAR TRANSPORT DIVISION AND DUDINKA PORT



**The Polar Transport Division and Dudinka Port are the key industrial facilities of the city port of Dudinka.**

Located in the Far North and accessible by both sea and river vessels, Dudinka Port is the world's only port that gets flooded every year during the flood season. From November to May, when its water area and the Yenisei River freeze over, Dudinka Port handles only sea vessels using icebreakers to de-ice the berths and provide support during manoeuvring and mooring operations. In May and June, during the flooding, the service is suspended to be resumed for sea and river vessels when ice flows pass and the water level goes down.



The Polar Transport Division operates its own fleet of port service vessels which includes a river-class icebreaker, towboats, motorboats, a bunker barge, and a floating crane. To reduce its environmental footprint, the division runs programmes to cut fuel consumption and prevent pollution of the Dudinka and Yenisei Rivers, while also investing in bioresource management (e.g. releasing fingerlings).

Norilsk Nickel's Arctic fleet is also critical for local communities as, in winter, it is the only alternative to air deliveries of cargo from the mainland for residents of the Norilsk Industrial District and the Taimyrsky Dolgano-Nenetsky Municipal District. The Company's fleet ensures the delivery of oil products, fuel and medicines for the entire region under **the Northern Deliveries programme**.

The Company completed scheduled repairs of vessels, overhauled several berths and harbour cranes, implemented projects to improve security, introduced fuel consumption metering, upgraded communications equipment, and launched a programme to replace mobile harbour cranes in its Arctic port of Dudinka.







## NORILSK AVIA

(part of the Norilsk Nickel Group) serves the transportation needs of local communities in the Norilsk and Taimyrsky Dolgano-Nenetsky Districts of the Krasnoyarsk Region.

The company provides helicopter services related to the operations of the Norilsk Nickel Group, emergency medical flights, search and rescue operations, and local passenger traffic.

In June 2020, Norilsk Avia acquired two new Mi-8AMT helicopters from the Ulan-Ude Aviation Plant of Russian Helicopters (part of Rostec State Corporation). Currently, the company's aircraft fleet comprises **18 Mi-8 helicopters**, including: twelve Mi-8Ts, four Mi-8MTVs and two Mi-8AMTs.

Eight more Mi-8AMTs will be added to the fleet over the next five years. These helicopters are designed to handle a wide range of tasks, from passenger and oversize cargo transport to search and rescue operations and medical evacuation.



## NORDSTAR AIRLINES

(part of the Norilsk Nickel Group) is an aviation project that has been steadily growing since its establishment in 2008.

Its fleet comprises **15 aircraft**.

NordStar Airlines is a major air carrier in the Siberian Federal District and the anchor airline of Norilsk Airport. The company offers scheduled and charter flights as well as government-subsidised interregional passenger flights at reduced fares.

**>1 million**  
passengers carried annually  
by the company

**>30 cities**  
in Russia and other CIS countries  
served by the company's flights



## NORILSK AIRPORT

(part of the Norilsk Nickel Group) is the only transport infrastructure facility that provides year-round connections between the Norilsk Industrial District and other Russian regions.

**~500,000** passengers are carried annually by the company

As a joint-use airport operated together with the Russian Ministry of Defence, this asset is of strategic importance to the Russian Arctic.

In line with Instruction No. PR-1399 of Russian President Vladimir Putin, dated 29 June 2013 and made as part of the Transport System Development state programme of the Russian Federation, MMC Norilsk Nickel teamed up with the Federal Agency for Air Transport (Rosaviatsiya) on a major renovation of Norilsk Airport's facilities, including the airfield.

Runway refurbishment was completed in 2019, without suspending the flights between the Norilsk Industrial District and the mainland and causing minimal disruption for local communities.

The renovation of Norilsk Airport is an important infrastructure and social project improving the quality of life for residents of the Norilsk Industrial District. The renovated airport will meet all current regulatory requirements, offering higher quality and safety standards and ensuring reliable and consistent passenger and freight services in the region.

INVESTED IN THE RENOVATION OF AIRPORT FACILITIES  
AND AIRFIELD INFRASTRUCTURE:

**~RUB 12.5 bn**  
of total investments

**~RUB 5 bn**  
financed by Nornickel





## NEW STRATEGY

**47 kt**

reduction in carbon dioxide  
emissions as a result of improved  
energy efficiency

Since 2018, Nornickel has been implementing a new strategy focused on upgrading and modernising its energy assets.

The strategy envisages the replacement of units at hydropower and CHP plants, upgrades and repairs of power generating equipment, rollout of automated control and metering systems, reduction of heat loss in buildings and pipelines, equipment optimisation, and decommissioning of obsolete power units.

As a result of its energy efficiency measures, Nornickel has reduced carbon dioxide emissions by 47 kt. The Company also calculated the carbon footprint of its nickel products, which amounted to 8.1 tonnes of CO<sub>2</sub> per tonne of finished product.





## CARBON-NEUTRAL NICKEL

The new strategy has enabled allocating thousands of tonnes of saved carbon dioxide emissions towards carbon-neutral nickel production. The first batch of carbon-neutral products totalled 5 kt of nickel cathodes produced by the Group's Kola Division.

The cathodes were shipped from Murmansk to a warehouse in Rotterdam, Europe's largest logistics hub.

The volume of carbon-neutral shipments will increase as emissions are reduced and carbon savings are verified by auditors. Nornickel plans to produce up to 10 kt of carbon-neutral nickel by the end of the year.



## DIGITISATION

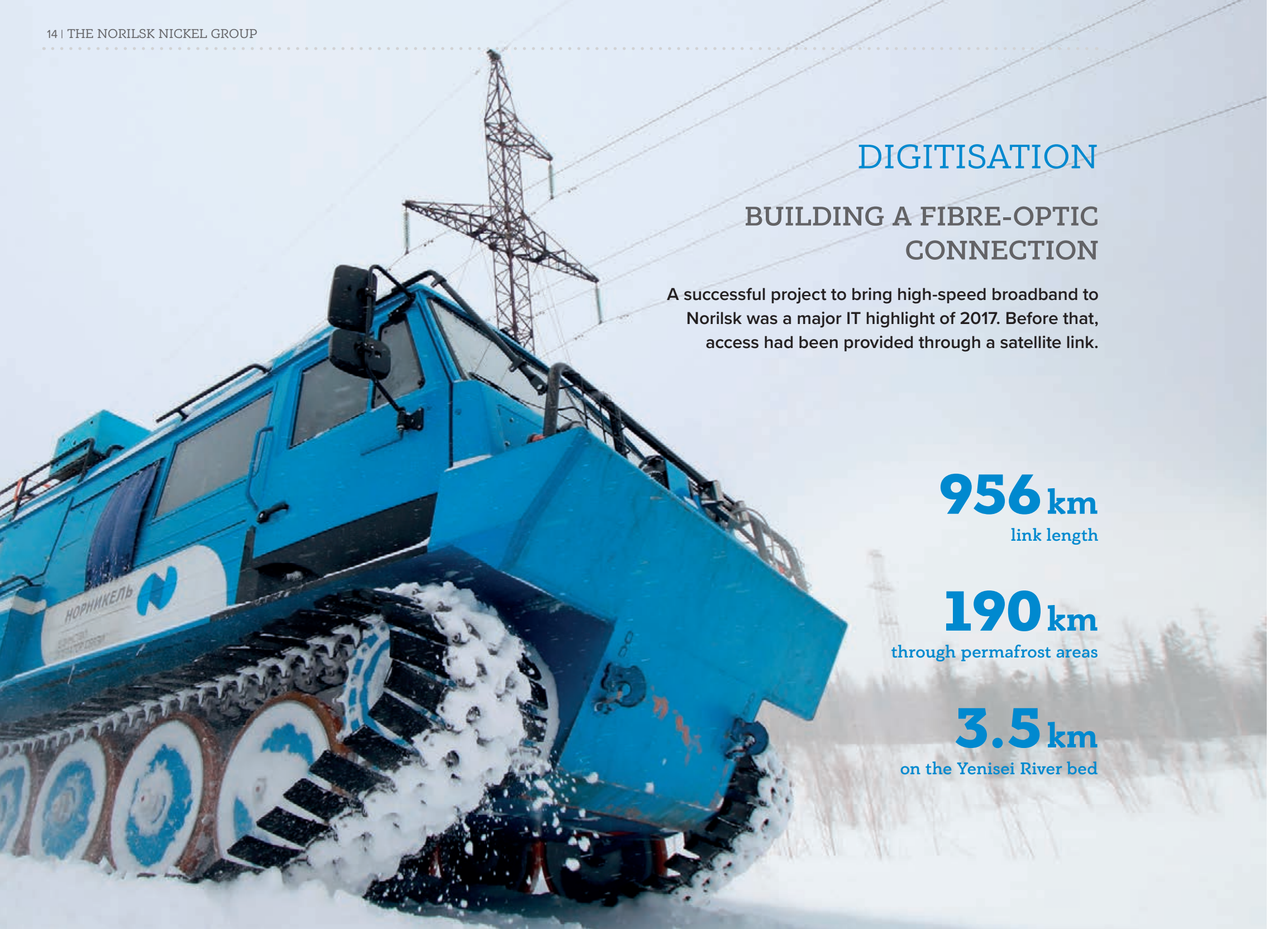
### BUILDING A FIBRE-OPTIC CONNECTION

A successful project to bring high-speed broadband to Norilsk was a major IT highlight of 2017. Before that, access had been provided through a satellite link.

**956 km**  
link length

**190 km**  
through permafrost areas

**3.5 km**  
on the Yenisei River bed





The project to construct a fibre-optic communication line (FOCL) was part of Nornickel's strategy for the comprehensive development of the Norilsk Industrial District and is completely unique and the largest of its kind in Russia: this was the first broadband cable to have ever been laid in such a harsh climate. Experts compare the project's scale and complexity to the installation of a submarine communications cable, such as the one linking Sakhalin, Magadan and Kamchatka.

