



Sustainable development



# SOCIAL STRATEGY

Nornickel is playing an important role in the Russian economy. Due to its geography and financial strength, the Company has a strong impact on the social and economic life in the regions in which it operates.

With its enterprises located mostly in single-industry towns, Nornickel seeks to foster a favourable social climate and comfortable urban environment, providing its employees and their family members with ample opportunities for creative pursuits and self-fulfilment.

The core principle behind this social contribution is a partnership involving all stakeholders in the development and implementation of social programmes based on the balance of interests, cooperation and social consensus.

The harsh climate faced by Nornickel employees in life and at work, the remoteness of the Company's key industrial facilities, and the increasing competition for human capital across the industry call for a highly effective, human-centred social policy that would promote Nornickel's reputation as an employer of choice.

## Social programmes for employees



HOUSING  
PROGRAMMES



HEALTH  
IMPROVEMENT  
PROGRAMMES



PENSION  
PLANS



SPORTS  
PROGRAMMES

> **USD 1bn**  
were social expenses

**USD 161mln**  
were social expenses  
for employees

# Social programmes for employees

## HEALTH IMPROVEMENT PROGRAMMES

Given the harsh climate of the Far North and the difficult working conditions at mining operations, Nornickel has been consistently investing in health programmes for employees and their families. Health improvement and health resort treatment are among the most popular programmes offered by Nornickel as part of its social policy.

In 2021, over 16 thousand employees and their family members benefitted from the recreation and treatment opportunities offered by the corporate Zapolyarye Health Resort in Sochi. About 8 thousand employees spent their holidays at other health resorts, with over 1.3 thousand employees' children visiting children's health resorts. The Company compensates its employees an average of about 86% of the trip voucher cost.

## SPORTS PROGRAMMES

Given the harsh climate of the Far North, supporting healthy lifestyle behaviours is a key focus area in the personal development of Nornickel employees. Sports programmes seek to promote a healthy lifestyle, foster team spirit, improve interpersonal communication, and develop corporate culture.

Nornickel pays special attention to corporate competitions, including the employees' popular sports such as hockey, futsal, volleyball, basketball, alpine skiing, snowboarding, and swimming. Family sports contests are yet another focus area. The promotion of amateur sports is one of Nornickel's social policy highlights.

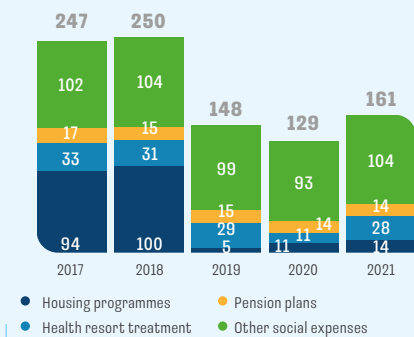
The Night Hockey League with teams made up of Nornickel employees was established to encourage involvement in amateur hockey.

Other activities include regular Spartakiads and various mass sports events held across the Company's footprint and involving not just Nornickel employees and their families but also local residents. In 2021, most of the activities were cancelled and moved online due to the COVID-19 pandemic.

