# Development of local communities

Key regions of operation<sup>1</sup>



Source of population data: preliminary estimate of the permanent population as at 1 January 2023 by the Federal State Statistics Service of Russia.

2,366.8 sq km<sup>2</sup>

2,846 thsd

#### Mineral resources

• Oil, gas, coal, platinum and PGMs, copper, nickel, cobalt, lead, zinc, bauxite, gold, silver, iron

### Industry

- Non-ferrous metallurgy
- Mining
- Solid fuel-based power and hydropower generation

## Nornickel's performance in the Krasnoyarsk Territory:

- Taxes and other payments: RUB 89.8 bn<sup>2</sup>
- Headcount: 55,8 thsd employees3
- Average monthly salary: RUB 179,8 thsd
- Employee-related social expenses: RUB 4.3 bn

## Key areas of cooperation with the Krasnoyarsk Territory

Strategic vision

#### Economic

- Implementation of major investment projects in the Krasnoyarsk Territory
- Heat and power supply to the communities and companies in Norilsk, Dudinka and Igarka
- Participation in the Northern Supply Hau programme in the Arctic
- Development of a tourist cluster
- Promotion of commercial activity of indigenous communities of the North – creating conditions and infrastructure for the traditional use of natural resources
- Development of transport and the telecommunication infrastructure

#### Social

- Implementation of the Programme for Promoting Social and Economic Development of the Taimyrsky Dolgano-Nenetsky Municipal District in 2020–2024
- Assistance in containing the spread of COVID-19
- Support for vocational and supplementary
- education
- Implementation of the World of New Opportunities charitable programme, the World of Taimyr and the Students of Taimyr initiatives, and the Plant of Goodness corporate volunteering programme; supporting and promoting local and regional public initiatives

#### Environmental

- Implementation of major investment projects in the Krasnoyarsk Territory
- Heat and power supply to the communities and companies in Norilsk, Dudinka and Igarka
- Participation in the Northern Supply Hau programme in the Arctic
- Development of a tourist cluster
- Promotion of commercial activity of indigenous communities of the North – creating conditions and infrastructure for the traditional use of natural resources
- Development of transport and the telecommunication infrastructure

## Key projects in the Krasnoyarsk Territory

- Social and economic partnership
  - Projects implemented under the Cooperation Agreement with the Krasnoyarsk Territory
  - Projects implemented under the Agreement on Air Passenger Transportation
  - 3. Projects implemented by the Norilsk Development Agency
  - 4. Convention of Social Entrepreneurs from the North

- Transport
- . Reconstruction of bridges in the Norilsk Industrial District
- Our Home / My Home and Your Home employee housing programmes

of Norilsk

Quality of life

6. Comprehensive plan

of social and economic

development of the city

- 8. We Are the City! social technologies forum
- Agreement

   on cooperation aimed
   at providing support
   to the indigenous
   peoples of the North

- Sports
  - Federation of Northern Multisport Races
- 11. Increase of the Taimyr

Ecology

12. Sulphur Programme (SO₂ capture at the Company's existing and planned facilities)

HPP Cascade capacities

- 13. Programme to build local treatment facilities
- 14. Zero Negative Environmental Impact campaign
- 15. Land rehabilitation programme
- 16. Release of the juveniles of valuable fish species into water bodies

- <sup>1</sup> Krasnoyarsk Territory Today.
- <sup>2</sup> Including those paid to the consolidated budget of the Krasnoyarsk Territory and the budget of Norilsk.
- <sup>3</sup> Krasnoyarsk Territory and Norilsk Industrial District.

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## Murmansk Region

 $144.9\,\mathrm{sq\,km^2}$ 

657,950 people

### Mineral resources

· Apatite, nickel, iron, copper, cobalt, palladium, platinum and PGMs, peat.

## Industry

- Mining
- Fishing
- Metallurgy

## Nornickel's performance in the Murmansk Region

- Taxes and other payments: RUB 13.8 bn • Headcount: 12,1 thsd employees
- Average monthly salary: RUB 128,3 thsd
- Employee-related social expenses:

170

RUB 989.8 mln

## Key areas of cooperation with the Murmansk Region

## Economic

- Implementation of investment projects and development of production capacities
- Social and economic development of municipalities that are home to Kola MMC's operational activities
- Development of the transport infrastructure in the Arctic
- Development of a new tourism-driven economy along with the catering and hotel sector

### Social

- Assistance in containing the spread
- Implementation of the World of New Opportunities charitable programme and the Plant of Goodness corporate volunteering programme; supporting and promoting regional public initiatives
- Development of social entrepreneurship

#### Environmental

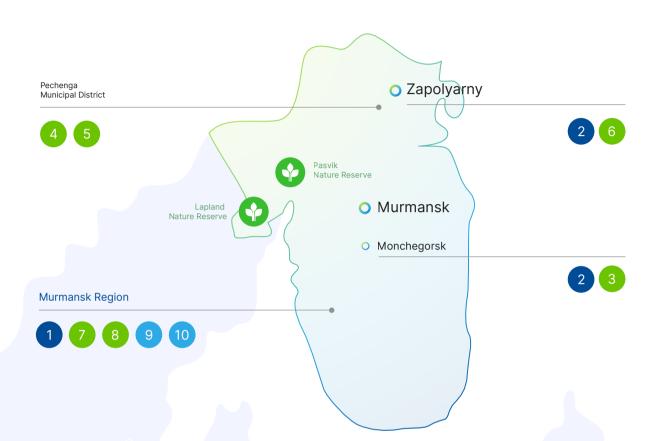
- Cooperation on environmental protection, preservation of the Kola Peninsula's natural ecosystems and landscapes
- Organisation and backing of environmental campaigns

## Key projects in the Murmansk Region

- Social and economic partnership
- 1. Projects implemented under the Cooperation Agreement with the Murmansk Region Government
- 2. Convention of Social Entrepreneurs from the North (Monchegorsk, Zapolyarny)
- Quality of life
- 3. Projects implemented by the Monchegorsk Development Agency (Monchegorsk)
- 4. Second School Centre for Community Initiatives of the Pechengsky District
- 5. Social and Economic Development Programme for the Pechengsky Municipal District of the Murmansk Region for 2021–2025 (Pechengsky Municipal District)
- 6. We Are the City! social technologies forum (organiser) (Zapolyarny)
- 7. Programme of supporting the Murmansk Region in social infrastructure development in 2020–2024 (the Murmansk Region)
- 8. Cooperation agreement with the Kola Sámi Association of the Murmansk Region (the Murmansk Region)

## Ecology

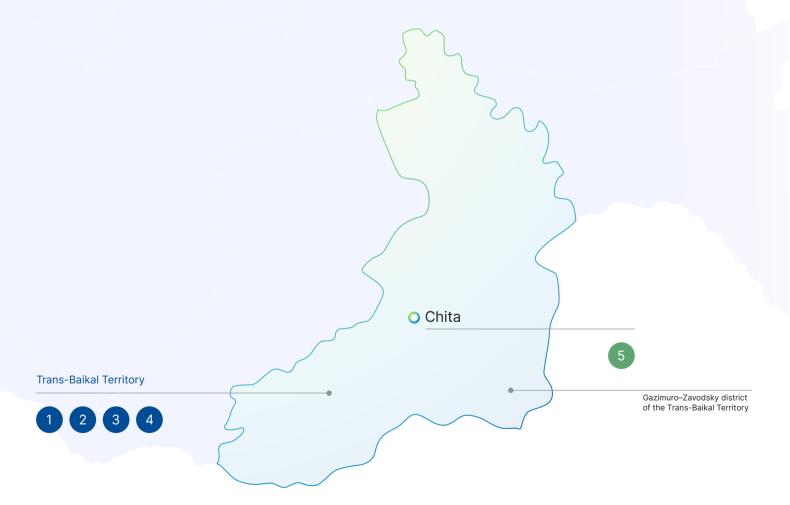
- 9. Zero Negative Environmental Impact campaign (the Murmansk Region)
- 10. Release of the juveniles of valuable fish species into water bodies



<sup>&</sup>lt;sup>1</sup> General information about the Murmansk Region.



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## Trans-Baikal Territory

Area<sup>1</sup>

171

172

431.5 sq km<sup>2</sup>

992,202 people

## Mineral resources

## • Copper, uranium, molybdenum, titanium, gold, tungsten, iron, zinc, silver, lead, coal

## Industry

- Mining
- Production and distribution of electricity, gas and water
- Non-ferrous metallurgy
- Machinery and equipment manufacturing
- Food production

## Nornickel's performance in the Trans-Baikal Territory

- Taxes and other payments: RUB 2 bn
- Headcount: 2,8 thsd employees
- Average monthly salary: RUB 170,4 thsd
- Employee-related social expenses:
   RUB 94.8 mln

## Key areas of cooperation with the Trans-Baikal Territory

#### Economic

- Bystrinskoye Deposit development
- Social infrastructure development

#### Social

- Assistance in containing the spread of COVID-19
- Training of mining industry employees
- Improvement of urban areas
- World of New Opportunities charitable programme

#### Environmental

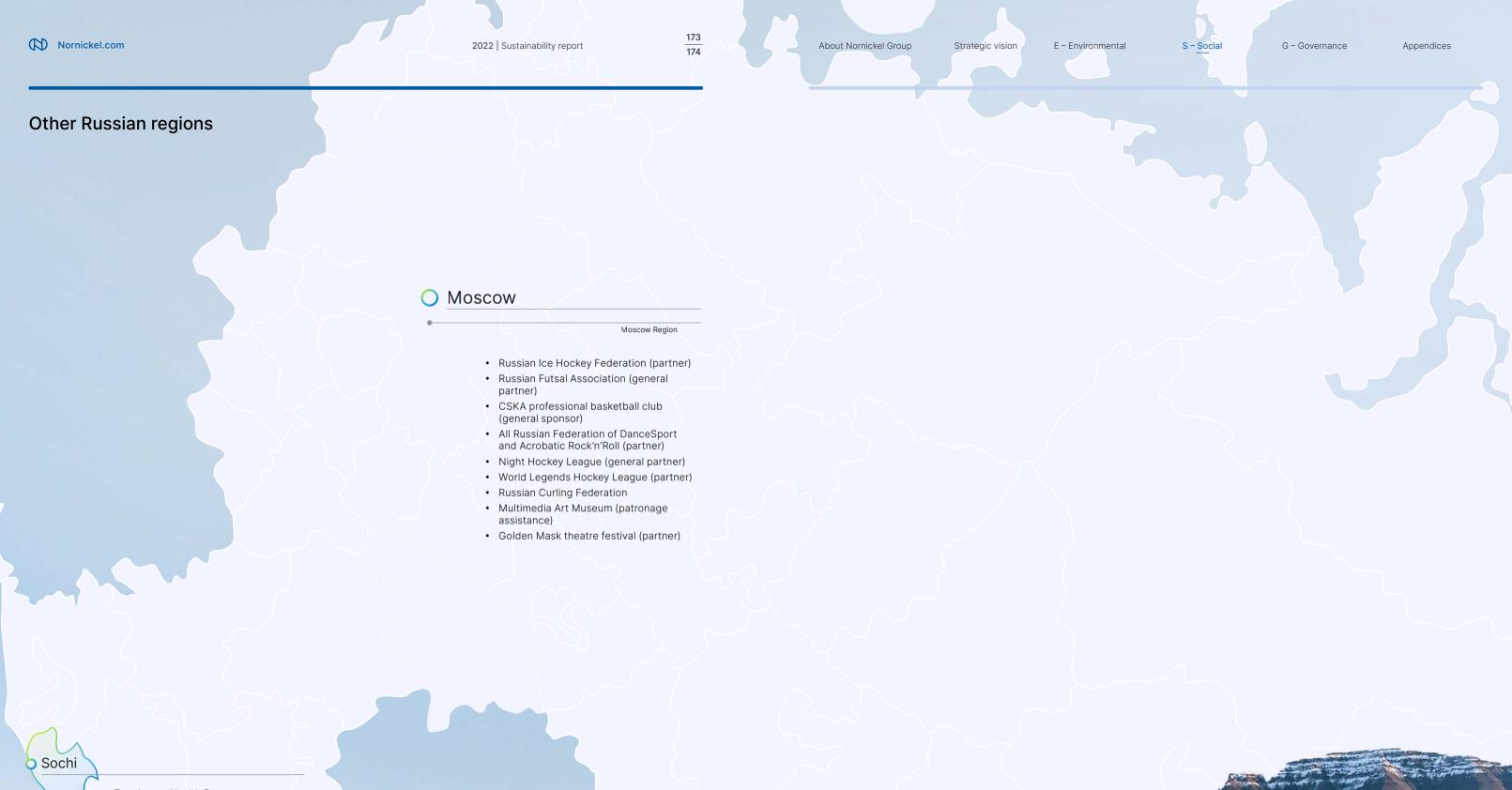
- Cooperation on environmental protection, preservation of natural ecosystems and landscapes
- Release of the juveniles of valuable fish species into water bodies
- Organisation and backing of environmental campaigns

## Key projects in the Trans-Baikal Territory

- Social and economic partnership
- Projects implemented under the Cooperation Agreement with the Trans-Baikal Territory
- Projects implemented under the Agreement on SME Support in the Trans-Baikal Territory
- 3. Projects implemented as part of the Programme of Social and Economic Development of the Trans-Baikal Territory in 2017–2026
- 4. Projects implemented under the Agreement to Support and Develop the Volunteer Movement in the Trans-Baikal Territory

- Education
- 5. First technological cluster for kids in the Trans-Baikal Territory (Chita)

<sup>&</sup>lt;sup>1</sup> General information about the Trans-Baikal Territory.