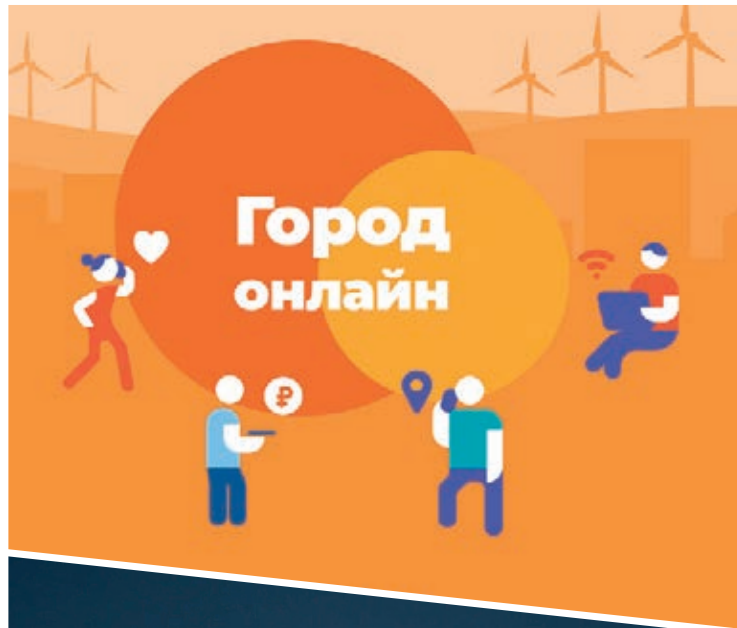


The construction of the **RUB 2.5 billion FOCL** between Novy Urengoy and Norilsk was launched in 2014, financed entirely by Nornickel with no government funding, and was put into trial operation in September 2017.

In addition to meeting the demand of local industrial companies for high-speed connectivity, the success of this project also means better quality of life for people in the Norilsk Industrial District and higher quality of public services provided under existing government initiatives (Public Services Portal, E-Government, Internet for Every School and others). Plans for 2021 include an increase in the capacity of the Norilsk–Novy Urengoy link to fully meet the growing traffic demand, which is estimated to be in the range of 100–200 Gbps within the next 3 to 5 years. In 2022, the Company plans to complete a project to build a back-up fibre link to Norilsk, delivering more reliable communications and better connectivity in the Norilsk Industrial District.

Amid COVID-19 restrictions, the Company expanded the backbone capacity of the Norilsk–Novy Urengoy link without charge to promote a comfortable remote work environment and compliance with lockdown restrictions.





## DEVELOPMENT OF THE SMART CITY PROJECT

**Nornickel has launched a unique project, City Online, to empower residents of Norilsk, Dudinka and other Arctic communities with access to a digital portal interfacing dozens of critical city services.**

Developed and put into test operation, the Norilsk Online digital portal was planned as the city's key platform and marketplace providing residents of the Norilsk Industrial Region with access to a wide range of digital services (telemedicine, remote learning, leisure, retraining and upskilling, utilities, support for SMEs, public transport, etc.).

The platform will be enhanced by increasing the number of services available to its users and providing standalone solutions enabling the city administration to better manage the city infrastructure.

## INDUSTRY 4.0

**The Company was one of the first in Russia to launch a digital transformation of its business and first in the market to use Industry 4.0 technologies while also harnessing digital to handle out-of-the-box tasks across its operations.**

**NORNICKEL'S DIGITAL LAB** was set up in 2018 focusing on IT-driven solutions. The Lab screens the market for new technologies and business models, collects, collates and reviews digital initiatives, and designs prototype solutions. The solutions found by the Lab help to optimise processes and address existing gaps and operational issues. The Lab's employees include engineers with vast hands-on experience as well as top mathematical and IT talent.

Over the two years since its launch, the Digital Lab has accumulated **more than 130 ideas**, including over 30 initiatives already extensively used and 16 completed with work ongoing on their potential industrial applications. In 2019, key projects of the Digital Lab included the development of industrial exoskeletons for the metals and mining industry in collaboration with Southwest State University.



**TECHNOLOGY BREAKTHROUGH** is an ongoing programme to embed leading-edge digital technology into the design, planning and operational control processes of mining operations.

A key area of the programme is the **Digital Mine** project designed to significantly boost the operational efficiency of underground mining through:

- introducing centralised mining planning and monitoring processes including online data analysis
- developing an automated ten-day shift planning system.

This project also offers a number of benefits for Nornickel employees. The new system will also improve work safety in underground mining and provide workers with opportunities for professional development (simulation training, supervisor training) while contributing in the longer run to the emergence of new blue-collar professions such as remote control operator of self-propelled drilling rigs, LHD remote control operator, etc.

During the project's initial phase, Nornickel built the communications infrastructure to locate people and equipment underground: installed a fibre network and a wireless data transfer system, as well as fitted every miner and every machinery unit with tags to track their movements underground. Advanced operational control centres were deployed at five mines of the Polar Division (Oktyabrsky, Taimyrsky, Komsomolsky, Skalisty, and Mayak) to monitor mining operations in real time 24/7.

**RUB 7.2 bn**  
spent to implement  
digital and automation  
projects in 2020

**85** digitalisation and  
automation projects  
and programmes





# ENERGY RESOURCE BASE

## OF THE NORILSK INDUSTRIAL DISTRICT







## ENERGY RESOURCE BASE

The Company boasts its own energy resource base comprised of four hydrocarbon deposits.

Most of Nor Nickel's production facilities are located beyond the Arctic Circle and operate in sub-zero temperatures for about eight months of the year. As a result, the Company needs to secure access to energy for both the Group's industrial enterprises and infrastructure facilities, and also for local communities.

To enable the modernisation of gas production infrastructure and trunk gas pipeline system, Nor Nickel has developed a gas asset development programme for 2021–2023 worth

# > RUB 50 bn

It is hard to overestimate the importance of infrastructure to Arctic projects. Transport, fuel and energy infrastructure owned by companies operating in the Arctic supports both their operations and the life of local communities of the Far North. Companies bear the costs associated with the need to build and maintain this infrastructure.

# >2,803.5

## Mcm

annual output  
of natural gas

# >90

## kt

annual output  
of gas condensate

# 1,588

## km

length of gas and  
condensate pipelines

# 53.5%

share of electricity from  
renewable sources in the  
Norilsk Industrial District





## ENERGY ASSETS

**NORILSK-TAIMYR ENERGY COMPANY (NTEC)** supplies electricity to three cities (Norilsk, Dudinka and Igarka), two villages (Snezhnogorsk and Svetlogorsk), as well as all industrial enterprises within the Norilsk Industrial District.

The energy system is geographically and technologically isolated from the Unified Energy System of Russia, placing great responsibility on NTEC for ensuring reliability. In this context, NTEC produces all types of resources needed by local communities, including electricity, heat and drinking water.

NTEC's core business activities:

- Electricity generation, transmission and distribution
- Heat generation, transmission and distribution
- Production, transmission and distribution of drinking and process water

### NTEC COMPRISES FIVE POWER PLANTS:

- Three combined heat and power plants (CHPP-1, CHPP-2 and CHPP-3) with a total installed capacity of 1,190 MW
- Two hydropower plants (Ust-Khantayskaya HPP and Kureyskaya HPP) with a total installed capacity of 1,091 MW
- Three grid companies (High-Voltage Networks Directorate, Heat and Water Supply Directorate, and Dudinka Heat and Power Network Company), which operate low-, medium- and high-voltage networks (up to 220 kV, inclusive), water and steam heat networks (mostly above-ground), boiler houses, and water supply networks
- Energosbyt



# ~RUB 11 bn

were invested in renewable energy,  
energy saving and electricity and gas  
supply reliability projects in 2020

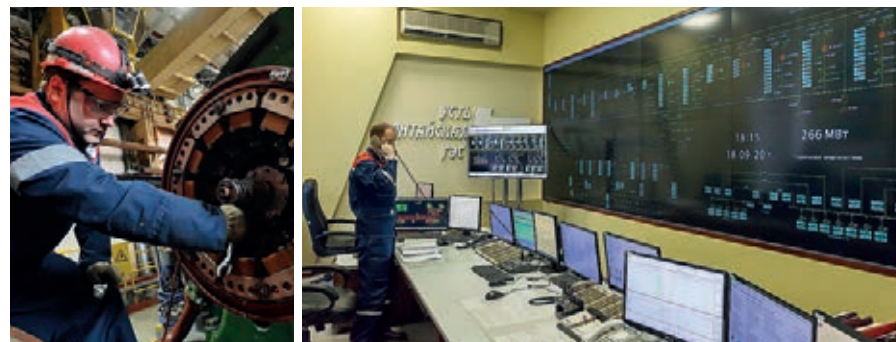
Key projects that the Company is implementing to improve equipment reliability and energy efficiency, as well as to boost its output, include:

- replacement of seven hydropower units at Ust-Khantayskaya HPP
- replacement of generating units at Norilsk CHPP-2 and Norilsk CHPP-3
- modernisation of power networks, gas transmission and gas distribution networks of the Norilsk Industrial District.

**Natural gas is the main fuel used by the Company and is supplied by its subsidiaries: Norilskgazprom and Norilsktransgaz. Diesel fuel is a backup fuel to be used if natural gas supply is limited or interrupted.**

**NORILSKGAZPROM** (part of the Norilsk Nickel Group) produces gas and gas condensate at the Pelyatkinskoye, Yuzhno-Soleninskoye and Severo-Soleninskoye gas condensate fields, as well as at the Messoyakhskoye gas field.

**NORILSKTRANSGAZ** (part of the Norilsk Nickel Group) transports natural gas and condensate from fields to consumers. The length of its gas and condensate pipelines totals 1,588 km.







**40 years**  
service life of the  
new gas pipeline

## THE PROJECT AIMS

to improve the reliability and safety  
of the gas transmission system



## ENERGY SUPPLY PROJECTS

### A COMPREHENSIVE PROJECT FOR THE RENOVATION OF GAS SUPPLY NETWORKS IN NORILSK AND DUDINKA

**Norilsktransgaz is implementing a comprehensive project to renovate the gas supply networks in Norilsk and Dudinka.**

The project consists of **four start-up complexes**, which provide for replacing the entire gas distribution network of Norilsk's operations.

The first start-up complex is currently under construction.

The project provides for replacing the first string of the gas pipeline between Nadezhda Metallurgical Plant, CHPP-3, the peak boiler, and the TISMA plant. The new gas pipeline project will increase gas supply capacity to 358 thousand m<sup>3</sup>/h and enable gas supply to potential consumers. A new separate corridor will also be constructed (with the gas pipeline re-routed) to ensure timely maintenance. The existing process flow precludes disconnecting the gas pipeline to replace worn sections, while some sections of the gas pipeline at Nadezhda Metallurgical Plant are located 25 to 30 m above the ground with no access for repair equipment.