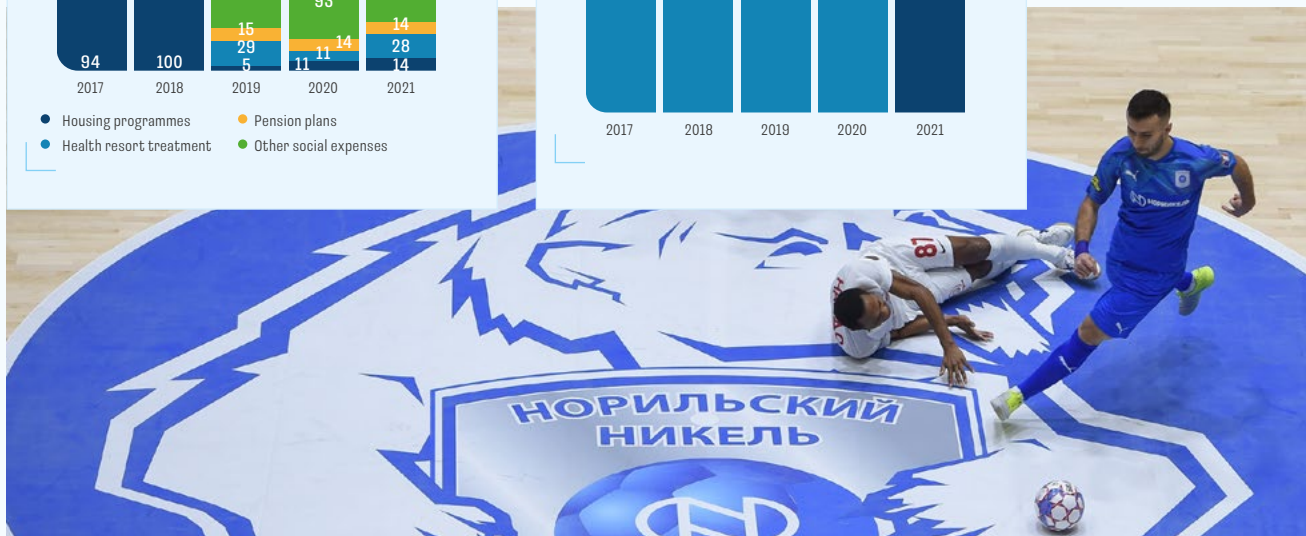
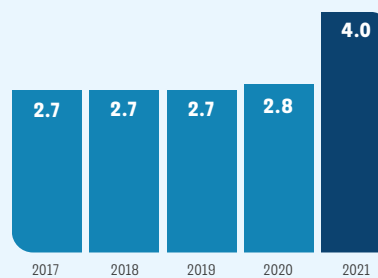
A total of 20 thousand employees participated in sports and recreational activities in 2021. All corporate competitions were broadcast live in 2021, with the total reach exceeding 38 thousand views.

A total of **20 thousand employees** participated in sports and recreational activities

Social expenses for employees (USD mln)



Sports expenses (USD mln)



## HOUSING PROGRAMMES

The Company views the implementation of its housing programmes as a smart targeted investment in its human capital. Nornickel currently operates several housing programmes for its employees.

In 2021, Nornickel continued its consolidated housing programme, Our Home/My Home, whose members were able to purchase ready-to-move-in apartments on preferential terms across Russia, usually in the Moscow, Tver or Krasnodar Regions. Each programme member buys an apartment through co-investment: the employer covers up to half the purchase price payable but not more than RUB 3 million (USD 41 thousand), with the rest paid by the employee. The cost of housing is fixed for the entire period of the participation. The property title is registered in the name of the employee only at the end of their

participation in the programme; however, the participant may move in immediately after the apartment is purchased. Since the programme launch in 2010, the Company has purchased 3,826 ready-to-move-in apartments.

Also in 2021, Nornickel continued to implement its Your Home housing programme, which was successfully launched in 2019. It will be implemented similarly to the Our Home/My Home programme, except that the title to the apartment will be immediately registered in the name of the employee, though encumbered by a mortgage. The encumbrance is removed from the property once the employee fully repays the debt to the seller. Since the programme launch, the Company has purchased 2,103 ready-to-move-in apartments, with the list of regions extended to Yaroslavl.

Nornickel also operates the Corporate Social Subsidised Loan Programme offering Nornickel 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. Overall, approximately 1 thousand employees have already taken part in the programme.

## PENSION PLANS

Nornickel offers its employees private pension plans. Under the Co-Funded Pension Plan, Nornickel and its employees make equal contributions to the plan. The Complementary Corporate Pension Plan provides incentives for pre-retirement employees with considerable job achievements and a long service record at Nornickel enterprises.