- Zapolyarye Health Resort
- Rosa Khutor Ski Resort (sponsor)
- Sochi Autodrom
- Corporate sports competitions

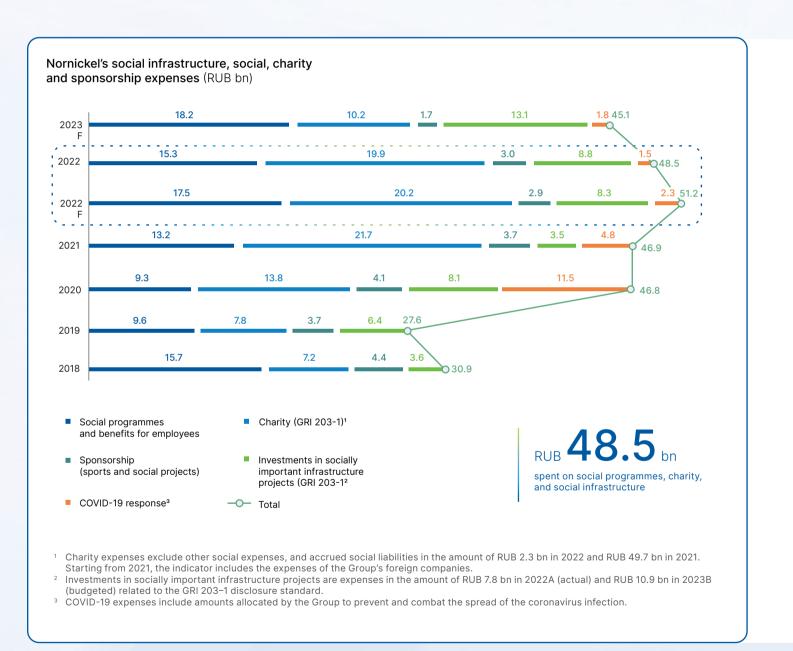


## The Company's contribution to the development of local communities

The Group's key areas of operation in Russia include the cities of Norilsk, Dudinka and Monchegorsk, the Pechengsky District of the Murmansk Region, and the Gazimuro-Zavodsky District of the Trans-Baikal Territory. We make a sizeable contribution

to the social and economic development of our regions of operation by implementing a wide range of social and infrastructure

We are one of the leaders among Russian metals and mining companies both in terms of absolute social expenses and their share in revenue.



## Key focus areas for the development of local communities

Strategic vision

E - Environmental

## Contribution to economic development

About Nornickel Group

- Budget payments
- Employment of local population

S - Social

G - Governance

- Cooperation development
- Development of social infrastructure as part of the Group operations (power, transport, food retail)

Appendices

## Infrastructure development

- Bridge and road reconstruction
- Land improvement
- Housing construction
- Construction and reconstruction of healthcare, sports, cultural, entertainment and research facilities
- · Provision of access to highspeed internet connection in Norilsk
- Improvement of efficiency of utility services (Smart City

## Improving the living standards for local communities

- Regular charitable programmes
- Promotion of sports and culture
- Corporate volunteering
- Vocational training sponsorship
- Activities of territorial development agencies

- initiative)



Strategic vision

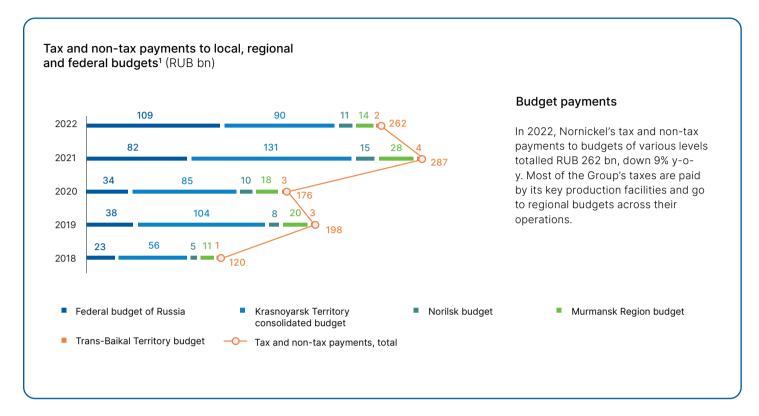
E – Environmental

S - Social

G - Governance

Appendices

## Contribution to economic development:



### **Employment of local population**

GRI 203-2

Nornickel pursues an active employment policy across its key regions of operation. The Company and Norilsk Employment Centre signed an agreement aimed at retraining those out of work for the most needed blue-collar jobs.

We build partnerships with educational organisations, supporting engineering training and boosting interest in blue-collar jobs and occupations in the metals and mining industry. One example is GRK

Bystrinskoye's cooperation with educational institutions in order to build its talent pipeline, with agreements on practical training of students signed with the Tomsk State University, Trans-Baikal Mining College, Chita Technical College of Sectoral Technologies and Business, Trans-Baikal State University, Irkutsk National Research Technical University, and Siberian Federal University. In 2022, about 100 students were enrolled in Bystrinsky GOK's internship programmes.

Nornickel also provides financial support to Norilsk's institutions of secondary and higher vocational education by buying books and specialised equipment for students, contributing to the maintenance works, and thus improving the quality of training. The Company actively focuses on the training of specialists for the most in-demand jobs.

### Unemployment in key communities<sup>1</sup> (%)

About Nornickel Group

Region of operation	2018	2019	2020	2021	2022
Norilsk	0.7	0.6	1.4	0.3	0.2
Taymyrsky Dolgano-Nenetsky Municipal District	0.9	0.8	1.2	0.7	0.5
Krasnoyarsk Territory	0.8	0.8	3.5	0.8	0.8
Monchegorsk	2.2	2.2	2.2	1.7	1.2
Zapolyarny	2.1	2.0	1.9	1.6	0.8
Nickel	2.5	3.3	3.0	2.2	1.4
Murmansk Region	1.5	1.7	2.7	1.4	0.8

The Company's regions of operation have consistently low levels of unemployment that saw a y-o-y decline in 2022.

The unemployment rate across Russia came

in at 3.9% in 2022, way above the level registered in the Company's regions of operation<sup>2</sup>.

## Supporting local suppliers

( GRI 203-2 )

Nornickel's contribution to the Small and Medium-Sized Businesses and Support for Individual Entrepreneurs national project

## Related federal projects

- Promotion of entrepreneurship;
- Expansion of SMEs' access to financial resources.

Relevant UN SDGs



## ral projects Key initiatives and focus areas

- eursnip;
  Integration of local businesses into the Group's production chain;
  - Programme to promote the social and economic development of Taimyr;
- World of New Opportunities charitable programme.

In accordance with the terms of its social and economic cooperation agreements, Nornickel develops mutually beneficial relationships with local businesses in the regions where it operates. The Company actively interacts with local suppliers and contractors, uses domestic

and industrial development in the regions of its operation, and plans to keep doing so going forward.

The integration of local businesses into the Group's production through long-term contracts results in synergies based on cooperation, which contributes

to the economic development of the regions, support for small and medium-sized enterprises in the Krasnoyarsk Territory, Murmansk Region, and Trans-Baikal Territory, and the achievement of SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".

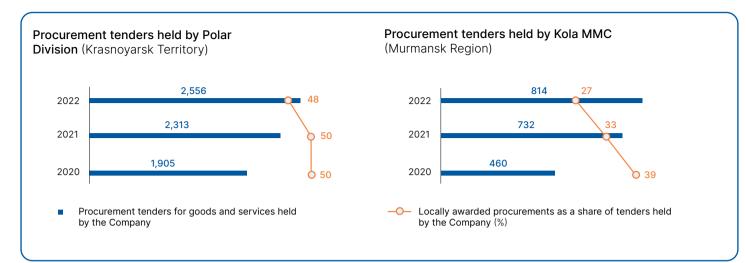
technologies to support economic

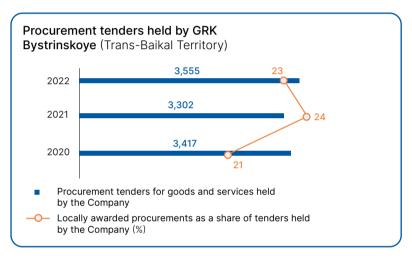
<sup>&</sup>lt;sup>1</sup> Tax and non-tax payments include all taxes paid, net of VAT, as well as insurance payments and customs duties.

<sup>&</sup>lt;sup>1</sup> As at the end of the reporting year.

<sup>&</sup>lt;sup>2</sup> Source: <u>Federal State Statistics Service</u>.







The number of procurement tenders for goods and services held by the Company in the Krasnoyarsk Territory and the Murmansk Region was up 10.5% y-o-y to 2,556 tenders and up 11.2% y-o-y to 814 tenders respectively. Local businesses won almost 50% of the Nornickel's tenders in the Krasnoyarsk Territory, and 27% of those in the Murmansk Region. The Company's procurement expenses in 2022 were up 71.6% y-o-y to RUB 58 bn, which was due to both geopolitical challenges and the implementation of largescale capital construction projects.

## The Group's spending on local procurements (RUB bn)

Indicator			2020			2021			2022
	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory
on local procurements, RUB bn, including:	22.3	1.6	0.7	29.0	3.3	1.5	51.5	5.0	1.5
• services	18.6	0.2	0.6	23.4	3.0	1.3	38.7	4.8	1.1
<ul> <li>materials</li> </ul>	3.0	1.4	0.1	4.8	0.3	0.2	11.9	2.0	0.4
<ul> <li>food supplies</li> </ul>	0.7	_	_	0.8	_	_	0.9	-	

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## Developing local social infrastructure

GRI 203-1

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Nornickel's contribution to the Housing and Urban Environment national project Relevant UN SDGs





## Related federal projects

- Mortgage lending
- Housing
- Creating a comfortable urban environment

## Key initiatives and focus areas

- Our Home / My Home and Your Home housing programmes
- For more details, please see the Social Policy section
- Projects to develop infrastructure across the regions of operation
- Measures to improve reliability of the fibre optic communication line in Norilsk
- · Projects to upgrade power and heat generation, electrical grids and heat networks
- For more details, please see the Climate Change and Energy Efficiency section.



Joint efforts of the business and stakeholders make it possible to create a comfortable living environment. Companies become proactively involved in developing single-industry

towns, helping them leverage their promising growth drivers and become attractive destinations both socially and business-wise.

Creating and developing an accessible and comfortable urban environment for people working and living in the regions where we operate is one of the Company's

priorities that we seek to achieve through social programmes addressing current and future challenges.





## Krasnoyarsk Territory





### Norilsk and Taymyrsky Dolgano-Nenetsky Municipal District

In 2022, the Company continued implementing a four-party Agreement on Cooperation for Comprehensive Social and Economic Development of Norilsk for the period through 2024 and further through 20351.

Agreement on Cooperation for Comprehensive Social and Economic Development of Norilsk for the period through 2024 and further through 2035 (dated 20 February 2021)

renovation of Norilsk's housing

assistance to residents of Norilsk and Dudinka relocating to regions with better climate and socioeconomic conditions

upgrade of utilities, initiatives to rehabilitate the engineering and utilities infrastructure

land improvement initiatives in the municipal district of Norilsk

development of local social infrastructure

safety enforcement in the municipal district of Norilsk

Total financing for the comprehensive social and economic development of Norilsk for the period through 2035 amounts to

As part of the Agreement, the Russian Government approved a Comprehensive Plan of Social and Economic Development of Norilsk<sup>2</sup>, with the following measured implemented in 2022:

 construction (reconstruction) of residential buildings in the Central RUB **81.3** bn provided by Nornickel

RUB 23.9 bn allocated by the federal budget

provided by the regional

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District of Norilsk (RUB 66.6 mln allocated • thermal stabilisation of soils under by the Company);

- provision of social payments for the purchase of housing Russia's Far North region (RUB 830 mln allocated by the Company);
- apartment buildings and social facilities (RUB 153.8 mln allocated by the Company);
- to the residents of Norilsk relocating from demolition of three dilapidated residential buildings in multiple occupation (RUB 60 mln allocated by the Company).

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## Activities under the Comprehensive Plan of Social and Economic Development of Norilsk in 2022

Project	Progress in 2022
Construction of two multi-storey residential buildings located in 50th October Anniversary St. in Norilsk	The Company's contractor commenced construction
Integrated territory development in the Oganer municipal area of Norilsk (construction of multi-storey residential buildings, a school for up to 1,100 children and a kindergarten)	The contractor commenced survey and design work for the project facilities
Construction of four mid-rise residential buildings in the Central District of Norilsk at 29 Laureatov St., 31 Laureatov St., 23 Pavlova St., and 7/10 Kirova St.	The contractors commenced survey and design work
Construction of a polyclinic for 1 thsd visits per shift	Engineering surveys at the future construction site were completed; architectural and structural designing is underway
Construction of a water intake on the Norilskaya River	The buildings and structures of the existing water intake were inspected, and engineering and environmental surveys performed. Comprehensive engineering surveys were completed with the main technical solutions developed.
Overhaul of Norilsk's existing utilities infrastructure	The drafting of design and engineering documents for the overhaul of three city sewers was completed, with the sewer section in Mira St. being the first priority. The overhaul of this section comes as the first stage of a major project implemented by the Norilsk Administration for the creation of a pedestrian shopping area in Mira St. ("Model area").
Construction of a prefabricated fire station in the Oganer municipal area of Norilsk	The construction was completed and the fire station building commissioned; the Company's investment in the project totalled RUB 306 mln
Overhaul of the Integrated Social Service Centre	The overhaul was completed

## Integrated Social Service Centre

The newly overhauled Integrated Social Service Centre features:

- Norilsk Integrated Social Service Centre;
- Victoria Rehabilitation Centre for Disabled Children, Children and Adolescents with Special Needs;
- Norilsk Family and Children Social Support Centre.