Therefore, the project will significantly improve supply reliability for enterprises that require uninterrupted supply of gas. The main phase, including commissioning, is scheduled for completion in Q4 2020.

The design documentation for the second start-up complex has been completed and approved by the Main Department of State Expertise (Glavgosexpertiza). The start of construction and installation of gas pipelines to the copper and concrete plants was scheduled for Q1 2021.

The preparation of design documentation for the third start-up complex is underway, including the retrofit of the second backup string to Nadezhda Metallurgical Plant, CHPP-3, the peak boiler and the TISMA plant, as well as the retrofit of gas pipelines to CHPP-1 and CHPP-2, to be completed in 2024.

Therefore, the renovation of gas supply networks will increase the reliability and safety of Norilsktransgaz's gas transmission system, which, in turn, will secure **100% redundancy** of gas supply to the Company's operations in line with Federal Law No. 116 On Industrial Safety of Hazardous Facilities, dated 21 July 1997.



### BUILDING A BACKUP ELECTRICITY SUPPLY SOURCE IN DUDINKA

In September 2020, Norilsk-Taimyr Energy Company completed the construction of a **3 MW** backup electricity supply source in Dudinka. The new source will ensure the uninterrupted operation of Boiler No. 7 even in case of a blackout in the capital of the Taimyr Peninsula.

When necessary, two new gas gensets will be able to support the operation of the local boiler and guarantee uninterrupted heat supply to the city's residents and facilities of Nor Nickel's Polar Division. The project was financed by Norilsk Nickel, which invested **about RUB 400 million**.



### UST-KHANTAYSKAYA HPP

Nornickel has been renovating its energy facilities for many years. The modernisation programme includes the Ust-Khantayskaya HPP, which generates a quarter of all electricity consumed by the Norilsk Industrial District, while also providing for the replacement of all seven hydropower units. Six hydropower units have been fully revamped at the hydropower plant to date for a total of **over RUB 6 billion**. Total investments in revamping seven hydropower units have **exceeded RUB 7 billion**.

In September this year, the sixth start-up complex was launched at the Ust-Khantayskaya HPP, which is part of the Norilsk-Taimyr Energy Company. The new equipment will increase the stability of the power system during peak loads.

The equipment replacement project has been underway since 2014. The 63 MW adjustable-blade hydropower units, which have been in operation for more than 40 years, are being replaced with 73 MW radial-axial hydropower units. The new equipment can operate as a synchronous condenser, which significantly increases the stability of the power system during peak loads.

Preparations for the construction of the seventh start-up complex are currently underway. In September, over 800 tonnes of equipment and materials were delivered to Ust-Khantayskaya HPP's warehouse by the Yenisei River.

All hydropower units of Ust-Khantayskaya HPP are planned to be replaced by 2021. Once seven start-up complexes are commissioned, the design capacity of the hydropower plant will be 511 MW, with a maximum annual output of **2.4 billion kWh**. This project is one of Russia's most ambitious energy initiatives.





## FUEL SPILL RESPONSE

**On 29 May 2020, soil subsidence caused depressurisation of a diesel fuel storage tank of NTEC.**

NTEC immediately informed competent authorities about the accident and initiated emergency response to minimise the environmental impact of the spill.

**29 May 2020** Immediately after the fire was extinguished, work was started to collect the fuel spilt in the area adjacent to CHPP-3, treat it with sorbents and remove the contaminated soil.

On the same day, 29 May 2020, NTEC issued Order No. NTEC/154-p-a to declare a state of emergency and sent it to the Single Dispatch Service of the Civil Defence and Emergency Department of the Norilsk Administration.

**30 May 2020** Reconnaissance of approaches to the Ambarnaya and Daldykan Rivers was conducted to inform the selection of locations for the booms, while the clean-up operation in the area around CHPP-3 was continued.

**31 May 2020** Three boom lines were installed on the Ambarnaya River, and the collection of fuel from the surface of the river was started. A tent camp was delivered and set up in the Ambarnaya River estuary for the permanent stay of rescue teams in the clean-up area.

**1 June 2020** The Marine Rescue Service of the Federal Agency for Maritime and River Transport (Rosmorrechflot) joined the operation and helped install additional boom defences.

**2 June 2020** Additional boom lines were installed as the collection of oil products from water bodies and the clean-up of the area adjacent to CHPP-3 continued.



**15 September 2020** A project for remediation of land contaminated as a result of the diesel fuel spill was submitted to the Interagency Commission set up by the Russian Ministry of Natural Resources and Environment. Qualified experts suggested focusing on the use of the best available technology when selecting response and engineering solutions, with lands to be remediated to all applicable statutory standards.

**25 September 2020** At a meeting of the Governmental Commission for Emergency Prevention and Response and Fire Safety downgraded the level of emergency response from federal to regional.

### THE CLEAN-UP OPERATION WAS COMPLETED:

A total of **34,617 m<sup>3</sup>** of water and fuel mixture were collected, including **25,748 m<sup>3</sup>** from the surface of water bodies and **8,869 m<sup>3</sup>** from pits filled with contaminated water; **654.5 tonnes** of sorbent-treated soil; **250 km** of coastline and **491,416 m<sup>2</sup>** of contaminated area were treated with sorbents; **188,502 tonnes** of contaminated soil were removed to designated temporary storage facilities. **98 lines** of boom defences with a total length of **2,791 m** were installed.

## NORNICKEL'S RESPONSE TO THE ACCIDENT

- Comprehensive risk reassessment for the Company's hazardous facilities
- In November 2020, Environmental Resources Management (ERM), a specialist environmental consultancy, published a report covering the root causes and contributing factors of the diesel fuel spill
- Nornickel developed a detailed action plan to improve industrial safety at the Company's facilities, submitting it to Russia's nuclear and environmental watchdog Rostekhnadzor
- An additional RUB 100 billion are planned to be invested in the repair and modernisation of energy infrastructure to improve industrial safety
- Satellite monitoring of industrial facilities constructed on permafrost
- Monitoring the condition of foundations in real time
- New monitoring programmes (water bodies and soils)
- Remediation of affected land
- Analysis of aquatic bioresources of the Daldykan and Ambarnaya Rivers
- Reproduction of aquatic bioresources
- Biodiversity conservation
- Cooperation with research institutes





## LAND REMEDIATION

**The clean-up of the May 2020 fuel spill at CHPP-3 is currently the Company's top environmental priority. While the main phase of the clean-up has long been completed, the remediation of the environment still continues.**

Plans for 2021–2022 include the biological remediation of contaminated land in the area to restore its economic and ecological value by improving the agrophysical, agrochemical and biochemical properties of the affected soils.

**About 200 thousand tonnes of soils** collected following the accident and removed from the area have been decontaminated.

The decontamination method used is biological remediation involving microorganisms – the technology developed by researchers from the Ural Branch of the Russian Academy of Sciences. The final product is technical soil for road and embankment construction.

By the end of August 2021, more than 200 thousand m<sup>2</sup> of the most disturbed areas had been plowed. More than 55 thousand m<sup>2</sup> of land was covered with peat to create a fertile layer, **and seeds were sown across a total area of 70 thousand m<sup>2</sup>.**

Almost 900 thousand m<sup>2</sup> is planned to be sown with the seeds of plants traditionally found in the Arctic (clover, timothy, fescue, etc.).

Once the activities planned for 2021 are completed, the Company will take appropriate follow-up measurements as well as water body and soil surveys to decide on whether to continue remediation efforts into 2022.





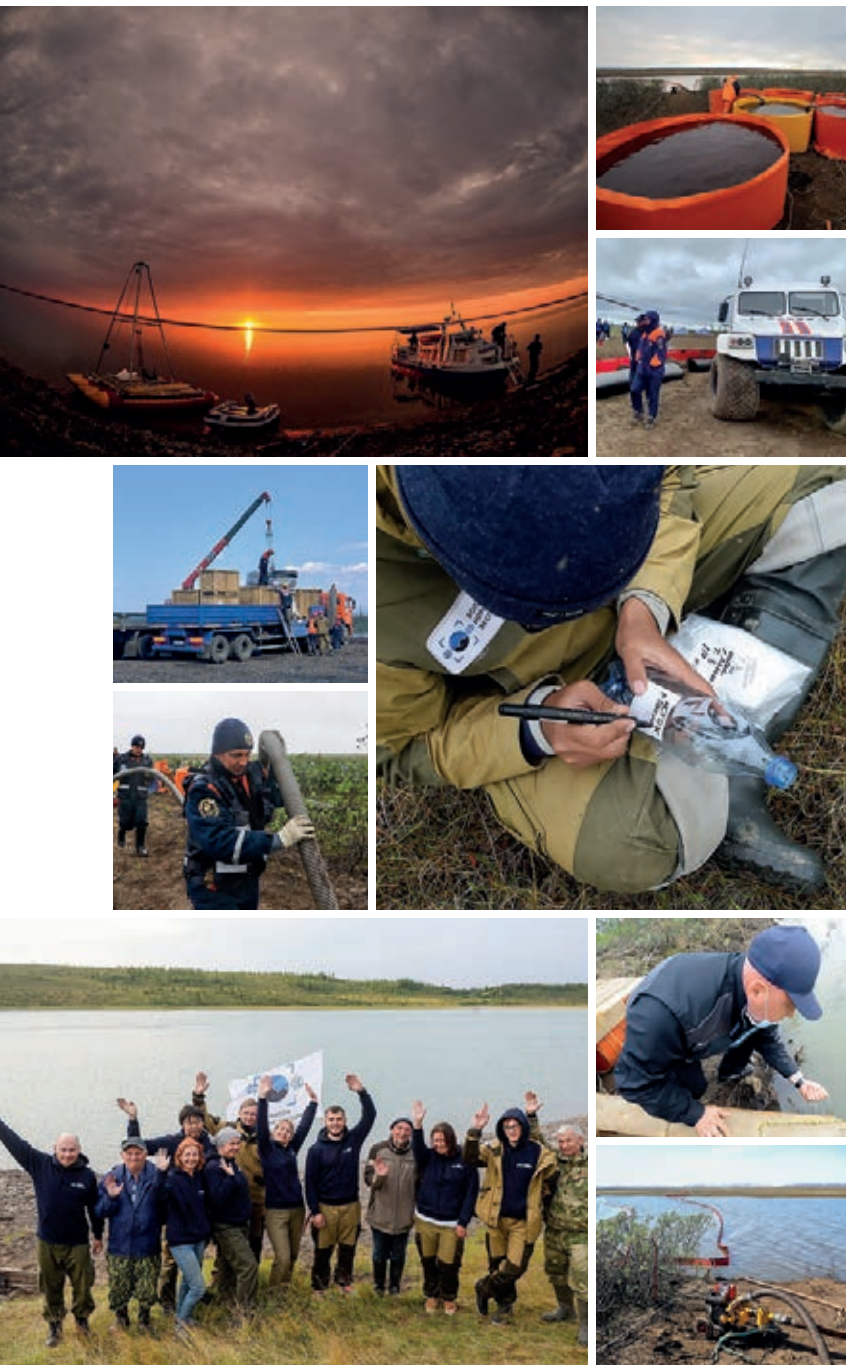
# GREAT NORILSK EXPEDITION

GREAT NORILSK EXPEDITION IS A MAJOR ENVIRONMENTAL RESEARCH INITIATIVE LAUNCHED BY NORNICKEL.