### Pension plans coverage

Item	2017	2018	2019	2020	2021
<b>CO-FUNDED PENSION PLAN</b>					
Financing (USD mln)	8.6	7.7	7.6	7.2	7.4
Number of participants	15,700	13,916	12,304	11,519	10,776
<b>COMPLEMENTARY CORPORATE PENSION PLAN</b>					
Financing (USD mln)	8.5	6.7	6.1	5.7	5.6
Number of participants	718	545	525	511	455
<b>OTHER PENSION PLANS</b>					
Financing (USD mln)	0.1	0.9	1.0	0.9	0.9
Number of participants	1,118	1,114	1,151	1,064	961

# Social investments

## SUPPORT FOR INDIGENOUS PEOPLES OF THE NORTH

Nornickel respects the rights and protects the ancestral lands, traditional culture and trades, historical heritage and interests of indigenous peoples within the Company's footprint and delivers on its commitments to enhance and foster good neighbourly relations.

Indigenous peoples of the North, such as Nenets, Dolgans, Nganasans, Evenks, and Enets, currently residing on the Taimyr Peninsula, count over 10 thousand persons.

Nornickel adopted the Indigenous Rights Policy, which defines Nornickel's key related commitments. Nornickel complies with all applicable international standards and regulations regarding the support for indigenous peoples of the North and recognises the rights of local communities to preserve their traditional lifestyle and indigenous trades. The Company's metals and mining assets are located outside indigenous territories in the Taimyrsky Dolgano-Nenetsky Municipal District, where Nornickel cooperates with the Association of Indigenous Peoples of Taimyr of the Krasnoyarsk Region, Associations of Indigenous Peoples of the North of the Dudinka, Khatanga and Karaul rural settlements, and local indigenous peoples' communities.

In 2021, support for the indigenous peoples of Taimyr experienced a fundamental change. This change was made possible

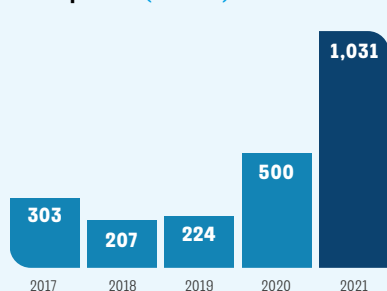
by the signing of a four-party agreement on interaction and cooperation with associations of indigenous peoples of the Russian Federation, the Krasnoyarsk Region, and the Taimyrsky Dolgano-Nenetsky Municipal District in September 2020. The agreement serves as a basis for a five-year programme to promote the social and economic development of Taimyr until 2024, with a total funding of around RUB 2 billion (USD 28 million). The programme outlines over 40 activities across a number of areas such as the development of traditional economic activities, higher processing levels for local communities' product to add more value through building venison, fish and wild plant processing facilities, refrigerator units procurement, purchasing communities' products, construction of an ethnic visit centre with a mini-hotel in the Ust-Avam settlement, assessing the carrying capacity of reindeer pastures in the Avam tundra for the subsequent revival of the reindeer herding industry, assessing the fishing capacity of the Pyasina River tributaries to allocate additional quotas to local communities, life quality improvement in local settlements, housing construction, construction of rural health posts, community centres and sports grounds, and school equipment procurement.

Non-governmental organisations and tribal communities of indigenous peoples of the North were involved in the development of the Programme. Its implementation is monitored by the Indigenous Communities Coordination Council at the Polar Division created at the initiative of indigenous peoples, as well as by the Association of Indigenous Peoples of Taimyr.

The Indigenous Communities Coordination Council was established at the office of the Norilsk Division head to improve the quality of cooperation and better protect the interests of indigenous peoples. The Council is made up of representatives of 19 largest indigenous communities hunting and fishing in the Avam tundra and the Pyasina River basin. Negotiations are currently underway to also include representatives of the Association of Indigenous Peoples of the Khatanga and Karaul rural settlements to represent the respective communities.



Social expenses (USD mln)<sup>1</sup>



<sup>1</sup> According to IFRS statements.