In addition, since the launch of the Comprehensive Plan of Social and Economic Development of Norilsk, the Company has financed the design, survey, overhaul and refitting of social infrastructure institutions (schools and the Norilsk Industrial Technology and Service College), maintenance

of the Norilsk Residential Housing Renovation Fund and research support for permafrost monitoring of soil, buildings and structures. The Company's total investment in these projects exceeded RUB 1.3 bn.

The integrated facility may now serve more than 6,000 Norilsk residents, offering urgent social care, rehabilitation, courses for family carers (a joint project of the Krasnoyarsk Territory Ministry of Social Policy and a major local pharmacy network Gubernskie Pharmacies), psychological assistance, rental of rehabilitation equipment (walkers, wheelchairs and multifunctional beds), etc.

In addition to the Comprehensive Plan activities, the Company finances other socially important initiatives implemented at the request of Norilsk Mayor and identified in a survey of Norilsk residents conducted by the Norilsk Development Agency and the Norilsk Administration.

<sup>&</sup>lt;sup>1</sup> For more details about the Agreement, please see the official website of the city of Norilsk.

<sup>&</sup>lt;sup>2</sup> Order of the Russian Government No. 3528-r dated 10 December 2021.



## Additional activities to support Norilsk's development

Initiatives	Investment in 2022 (RUB bn)
Reconstruction of the Polar State University	1.9
Creation of the Arctic Museum of Modern Art	10.4
Construction of a multidisciplinary innovative children's education centre in the Central District of Norilsk (up to 1,100 students)	2.6
Construction of a new swimming pool in the Central District of Norilsk (Khantayskaya St.)	0.1
Construction of a 2,500-seat Ice Arena in the Central District of Norilsk	0.5

In 2022, the statements of work for the design and engineering surveys to implement these initiatives were drafted, with the design work now underway for all the facilities. The Company's total costs to finance these projects amounted to RUB 15.5 mln.

In addition, the Company financed further initiatives aimed at the social and economic development of the city and implemented at the request of the Norilsk Administration, including:

- survey and design work for the construction of residential buildings replacing demolished sovietera buildings of Stalinist style;
- repairs of dilapidated roofs and porches of two schools;
- repairs of the roof of the Norilsk Industrial Engineering and Service
- upgrade of the heat and water supply and sewage utilities for the construction of a new polyclinic;
- research support for permafrost monitoring of soils and structures for 57
- maintenance of the Norilsk Residential Housing Renovation Fund.

The total financing provided by the Company as per the case-by-case requests of the Norilsk Administration amounted to RUB 623 mln.

In 2022, the Krasnoyarsk Territory Government, the Norilsk Administration and Nornickel entered into a memorandum of intent to upgrade healthcare facilities

in Norilsk. As part of the initiatives included in the memorandum, the Company allocated RUB 300 mln for the repairs and purchase of equipment for healthcare facilities in line with the approved updated priority list.

Nornickel's Polar Division implemented a number of projects aimed at sustainable social development of Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District, in particular:

- supply of medical goods and special medical equipment to healthcare facilities of Norilsk and Dudinka; in 2022, additional funds were allocated to provide healthcare facilities with privately owned vehicles for home visit appointments;
- development of the Norilsk Production Association for Passenger Transport with a view to maintaining and expanding the existing regular passenger bus services in Norilsk;
- distribution of food certificates to lowincome households as per the request of the city Mayor;
- purchase of equipment (appliances) and furniture for the kitchen of the Norilsk Orphanage:
- repairing and fitting out the residential premises at the disposal of the Fedorovsky Polar State University;
- · repairing and fitting out the canteen of the Polytechnic College of the Fedorovsky Polar State University;
- developing the material, technical and academic potential of Norilsk's educational institutions;

• improvement of the yard at 10 Leninsky Prospekt, which has an architectural heritage status;

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- upgrading the hockey ice rink of the Arktika Sports and Recreation Centre and providing hockey teams with hockey uniforms and gear;
- building schoolchildren work teams, supporting their activities in the summer of 2022 and proceeding with preparations for the summer of 2023;
- repairing, upgrading and/or constructing the utilities infrastructure in Norilsk as part of the municipal Programme to Upgrade the Utilities Infrastructure and Improve Energy Efficiency;
- design work for the upgrade of the dilapidated main sewer along Ozernaya St. in the Oganer municipal area of Norilsk in order to ensure it can properly serve all the facilities planned for construction;
- projects and programmes implemented jointly with non-profit, public and religious organisations of Norilsk, and as part of the Secure City initiative;
- projects and programmes run in partnership with the Dudinka Administration, regional and federal public institutions operating in Taimyr, and non-profit organisations, as well support for the development of Tazovsky and Turukhansky districts, includina:
  - construction of a prefabricated building in Dudinka for emergency rescue services, and the purchase

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- of equipment and other inventory for the Dudinka Arctic Search and Rescue Unit:
- preparing and carrying out activities to arrange summer employment opportunities for the youth in the Taimyrsky Dolgano-Nenetsky Municipal District;
- organising and preparing for the international curling tournament in Dudinka;
- organising and preparing for the festivities to mark the 85th anniversary of the Taimyr Museum of Local History and the 85th anniversary of the Dudinka port;
- repairing the obelisk commemorating the 50th anniversary of Soviet power and the monument to Vladimir Lenin located on Dudinka's Embankment Square;
- purchase of sports gear and technical equipment for the Nosok Secondary Boarding School.



## Krasnoyarsk

In 2022, the Company supported the following projects in Krasnoyarsk aimed at promoting culture, arts and a healthy lifestyle locally:

- · a contest for professional architects and design companies to develop a concept for the renovation of the Krasnovarsk State Opera and Ballet Theatre and the development of the adjacent territory. Nornickel acted as a financial partner of the contest, with its representatives sitting on the jury;
- · purchasing new musical instruments for the Krasnovarsk Academic Symphony Orchestra of Krasnovarsk Regional Philharmonic. The Company allocated RUB 210 mln for this purpose in 2021-2022, making it possible to fully renew the set of musical instruments used by the region's main orchestra;
- building the Yudinskaya Valley eco-park in Krasnovarsk, a new recreational area in the vicinity of the Krasnoyarsk Region's
- administrative centre, in the depth of a natural forest. The creation of the eco-park is being financed entirely through the Company's charitable donations;
- development of a strategic master plan of the Krasnoyarsk metropolitan area until 2035. The master plan covers the territory of Krasnovarsk, its suburbs and satellite towns.

## Murmansk Region

In 2022, the Company continued implementing the cooperation agreement between the Government of the Murmansk Region and Nornickel to foster the development of the Murmansk Region and enhance its attractiveness for tourists and investors. Public-private and municipalprivate partnership projects were chosen as the key instruments to implement the cooperation agreement.

As part of the agreement, in 2020-2022 Nornickel supports healthcare, culture, education and sports projects, as well as measures to improve the urban environment in Monchegorsk, Zapolyarny and Nickel.

To improve the well-being of residents and ensure its sustainable development, Nornickel participated in developing

the Programme for Social and Economic Development of the Pechengsky Municipal District for 2021–2025. It envisages 50 initiatives across four main focus areas: new economy, social sector, housing and infrastructure upgrades, and comfortable urban environment.



Initiatives implemented in 2022 as part of the Pechengsky Municipal District Social and Economic Development Programme (with support of the Second School Centre for Community Initiatives)

Initiatives	Financing (RUB mln)
Signing of the agreement to develop design and cost estimate documents for the reconstruction of a water intake in Nickel	15
Establishment of the Tourist Information Centre in the Pechengsky Municipal District	2
Development of a programme to implement the Nickel master plan in terms of residential quarters renovation	7
Development of a programme to upgrade and enhance the healthcare system in the Pechengsky Municipal District	15

Nornickel Group actively participates in the life of local communities across the municipalities of its operation in the Murmansk Region by implementing social, cultural, housing, and other development projects. In 2022, we completed the following initiatives:

- implementation of public space improvement projects in Monchegorsk (RUB 144.5 mln);
- drafting of design and estimate documents for the construction of healthcare facilities in the Murmansk Region (RUB 70 million);
- renovation of sports facilities in Monchegorsk (RUB 35 mln);
- implementation of social projects in the municipalities of the Pechengsky District (RUB 15 mln).

## Trans-Baikal Territory



GRK Bystrinskoye strongly supports the development of the Trans-Baikal Territory by implementing social programmes and projects that contribute to the sustainable growth of the region of is operation.

In 2022, we continued implementing the Social and Economic Cooperation Agreement between the Trans-Baikal Territory Government and Nornickel.

Initiatives implemented as part of the Social and Economic Cooperation Agreement in 2022:

- implementation of priority culture, education, and utilities projects and initiatives in the Gazimuro-Zavodsky District;
- the 9th Trans-Baikal International Film Festival, Russian Boxing Championship, and Oleg Lundstrem Jazz Festival
- commemorating the 100th anniversary of the arrival of jazz in Russia (financed jointly with the Trans-Baikal Territory Government):
- drafting of research-based design documents for the restoration of the Church of the Assumption of the Blessed Virgin Mary in the village
- of Kalinino, Nerchinsky District, which was declared a federal cultural site in 2022;
- promoting children's and youth sports to support athletes in achieving new levels of sports excellence:
- financing the Rugby Federation of the Trans-Baikal Territory;

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- holding ice hockey tournaments, purchasing equipment and protective gear; procuring flooring for the gym of the BayRus Martial Arts Club;
- repairs at the Molokovka summer recreation camp;
- building of new multi-purpose sports grounds at the Trans-Baikal Teachers College, Trade and Culinary School, and the Chita Centre for Children without Parental Care;
- share-based financing of the Young Geologist club activities aimed at promoting the profession of geologist among children and teenagers.

## Interaction with indigenous minorities

GRI 203-1, 411-1, SASB EM-MM-210a.3, EM-MM-210b.1

## Key results for 2022

- No violations of the indigenous minorities' rights were recorded
- The Company's first-ever Free, Prior, and Informed Consent (FPIC) process for representatives of indigenous minorities in the settlement of Tukhard was launched
- The programme, aimed primarily at supporting and developing traditional livelihoods, enhancing housing, social and medical infrastructure in the settlements as well as promoting education, science and culture, was underway

412 ml

allocated by the Company on projects to support the indigenous northern minorities in 2022

Nornickel respects the rights of indigenous peoples which derive from their political, economic and social structures and from their cultures, spiritual traditions, histories and philosophies, especially their rights to their lands, territories and resources. The Company directs its efforts towards strengthening and developing neighbourly relations with indigenous minorities in the regions of operation:

 in the Taimyrsky Dolgano-Nenetsky Municipal District, the Company interacts with representatives of all the indigenous minorities, including Nenets, Dolgans, Nganasans, Enets and Evenks, and manages the relationship with their associations of Taimyr;

 on the Kola Peninsula, Nornickel works together with the Kola Sámi Association.

The Company has adopted the Indigenous Peoples' Rights Policy that defines Nornickel's key commitments in this aspect. The policy is based on principles and rules of international law, the Constitution, federal laws and international treaties of the Russian Federation.



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## Key principles, standards and regulations



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## Responsibilities in interacting with indigenous northern minorities

(GRI 2-9, 2-12, 2-13)

**Board of Directors** 

- Approves the Indigenous Peoples' Rights Policy of the Company (on interaction and cooperation with indigenous peoples of the North)
- Approves Norilsk Nickel's Sustainability Report which, among other things, contains the information on interaction with the indigenous northern minorities

Sustainable Development and Climate Change Committee of the Company's Board of Directors

- Provides the Board of Directors with an opinion on the effectiveness and quality of the key projects developed and implemented in respect of the indigenous northern minorities
- Monitors the quality and effectiveness of any major amendments made to the strategies, goals, programmes, projects, and other important initiatives approved in the area of respecting and protecting the rights of the indigenous northern minorities
- Drafts recommendations for the Board of Directors on the implementation of regulatory and legislative instruments, standards, and association requirements in the field of respecting and protecting the rights of the indigenous northern minorities

Federal and Regional Programmes Department

Sustainable Development Department

- Analyses the viability of entering into partnership agreements with indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents development
- Studies the social and economic landscape of indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the indigenous northern minorities' complaints and petitions
- Coordinates interaction with the indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with indigenous peoples to establish procedures for indigenous participation and representation in interactions with Nornickel

Coordinating Council of MMC Norilsk Nickel for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities

Internal Control Department

- Monitors and analyses changes in legislation and international standards in the field of sustainable
- Provides methodological support, conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan, and develops this plan

- Reviews the implementation of the Taimyr social and economic development programme
- Participates in the development of social design proposals in Taimyr as part of Nornickel's projects
- Develops practices and standards for engagement between an industrial company and local communities
- Handles complaints and petitions of the indigenous northern minorities through the Corporate Trust Service, monitors the status of control activities

# Public discussions of projects with representatives of indigenous northern minorities

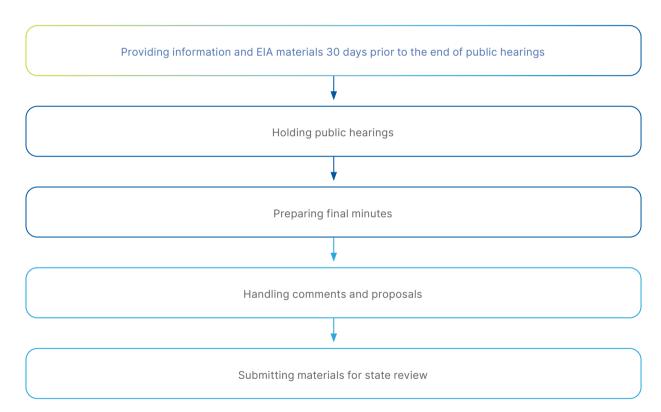
According to the international and Russian laws, making decisions to proceed with projected activities requires identifying and taking into account the opinions

of stakeholders (including indigenous northern minorities whose interests can be potentially affected). To this end, environmental impact assessment (EIA)<sup>1</sup> is conducted to help prevent or mitigate environmental impact and associated social, economic and other implications.