Phase two of the expedition was completed in August 2021. Overall, researchers from 14 institutes of the Siberian Branch of the Russian Academy of Sciences took part in the expedition. The research team studied in detail the environment of the Taimyr Peninsula and submitted proposals and recommendations covering the best nature conservation solutions for industrial companies operating in the Arctic region.







On 15 September 2020, in the presence of Sergey Menyaylo, the Presidential Plenipotentiary to the Siberian Federal District of Russia, Nor Nickel and the Siberian Branch of the Russian Academy of Sciences signed an agreement to jointly implement a long-term oil spill response programme in Norilsk, as well as to develop industrial production regulations for the Russian Arctic in line with sustainable development principles.

Nornickel places particular emphasis on monitoring permafrost, with its operating facilities currently undertaking a comprehensive assessment of their technical condition. The assessment covers the facilities located within potential risk areas and aims to identify the best range of solutions to study potentially dangerous exogenous processes.

Nornickel plans to organise **systematic monitoring of permafrost zones** and how climatic fluctuations impact them in the Norilsk Industrial District. The monitoring system will include early prediction of changes in permafrost through integrating advanced high-tech solutions for geophysical, geodetic and space-borne observations.

The accident at Norilsk-Taimyr Energy Company's CHPP-3 has had no social or economic impact on Norilsk. There were no disruptions to the city's power, heat or water supply.

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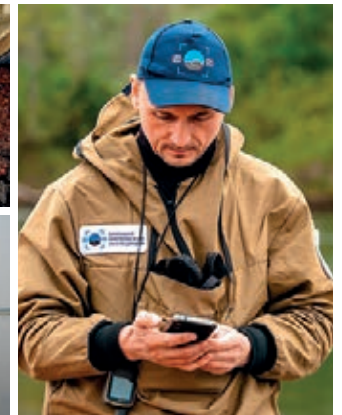
**Phase one of the Great Norilsk Expedition** involved biodiversity studies across four main areas: Biological Studies, Bio- and Zoological Diversity, Hydrobiological and Hydrochemical Studies (for oil products content), and Soil and Vegetation Cover.





**During the second phase** in August 2021, the researchers collected samples at 50 locations across the Taimyr. The team followed the route of the previous year's expedition, setting out from CHPP-3 and the Bezymyanny Stream in Norilsk and along the Daldykan and Ambarnaya Rivers, and also surveyed Lake Pyasino.

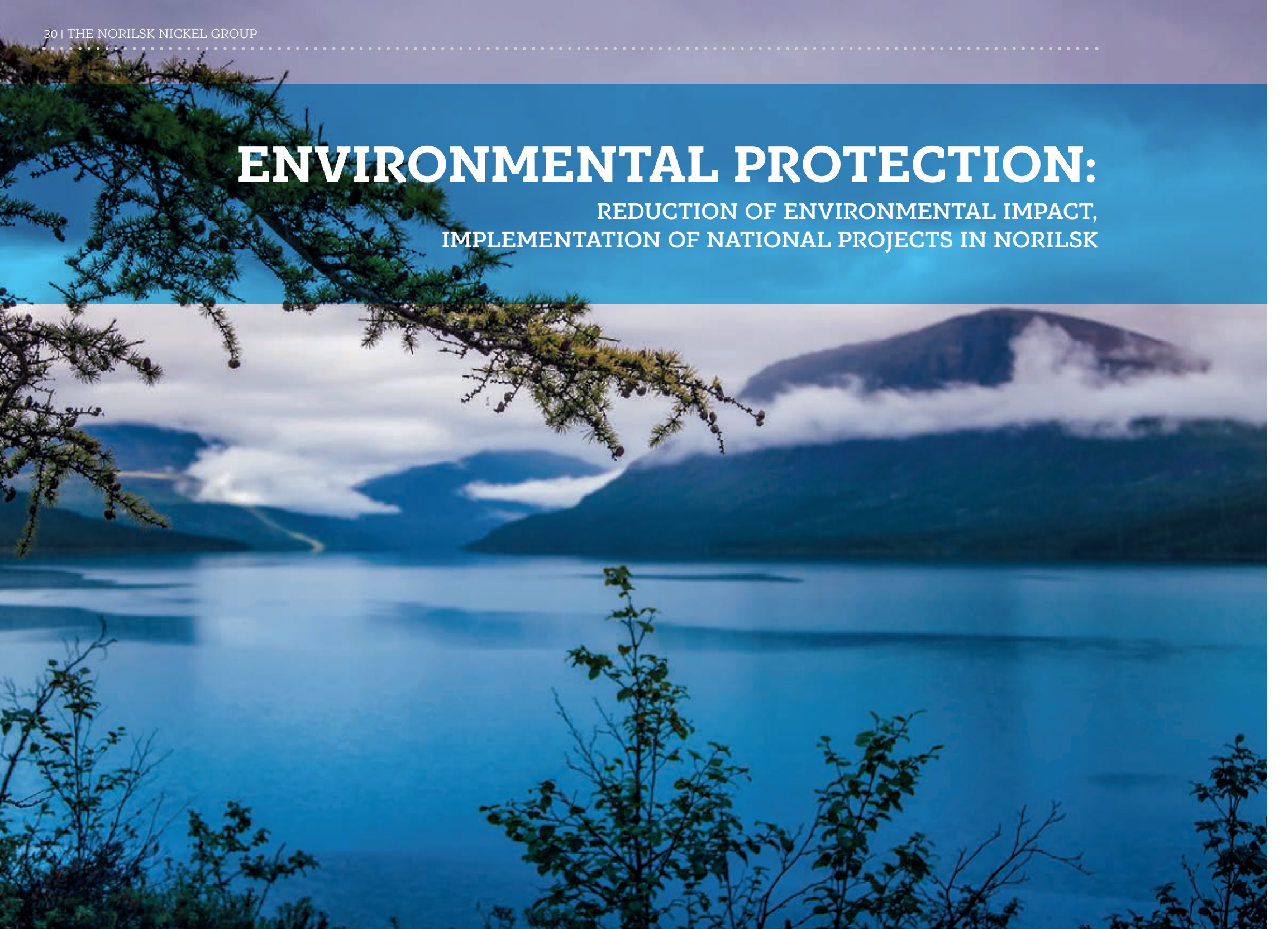
As in the previous year, the research focused on surface waters, soils and bottom sediments, flora and fauna, and permafrost soils.





# ENVIRONMENTAL PROTECTION:

REDUCTION OF ENVIRONMENTAL IMPACT,  
IMPLEMENTATION OF NATIONAL PROJECTS IN NORILSK





**~RUB 250 bn**  
estimated total cost of the  
Sulphur Project

**>RUB 74 bn**  
value of contracts signed  
to date



## REDUCTION OF ENVIRONMENTAL IMPACT

### SULPHUR PROJECT

**The Company's strategic priority is to implement its comprehensive environmental programme aimed at reducing sulphur dioxide emissions.**

On 23 May 2014, MMC Norilsk Nickel, the Russian Ministries of Economic Development, Industry and Trade, and Natural Resources and Environment, the Government of the Krasnoyarsk Region, and the Norilsk City Administration signed an agreement on cooperation in implementing a targeted comprehensive programme to shut down an obsolete nickel plant in Norilsk and addressing related environmental and social issues (the Comprehensive Programme).

**DURING PHASE ONE**, Nickel Plant's facilities were closed, which improved the environmental situation in the city (following the agreement, the Company closed the oldest facility of its Polar Division, Nickel Plant in Norilsk, in 2016):

- Emissions of about 370 ktpa were discontinued
- 600 sources of emissions were eliminated, including 458 controlled sources with no emission treatment
- 30% less exposure time of the air in Norilsk to Nickel Plant emissions (based on 2015 data)

**At the same time, the social issues** related to the plant shutdown were also successfully addressed: its employees were either relocated within the Polar Division or reskilled to stay on and take up jobs with other enterprises within the Norilsk Industrial District.

### OTHER MEASURES WITHIN THE COMPREHENSIVE PROGRAMME:

- Upgrade of Nadezhda Metallurgical Plant with an increase in capacity to maintain production volumes
- Capacity upgrades at Talnakh Concentrator
- Redesign of the production chain



**The Sulphur Project is aimed at significantly improving the environment and is a key initiative within the Clean Air federal project.**

The project uses best available technologies taking into account the logistical constraints of the host region and the specific technologies used at concentrators and metallurgical facilities. In addition to reducing sulphur dioxide emissions, the technology solutions applied will minimise (below the established limit) emissions of copper- and nickel-containing particulate matter. The projects also eliminate the discharge of untreated wastewater and ensure efficient waste management.

As part of the documents submitted for an integrated environmental permit, the Company developed an Environmental Performance Improvement Programme, which includes a list of measures to reduce negative impact on the environment, their timeframes, and the scope and sources of financing required for the Company to bring emissions/discharges down to technological limits.

On 4 August 2020, Nor Nickel’s Environmental Performance Improvement Programme was approved by the Interdepartmental Commission for Reviewing Environmental Performance Improvement Programmes. The programme is an integral part of the integrated environmental permit. The next step following the approval of the Environmental Performance Improvement Programme will be submitting an application for an integrated environmental permit to the Federal Service for Supervision of Natural Resources (Rosprirodnadzor). The Company expects to obtain the permit in the Q4 2020.

**PHASE TWO** is currently being implemented, with the Company delivering comprehensive capacity upgrades at Nadezhda Metallurgical Plant and Copper Plant in Norilsk – the Sulphur Project, which provides for partial reconfiguration of metallurgical production and phased construction of sulphur dioxide capture facilities. The programme covers both key production stages directly related to pollutant capture and relevant related projects (in metals, energy, transport, etc.) that are critical to meeting the required emission reduction targets.