**FOR NORNICHEL, THESE PROJECTS ARE MUCH MORE THAN JUST SPENDING ITEMS. THESE ARE JOINT INITIATIVES THAT CAN ONLY BE DELIVERED EFFICIENTLY THROUGH ONGOING COLLABORATION AND CLOSE CONTACTS WITH INDIGENOUS COMMUNITIES AND TRIBES, SUPPORTED BY MUTUAL UNDERSTANDING AND REGULAR DIALOGUES DRIVEN BY A SENSE OF INCLUSION.**

The Company pioneered the use of the free, prior and informed consent (FPIC) procedure for indigenous peoples in the Russian Arctic, offering relocation and community development options to indigenous people living in the Tukhard settlement area. The Tukhard residents agreed to join the FPIC procedure if their conditions were met, including the involvement of an elected Council of the settlement's representatives in decision making on relocation, choosing the site for the new settlement, designing its

social infrastructure, and selecting the best architectural projects through an architecture contest, as well as in all stages of the relocation programme.

The Tukhard settlement is situated 76 km away from the Arctic port of Dudinka at the base of the Taimyr Peninsula. It was founded in the 1970s as a rotation camp for the Norilskgazprom construction project workers and thus ended up located within the sanitary protection zone of a production enterprise. According to Russian

laws, such areas may not be used for permanent residence.

Although the FPIC procedure is not directly stipulated in Russian laws, Nornickel is making a voluntary commitment to international standards, including the standards of the World Bank and the International Finance Corporation that are in line with the UN Declaration on the Rights of Indigenous Peoples.

A good example of how Nornickel helps to preserve national traditions and culture of the indigenous peoples of Taimyr includes celebrations of professional holidays for tundra residents organised and held by the Company on an annual basis: the Reindeer Herder's Day and the Fisherman's Day, with valuable gifts and prizes for participants of national holiday competitions in Taimyr settlements.

In June 2021, Nornickel signed a cooperation agreement with the Kola Sámi Association which represents the interests of the indigenous peoples of the North of the Murmansk Region. The Company supports the Sámi people in developing their culture and preserving their traditional lifestyle, leveraging the best practices tried and tested in Taimyr. In particular, Nornickel will finance a project to create a single Sámi alphabet and the publication of pre-school Sámi language textbooks. The agreement also provides for the establishment of an open-air Sámi presentation museum in Murmansk.

In September 2021, the Company signed an addendum to hold events for the International Decade of Indigenous Languages in the Taimyrsky Dolgano-Nenetsky Municipal District in 2022–2024. The events will include, in particular, a number of linguistic and literary publications, support for newspapers in the languages of indigenous peoples, and preparation of indigenous language textbooks.

**RUB 2bn** will be the financing of the programme to promote the social and economic development of Taimyr until 2024



Nornickel signed an interaction and cooperation agreement with the Federal Agency for Ethnic Affairs (FAEA). The parties agreed to promote sustainable development, improve the quality of life, protect the ancestral lands, and promote the culture and lifestyles of the indigenous peoples living within the Company's footprint. Nornickel and FAEA also intend to cooperate on promoting the social and economic development of the areas inhabited by the indigenous peoples of the North. Moreover, the positions of all parties will be aligned, and their representatives' requests and suggestions will be taken into account when making decisions and implementing joint projects that affect the interests of indigenous peoples.

In 2021, the Company launched a new grant contest, the World of Taimyr. Its key feature is that it only supports projects in indigenous territories and communities within the Taimyrsky Dolgano-Nenetsky Municipal District. A strong focus is placed on social infrastructure development in the administrative centre of the municipal district. The Taimyr ice arena, the Kaya alpine skiing centre, the Taimyr-Mou ethnic theme park, and the Dudinka Giraffe art object are just a few of the selected new landmarks that appeared in Dudinka through the Company's financial support.

## SUPPORT FOR LOCAL COMMUNITIES

Nornickel makes a significant contribution to the development of local communities across its footprint and runs voluntary social programmes and projects to build an inclusive and people-friendly environment, protect the environment, and support local communities, both independently and in partnership with municipalities, regional and federal authorities, not-for-profits, NGOs, and professional associations. These programmes and projects address specific regional issues to drive economic growth and improve the local social situation.

The Company has stepped up its contribution to the development of local communities, implementing a range of social programmes and projects to address current and future challenges.

## Development of host cities

The Norilsk Development Agency is a regional development institution established in 2017 with support from Nornickel. The Agency was set up to improve social environment and the quality of life in Norilsk, and supports 16 SME investment projects in the service economy, manufacturing and tourism, driving job creation across the region.