EIA materials, including incoming comments and proposals, are added to the documents submitted for a state environmental review, which is a mandatory procedure in Russia to receive an official approval before a project is launched.

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## Procedure for public discussions



## Activities of the Coordinating Council of MMC Norilsk Nickel for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities

(GRI 2-26)

In order to effectively interact with indigenous minorities of Taimyr, facilitate constructive dialogue based on the parties' mutual respect, and offer targeted assistance to indigenous peoples, the Company has established and supports the Coordinating Council for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities. The minorities, now consisting of 53 communities, have traditional livelihoods on the Taimyr Peninsula.

The Council secures the Company's interaction with the communities, also with a focus on the Programme for Promoting Social and Economic Development of the Taimyrsky Dolgano-Nenetsky Municipal District in 2020–2024. Designed with the communities' active and direct involvement, the Programme covers social, economic, cultural and linguistic impacts on indigenous minorities and factors in needs

and requests, values and views, national traditions and culture of indigenous minorities of Taimyr. The Programme comprises more than 40 initiatives related to such focus areas of support for indigenous northern minorities as building homes and social facilities in Taimyr settlements, bringing affordable healthcare, developing education, culture, sports and tourism. The funding of the Programme totals RUB 2 bn.

The Company's new format of direct and constructive dialogue with the communities of indigenous northern minorities has significantly contributed to expanding the scope of interaction and facilitated its steady development. This includes improving the infrastructure of settlements as well as enhancing the economy of the communities by launching new production operations, based on traditional practices of using natural resources.

Such operations help process agricultural products, deliver higher added value and preserve historical traditions and cultural heritage.

Thus, in 2022, we additionally allocated more than RUB 100 mln for community development. As requested by the family (tribal) communities of Taimyr, in the summer of 2022, Nornickel purchased quad bikes, motor boats, Orionboat boats and an inflatable raft and handed them over to users. A family (tribal) community in Volochanka were provided with equipment for woodworking. We launched a large project to promote online education in eleven schools in Taimyr and are finalising both the design and cost estimate documents and the contractor selection process for constructing three rural community centres.

## Free, Prior and Informed Consent process

Fine-tuning the formats of interaction with indigenous northern minorities, Nornickel was the first company to launch the Free, Prior and Informed Consent (FPIC) process in the Russian Arctic with respect to the Tukhard relocation and development programme. In order to improve the housing conditions in Tukhard, the Company proposed considering the construction of a new settlement and the residents' relocation thereto. Although the FPIC process is not

directly integrated into the national laws of the Russian Federation, Nornickel came up with a solution to address the relocation issue in accordance with the international standards set out in the UN Declaration on the Rights of Indigenous Peoples.

Tukhard residents agreed to join the FPIC process subject to certain conditions. These involved decision making on the relocation, choosing the site for their new settlement and determining its social infrastructure, selecting the best architectural designs

as part of an architectural competition, as well as participating in all stages of the relocation programme through the elected Council of Representatives of the settlement residents.

The Company plans to roll out this practice and obtain the FPIC of representatives of indigenous northern minorities living in the Lovozero District of the Murmansk Region as regards the development of the Kolmozerskoye lithium deposit.

Order of the Ministry of Natural Resources No. 999 dated 1 December 2020 On Approving Requirements for Materials Used in Environmental Impact Assessment



## Key projects in support of indigenous northern minorities in 2022

All the initiatives run by Nornickel in the interests of indigenous minorities are joint activities which will be effective only if implemented through constant liaison and interaction with both indigenous minority communities and families based on a shared understanding and regular discussions, as well as inclusive participation. In 2022, the Company invested RUB 196 mln in the Programme for Promoting Social and Economic Development of the Taimyrsky Dolgano-Nenetsky Municipal District in 2020-2024 and completed the following initiatives:

- purchasing five flats in Dudinka for orphaned indigenous children;
- constructing eight residential buildings in Volochanka and Ust-Avam;
- purchasing prefabricated buildings for first aid and obstetric facilities in Volochanka, Ust-Avam and Ust-Port (the construction to be completed in 2023);
- · drafting design and estimate documents for a community centre in Nosok (the construction to commence in 2023);
- providing financial assistance to rent land plots from settlement administrations and providing these free of charge to those wishing to improve their housing conditions;
- delivering agricultural products (northern species of fish, reindeer meat) by air from settlements to retail chains in Norilsk;
- promoting online education in Taimyr and creating a single news channel in a messenger to broadcast news

- and videos;
- adding Volochanka, Ust-Avam, and Khantayskoye Ozero settlements to an ecotourism development project, establishing an ethnic visitor centre in Ust-Avam and teaching a hospitality course to several communities;
- introducing a Nganasan language nest in Novaya, a village of the Khatanga rural settlement; arranging the release of several linguistic and literature textbooks, in particular, the publication of 400 sets of the Treasuring up the Lessons from Ancestors book; designing educational routes on the history, culture and traditions of indigenous northern minorities;
- involving representatives of indigenous northern minorities in the congress, forums and festivals under the International Decade of Indigenous Languages.

The Company is not only consistent in honouring its commitments to the indigenous minorities of Taimyr. Our efforts go beyond the five-year programme and extend to ongoing support focused on the following initiatives:

- strengthening the infrastructure of indigenous northern minorities' communities, and preparing them for the autumn-winter hunting and fishing season;
- making helicopter flights to transport passengers and cargoes to Taimyr settlements;

• promoting the Reindeer Herder's Day and the Fisherman's Day, the most socially important holidays of indigenous minorities, to preserve their national traditions and culture;

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- carrying out design and survey at the Taimyr Interregional Hospital (as requested by the Taymyrsky Dolgano-Nenetsky Municipal District authorities):
- procuring computers and laptops for supplementary education based on online learning technologies for children from low-income families;
- partially repairing the gym in a sports centre in Dudinka and replacing ventilation systems in the Arctic leisure and cinema complex.

In 2022, Nornickel continued implementation of the Students of Taimyr programme launched by the Company in 2020. The programme focuses on organising studies at the Fedorovsky Polar State University for representatives of indigenous minorities living in the Taimyrsky Dolgano-Nenetsky Municipal District. There are currently 40 indigenous students studying at the university under this targeted programme. The Company covers the costs for tuition, accommodation in Norilsk while studying, and travel to and from the place of studies, and also pays a scholarship of RUB 20.000 (on a monthly basis to those studying on-campus and only during examination periods, requiring full-time presence in Norilsk, to those studying in a mixed mode).).





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## World of Taimyr project competition

In 2021–2022, Nornickel hosted the World of Taimyr, a dedicated project competition seeking to support socially important projects

and promote sustainable development of territories historically inhabited by indigenous minorities of the peninsula. A special feature of the competition is the grant funding system which welcomes

only the indigenous minorities of Taimyr and non-profit organisations implementing projects in the interests of indigenous peoples.

Nomination	Purpose	Grant amount, RUB min	Applications funded in 2021–2022	Requested funding in 2021–2022 RUB mli
Taimyr's Ideas	Preserving and reviving the cultural heritage and languages of indigenous minorities of Taimyr; developing new methods and techniques in engaging with children; providing career guidance to teenagers and young adults; preserving and developing national sports; nurturing environmental awareness	2 max	17	15.
Taimyr Development	Creating public spaces and social infrastructure facilities, enabling online learning, developing and promoting alternative energy sources and fuels	6.5 max	6	18.
Taimyr's Opportunities	Supporting and developing traditional livelihoods; creating, selling and promoting own local products, fostering domestic tourism, creating (seasonal and permanent) jobs for representatives of indigenous minorities of Taimyr	6.5 max	3	9.
Taimyr Promotion	Exchanging successful experiences among the indigenous minorities of Taimyr and those living in the Russian Arctic; improving skills and enhancing professional competencies of teachers	2.5 max	2	3.
Total			28	46

The winners embarked on the projects in June 2021 and delivered them by November 2022. The funding totalled RUB 46.1 mln covering 28 social projects. The success of the first project competition in 2021–2022 proves the initiative to be relevant and sought after.

For more details, please see the World of New Opportunities charitable programme section.

## Interaction with indigenous minorities in the Murmansk Region

Nornickel held prior task force consultations with representatives of indigenous minorities in Lovozero and Krasnoshchelye of the Murmansk Region to enable twoway communication between the Company and indigenous minorities, to inform representatives of local communities about the upcoming project on development of the Kolmozerskoye lithium deposit in the Murmansk Region and further processing of lithium feedstock. The communication involved the Sámi, Nenets and Komi as well as representatives of reindeer herding farms and independent experts in the rights of indigenous minorities.

The parties discussed the main approaches to ethnographic and sociological research, as Nornickel confirmed its intention to promptly collect and verify all possible information about entities, nature and scale of traditional livelihoods, sacred sites and burials, to identify the pool of persons potentially affected by the project and to make detailed maps of the territory. The research will involve leading research institutions and cooperation with indigenous minorities.

The Company's planned approach to dealing with the indigenous northern minorities will help protect the rights and prioritise the interests of indigenous minorities in the region. There is a lot of work

ahead of us on discussing the project details and reaching an agreement with the Sámi and the Nenets and Komi reindeer herders, who could potentially be affected by the project. The Company finds it important to factor in and minimise any and all potential adverse consequences of the project for the indigenous peoples of the region. Nornickel has extensive experience in supporting reindeer herding in Taimyr, and this knowledge and competencies will be also relevant in the Murmansk Region when implementing the lithium deposit development project.

At the moment, we are shaping up a system for interacting with indigenous northern minorities in the Murmansk Region at the sites of the Kola Division and Kola MMC. In particular, we have signed the Cooperation Agreement between the Kola Sámi Association of the Murmansk Region and PJSC MMC Norilsk Nickel. In 2022, according to the above agreement, the Company supported the Sámi people in developing their culture and preserving their traditional lifestyle relying on the best practice that proved effective on the Taimyr Peninsula. Nornickel, in particular, provided funding to prepare a single Sámi alphabet, publish pre-school Sámi language textbooks and arrange an open-air Sámi museum in Murmansk. The World of New Opportunities programme is also vital in supporting indigenous northern minorities. The programme focuses on implementing public projects and initiatives as well as fostering social competencies of local communities.

GRI 203-1, 203-2

## Transport accessibility in remote locations

## Our transportation and logistics assets:

Arc7 Arctic fleet (5 dry cargo vessels and 1 tanker), 2 port icebreakers (Dudinka and Avraami Zavenyagin)

River fleet of 633 vessels (200 self-propelled vessels and 433 towed vessels), including the active core fleet of 415 vessels (131 self-propelled vessels and 284 towed vessels) Traction and rolling stock: 117 container flatcars, 2 switch locomotives, 1 switch locotractor

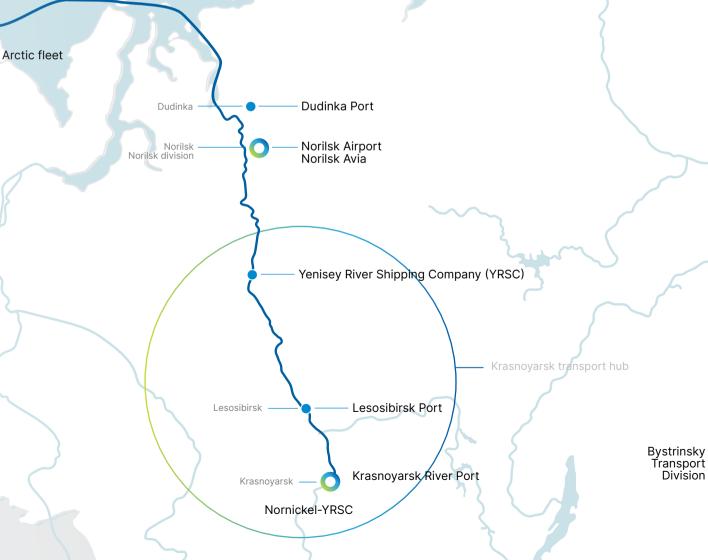
Port infrastructure for transshipment of cargo of all types (including dry bulk and heavy lift) from any means of transport, including a site for processing explosives (one of a kind for the Yenisey river)



Kola MMC

Murmansk Terminal

Arkhangelsk Transport Division



Nornickel's contribution to the Comprehensive Plan for Upgrading and Expanding Core Infrastructure national project

Relevant UN SDGs



## Related federal projects

- Russia's seaports:
- · Northern Sea Route;
- Railway transport and transit transportation;
- · Regional airports and routes;
- · Internal water routes.

## Key initiatives and focus areas

- Provision of year-round freight shipping services between seaports as well as transportation and handling of cargoes in the Arctic region;
- Operation and maintenance of railway infrastructure, with transport accessibility ensured in remote locations;
- Development of passenger transportation in the local regions of operation.



With our reliable state-of-the-art transport infrastructure, we are capable of meeting any freight logistics challenges and ensure continuity and sustainability of operations and well-being of local communities.

Our dry cargo fleet provides yearround freight shipping services between the Dudinka, Murmansk and Arkhangelsk sea ports while also covering other

destinations and delivering socially important cargoes for the Norilsk Industrial District. In 2022, dry cargo transported by the Company's fleet amounted to 1.9 mt, up 19% y-o-y.