Phase one of the Sulphur Project, an integrated project at Nadezhda Metallurgical Plant, is scheduled for completion by 2023, with a 45% reduction in sulphur dioxide emissions vs a 2015 baseline. Phase two will reduce sulphur dioxide emissions from Copper Plant – by up to 90% by 2025.



**IMPLEMENTATION OF THE SULPHUR PROJECT:**

PHASE	COMPLETION DATE	REDUCTION OF SO <sub>2</sub> EMISSIONS from 2015
PHASE ONE: comprehensive project at Nadezhda Metallurgical Plant	2023	40%
PHASE TWO: Copper Plant	2025	85%

## SULPHUR PROJECT 2.0 IN NORILSK

provides for **a 90% reduction in SO<sub>2</sub> emissions by 2025 vs a 2015 baseline**. The key facilities within the project are SO<sub>2</sub> capture and processing lines at Nadezhda Metallurgical Plant and Copper Plant, facilities processing gas to sulphuric acid, facilities neutralising H<sub>2</sub>SO<sub>4</sub> with limestone, and gypsum storage facilities.

At the same time, investment projects will be implemented to upgrade Copper and Nadezhda Metallurgical Plants.

To date, equipment for sulphur lines has been ordered and partially manufactured.

Sulphur Project 2.0 facilities are under construction. In Q2 2021, financing for projects under construction amounted to RUB 7.6 billion.

## Nadezhda Metallurgical Plant

Velesstroy, PSMK and STEP performed construction and installation works (installation of steel structures, sulphuric acid tanks totalling 2.5 thousand m<sup>3</sup>, and a mixing tower, with the construction of a dam at the gypsum storage facility in progress).

The manufactured tower equipment and catalytic converters have been delivered to the site.

## Copper Plant

PSMK installed the scrubber, fume extractors, and titanium gas duct manufactured and delivered to equip the wet scrubbing unit. Works on KTP-324 have been completed. The equipment at obsolete sulphur production lines was partially dismantled.



**Since 2017, stakeholders can learn the history and details of the Company's ambitious environmental initiative by visiting the Sulphur Project showroom, featuring advanced projectors and located at Nadezhda Metallurgical Plant.**

Selected highlights of the display include:

- architectural mock-ups of the facilities that will be involved in SO<sub>2</sub> emission capture at the plant
- mock-ups of designed facilities with augmented reality elements demonstrating technology and design solutions
- interactive panels showcasing current projects and giving details about the Polar Division and the Company's environmental programmes
- displays showing videos about projects.



## SUPPORT FOR NATURE RESERVES

Nornickel cooperates with the Taimyr nature reserves on an ongoing basis, primarily focusing on developing research and technology and supporting their social, volunteering and environmental awareness programmes.





**The Pasvik and Lapland Nature Reserves are in relative proximity to Kola MMC's production sites, and the buffer zone of the Putoransky Nature Reserve is relatively close to the Polar Division sites. Bystrinsky GOK is 160 km away from the Relic Oaks State Reserve (Zabaykalsky Region).**

The Company's operations do not currently have any significant impacts on the areas of the nature reserves that are in relative proximity to Nor Nickel's sites, as well as on areas of high biodiversity value outside protected areas. Nor Nickel's cooperation with nature reserves primarily focuses on developing research and technology and supporting their social, volunteering and environmental awareness programmes.

The Company's environmental partnership with the Lapland and Pasvik Nature Reserves covers several areas, with environmental monitoring and restoring vegetation near Kola MMC's production sites seen as a priority.



IN 2018, THE PASVIK NATURE RESERVE RECEIVED CHARITABLE ASSISTANCE TO **PURCHASE A MOBILE ENVIRONMENTAL MONITORING LABORATORY**

**The Pasvik State Nature Reserve is featured as one of the Wetlands for the Shadow List of Ramsar Sites under the name of Fjarvann–Schaanning Area.**

It covers a total area of over 14 thousand ha. Pasvik is Russia's only nature reserve holding the EUROPARC Federation certificate, which is awarded to the best protected areas worldwide. This certification is an important prerequisite for international cooperation with foreign nature reserves.

Since 2006, the Reserve has been studying the natural environment in the area of Pechenganickel (including Zapolyarny, Nikel and their suburbs, as well as the Pasvik State Nature Reserve) and developing a long-term environmental monitoring programme.



ENVIRONMENTAL PROTECTION  
IN THE KOLA PENINSULA

Pasvik  
and Lapland Nature Reserves



**100 ha**  
area

**RUB 96 mln**  
budget

SCALE OF BIOREMEDIATION EFFORTS



**10 years**

**1 mln**

TREES AND SHRUBS PLANTING

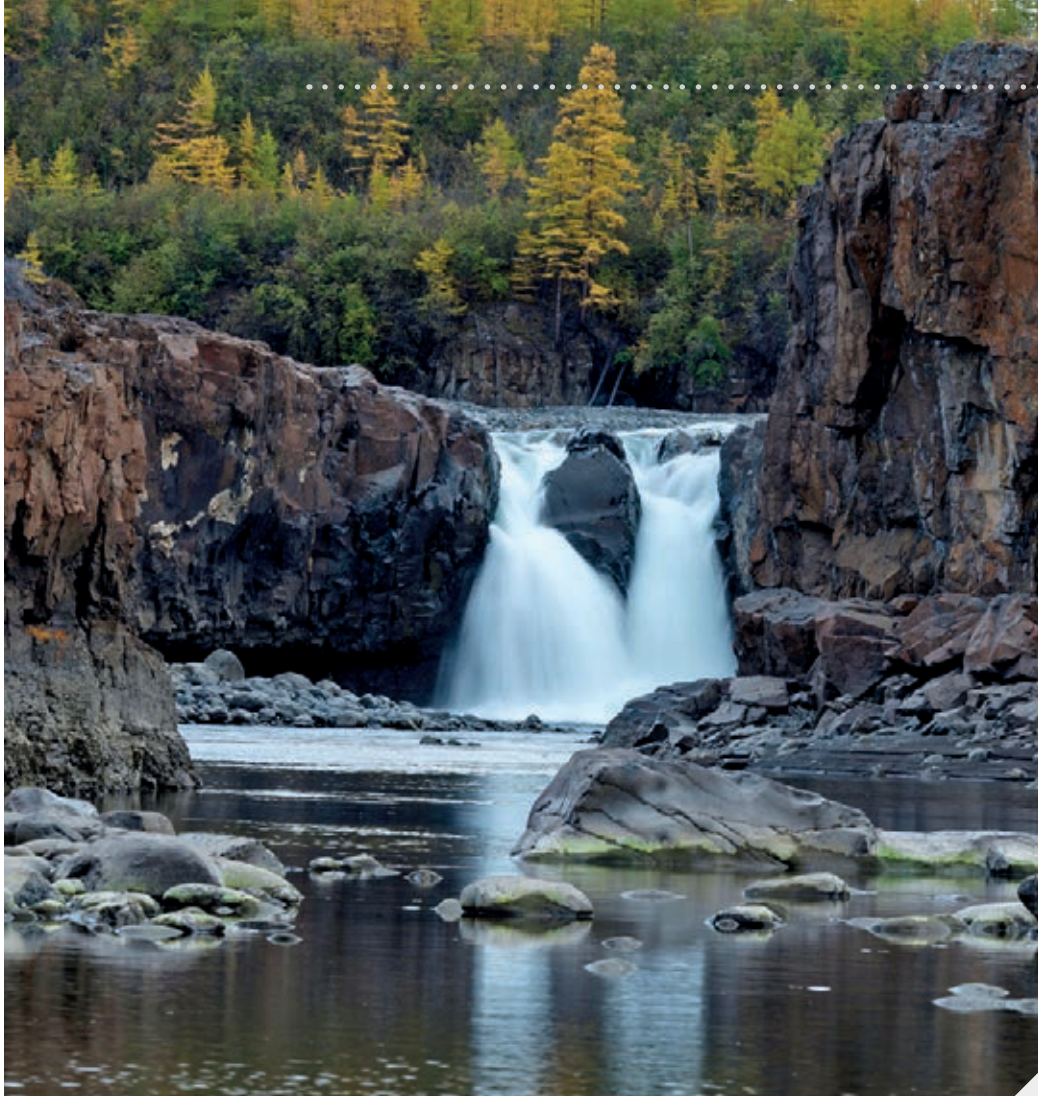


**19 species**  
and of plants and animals

ON RUSSIA'S RED DATA BOOK







## ENVIRONMENTAL PROTECTION IN THE TAIMYR PENINSULA

Joint Directorate of Taimyr Nature Reserves

**3** nature reserves


**2** protected areas

### SPECIES ON RUSSIA'S RED DATA BOOK

animals  **4**

birds  **26**

plants  **4**

fish  **1**



musk ox

**8,500**



lesser white-fronted  
goose

**4,000**

**> 1 mln**

**fingerlings  
of Siberian sturgeon**

released into the Yenisei  
River in 2017–2020

The area of the  
Putoransky Nature  
Reserve was added  
to UNESCO's World  
Heritage List in 2010.





## REPRODUCTION OF AQUATIC BIOLOGICAL RESOURCES

The Company provides annual funding for the stocking of valuable fish species, including those listed on the Red Data Book of Russia. Every year, fry of Siberian sturgeon and grayling are released into the Yenisei River in the Krasnoyarsk Region, and fry of Atlantic salmon – into the Uмба River in the Murmansk Region. The process involves specialised professional fish farms and research organisations.

The releases of juvenile sturgeon in the Taimyr Peninsula and common carp in the Zabaykalsky Region in 2021 as well as sturgeon in Sochi earlier were part of Nor Nickel's comprehensive programme to reduce its environmental footprint.

Over 1 million fingerlings of valuable species were released into the Yenisei River through Nor Nickel's initiatives between 2017 and 2021.



The Putoransky Nature Reserve has been on UNESCO's World Heritage List since 2010. With a total area of nearly 1.9 million ha, this is one of Russia's biggest nature reserves. The reserve is part of the Joint Directorate of Taimyr Nature Reserves, which also includes the Taimyr and Great Arctic Nature Reserves, as well as the Purinsky and Severozemelsky Nature Reserves.