In 2020, Nornickel established the Monchegorsk Development Agency jointly with the city administration. In 2020–2021, the team focused on three areas: urban environment, business and investment, and social and cultural projects and tourism.

### Urban environment highlights:

- Preparation of a master plan for Monchegorsk development (870 respondents, 4 focus groups and 1 strategy session)
- Development of 2 urban planning concepts, 5 social infrastructure facility concepts and 1 investment project business plan
- Development of a renovation concept for the Sergey Brovtsev Central Park

### Business and Investment highlights:

- A strategy session within the project to attract investment in Monchegorsk
- A franchise fair
- Implementation of the Youth Start-Up project

### Tourism and social and cultural projects highlights:

- Preparation of the tourism and recreation cluster development strategy for 2021–2024
- Development of the Monchegorsk branding programme
- A contest of tourism projects
- Launch of the ArtArctic art residence, two creative seasons completed
- The Imandra Viking Fest national family festival

## Youth programmes

**The first City of Endless Inspiration public art festival was held in Norilsk in 2021.** Guided by popular artists, its participants created new objects of art for the city. The festival's key message was that we can and should improve the environment we live in, and public art is an

## THE AGENCY'S 2021 HIGHLIGHTS:

**7 residents**  
of the Russian Arctic zone received RUB 444 million worth of tax benefits

**150 local residents,**  
and 14 urbanists took part in strategy sessions

**60 participants**  
took part in the City Managers project

**>100 participants**  
took part in Norilsk's first business forum

**70 entities**  
active in the tourism cluster, with investment totalling RUB 4.7 billion

**RUB 17 million**  
raised in grants to develop tourism

excellent tool to do just that. The festival was open for everyone, and the most active participants received prizes. The City of Endless Inspiration festival has married three types of visual art: murals, sculpture and installation art. Over the five days of the event, public art professionals hosted master classes, creating new objects of art in the urban environment together with participants. The festival gathered together over 250 participants and 54 project volunteers, mostly targeting young people aged between 25 and 35.

Since 2014, Nor Nickel has been holding its **Add Colours to your Town** art contest in its host cities. The main idea of the project is to engage the younger generation in transforming cities through art. Children aged between 4 and 17 and young people aged between 18 and 35 residing in Nor Nickel's host cities take part in the contest. The project promotes the use of innovative technologies. In 2021, AR effects were created for the existing murals, thus creating the experience of the real and the virtual dimensions combined. The contest highlights: 3 regions; 6 cities and towns (Norilsk, Monchegorsk, Zapolyarny, Nickel, Murmansk, and Chita); over 300 master class participants annually; over 2,400

sketches; and 43 murals based on the young people's sketches.

**Environmental online children's camp.** During the autumn break, Nor Nickel supported an online camp for the children from Norilsk, Dudinka, Monchegorsk, Zapolyarny, and Nickel. The camp was set up under the Green Brush national long-term social project for early career guidance for schoolchildren, aimed at fostering green behaviours and safety awareness culture, and promoting engineering professions among schoolchildren. Over 500 schoolchildren aged between 8 and 14 participated in webinars, creative workshops and online quizzes hosted by practicing environmental engineers, geologists, occupational safety specialists, and education experts.

**Early career guidance for children.**

On 1 September each year, the Company provides over 5 thousand first-graders in its host cities with a book presenting the

Company's professions in a compelling and informative way. A Book on How Metals Helped Build Cities is a real metallurgy 101 for children, helping them to learn about Nor Nickel's operations and their parents' trades in an accessible way using vivid and memorable images. Due to the use of QR codes, the information is readily accessible, visual and interactive. While learning about the jobs of the future, a first-grader also starts to think about future career opportunities in their hometown. The most exciting parts of the book, however, are its games which allow the little reader to take a break from the text while also immersing them into the world of professions. As an addition to the book, a five-episode cartoon series titled Professor Nichrome's Lessons was produced for first-graders, widely enjoyed by both children and their teachers. The book and the cartoon will be used in career guidance lessons for elementary school children hosted by both elementary school teachers and guidance counsellors.