The Yenisey tanker is used to bring in petroleum products to Taimyr and to take gas condensate, a by-product of gas extraction at the Pelyatkinskoye Field

developed by Nornickel, out for exporting. This way we help reduce pollution from these by-products and improve the local environment.

In addition to sea shipments made by our own fleet of ARC-7 ice-class vessels, the Company involves a fleet of ARC-4/5 ice-class vessels to ship additional volumes of cargo as required for large



investment projects (investment cargoes) in Taimyr. From November to May, ARC-4/5 ice-class sea vessels in the Yenisey, the Yenisey Bay and the Kara need to involve three icebreakers to lay the route (with a period of involvement of at least 5-7 years). For ARC-7 ice-class vessels, it is strategically sufficient to regularly involve one icebreaker for laying the route and maintaining ice channels in the Yenisey and the Yenisey Bay. This allows for keeping up the commercial speed of vessels.

In order to make sure that the Company's strategic needs for ice-breaking services are covered, Nornickel signed a long-term charter contract for a Project 22220 serial nuclear icebreaker, with the engine shaft power of 60 MW, in 2022. (The contract is effective until 2041 and may be extended until 2051.) The Company has positive experience of involving icebreakers of this type based on a short-term contract in 2022.

After the end of lifetime and scheduled decommissioning of other icebreakers involved by the Company (until 2027-2029), the contracted Project 22220 icebreaker

will be a guarantee of stable icebreaking support for the Company's vessels and reliable transportation of the Company's

MMC Norilsk Nickel's divisions and Group companies handle cargo in the ports of Dudinka, Murmansk, Lesosibirsk and Krasnovarsk.

Dudinka Port (Polar Transport Division) is the world's only port flooded every year during spring high water and accessible by both sea and river vessels.

The port is the main cargo gate of Taimyr, which has no alternative available. In 2022, Polar Transport Division's cargo traffic exceeded the average for the recent years by more than 25% (3.5 mt). Given the large investment projects underway in the Norilsk Industrial District, the cargo traffic is expected to continue growing, which will require an expansion of Dudinka Port. The Company has allocated over RUB 6 bn for the port facilities upgrade and ramp-up over the past four years.

YRSC takes an active part in providing municipal districts of the Krasnovarsk Territory with socially important cargoes. During the short period of spring floods, it delivers fuels and lubricants, food and other goods to locations with limited transport accessibility on the Podkamennaya Tunguska and Nizhnyaya Tunguska rivers and in other areas, including Dikson, Russia's northernmost settlement. Also. YRSC operates its own search and rescue fleet and takes part in emergency response missions on internal water routes of the Yenisey Basin.

Murmansk Transport Division is responsible for local shipments in the lower reaches of Yenisey, to the north of Dudinka Port. Dudinka Port receives agricultural products and delivers socially important cargoes for local residents, including indigenous peoples of the North, ships cargoes for the EMERCOM and transports residents of remote coastal areas.

### Aviation

In March 2022, we closed the sale of 100% shares of NordStar Airlines, previously a subsidiary of MMC Norilsk Nickel, to the airline's management pursuant to the Company's decision to focus on the core business. With a view to maintaining reliable and uninterrupted air travel to and from the Norilsk Industrial District, key conditions of the transaction included ensuring seamless air travel to and from Norilsk, completing 100% of the flight programme, and following the terms of the agreement on the base air carrier of Norilsk Airport.

## Railway





## Improving the well-being of local communities

Nornickel's contribution to Russia's national projects

## Tourism and Hospitality Industry national project

### Related federal projects

- Tourist infrastructure development
- More affordable tourist products

## Key initiatives and focus areas

- Covering round-trip travel to a holiday destination for employees in the Far North and equivalent areas, and their families, including associated baggage
- For more details, please see the Social Policy section
- Projects of the Norilsk Development Agency, the Monchegorsk Development Agency and the Second School Centre to promote tourism and recreation initiatives

## Culture national project

## Related federal projects

- · Cultural environment
- · Creative individuals

## Key initiatives and focus areas

- Construction and reconstruction of cultural and entertainment facilities
- Support and development of social and cultural projects
- Contributing to preservation of national traditions and culture of indigenous northern minorities
- World of Taimyr grant competition
- Support of professional sports

The Company's activities in improving the well-being of local communities focus on developing human potential, meeting physical, social and spiritual needs of people in the regions of operation, and creating comfortable living conditions. We conduct surveys of local communities, study feedback and, when running activities in the regions of operation, take into account interests, views and preferences of local residents, as well as their history, culture, traditions, lifestyle and heritage.

In 2022, Nornickel's key programmes aimed at improving the well-being of local communities included:

- World of New Opportunities charitable programme;
- Plant of Goodness corporate volunteering programme;
- For more details, please see the Corporate Volunteering section
- programmes to support sports and fitness.
- For more details, please see the Sports sponsorship and the Sporting and mass public events programme sections

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## **World of New Opportunities** charitable programme

GRI 203-1, 203-2

In order to create a favourable climate for sustainable development across the regions of its operation, the Company runs the World of New Opportunities charitable programme, with a focus on supporting and promoting public

initiatives, developing social partnerships, new social technologies and soft skills among local communities.

In 2022, Nornickel ran online, offline and phygital activities as part of the programme using a World of New Opportunities application, online platforms and other tools. The online space allows you to promptly inform participants about events, take part in interactive events (quizzes, surveys), and facilitate communication in the community.

In 2022, approximately 40,000 people from the Company's regions of operation took part in the World of New Opportunities events. The Company allocated RUB 382.6 mln for the World of New Opportunities programme.

## Key dimensions of the World of New Opportunities programme in 2022:

Dimension	Goal	Programmes and projects
DEVELOP!	Support of public initiatives and development of local territories through building partnerships	<ul> <li>We Are the City! social technologies forum</li> <li>Socially Responsible Initiatives competition</li> <li>World of Taimyr project competition</li> <li>Travel grant competition</li> <li>We Are the City social engineering workshop</li> <li>We Are the City! picnic</li> <li>Mobile E-education digital learning platform in the Murmansk Region</li> <li>School Break educational project</li> </ul>
INVENT!	Fostering of R&D creativity and the spirit of invention	<ul><li>IMAKE engineering marathon</li><li>IN'HUB international forum of innovators</li></ul>
ACT!	Development and growth of service- based economy	Accelerator for regional entrepreneurs and investment sessio
CREATE!	Advanced development of regions	Projects of regional development institutions:  Norilsk Development Agency  "Second School" Centre for Community Initiatives of the Pechengsky District  Monchegorsk Development Agency

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The nominations cover various aspects

livelihoods, fostering online education,

of life such as developing traditional

preserving and reviving languages

and supporting gifted children, etc.

The competition registered 84 applications,

out of which 28 were selected for funding.

The grants ended up going to six projects

by family (tribal) communities, two projects

by non-profit organisations, and 20 projects

unique in terms of the content and impact

on the target group, include School of Drone

Racing N 72, Legends of the Avam Tundra.

Ust-Avam. Volochanka, Mission: Clean

In December 2022, Nornickel announced

The main idea of We Are the City! picnic

for communicating and bonding, promoting

projects and initiatives to foster responsible

consumption, and proposing environmental

In 2022, the project attracted more than

creative workshops, flashmobs, etc. 415

15.000 residents and included various

people participated in the Walk to Do

Good challenge, 4.5 t of recyclable

activities such as sports grounds,

is to offer city residents a platform

a healthy lifestyle, presenting social

solutions in Norilsk, Monchegorsk,

another launch of the World of Taimyr project

competition, with projects to be implemented

Shores, etc.

in 2023-2024.

We Are the City! picnic

Zapolyarny and Chita.

with a total of RUB 46.1 mln in funding.

by municipal and public institutions.

The selected outstanding projects,

and cultural heritage, identifying

Strategic vision

## **DEVELOP!**

The projects and activities are implemented using an ecosystem of interdependent components: education – expert community – support for initiatives. A systemic approach to dealing with the local community brings about steadfast results such as advancing competencies, promoting new social technologies, supporting public initiatives, as well as rolling the experience out through national and regional expert platforms. Experts and the Company's employees witness positive results of the created ecosystem.

## We Are the City! social technologies forum

The city event brings together stakeholders to discuss mechanisms of addressing social issues in the regions of operation, analyse trends and best practices in charity and volunteer initiatives, and showcase successful solutions to social issues.

The key theme at the 8th Forum in 2022 was Sustainable cities amid turbulence. The Forum events (including talk shows, the Norilsk on the World Map futuristic hackathon, etc.) brought together experts and other participants, who discussed development prospects, trends and tendencies both for the regions and the Company, analysed professional and personal strategies and new technologies, presented projects of territory development (promoting unmanned technologies, navigation solutions and pit stops in transport logistics in Taimyr; constructing waste processing plants, etc.) and exchanged experience.

The forum was attended by more than 500 active citizens

## Socially Responsible Initiatives competition

To support public initiatives in the sustainable development of local communities, the Company stages the annual Socially Responsible Initiatives competition.

Since the project's inception, the competition registered 2,885 applications, out of which 749 were selected for funding, with a total of RUB 822.5 mln allocated by the Company.

In 2022, Nornickel announced its support to 106 public benefit initiatives from Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District (Krasnovarsk Territory), from Monchegorsk and the Pechengsky District (Murmansk Region), and from Chita and the Gazimuro-Zavodsky District (Trans-Baikal Territory). The pool of grants totalled RUB 154 mln. The projects will be implemented in 2023-2024.

The winners' initiatives cover various facets of community life in the regions, such as opening an interactive children's climbing wall, creating a state-of-theart centre for environmental education and tourism, holding a robotics competition for children, running a career guidance club and helping navigate a professional journey, collecting and recycling waste and garbage in the tundra.

## We Are the City! social engineering workshop

The workshop welcomes participants for a three-day training course to take them all the way through from generating an idea to implementing a project. The main impetus of the event is to demonstrate that every single person can make a difference for the quality of environment and the quality

В УСЛОВИЯХ ТУРБУЛЕНТНО

In 2022, the programme first included a Sustainable Development Goals and Local Community module to bring the 2030

We Are the City! social engineering workshop:

- in Khatanga attracted 46 people from Khatanga and neighbouring settlements, more than 200 residents joined the campaign, and, most importantly, a team of change leaders came into being:
- more than 300 residents joined the campaign.

In 2020, the Company piloted the World of Taimyr project competition designed with a two-year cycle and aimed at supporting local initiatives and promoting sustainable development of northern minorities of Taimyr.

Agenda home to the attendees. The experts drew the participants' attention to three key components of sustainable development, i. e. environmental, social and governance

· in Monchegorsk, attracted 25 people,

## World of Taimyr project competition

territories historically inhabited by indigenous





materials were collected and handed over for processing, and 396 km of a marathon were covered by project participants in Chita.

## Travel grant competition

The competition focuses on bringing in new social technologies and practices to the regions of the Company's operation, implementing public initiatives, rolling out successful experience, enhancing professional competencies, strengthening social partnerships and interregional ties.

As an outcome of the competition, 81 people from Norilsk, Taimyr and the Murmansk Region received grants for a total of RUB 9.4 mln.

Teachers, schoolchildren, athletes, public figures and entrepreneurs had the opportunity to complete internships and advanced training courses in Moscow, St. Petersburg, Krasnoyarsk, Novosibirsk, Sochi, Penza, and Khanty-Mansiysk.

#### School Break educational project

The School Break educational project aims to facilitate communication among children, their parents, and teachers in a joint effort to improve the education process. In 2022. the project attracted 2,142 people from 13 localities and included the following initiatives:

- a series of offline educational modules for teachers and schoolchildren in remote areas (Potapovo, Ust-Port, Khatanga and Dudinka);
- interaction with graduates and young professionals to provide information and career guidance. The initiatives helped make school a fully-fledged element of the School-University-Business educational cluster;
  - School Break. Urban marathon focused on introducing schoolchildren to practices of social design and change of the urban environment. During 88 days, 27 school teams were developing project ideas, visiting non-profit organisations, and communicating with corporate volunteers and the Company's employees. The best marathon teams had an opportunity to take part in the summer academy;

- School Break. Urban Academy (summer course): during 10 days, 50 schoolchildren were gaining knowledge and experience in urbanism, social design and event production for local communities. The participants organised a My Thoughts Also Have a Face art festival for the residents of the city with the support of the City Children's Library. The event attracted more than 200 residents of Monchegorsk, who had a choice of more than 10 creative sites
- field internship for 25 active and motivated teachers. The participants visited educational institutions, analysed the best educational practices in the regions in order to integrate new experience into their activities and develop method-based cases. The School Break educational project received recognition at the Graduate Award competition in The Best Programme for Working with Schoolchildren nomination and was included in the collection of best practices following an open competition run by the UN.

## Mobile E-education learning platform in the Murmansk Region

In 2022, the Company extended support to 15 educational institutions in Monchegorsk and the Pechengsky District to join a project to deploy Mobile e-education, a digital educational platform aimed at in-depth study of selected subjects and preparation for exams and academic competitions. Based on the agreements with Administrations of Monchegorsk and the Pechengsky District, RUB 35.5 mln were allocated to purchase office equipment and supplies (computer classes), as well as licences for children and teachers. As noted by teachers, the digital platform makes a positive influence by increasing the schoolchildren's interest in education due to the new method, facilitating the learning process through home assignments checked automatically. and assisting in the preparation for lessons and personalisation.