The Directorate implements environmental projects selected in the Socially Responsible Initiatives Competition under Nor Nickel's World of New Opportunities charity programme. The projects focus on raising environmental awareness, promoting environmental protection including by engaging local communities, as well as land improvement and greening.

In 2020, the Directorate won another contest of socially responsible initiatives held under the World of New Opportunities programme, receiving funding from the Company to a total of RUB 4,999 thousand for a project titled **"Lake Lama Visitor Centre – Resources and Opportunities"**. The project is aimed at creating a visitor centre at Lake Lama to provide information and education, raise environmental awareness, and promote educational tourism in the reserve's buffer zone.

In July 2020, a team of volunteers was engaged in the construction of the **Dobrosfera** domed building at Lake Lama. Future routes for the eco-trail were developed, and sights were explored. The next stage of the project will include internal decoration and further equipment of the visitor centre.

The Company also supported the filming of a 20-minute **video tour around the Putorana Plateau** that will be included in the Reserve Week programme and shown to school students.

In August 2020, a research expedition team including representatives of WWF Russia, Joint Directorate of Taimyr Nature Reserves and federal experts visited Pronchishcheva Bay. The expedition provided data to develop future tourist routes and explore the viability of setting up camps and visitor centres at abandoned polar stations, established contacts with residents of remote villages Syndassko and Popigay as potential tourist destinations and collected information for further development of the master plan for the **Arctic tourism and recreation cluster**.

# DEVELOPING VOLUNTEER MOVEMENT

Over the years, Nornickel has successfully used volunteer movements to promote dialogue on environmental protection with employees and local communities.

One of the largest and most important projects of the programme is “PONESLOS” (“LET’S ROLL”) ANNUAL ENVIRONMENTAL INITIATIVE.

In 2020, the marathon was held for the fifth time.

Having started out as just a series of cleanup days, the marathon has come to include environmental awareness initiatives in addition to urban development activities. Since launch, the number of its participants has grown exponentially – from 100 people initially to approximately 17 thousand today.

**44 teams** including 304 employees from 47 divisions of the Company and 38 non-profit and municipal partner organisations took part in the event. In compliance with all public health guidance, **40 cleanup campaigns and 35 workshops** were held, with 2,200 volunteer hours and about 4 tonnes of waste collected.

June 2020 saw Nornickel employee volunteers take part in the Victory Forest regional event, part of the Memory Garden All-Russian campaign, planting about **500 bushes and trees** around monuments and sites of memory in Monchegorsk, Zapolyarny and Nikel.







# 40

RUB bn

## CLEAN NORILSK

The programme spans 10 years until 2030 and will cover the entire area of Norilsk.

Since the beginning of summer, the Company's teams have cleaned up an area of more than 308 thousand m<sup>2</sup> – equal to 56 football fields – removing rubbish and old equipment. Before winter, about 6 million m<sup>2</sup> are expected to be cleaned up through a specially established landscaping company.

The urban renewal efforts included the demolition of 45 dilapidated buildings and structures, with 47 kt of waste and 3.1 kt of scrap collected and removed.

The total volume of the demolished buildings was 99 thousand m<sup>3</sup>, almost equal to the size of the Bolshoi Theatre.

The works are planned to continue throughout the year, focusing on rubbish and scrap collection in summertime and on demolishing dilapidated and unused buildings and scrap recycling in wintertime.

72 units of cleaning and urban development equipment have been purchased, and this number is planned to be increased to 121.

## cost of the cleanup and urban development programme in Norilsk launched by Nornickel in June 2021

### CLEAN ARCTIC

**The Clean Arctic project is a major initiative launched across Nornickel's footprint.**

It covers eight Russian regions, including the Murmansk Region and aims at cleaning the Arctic from legacy waste, including industrial waste.

Volunteer teams consist of students, environmental engineers, and community activists. Volunteers of Nornickel's Plant of Goodness corporate programme also joined the project.

The Krasnoyarsk Region became the first region in Russia to benefit from the efforts of the national Clean Arctic project volunteers. A total of 30 volunteers from 13 regions across the country came to Taimyr.

The Company has developed its own extensive cleanup programme, which may become part of a wider, nationwide project.

By end-2021, Polar Division entities will demolish 32 unused facilities and clean up 69 areas, with 24 structures and 30 areas covered across the Company's Russian division.





# SOCIAL INVESTMENTS:

- CONSTRUCTION OF SOCIAL FACILITIES
- DEVELOPMENT OF SMES
- SUPPORT FOR INDIGENOUS PEOPLES
- SOCIAL PROGRAMMES FOR COMPANY EMPLOYEES

**RUB 89.9 bn**

the Company's spending on social programmes, charitable activities and social infrastructure projects in 2017–2020







Company's spending on social projects, RUB bn

## DEVELOPING SOCIAL INFRASTRUCTURE IN NORILSK

The Company pays particular attention to the social and economic development of the regions in which it operates.

As part of the quadripartite agreement between Nor Nickel, the Russian Ministry of Regional Development, the Government of the Krasnoyarsk Region and the Norilsk City Administration, in 2013, the Company financed the construction of **two kindergartens** for 300 children each, which helped to fully address the shortage of pre-schools for children aged 3 to 7. The Company's spending under the agreement totalled RUB 1.26 billion.

Nornickel also spent more than RUB 457 million on renovating the **Zapolyarnik Stadium**. The Company's commitments to co-finance the construction of **an indoor artificial ice rink** in Dudinka totalled RUB 135 million.

In December 2013, the **Arena** sports and entertainment complex was opened, and in 2014, its **water park**, the world's northernmost one, was opened. Nornickel had financed the construction of this complex to the total of RUB 3.23 billion.

In 2020, a multi-purpose **complex for sports and recreation** opened in Norilsk – a project implemented with the Company's support. The total project cost exceeded RUB 3.6 billion.

An important part of cooperation with the Norilsk City Administration is a joint project **for renovating the Lake Dolgoye embankment** in Norilsk. The Company's financing for the project has totalled RUB 210.7 million since its launch.

The Company provides financial support for the efforts to maintain and develop the existing **regular bus and coach services**, with more than RUB 195 million allocated annually.



## SOCIAL PROJECTS IN THE NORILSK INDUSTRIAL DISTRICT

- Routine repairs and equipment purchases for public institutions
- Supporting Norilsk-based sports organisations and institutions (including equipment purchases) and implementing sports development projects
- Supporting Norilsk-based culture and arts organisations and institutions
- Providing free hot meals for low-income people in Norilsk
- Supporting local organisations that represent people with special needs or post-rehabilitation patients
- Financing summer recreation for children from foster care institutions
- Supporting Norilsk-based non-profit organisations by hosting anniversaries and other festivities, forums and conferences, supporting statutory activities, and organising city-wide events and campaigns
- Supporting a local religious organisation, the Orthodox parish of the Joy of All Who Sorrow Cathedral in Norilsk



Since 2011, Norilsk Nickel has been developing its own **retail chain – Podsolnukh**.

## 11 supermarkets

currently operate in the Norilsk Industrial District, including several stores operating at the Company's production sites

The retailer focuses on offering socially important staple food products at the lowest-possible prices.



In 2018, His Holiness Patriarch Kirill of Moscow and All Russia consecrated **the Church of New Martyrs and Confessors of the Russian Church** built by the Company in Norilsk over **two years**. The project's cost totalled **RUB 838 million**.

During the same visit, His Holiness the Patriarch consecrated the foundation stone of **the Church of Great Martyr Varvara** (patron saint of miners and all underground workers) in the Talnakh District. The construction of the second church is in progress.



## RUB 2.3 bn

spent by Nornickel on personal protective equipment, disinfectants and medical equipment for Norilsk-based institutions and organisations as well as for Group enterprises



## SUPPORT FOR REGIONS IN COMBATTING COVID-19 AND CONTRIBUTING TO HEALTHCARE DEVELOPMENT

Nornickel allocated significant funds to tackle the pandemic and maintain social stability across its operating regions. Since the start of the pandemic, the Company has donated RUB 125.05 million to healthcare facilities in Norilsk and RUB 19.22 million in the Taimyrsky Dolgano-Nenetsky Municipal District.

Norilsk healthcare centres used this money to purchase medicines, consumables and medical equipment, including defibrillators, inhalers, X-ray machines, patient monitors, pulse oximeters, and more.

The equipment donated by the Company to Norilsk healthcare facilities included ventilators, one fixed and several mobile laboratories, thermal imaging cameras, two critical care vehicles (as well as one critical care vehicle for Taimyr), and COVID-19 tests, with the purchase of an X-ray CT scanner still pending.

Procurement requirements were defined for municipal, regional and federal healthcare facilities until end-2020, with purchases and deliveries to these organisations currently underway. **The total value** of procurement, including the equipment that has already been purchased, is **about RUB 4 billion**.

Nornickel also helped the principal infectious diseases hospitals of Norilsk to deploy quarantine facilities and additional beds, including the procurement of medical equipment and furniture.

As of 1 October 2020, the Company has provided the opportunity to undergo voluntary testing for COVID-19 for all people arriving to the Norilsk Industrial District. Nornickel purchased mini **PCR test kits**, which are distributed **free of charge** at the airport of Norilsk together with a step-by-step guide for doing a PCR test at home. If the test is positive, the person concerned must contact a healthcare facility in Norilsk to confirm it.





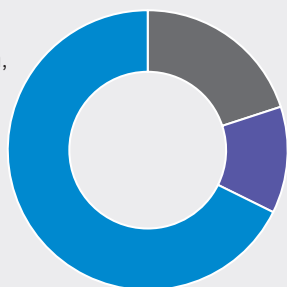
## COMPREHENSIVE PLAN FOR SOCIAL AND ECONOMIC DEVELOPMENT OF NORILSK TO 2035

Total co-financing needs are estimated at **RUB 120.1 billion**, including:

**RUB 24 billion** – from the federal funds

**RUB 14.8 billion** – from the consolidated budget of the Krasnoyarsk Region

**RUB 81.3 billion** – from Nornickel's funds.



## THE RUSSIAN GOVERNMENT, THE KRASNOYARSK REGION, NORILSK AND NORNICKEL SIGNED A PACKAGE OF DOCUMENTS ON SOCIAL AND ECONOMIC DEVELOPMENT OF NORILSK

### QUADRIPARTITE COOPERATION AGREEMENT

The agreement outlines the areas for the parties' cooperative efforts to 2024 and beyond, through 2035. It prioritises the following projects for the development of Norilsk where the combined efforts of the federal, regional and city authorities, and the Company can deliver the highest impact:

- Renovation of housing, upgrades and overhauls of municipal civil engineering and utility infrastructure
- Construction, repairs, renovation and improvement of social infrastructure facilities, promoting a comfortable and safe urban environment
- Relocation of Norilsk and Dudinka residents to other regions with milder climates







>RUB 2 bn

allocated for a five-year (2020–2024)  
comprehensive plan of support  
for the development of indigenous  
peoples of the Far North







## SUPPORT FOR INDIGENOUS PEOPLES OF THE FAR NORTH

~RUB **277.03** mln

were spent by the Company in total across the Polar Division on projects related to the indigenous peoples of the Far North over the last three years (from 2018 to 2020). In 2021, the Company allocated an additional RUB 100 million to support the indigenous peoples of the Far North.