**16 investment projects**  
support the Norilsk Development Agency

**250 participants**  
took part in the public art festival



For more details on the Company's initiatives to support local communities, please see the 2021 Sustainability Report.







## CHARITABLE PROGRAMMES

### World of New Opportunities programme

Nornickel runs the World of New Opportunities charity programme to provide sustainable development capabilities and opportunities to communities across its regions of operation. The programme aims at developing soft skills in local communities, demonstrating and introducing new social technologies, supporting and encouraging community initiatives, and creating a favourable environment for cross-sector partnerships.

In 2021, the Company's charitable events and projects were held in hybrid formats (online, offline, and phygital), thus making it possible for Nornickel to continue reaching out to target audiences and achieve performance targets during the pandemic.

### We Are the City! project

In March 2021, the forum was held in the phygital format in four cities and towns: Norilsk, Chita, Nickel, and Monchegorsk. The forum was themed around Social Reality Transformation and held as a communication and foresight platform to discuss the pandemic consequences, current trends, and the importance of partnership in a post-COVID world. The forum highlights: 1 day, 6 studios, 4 offline platforms, over 500 participants from 33 Russian cities and towns, 20 experts, and countless insights, new contacts and project ideas.

Over 400 Chita residents participated in the We Are the City! urban picnic in September 2021. The event centred around healthy and dynamic lifestyle, sports, outdoor activities, and creative volunteering. The picnic was organised by local activists, participants of the World of New Opportunities charity programme and the Plant of Goodness employee volunteering programme. The available activities included sports grounds

(rugby, table football and orienteering), creative workshops, the Silent Dance flash mob, watching and discussing social short films, the #CityCharge challenge, etc. The most active participants of the #CityCharge challenge who walked the most number of steps as recorded by a fitness tracker received gifts with the We Are the City! picnic symbols.

### SVET ON online youth forum

The SVET ON youth forum was held online for the second year in a row. In 2021, it brought together online 300 participants aged between 12 and 18 from the Company's regions of operation, discussing youth entrepreneurship trends, ideas for regional volunteering development, engineering, and digital technologies. The forum's highlights and impacts: over 3 thousand views, 30 participating cities and towns, 5 top experts, 4 case studies, 4 forum ambassadors, and 3 podcasts on careers and professional career paths for young people.

**>500 participants**

from 33 Russian cities and towns took part in the We Are the City! project

**5 business ideas**

were picked up by project teams (from 50)