## INVENT!

### **IMAKE** engineering marathon

The key idea of the IMAKE marathon is to foster and promote engineering developments and projects, unlock research and creative potential in children and adolescents, as well as shape up a community of aspiring engineers and scientists. The project helps build a system to engage children in the process of research and invention, stimulating their interest and motivation to develop in this area

In 2022, the marathon participants presented their scientific and engineering inventions at various meetings and online events. During the reporting period, the IMAKE CAMP shift in Vladivostok, the IMAKE engineering marathon (immersion courses and seminars in the cities of the Company's operation, consultations, online protection of inventions and prototypes), IMAKE. Mayevka sessions (family invention), invention forums and festivals were held. The participants proposed such projects

as A Device for Remelting Plastics, A Jacket with an Electric Power Generator, Equipment for Balancing Dry and Moist Air Airrin, etc.

More than 3,500 schoolchildren from the regions of the Company's operations took part in the project activities.

#### IN'HUB: international forum of innovators

The international forum of innovators IN'HUB is a series of events for inventors and innovators (employees of industrial companies, students and postgraduates, schoolchildren and teenagers) which provides an opportunity for intersectoral interaction of inventors, industrial companies and investors for the joint development of future technologies.

The event was organised by the Ministry of Industry and Trade of the Russian Federation, the Government of the Novosibirsk Region and MMC Norilsk Nickel in collaboration with international and Russian partners such as International Federation of Inventors' Associations (IFIA). the Centre for International Industrial

Cooperation of UNIDO in the Russian Federation, Gorodissky & Partners, an intellectual property law company, etc.

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In 2022, the IN'HUB project included the following initiatives:

- The inventive projects competition allows experienced and novice inventors with breakthrough ideas to present an innovative project to potential investors, get recommendations and advice from an expert jury, take part in a world-class exhibition, and receive recognition and support. In 2022, the winners were such projects as Interval Train Traffic Control System, Hybrid 5D Printer Stereotech, BIO Industrial Air Cooling System, etc.;
- The international forum of innovators IN'HUB 2022 was a threeday international exhibition. The agenda included the final round of the Inventive Projects Competition with an international jury, presentation of the finalists' projects, a business and discussion programme, and master classes, public lectures and activities popularising invention. Among the forum participants there were individual



inventors and industrial companies, national and regional innovation associations, representatives of small, medium and large businesses, venture funds, and international public organisations.

Applications for the inventive projects competition can be submitted at www.inhubforum.com, the portal which also renders assistance to inventors in patenting matters and provides access to educational programmes (webinars, lectures). In 2022, the IN'HUB marketplace was launched, with a virtual catalogue of projects by the finalists of the inventive projects competition. This service provides an opportunity for quick contact and organisation of business meetings with authors of innovations. In 2022, the competition registered 1,300 applications, of which 490 underwent a formal review, and 204 were presented at the Forum and posted on the marketplace. At the IN'HUB international forum, 30 foreign inventors from Switzerland, Austria, Israel, Egypt, Iran, Indonesia, Kazakhstan and Belarus presented their projects. Russian inventions and developments were presented by residents of 42 regions of the Russian Federation

## Arctic Wave festival of R&D discoveries and inventions

The Arctic Wave festival, organised by Nornickel in cooperation with the Administrations of Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District, Monchegorsk and the Murmansk Region, aims to cultivate interest in science and technology among the youth, supporting creative engineering ideas and innovative thinking in schoolchildren, and demonstrating the latest domestic and global scientific achievements.

It was first held in 2015 in Norilsk and Monchegorsk and after several years reappeared in 2022 in a new format. The Festival covered five cities of the Company's operation, starting in Norilsk, then moving to Dudinka, visiting Nickel and Zapolyarny and ending in Monchegorsk. In total, the event lasted 20 days.

In 2022, the Festival brought together more than 4,000 people at various educational events such as shows, quests, lectures and engineering workshops, with eminent scientists and modern researchers as speakers. Schoolchildren and students were offered to:

- take a course at the Educational Hub (more than 1.000 schoolchildren and students from Norilsk and Monchegorsk acquired new knowledge and skills);
- visit Arctic Explorers quests, immersive scientific and educational events dedicated to the history of great Arctic discoverers and basic instructions on how to prepare for an Arctic expedition, developing the skills necessary for a scientist (more than 1,200 schoolchildren of 8–14 years of age gained the Arctic Explorer skills; the programme was held 40 times during the Festival);
- participate in a special programme for future engineers (more than 50 junior IMAKE legionnaires whose age did not let them go to the IMAKE Science Camp in Vladivostok had an opportunity to take an express course in invention in the IMAKE Laboratory in Norilsk and Monchegorsk;
- attend an evening lecture hall (with short popular science lectures and talks, scientists' recommendations on mitigating COVID-19 consequences, and discussions about the latest technologies);
- · see an interactive scientific show (chemical and physical experiments), a large-scale opening and closing ceremony of the festival (exhibition of unique technical inventions, lectures, a multimedia and laser show).

Preserving the environment in the Arctic and reflecting on the Great Arctic Dream (conquer, explore, master) were the main themes of the festival. Dedicated videos told the audience about the explorers developing this unusual territory, about the challenging present of the Arctic and an amazing future that can be created by scientists and innovators who are working on new solutions for the region.

The ACT! initiatives and projects focus on developing the service economy, improving the business climate, and creating opportunities for the development of small and medium-sized businesses, including social entrepreneurship (social investments in small and medium-sized businesses to address local social problems).

Since 2014, Nornickel has funded 34 business projects for a total of over RUB 110.1 mln, helping create more than 156 new jobs. Over 32 business projects were launched by the graduates of the Social Entrepreneurship course and the intensive Business Projects Accelerator programme on their own. There are social entrepreneurship clubs up and running on a permanent basis in Norilsk and Monchegorsk.

### **Business Projects Accelerator**

The Business Projects Accelerator is an acceleration programme for small businesses organised by Nornickel in partnership with the Centre for Regional Development and Business Technologies of the Russian Union of Industrialists and Entrepreneurs in the regions where Nornickel operates. The programme aims to boost entrepreneurial initiative and accelerate the development of small businesses and projects seeking to address social and environmental issues.

Participation in the accelerator enables small businesses and NGOs to scale up financially, boost performance in terms of achieving better qualitative and quantitative results, engage the most motivated employees in the development of new products, and use available resources more effectively, while also entering new markets, and improving the perception of their organisation.

The accelerator programme commenced in November 2021 with a kick-off workshop featuring training sessions in market



analysis and product development, marketing and product promotion, business economics and finances, personal effectiveness of an entrepreneur, effective team building, and specifics of smallsized businesses in extreme northern conditions. Its curriculum includes a series of thematic workshops that will be held throughout its course (for example, training on drafting a presentation for the demo day and investment session).

Individual work of the participants implies the consolidation and application of the acquired knowledge and skills, as well as recommendations from mentors based on the results of the first month of the accelerator programme. As part of next active tracking the participants can use their newly gained experience to adjust their business project.

In April 2022, the annual investment session was held, featuring the final presentation of business projects by the programme participants. It brought together entrepreneurs and invited experts from Norilsk and the Murmansk Region. During the investment session, eight business projects were presented, claiming funding from Nornickel, and seven projects received support in the form of two-vear interest-free loans for some RUB 17.4 mln.

The funds provided by the Company will be used towards business development in Norilsk, including the Shandy Candy ecoshowroom, the purchase of training cars for the Autocourses No. 1 driving school, and the construction of the She-Bear Putorana Glamping site. Other initiatives that won the Company's support are wellknown city projects, including the Coffee Friends coffee shop and the DANCE PLACE choreography school. In Zapolyarny, the winning projects were a to-be-built

SteamOK family bath and health house, and a new location of the northernmost barbershop.

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Over the course of the Business Projects Accelerator training, the participants' projects showed solid growth, with the number of their clients, revenue and profit up 1.2x, 1.3x and 1.4x, respectively, and the aggregate profit of all participating projects up by RUB 2 mln in absolute terms. Their planned KPI targets were also achieved.

A total of 74 entrepreneurs were enrolled in the Business Projects Accelerator sessions, with 35 participants from Norilsk, Dudinka, Monchegorsk, Zapolyarny and Nickel successfully completing the programme. For the first time in 2022, the accelerator welcomed startup project leaders and representatives of the nonprofit sector among its participants.

## Participant feedback

My project is about offering travellers comfortable accommodation on the unique Putorana Plateau, which is not a mass tourism destination. To do this, I plan to purchase temporary accommodation units, in particular, summer glamping tents or yurts. These are quick-toset-up structures that can be dismantled

for the winter. I plan to offer Norilsk residents, city guests, travellers, bloggers and tourists individual tours costing around RUB 200,000, as well as weekend getaway programmes.

#### Leonid Kaushan.

She-Bear Putorana Glamping project owner

Thanks to our participation in the accelerator programme, we realised that we needed to act to get our products into retail chains, moving forward from the preliminary supply agreements that

we already had. Further on, we expect to see our sales grow at a rate of 500 kg per month, and will use the loan we hope to receive from the Company to purchase packaging equipment.

Sergey Serbin, Coffee Friends project owner

After completion of the accelerator programme, we launched two additional groups for children, with revenue and profit going up by 29%. Now we need funds to repair one more dance hall. Our school

offers a comprehensive choreography programme, which includes eurhythmics, dancing games, physical training, and floor gymnastics.

Lilia Yakupova, DANCE PLACE choreography school project owner

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#### CREATE!

The CREATE! dimension focuses on creating infrastructure for advanced development of the service economy, improving the quality of life in the regions where the Company operates, and helping local businesses sell their products and services to external markets. These initiatives are implemented by territorial development institutions, including the Norilsk Development Agency, the Second School Centre for Community Initiatives in the Pechengsky District, and the Monchegorsk Development Agency.

## Norilsk Development Agency

Since 2017, the Norilsk Development Agency, established by the Norilsk Municipality, Nornickel and Vladimir Potanin Foundation, has been promoting favourable conditions for sustainable social and economic development of Norilsk. creating a favourable investment climate. and implementing economic diversification and urban transformation projects.

The Norilsk Development Agency carries out its activities in cooperation with representatives of local communities and Nornickel as the city's largest organisation, with a focus on:

- promoting investment and developing the business environment;
- fostering tourism;
- · developing the urban environment;
- · implementing social, cultural and educational projects.

In 2022, a total of 42 face-to-face meetings were held across all focus areas and were attended by 4,200 participants, including community and business representatives, the Company's employees and experts. Over the past five years, more than 160 projects improving the well-being of Norilsk residents have been implemented by the Norilsk Development Agency or with its involvement.

Focus area	Projects
Promoting investment	Development of a Sustainable Waste Management Concept (including the use of circular
	production technologies at the Eco-Industrial Park)
	<ul> <li>Creation of an industrial park with a building materials production cluster</li> <li>Support for investment projects in the service economy</li> </ul>
	- Support for investment projects in the service economy
Development of the business environment	Training sessions and master classes
Fostering tourism	Development of the Arctic tourist and recreation cluster
	Development of the OI-Gul ski lodge tourist and recreation area
	The Taimyr Hospitality project implementation
	<ul> <li>Holding sports events: the Norilsk leg of the X-WATERS Open Water Swimming World</li> </ul>
	Championship held on the Putorana Plateau; the Norilsk Trail run
	Participation in Russian and international tourism exhibitions
Developing the urban environment	<ul> <li>International competition to create an architectural and space planning concept for Norilsk renovation until 2035;</li> </ul>
	Project to create an architectural and space planning concept for the development
	and improvement of public spaces along the Lake Dolgoye embankment;
	City-wide major cleanup of Lake Dolgoye;
	<ul> <li>Improvement of public lighting and development of a new, modern-look design for public</li> </ul>
	transport in Norilsk;
	Benchmarking of available roofing materials designed for various types of roofs.
Implementing social, cultural,	Big Argish festival 2022;
and educational projects	Academy of Creative Industries project;
and daddational projects	School of Urban Moderation training course;
	Transformation of the Fedorovsky Polar State University;
	Concept of the Dolgikh Lyceum.

#### Promoting investment

As at the end of 2022, the Norilsk Development Agency was supporting 64 investment projects, 22 of which

have the Russian Arctic residency status. The supported projects include the construction of an Arctic data processing centre, the launch of a children's

entertainment centre, the opening of a bakery, the production of rubber coatings, and more.



## Statistics for projects with the Russian Arctic residency status in 2022

Indicator	Value
Total investment, RUB bn	2.3
Expected tax payments (over 10 years), RUB bn	7.6
Expected new jobs	502
New jobs actually created by 2022	52
Subsidies to compensate employee social benefits paid by employers with the Russian Arctic residency status <sup>1</sup> , RUB mln	2

Economy Projects in Cities, with participants discussing the creation of an Industrial Park featuring a building materials production cluster and an eco-industrial park in the Norilsk Industrial District. This is an example of investor coordination taking into account the priority development areas in Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District.

## Development of the business environment

The development of small and mediumsized businesses helps strengthen social and economic well-being in Norilsk, provide incentives, opportunities, and conditions for doing business, inspire Norilsk residents to unlock their potential, shape the local management culture and business climate, and create an SME support platform powered by information technologies.

The following events to support entrepreneurial activity in Norilsk were held in 2022:

- public discussions held on the development of small and medium-sized businesses, attended by 675 people in person (including 52 representatives of the Company);
- training sessions and master classes held for 257 Norilsk entrepreneurs.

## Fostering tourism

Efforts in this area are focused on promoting tourism and increasing the tourist flow in Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District.

<sup>&</sup>lt;sup>1</sup> Subsidies are provided to four entrepreneurs (with a total of 22 jobs).