On 25 September 2020, a cooperation agreement was signed between the Company and three associations representing over 90% of the indigenous peoples of the Russian Far North.

Working jointly with them, Nor Nickel developed a comprehensive five-year RUB 2 billion plan for the development of the indigenous peoples of the Far North. The programme will run until 2024 and focus on supporting traditional activities, protecting ancestral lands and **financing housing, healthcare, infrastructure, tourism, and social and cultural projects**. The list of projects was drafted up with the direct input of local communities, which should provide a framework for effective cooperation on the development of the region between indigenous peoples, local authorities and industrial companies.



The new programme has been inspired by the results of an ethnological expedition that took place this summer in Taimyr. Its participants conducted over 100 interviews and surveys among indigenous communities. Based on their proposals, a set of priority measures was defined, including the creation of seasonal jobs in tourism, reindeer herding, fishing, and hunting. The Company **already plans** to construct fish and reindeer meat processing facilities, purchase refrigeration chambers, build an ethnic theme park with fur workshops, subsidise helicopter flights, organise training in professions required by Norilsk Nickel, publish learning aids in indigenous languages, and implement many other targeted and comprehensive initiatives.



# RUB 325.7 mln

were allocated to support SMEs  
in 2020



Nornickel continues to run **A SOCIAL ENTREPRENEURSHIP TRAINING COURSE**, which takes the participants all the way from the development of a unique business plan to its presentation at an investment session. Training and homework assignments are supervised by entrepreneurs hands-on business experience.

December 2020 saw another Convention of Social Entrepreneurs, with **more than 200 registered participants from 33 Russian cities**. The convention centred around business opportunities emerging in times of crisis. Practicing experts and actual social entrepreneurs got together to share related experiences and best practices. The event featured the premiere of Against the Odds of Lockdowns, the first three-part film about entrepreneurs from the North, as well as a video tour of Norilsk.

## SUPPORT FOR SMES

Nornickel has adopted its Policy Regarding Support for Small and Medium Enterprises. In 2019, during the Russian Investment Forum, Nornickel signed an agreement with RSMB Corporation for cooperation on SME support.

The Company is implementing **a range of initiatives to support** SMEs across its footprint:

- Social entrepreneurs have been given a credit holiday in the form of interest-free loans provided by Nornickel for their business development
- SMEs were offered RUB 61 million in freight delivery discounts, while 27 non-profit organisations received utility payment subsidies
- Local business people were supplied with personal protective equipment worth approximately RUB 100 million, on top of food baskets

As many employees from the public sector, Nornickel and Norilsk-based SMEs transitioned to remote work and given that the schooling process moved online, Edinstvo (a subsidiary of Nornickel operating fibre lines in the Norilsk Industrial District) **has expanded its digital bandwidth by 44%–45% free of charge**, providing all mobile users in the Norilsk Industrial District with stable and reliable data services, guaranteed connection and increased data speeds.



## WORLD OF NEW OPPORTUNITIES PROGRAMME

To incorporate and promote the sustainability agenda across its operating regions, Nornickel runs the World of New Opportunities charity programme, which focuses on building soft skills in local communities, showcasing and introducing new social technologies, supporting and encouraging community initiatives, and fostering cross-sector partnerships.

Due to global challenges and the pandemic, up to 90% of charity events and projects in 2020 were held online or in other digital formats.

To this end, the Company and its stakeholders made active use of special online tools in 2020, including the World of New Opportunities mobile app and an online platform for placing bids for **THE SOCIALLY RESPONSIBLE INITIATIVES COMPETITION**.

These tools help users rapidly navigate through the programme, receive timely notifications about future events and register for them, meet other participants, download speaker and expert presentations, and take part in interactive surveys and quizzes.

The Socially Responsible Initiatives Competition held as part of the **World of New Opportunities charity programme won the first prize at the Corporate Philanthropy Leaders awards** in the Best Programme Fostering Sustainability with Grant Competitions (Best Grant Competition) category.

# 750

social projects were supported between 2014 and 2020 for a total of RUB 798.4 million

# 27,000

residents of local communities participated in events organised in 2020

# 422

bids submitted for the Socially Responsible Initiatives Competition in 2020

# RUB 154 mln

was the cost of social projects financed by Nornickel in 2020





## KEY PLATFORMS



1



2



3



4



5



6



7



8



9

1. **We Are the City!** social technologies forum
2. **We Are the City!** outdoors festival
3. **All-Russian Science Festival**
4. **Arctic Wave** festival of R&D discoveries
5. **IMAKE Engineering Marathon**
6. **School of Urban Competencies**
7. **Peremena** education project
8. **Imandra Viking Fest** (a Nordic culture festival)
9. **Convention of Social Entrepreneurs from the North**

In February 2020, Norilsk and Zapolyarny hosted the **WE ARE THE CITY!** social technologies forum – a series of events that brought together local residents, officials, businesses, and journalists (attended by a total of over two thousand people). Its slogan was “People. Ideas. Locations”. The participants, together with international and Russian experts, discussed the urban environment and technologies for reinventing and rethinking public spaces. The forum’s closing ceremony featured the screening of *Caring*, a documentary about Norinickel’s employee volunteers, followed by a discussion with the audience.

In 2020, **IMAKE**, Norinickel’s Engineering Marathon, moved online. The initiative includes several stages and aims to encourage school students to engage in projects and innovation, as well as to promote the IMAKE Inventors League – a community of inquisitive school students ready to generate ideas and turn them into prototypes. Over 1,300 young inventors took part in the marathon.

In September 2020, a new season of the Engineering Marathon was launched, with 150 school students ultimately selected to become the new IMAKE league members. Young inventors were given an opportunity to present their ideas at the Convention of Social Entrepreneurs from the North.

Norinickel continues to run a **SOCIAL ENTREPRENEURSHIP** training course, which takes the participants all the way from the development of a unique business plan to its presentation at an investment session. In 2020, the project’s classes and home assignments were moved online, with the students receiving assistance from mentors and business experts.

In 2020, Norinickel launched its **SOCIAL ENTERPRISE ACCELERATOR PROGRAMME** to enhance social entrepreneurs’ project management skills and fast track their projects. As part of its training and acceleration programme, Norinickel granted **RUB 17.5 million** in two-year interest-free repayable loans to support five social business projects seeking to improve the quality of life in Norilsk, Zapolyarny and Nikel:

- Aurora family centre for mothers with toddlers
- Folga media school, offering digital training courses for small businesses, non-profit organisations, and school and university students
- RoboArt robotic and software development school
- Vascular department at the Sovershenstvo aesthetic medicine centre
- New children’s futsal court and a dance studio at the OLYMP martial arts and fitness centre

## 2020 PROJECTS



*Dorgoon children’s ethnic playground, Dudinka*

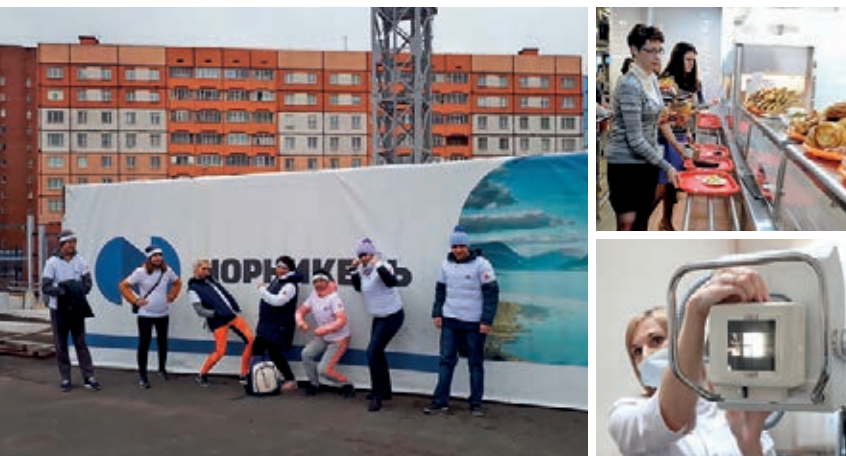


*A visitor centre on Lake Lama, Putoransky Nature Reserve*



*The northernmost school of standup paddleboarding, Norilsk*





## SOCIAL PROGRAMMES FOR COMPANY EMPLOYEES

**RUB 129,100**  
the average monthly salary of  
Company employees in the Norilsk  
Industrial District in 2020

Nornickel also offers its employees a wide range of benefits and social support provided on an ongoing and consistent basis.

**RUB 9.3 bn**  
total expenses related to social  
programmes and benefits for  
employees in 2020



The social package includes the following benefits and compensations:

- Discounted tours for health resort treatment and recreation of employees and their families
- Reimbursement of round trip travel expenses and baggage fees for employees and their families living in the Far North and territories equated thereto, when travelling to and from their holiday destinations
- Voluntary health insurance
- One-off financial assistance to employees at different life stages or in difficult life situations
- Complementary corporate pension plans and other types of social benefits under the existing collective bargaining agreements and internal regulations





The programme covers employees of the Polar Division, Polar and Murmansk Transport Divisions, Kola MMC, and 20 more Group companies operating in Norilsk, the Taimyrsky Dolgano-Nenetsky Municipal District and the Murmansk Region.

**3,826 apartments** have been provided to Nor Nickel employees since the start of the programme. To do so, Nor Nickel purchased ready-for-living apartments in various Russian regions at its own expense and provided them to eligible employees under co-financing agreements. Under the programme, the employer pays up to 50% of the apartment cost (but in any case no more than RUB 3 million) with the rest paid by the employee within a certain period of employment with Norilsk Nickel Group (from 5 to 10 years). The cost of housing remains unchanged for the entire period of the employee's participation in the programme. Property titles are registered at the end of the employee's participation in the programme, but the employee may move in immediately after receiving the apartment.