**27 thousand people**

were involved in the social programmes

## IMAKE engineering marathon

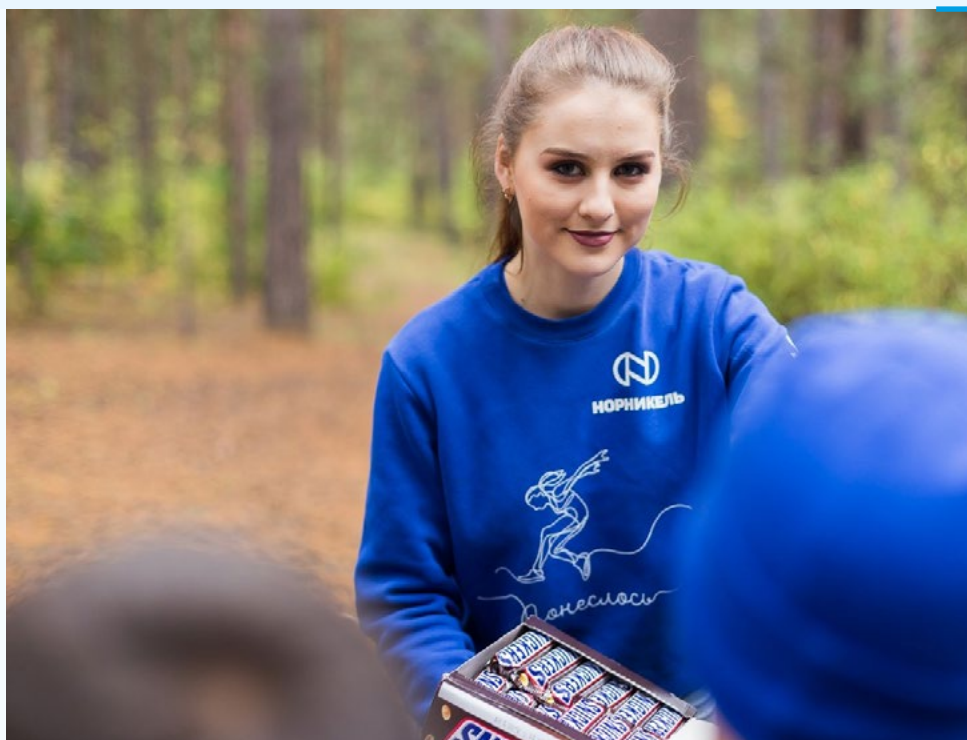
The IMAKE 2021 engineering marathon was held in the hybrid format for more than 1 thousand young inventors, resulting in a new system to engage teenagers and their parents in research and invention activities. The first IMAKE.May Day maker family weekend was held in 2021. For two days, the Fablab locations in Norilsk and Monchegorsk hosted engineering workshops attended by over 150 people. A series of meetups, open urban meetings for Norilsk and Monchegorsk residents, was held for the first time in 2021. Participants (representatives of not-for-profits, teachers, employee volunteers, parents, and young makers) discussed creative engineering development in their cities and mapped related projects and ideas.

## International Forum of Innovators

The IN'HUB International Forum of Innovators was launched in November 2021. IN'HUB is an event platform for inventors and innovators: employees of industrial companies, students, postgraduates, schoolchildren, and teen makers. A contest of innovative projects was held in January–February 2022. The results will be announced at the IN'HUB International Forum of Innovators, which will be held on 6–8 October 2022 in Novosibirsk.

## Convention of Social Entrepreneurs from the Arctic

The Convention of Social Entrepreneurs from the Arctic was held in December 2021 in Monchegorsk and gathered together 70 offline and over 50 online participants. In 2021, the business convention was centred around Tourism and Creative Industries as Regional Development Drivers. For nine hours, participants and experts of the convention discussed investment attraction tools to develop business projects, and presented cases of successful regional development practices driven by tourism and other projects. The convention highlights: 15 collaborations, 50 business ideas, of which 5 ideas were picked up by project teams, and 13 experts.



## Norilsk business forum

The first Norilsk business forum held on 10–11 December was a platform for a constructive dialogue between SMEs, local authorities, the backbone enterprise, not-for-profits, and guest experts and business consultants. The event was organised by the Norilsk Development Agency, sponsored by Nornickel, and held at the Vladimir Mayakovsky Norilsk Polar Drama Theatre, the northernmost theatre in the world.

The investor meetings were themed around regional SME development programmes, preferences for the Arctic zone residents, advisory support for entrepreneurs, economic growth drivers, and business needs in Taimyr. Three round tables were held to discuss promising investment projects and ideas in three focus areas: high-tech entrepreneurship, tourism and creative industries.

The forum's main day agenda was focused on business challenges and opportunities in Taimyr. First, city officials and managers of Nornickel and the Norilsk Development Agency presented long-term development plans for the area and its backbone enterprise to businesspeople, and

convincingly dispelled the myth that Norilsk was allegedly planned to be turned into a rotation camp.

The first Norilsk business forum allowed local entrepreneurs to identify promising niches, forge useful business contacts and receive advice from guest experts.

**ALL IN ALL, ABOUT 27 THOUSAND PEOPLE FROM ACROSS NORNICKEL'S FOOTPRINT AND BEYOND WERE INVOLVED IN THE SOCIAL PROGRAMMES RUN UNDER THE WORLD OF NEW OPPORTUNITIES CHARITY PROGRAMME IN 2021. THE CHARITABLE PROGRAMME'S WIDER FOOTPRINT IS ONE OF THE BENEFITS OF USING THE ONLINE FORMAT TO HOLD ITS EVENTS.**