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## Projects to promote tourism in 2022

Goal	Projects and initiatives in 2022
Creation and development of tourist infrastructure	<ul> <li>Development of the Arctic tourist and recreation cluster (bringing together more tha 80 entrepreneurs and the tourist community of more than 300 people, including NG representatives and experts). The tourist flow in 2022 exceeded 12,000 people (up from 2,900 people in 2019)</li> <li>Development of the Ol-Gul ski lodge tourist and recreational area (a small circle of skiing and walking trails was built)</li> <li>Creation and approval of the Concept to develop the Schmidt Mountain tourist and recreation area. The construction of the longest tourist staircase in Russia (5.6 km) is planned with three covered viewing platforms and educational integrations</li> </ul>
Facilitating the emergence of new forms of tourism and the local tourist offering	<ul> <li>Registration of two new tour operators, creation of three ethnographic villages, development of 19 new tourist routes, registration of 70 self-employed entrepreneur engaged in tourism projects</li> <li>Participation of eight Norilsk and Taimyr producers in the Arctic Souvenir country-wide competition to support Arctic trades and souvenir artisans</li> <li>Participation of nine Norilsk facilities in the Open Industry country-wide industrial tourism accelerator, with plans to launch 16 package tours including industrial site visits</li> </ul>
Assistance in improving the quality of tourism and hospitality services	<ul> <li>36 events held; 180 guides and instructors trained and certified, and eleven tourist routes certified as part of the Taimyr Hospitality project</li> <li>Training professionals from the tourism industry in various areas. RUB 800,000 spen from the regional budget to provide training to the cluster members, with 28 guides and instructors trained</li> </ul>
Promotion of tourist attractions and products, including digital promotion	<ul> <li>The Norilsk leg of the X-WATERS Open Water Swimming World Championship held on the Putorana Plateau, with 27 swimmers from across the country taking part, and a record set for the most massive cold water swim in Russia</li> <li>The Norilsk Trail run, the first off-road trail-running event in the history of Taimyr, which brought together some 40 participants</li> <li>The MITT-2022 international travel exhibition, featuring seven tour operators from the Arctic cluster, sightseeing tour agencies and local product manufacturers among participants. The cluster's stand was awarded the grand prix as the most creative stand and drew more than 9,000 visitors as part of the exhibition's three-days programme</li> <li>The Travel Ventures video project exploring the regional travel potential (19 episode: released in 2022)</li> <li>Promotion of the region as a travel destination as part of the Route of the Year All-Russia Tourist Awards, the Bering Strait International Festival (Anadyr, Chukotka), the 2nd Russian Travel! Forum (Moscow), and others</li> </ul>

During the reporting year, public discussions on tourism development issues were held, as well as other face-to-face events involving the city residents, that were attended by a total of 791 participants, including 212 representatives of the Company.

## Developing the urban environment

In 2022, the Norilsk Development Agency, jointly with the Norilsk Administration, representatives of Nornickel, and the CENTRE Lab international urban laboratory, held an open international competition to create

an architectural and space planning concept for Norilsk renovation until 2035 that drew 27 bids from across 13 countries.

Three consortia made of Russian and foreign architectural organisations, including the Higher School of Economics, State



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Research and Design Institute for Urban Development of the City of Moscow, and Krasnoyarskgrazhdanproyekt Territorial Institute of Urban Planning were shortlisted for the final round. Each finalist proposed solutions for making the city a better place to live, study and work in, improving the efficiency of pubic use of the city's spaces, as well as landscaping, and enhancing transport and engineering infrastructure. The final stage of the competition resulted in Nornickel obtaining as much as three architectural concepts at once.

In addition, the following initiatives were completed in 2022 with a view to creating comfortable open urban spaces:

- a project to create an architectural and space planning concept for the development and improvement of public spaces along the Lake Dolgoye embankment:
- the first city-wide major cleanup of Lake Dolgoye, which brought together representatives of the city administration, Nornickel, sports communities, entrepreneurs, and active citizens (a total of more than 130 people);
- improvement of public lighting and development of a new, modern-look design for public transport in Norilsk;
- benchmarking of available roofing materials designed for various types of roofs, with the materials transferred for further use as part of repairs in municipal projects.

In 2022, public discussions were held on the development of urban infrastructure (including co-design) in Norilsk, in which 729 people participated in person (including 189 representatives of the Company).

## Implementing social, cultural, and educational projects

In 2022, the Norilsk Development Agency, with the support of Nornickel and the administrations of Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District, organised Big Argish, the main ethnic festival of the Taimyr Peninsula. In the reporting year, it focused both on the nomadic and village lifestyle of the local indigenous peoples. Participants of several research expeditions, as well as representatives of the Nganasan, Evenk, Dolgan, Enets, and Nenets communities themselves, shared their experiences of village life on the vast expanse of the Taimyr tundra, as part of events in Norilsk and Dudinka. More than 10,500 guests had the opportunity to immerse themselves in the culture and way of life of the Taimyr ethnic groups, and explore their philosophy. The festival featured ten chums, two reindeer sled caravans, and a creative space with a large programme, including lectures, master classes, and performances.

As part of the School of Urban Moderation training course developed and held in 2022 for media representatives and public opinion leaders, seventeen Norilsk residents interested in learning the technology of urban moderation were trained to skilfully initiate and lead an urban dialogue. A three-month training programme offered them an opportunity to moderate meetings, workshops, discussions, and other activities (including five citywide activities) under the online guidance of the course author.

In the field of education, 2022 saw the continued transformation of the Fedorovsky Polar State University. The architectural and space planning solutions for the new campus were developed, and a series of training events were held for the university managers and staff (22 people). Additionally, the concept for the Dolgikh Lyceum was developed and approved, with a range of training activities organised for the project team members.

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Overall, the social and cultural events held in 2022 as part of the CREATE! dimension were attended by 1,783 people in person.

#### Second School Centre

Following the shutdown of smelting operations in the town of Nickel, the Company partnered with members of the local community and Russia's Monotowns Development Fund to identify the key priorities of a strategy to support continued social and economic development in the Pechengsky District. They include creating new businesses based on ready-made business models, opening a universal industrial park, developing the service economy and tourism, and transforming the social and cultural environment.

The Second School Centre for Community Initiatives in the Pechengsky District was set up to integrate the efforts toward the implementation and support of the Programme for Social and Economic Development of the Pechengsky Municipal District for 2021–2025 and the Conceptual Framework for the Social and Economic Development of the Pechengsky District. The centre is located within a public space.

In addition to supporting the social and cultural transformation, the centre acts as an integrator for the development of economic diversification projects focused on business development, urban environment, tourism, as well as increasing the social activity of the population and shaping a new image of Nickel and the entire region.

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## Second School Centre's projects in 2022

Focus area	Key projects and outcomes in 2022
Tourism	<ul> <li>Gastro Industry Fest festival featuring industrial technology and gastronomic shows, technology workshops, works of art, and music (the event was attended by 2,229 guests, 15 restaurateurs, and 12 industry participants)</li> <li>Creation of a tourist information centre (premises to accommodate the centre were renovated, and an online travel catalogue of the Pechengsky Municipal District was developed)</li> <li>Spire 555 eco-industrial route (a new eco-industrial travel route was created and improved, now featuring two viewing platforms, one resting point, one camping site, and two works of arts)</li> </ul>
Promoting investment	<ul> <li>Creation of a Recreation and Extreme Sports Park in Nickel (a research of the market and target audience was conducted, topographical surveying completed, and the business case developed)</li> <li>Drafting a development strategy for the Pechenga Polytechnic College (terms of reference for the project strategy development were drafted)</li> </ul>
Business	<ul> <li>Business Residence project (fairs, entrepreneur meetings with experts and master classes were held, and the Women of the North club set up)</li> <li>Business Goes to School project (workshops on developing leadership and communication skills were held for high school students, teachers were trained to use modern technological devices in education, and an online training course on starting an IT career was held in the Pechengsky District)</li> <li>Competition for interest-free funding of business projects (a total of RUB 212 mln was allocated in 2020–2022 to support local business projects, with 60 local residents employed as part of these projects, including BROD bakery and confectionery, the Atlas multifunctional complex, and others. In 2023, the opening of the Polaria hotel and an eco campsite in the Pechengsky District is planned)</li> </ul>
Culture and education	<ul> <li>Nikel2Art project (works of art were designed and installed, with exhibitions of paintings and works of art held)</li> <li>Nickel-Tourism-2025 project (a professional retraining programme "Arctic destinations management and Arctic tourism product development" was run)</li> <li>Camp World Tree volunteer camp project (work was carried out to clean up the Kolosyoki riverbed, improve the area around the pedestrian bridge, etc., with a total of 208 tonnes of waste collected and prepared for removal)</li> <li>Northern Hospitality Volunteers project (theoretical and practical sessions were held for teenagers from the Pechengsky District, and 20 volunteers participated in the Northern Wind and Gastro Industry</li> </ul>
Urban environment	<ul> <li>Demolition of Dilapidated Buildings in Nickel project (demolition of buildings that had been in a dilapidated condition for 20 years were completed in 2022)</li> <li>Festival Square project (utilities connections were built, and installations, stands and the stage mounted; the works are planned to be completed in 2023)</li> <li>Development of a programme to implement the Nickel master plan in terms of residentia quarters renovation (inspections of residential buildings were carried out, the strength of structures assessed, and the prospective population study for the town of Nickel developed)</li> <li>Oktyabr Community Centre reconstruction in Zapolyarny (specifications, the land plot layout and architectural and technical solutions were developed, with engineering surveys and inspections completed)</li> <li>Reconstruction of the water supply network and sewage treatment facilities in Nickel (development of design and estimate documents for the water intake commenced)</li> <li>Development of a design project for a pedestrian shopping area in Nickel (two design projects were developed and submitted for voting to be included in the Creating a Comfortable Urban Environment government programme for 2023. Almost 3,000 people took part in the voting).</li> </ul>



## Monchegorsk Development Agency

Monchegorsk Development Agency is a single centre for Monchegorsk development founded by Nornickel and the Monchegorsk Administration. Its mission is to create conditions

conducive to the growth of Monchegorsk's economy, with the aim of reducing its dependence on Nornickel as the city's largest enterprise, improving the quality of life for local residents, and creating a comfortable urban environment.

Since 2021, the Agency has been focusing its activities on five key areas: tourism, urban environment, social and cultural development, business and investment, and branding.

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## **Tourism**

#### **Imandra Tourist and Recreation Cluster**

At the initiative of the Monchegorsk Development Agency, the Imandra Tourist and Recreation Cluster is being created to unlock the local tourism potential, boost the profile of Monchegorsk and its surroundings, increase the tourist flow, take the local tourism industry to a new level, and improve the quality of life in the region. As at the end of 2022:

- the master plan for the Imandra Tourist and Recreation Cluster was developed and approved;
- four meetings with the tourism community representatives were held, drawing 65 permanent participants;
- 50 cooperation agreements were signed (including those with regard to collaboration in holding the Imandra Fest events, their marketing support and other activities);
- · communication channels were established, including the Imandra Cluster Telegram channel and regular quarterly offline meetings.

#### Imandra Fest

Imandra Fest is a large-scale festival organised by the Monchegorsk Development Agency, which lasts for a full year. It features multiples events held in Monchegorsk and its surroundings that combine environmental activities, sports, and recreation. In 2022, the Agency and its partners organised and held a total of nine events, including the X-WATERS Imandra international open water swimming series, the Imandra Viking Fest (an international family festival of Nordic culture in the format of a Viking hiking camp), the Mystery of 1,000 Lakes quest (an automotive team quest), the Moncha Night Trail (a night run under the northern lights in the rugged terrain of the Kola Peninsula), the Garazhane festival (centred around the culture of the garage owner community and combining it with urban activities), and more.

## Marketing Monchergorsk as a tourist destination

Marketing communication channels were set up to effectively reach out to tourists, including the Visit.lmandra website and social media groups (VK, Telegram, etc.). Their total audience amounted to 2.7 million people.

## **Tour Operator School**

In 2022, the Tour Operator School offered eight training modules and 33 theoretical classes on the basics of tour operator activities. The training was free of charge, with guides, tour operators, activists, and entrepreneurs from Monchegorsk and the Murmansk Region learning to create and promote popular tourism products.

At the end of the training, the students created ten presentations showcasing local travel and tour products. The product cards were posted on the region's tourism website (visit-imandra.ru).

A total of 49 people applied for the training programme, with four tour products making it to the final stage, and three new jobs created in the Monchegorsk District.

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## Urban environment

#### City Dweller School in Monchegorsk

The City Dweller School helps residents learn how to implement their ideas for creating and improving public and courtyard spaces in Monchegorsk. The school experts also share insights into trends and successful case studies related to urban improvement and the development of small towns in Russia. Furthermore, residents are trained to leverage government and grant programmes that will be helpful in implementing urban projects.

In 2022, the school held 15 lectures on various aspects of urban development.

Following the completion of the 2022 training course, the school partners selected two initiatives proposed by the course participants and provided financing for their implementation.

## Improvement of the Revolution Square in Monchegorsk

In 2022, a concept for the improvement of the Revolution Square in Monchegorsk was developed.

A set of drawings (master plan, transportation scheme, surfacing layout, landscaping and lighting plans, etc.) and graphic visuals were prepared in line with the proposed design solutions, and a transportation model was developed for the movement of vehicles and pedestrians based on the chosen layout option (circular traffic movement).

## Social and cultural development

### Management strategy for the development of School No. 5 in Monchegorsk

The project aims to create a modern learning environment in Monchegorsk, leveraging the existing schools and addressing the expected decline in the number of students. The management strategy for the School No. 5 development can be used as a model strategy to develop other schools in Monchegorsk, helping improve public satisfaction with the guality of education and overall well-being in the city, while also contributing to the effectiveness of utilising school buildings.