## HOUSING PROGRAMMES

In 2020, the Company continued implementing its combined Our Home / My Home social programme

In 2019, a new housing programme, Your Home, was launched. The programme is based on similar arrangements as the Our Home / My Home programme, i.e. payment by instalments, with up to 50% of the apartment cost (but in any case no more than RUB 3 million) covered by Nor Nickel. The only difference is that the title to Your Home properties is registered right after the purchase but is subject to a lien in favour of the seller until the employee fully pays up the entire cost of the apartment and their participation in the programme ends. The apartments are purchased in **the Moscow and Tver Regions and the city of Yaroslavl** and allocated to employees after their commissioning upon completion of construction.

Nor Nickel also operates the Corporate Social Subsidised **Loan 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 400 employees took part in the programme.

## IMPROVEMENT OF SOCIAL AND WORKING CONDITIONS

**> RUB 4 bn**  
expenses planned  
for 2020–2022

**Nor Nickel places a strong emphasis on improving the living and working conditions of its employees and strives to create a comfortable and healthy work environment.**

From 2003, the Norilsk Nickel Group has been implementing the programme to improve social and living conditions. Since its launch, 279 social facilities have been overhauled and 419 portable buildings have been purchased, with investments totalling RUB 5.5 million.

From 2020, the programme's financing is to increase substantially, with additional funds allocated to repair not only social facilities, but also non-production public areas. The programme implementation schedule will be based on three-year periods, with a total of more than 250 social facilities to be overhauled and equipped.







### The Corporate Healthcare project comprises a number of major areas:

- Occupational medicine
- Widely diversified high-quality healthcare services
- Automation and advanced technologies in medicine

Total planned investments are estimated at several billion roubles, with the key expected benefit of improved employee health.



## CORPORATE HEALTHCARE PROJECT

### KEY PROJECT ACTIVITIES:

- In **2020**, Nornickel launched a newly established medical company, **Nornickel Corporate Health Centre**. By end-2021, the Centre is expected to employ more than two hundred medical professionals and administrators. A major recruitment campaign is underway to attract skilled medical professionals to Norilsk.
- In Q4 **2020**, **Workshop Healthcare Service** was launched across business units of the Polar Division.
- Nornickel expects to bring most of its occupational healthcare facilities (medical aid posts, pre-shift / pre-trip check-up rooms) to its high corporate standards by the end of 2021 by carrying out high-quality repairs, supplying the facilities with state-of-the-art medical equipment, connecting them to a medical IT system, and ensuring an adequate stock of medicines.
- The launch of the first corporate medical centre, **the Central Outpatient Facility**, was planned for Q2 **2021**. As of today, the premises have been purchased, and works are in progress to renovate and equip them.
- Throughout **2022–2023**, three more corporate medical centres are to be launched in the Norilsk Industrial District (in the Central District of Norilsk as well as in the Kayerkan and Talnakh Districts). The combined area of the three centres will be about 6,000 m<sup>2</sup>. Preliminary estimates suggest that this should be enough to provide high-quality healthcare services **not only to Nornickel employees, but also to their families and local residents not employed by the Company**. The establishment of a pediatric department is also being considered.
- In **2021**, a phased launch of the **Digital Healthcare** subproject will start, aimed at connecting all of Nornickel's medical facilities into a single network, improving the quality of information, and deploying advanced technologies to enable high-quality healthcare services. Zapol'yarye Health Resort's medical centres branded **Z-Clinic** will be among the first automated healthcare units within the network.
- A retail **pharmacy network** is expected to be launched across the corporate medical centers by end-**2023** to ensure an adequate stock of medicines in Nornickel's regions of operation.

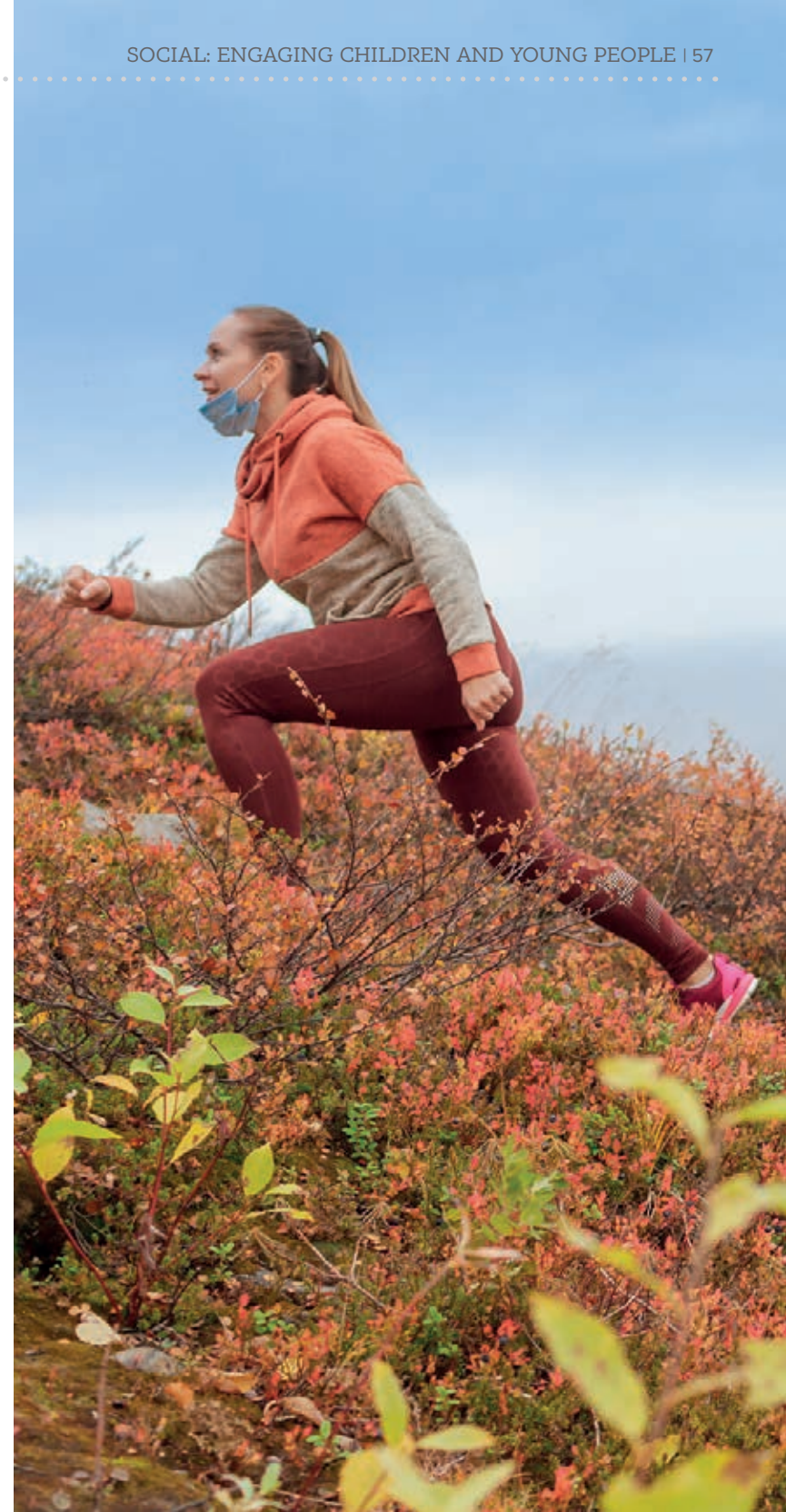
## ENGAGING CHILDREN AND YOUNG PEOPLE

**The primary target audience for career guidance events are children and young people under 35. Nornickel partners with educational institutions and engages young employees while actively supporting talented teachers, promoting engineering training, and creating interest in engineering and blue-collar jobs.**

Nornickel also offers annual charitable support to Norilsk-based institutions of higher and secondary vocational education by purchasing books and specialised equipment for students, contributing to renovation projects, and thus improving the overall quality of training. Nornickel primarily focuses on the training of specialists for the most in-demand jobs, placing a strong emphasis on promoting engineering education in Russia and boosting interest in engineering careers among young people. Nornickel supports CUP Technical and Metal Cup: Industry 4.0, Russian and international case competitions among students of technical universities. Students are challenged to develop solutions to business cases specific to Nornickel operations, gaining valuable insights into the Company's business.

Also, Nornickel runs a number of career guidance initiatives for schoolchildren, including the Arctic.PRO R&D winter school, Arctic Wave festival of R&D discoveries, IMAKE engineering marathon, All-Russian Science Festival, School of Urban Competencies, and Peremena education project, reaching a total of over 29,500 schoolchildren annually.

Nornickel Cup – New Hopes, an interregional football competition among children and youth teams, took place for the second year running, bringing together teams from the Krasnoyarsk, Zabaykalsky and Murmansk Regions. The competition winners were awarded with cups and diplomas, and all participants received memorable gifts.







## NORILSK DEVELOPMENT AGENCY

**Nornickel implements infrastructure projects to support the accelerated development of local communities through regional development institutions, most notably the Norilsk Development Agency.**

The founders of this non-profit organisation are the City of Norilsk, MMC Norilsk Nickel and the Vladimir Potanin Foundation. The Agency's mission is to enable the accelerated development of the local service economy to improve living standards in Norilsk and promote local products and services on external markets.

### THE AGENCY'S CORE ACTIVITIES:

- Business (Norilsk as a city with a developed service economy)
- Development (Norilsk as a city of modern retail space)
- Tourism (Norilsk as a tourist destination)
- Social and Cultural Projects (Norilsk as a city with a rich social and cultural life)

In 2020, the **City Event Workshop** continued to train active and engaged local citizens in organising large city events. The project included both online and offline classes held in Monchegorsk, Nikel and Norilsk.



In Norilsk, the project was run jointly with the Norilsk Development Agency under the **Academy of Creative Industries** brand. The data accumulated online enabled organisers to launch a sustainable educational product, with videos posted on the Agency's YouTube channel.

**In Tourism**, the Arctic Tourism and Recreation Cluster was established in the Taimyr Peninsula. The Putorana Plateau, a site on UNESCO's World Heritage List, and the cities of Norilsk and Dudinka have been identified as the main tourist attractions.

**In Social and Cultural Projects**, large festivals and other events around various themes are organised every year, attracting tens of thousands of guests and participants.