#### ArtArctica residence

The project seeks to create a favourable pubic environment to attract and bring together creative individuals and drive the creative industry development in Monchegorsk.

In 2022, six master classes were held by the ArtArctica residents for the Monchegorsk locals, and a mobile app was developed, featuring the Murmansk Region's first ever augmented reality park (ArtArctica AR Park) with six unique works of arts highlighting the local natural and cultural heritage.

The project helps foster a greater sense of community and ownership by involving residents in the creation of local attraction points.

## Monchegorsk creative cluster development concept

The project seeks to advance the creative industries in Monchegorsk by promoting the production and provision of goods and services with high added value derived from intellectual property items.

In 2022, a community of potential cluster residents was formed, the Creative Cluster Telegram channel was joined by more than 300 members, and applications for the cluster residency were submitted by entrepreneurs from Moscow, Yaroslavl, St Petersburg, the Krasnodar Territory and the Republic of Altai as well as from the Baltic states.



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## Social and cultural development

### Drafting a development strategy for the Monchegorsk Polytechnic College

The college's strategy and management team development is focused on ensuring the training of highly qualified professionals for the key sectors driving economic growth in the Monchegorsk Municipal District and the Murmansk Region in line with their forecast technology-driven growth and demand for skilled professionals.

The management team is tasked with developing new basic principles and requirements for leading the college in a changing environment, designing flagship training programmes, and holding meetings with partners. A series of strategic sessions is planned for 2023 to implement the developed strategy.

## **Business and investment**

#### Arctic startup

Thanks to the successful launch of the Youth Startup project in 2021, Monchegorsk benefited from several new business ideas being brought to life. In 2022, the project continued with minor adjustments, welcoming not only young, but also more mature and experienced entrepreneurs willing to start a business in Monchegorsk.

The participants attend workshops on motivation, marketing, promotion, niche search, and funding, communicate with mentors, develop business plans, present their ideas to experts and potential investors, and receive feedback on the viability of their projects.

As part of the project, 36 funding applications were developed and submitted, with 11 ones being selected by development institutions and receiving financial support in the amount of RUB 25.2 mln.

Also, Monchegorsk entrepreneurs can receive a subsidised loan of RUB 50 mln to finance their projects as part of the Arctic Investor programme. In 2022, five investment agreements were concluded for a total of RUB 151.6 mln

## Monchegorsk investment portfolio

In 2022, promising investment opportunities were presented to entrepreneurs from all over Russia with a view to taking the city's economy to a new level.

The investment portfolio features 16 projects in the spheres of tourism, service, and other small-scale business ideas (food truck, glamping site, houseboat, a Viking port, cold storage, ice cream factory, and others).

Each of the proposed projects will enjoy consumer demand in Monchegorsk as confirmed by a large-scale survey of the target audience and its needs.

The Monchegorsk Development Agency provides administrative, organisational and informational support to potential investors.

### **Business House School for young entrepreneurs**

In 2022, a business reality show was launched for young people from the Murmansk Region aged 16 to 25 and keen on entrepreneurship. A total of 130 applications were submitted, with 21 candidates selected to participate in the show, and 20 experts invited as mentors. The winner of the project chose training at the Arkady Novikov Culinary and Restaurant Management Schools as the main prize.

#### Franchise Fair

The Franchise Fair aims to introduce both novice and experienced entrepreneurs to the franchise model opportunities for business development, which include subsidies, loans, crisis management insights, and more.

In 2022, the fair was held for the second time, and in addition to franchise presentations from different regions, it also featured training modules, themed workshops, and discussions. It also leveraged social surveys conducted prior to its launch.

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## Branding

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## Monchegorsk brand communication strategy

In 2021, a global project was launched to develop a brand strategy, graphic design style, unique map of the city, and design code for Monchegorsk.

The surveys, focus groups and in-depth interviews were carried out to get to know Monchegorsk residents better, identify the unique features of the city and explore its historical background, which became the cornerstone of the region's brand strategy. As at the end of 2022:

- · a communication strategy was developed;
- a website (knowledge base, guidelines) for the use of city's brand was developed (monchebrand.ru) (the website is being filled with content as new city projects arise);
- a series of lectures and consultations on branding were delivered.

### Lakes Around Us multimedia project and interactive lake map

Monchegorsk is home to picturesque northern lakes. The "lake land" brand of the city is designed to highlight the natural beauty of the region and unlock its unique potential.

It seeks to position Monchegorsk as a modern city, shifting the focus away from its industrial profile and unveiling local life through the lens of its connection with the lakes, offering a single visual and semantic context for the entire variety of the city's projects. To achieve this, in 2022, lake maps were developed with the input of the local residents, and a project was launched to shoot a video series featuring personal stories of townspeople related to the lakes (directed by Nikita Filatov). In addition, the Sounds of Monchegorsk project was authored and launched in collaboration with the Summer Garden music band.

#### **MDA Academy**

One of the longest-standing projects of the Monchegorsk Development Agency, MDA Academy offers training programmes for the city residents helping them enhance existing or acquire new competencies across five areas.

It seeks to engage locals in projects that advance the city's development, as well as boost their competencies, foster community spirit, and enhance service quality in the business and service economy. The MDA Academy offers training sessions, workshops and lectures led by experts and top coaches. At the end of the programme, a video archive of the training materials is created and uploaded on social media, being freely

available to those interested.

By the end of 2022, over 40 training events and activities were delivered by ARM Academy, drawing more than 1,000 local participants. It plays a significant role in inspiring more Monchegorsk residents to pursue entrepreneurship and become self-employed.

## Sports sponsorship

Nornickel.com

Nornickel has an extensive experience in implementing sponsorship programmes, which is our long-standing commitment and an important part of the Company's positioning both externally and internally.

Our approaches to sponsorship and its geographic coverage are aligned with the Company's sustainable development strategy aimed at driving positive change and improving the quality of life for employees and the population across our footprint.

The key principles of managing sponsorship programmes are:

 leveraging sponsorship and partnership opportunities to improve the quality of corporate projects and events focused on sports and a healthy lifestyle;

- enhancing the Company's image by benefitting from synergies between the sponsor and the sponsored brands and building long-term associative connections between the sponsor and the sponsorship projects;
- maximising the social impact of the existing partnerships with a focus on the Company's geography in implementing sponsorship projects.

Nornickel is committed to promoting sports and a healthy lifestyle in the regions where it operates and across Russia. By implemented our dedicated comprehensive programmes and projects, we seek to contribute to the sustainable development of local communities and drive social and environmental innovations

For several years, the Company has been a partner of the Russian Football Union, the Russian Futsal Association, the Russian Ice Hockey Federation, the Night Hockey League, the Russian Curling Federation, the Russian Chess Federation, and other associations and unions. Nornickel also owns the CSKA professional basketball club and the Norilsk Nickel futsal club.

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In 2022, the Company continued with its sponsorship projects in partnership with leading sports federations and associations.

## CSKA professional basketball club

For many years, Nornickel has been the owner and general sponsor of the CSKA basketball club, the champion of the EuroLeague and VTB United League in the 2018/2019 season, and one of the strongest sports brands in Russia. With the Company's support since the 2002/2003 season, the club made it to the EuroLeague's Final Four 17 times out of 18 and won it four times.

In collaboration with the CSKA Professional Basketball Club, the CSKA Junior project is being implemented, which features sports and training events and activities for young basketball players.

In 2023, the flagship Russian basketball club will celebrate its 100th anniversary. The jubilee festivities will involve both fans and athletes and be held with the active support of Nornickel.

## Russian Ice Hockey Federation

The cooperation agreement between Nornickel and the Russian Ice Hockey Federation, which was signed in 2018 for a period of four years, has been extended for the 2022/2023 season. At this stage of cooperation, the Company has become an official partner of the Federation and the general partner of the Red Machine national ice hockey development programme.

Starting from the 2022/2023 season, Nornickel also acts as an official partner of the U25 young stars team made of hockey players under 25 who are playing in Russia. The project has been put together with the target of increasing the popularity of ice hockey in the country and boosting the pubic profile of Russian national youth and junior teams.

Another important dimension of this cooperation is the Polar Region Hockey social and sports programme implemented across the Polar geographies accommodating the Company's production facilities. It is aimed at supporting sports schools and the training and professional development of coaches and referees, as well as holding youth tournaments and master classes for young hockey players.

Over 20 joint events have been held since the programme's launch, including four children's training camps in the Murmansk Region, eight training modules for coaches and referees from Norilsk, Dudinka and the Pechengsky District, two Nornickel Cup youth tournaments, and three sports and academic shifts in the Sirius Educational Centre.



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As part of these events, over 30 coaches and referees from Norilsk and the Pechengsky District were trained and improved their professional qualifications. The programme helped boost the number of children engaged in hockey by 28% in Norilsk and 55% in the Pechengsky District. The children's ice hockey teams across the Company's regions improved their playing skills and were runners-up in regional competitions in the 2021/2022 season. More than 100 sets of sports gear, game and training equipment were provided to the sports schools.

In 2022, the Company continued to implement joint programmes and projects with the Russian Ice Hockey Federation, including sports and recreation camps in Volgograd, an intensive Ice Hockey sports programme at the Sirius Educational Centre, a training workshop for coaches and referees in Norilsk, the Nornickel Cup youth tournament for players under 13 years of age, and a children's training camp in Zapolyarny.

## Night Hockey League

The Company is the general partner of the Night Hockey League, implementing a number of large-scale joint projects aimed at developing and promoting amateur ice hockey. The Night Hockey League brings together thousands of ice hockey enthusiasts and is the largest amateur sports project both in Russia and globally. It drives the development of sports infrastructure, with the cities where the winners of the National Night Hockey League Teams' Festival play seeing new ice rinks built every

An important part of Nornickel's cooperation with the Night Hockey League are the annual charity hockey games in Norilsk, featuring world-renowned hockey stars. The funds raised from these games are matched by Nornickel and used to support the development of children's sports schools in the region. Over the years of holding these charity games, more than RUB 16 mln has been raised.

Throughout the entire history of the Night Hockey League, the 2021/2022 season saw the largest number of participants, with 21,467 players from 1,151 teams, and 75 regions taking part.

By collaborating with the Night Hockey League, Nornickel is able to support the progressive development of local hockey teams participating in the League's current tournament.

### Football Union of Russia

Nornickel is a partner to the Russian Football Union's development programmes, with the respective cooperation agreement signed for 2021-2023. A major element of the partnership is the Succession ("Nasha Smena") talent pool programme aimed at supporting children's coaches in the regions and helping them enhance their qualifications, as well as sourcing and nurturing young talent, which is a strategic priority for Russian football.

In 2022, the following events were held in partnership with the Russian Football Union:

- a football festival was organised in Monchegorsk, along with selection camps for young athletes. Football legends, who are also ambassadors of the Russian Football Union, led a series of master classes for young football players, participated in an open meeting with fans, and hosted a football marathon, in which over 350 young athletes took part;
- over 200 coaches from across Russia participated in a conference organised by the Russian Football Union. The event sought to help Russian children's and youth football coaches improve their training qualifications and develop stronger professional skills and competencies. The conference participants discussed the updated system of coaching education, approaches and issues related to talent sourcing, interaction with parents, specifics of physical training, and principles of training mixed teams.



Nornickel is the owner and sponsor of the Norilsk Nickel Futsal Club, the only professional sports club in Norilsk and the only professional futsal club in the Krasnovarsk Territory.

The team has repeatedly become the winner of the top, second and third prizes in the Russian Futsal Superleague and has won the Russian Cup.

In 2022, a second team made up of graduates of the sports school was set up. This helped the club finalise its own talent sourcing and training model as follows: children's sports club → sports school → youth teams  $\rightarrow$  second team  $\rightarrow$  first team.

The club's home arena – the Aika sports and recreation centre built with funding from Nornickel – is one of the best futsal venues in Russia ready to host matches of the highest level held under the auspices of UEFA. Since the opening of the Aika sports arena in 2020, it hosted over 40 official matches of the Russian Futsal Superleague and the Russian Cup, including 20 games in the 2021/2022 season, with the Norilsk Nickel Futsal Club wining the bronze medals of the Superleague.

## **Russian Futsal Association**

For eight years, Nornickel has been one of the key partners of the Russian Futsal Association that hosts the Russian Futsal Superleague and the Russian Cup competitions among professional clubs. The association also supports children's and youth tournaments.

A major element of the partnership between the Company and the Association is the Futsal to Polar Schools national project, which brings together 129 schools and more than 11,000 participants from the Krasnoyarsk and Trans-Baikal territories, as well as the Murmansk Region. The project promotes a comprehensive approach to holding futsal tournaments

among schoolchildren by making futsal part of extracurricular physical education and recreational sport programmes of educational institutions. In addition to holding tournaments, the project seeks to provide participants with material and technical support while also offering training courses for physical education teachers to improve their qualifications.

## Support for the development of curling in the Arctic

In 2022, Nornickel and the Russian Curling Federation joined forces to hold another annual stage of the Nornickel Curling Cup world tour, which welcomed winners and runners-up of the World Curling Championships and Olympic Games.

The programme of the competitions weekend included master classes for the curling school students, various activities at the Taimyr Ice Arena showcasing elements of the North's indigenous culture, and spectacular opening and closing ceremonies directed by some the world's most talented producers.

The local curling team's successful performance in the regional tournaments and the growing number of local residents who have taken up curling are among the key social benefits resulting from the Company's partnership with the Russian Curling Federation. Curling is an inclusive sport accessible to players from various social groups, including young people, seniors, and indigenous populations.



