

SOCIAL INVESTMENTS

SUPPORT FOR INDIGENOUS PEOPLES OF THE NORTH

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

Nornickel respects the rights, natural habitats, traditional culture and trades, historical heritage and interests of indigenous peoples within the Company's footprint and pursues a policy aimed at enhancing and fostering good neighbourly relations.

Recognising the rights of indigenous peoples to preserve their traditional way of life and addressing their needs for decent living standards and modern services, the Company has been engaged in philanthropy and social projects to improve the quality of life for Taimyr indigenous minorities for several decades.

The Company's key commitments with respect to indigenous rights are set out in the relevant Policy. Nornickel complies with all applicable international codes and laws regarding the support for indigenous peoples of the North and recognises the rights of local communities to preserve their traditional lifestyle and indigenous trades. The Company's metals and mining assets are located outside indigenous territories in the Taimyrsky Dolgano-Nenetsky Municipal District, so the indigenous peoples do not have to move, and their traditional trades and cultural heritage are not affected.

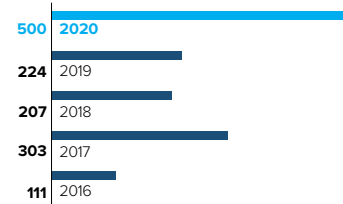
The Company also offers regular assistance in response to specific requests from non-governmental organisations that represent the interests of indigenous peoples of Taimyr. For example, in October

2020, the Company was approached by the Husky Tyal (Husky Wind) indigenous community with a request to provide financial assistance for air transportation of 10 musk oxen (calves) from the Yamal-Nenets Autonomous District to the village of Volochanka. The Company allocated the necessary funds and worked out the logistics. Due to unfavourable weather conditions, the helicopter was forced to land in Norilsk where the Company provided a heated warehouse for the musk oxen to spend a day until the weather improved. At present, the calves are safely acclimatising at a musk ox farm (10 km from the village).

A good example of how Nornickel helps to preserve national traditions and culture of the indigenous peoples of Taimyr includes celebrations of professional holidays for tundra residents organised and held by the Company on an annual basis: the Reindeer Herder's Day and Fisherman Day, with valuable gifts and prizes for participants of national holiday competitions in Taimyr settlements. To that end, the Company purchases items that are most popular among local communities, including tents, petrol power generators, household equipment, outboard motors, inflatable boats, GPS navigators, sleeping bags, binoculars, etc. The Company's annual expenses for these purposes exceed RUB 5 million (USD 70 thousand).

Support and development of local communities are central to Nornickel's charity efforts and a key part of its World of New Opportunities charity programme. As part of the programme, the Company holds the annual Socially Responsible Initiatives Competition and provides grants for the winners. In 2020, seven projects by representatives of the indigenous peoples of the North received a total funding of RUB 6.8 million (USD 95 thousand).

SOCIAL EXPENSES (USD MLN)¹



KEY OBLIGATIONS OF THE COMPANY REGARDING THE RIGHTS OF INDIGENOUS PEOPLES FIXED IN THE RELEVANT POLICY

Communities use grants to build ethnic theme parks, sports grounds, set up ethnic clubs, children's groups, ethnic sewing shops, organise celebrations of national holidays and implement projects involving elderly people, youth and children.

In 2020, implementing its Indigenous Rights Policy, Nornickel launched the Taimyr Students targeted programme to train representatives of indigenous peoples at Norilsk State Industrial Institute in courses that are most relevant for the Company. In 2020, 15 students started their studies at Norilsk State Industrial Institute under the programme, with their tuition fees fully covered by Nornickel. The Company's spending on the programme totalled RUB 1,152 thousand (USD 16 thousand).

In 2020, as part of its social and economic projects to develop infrastructure, support education and culture and improve the living standards of the indigenous peoples, Nornickel developed new long-term programme to support key business areas of the indigenous minorities

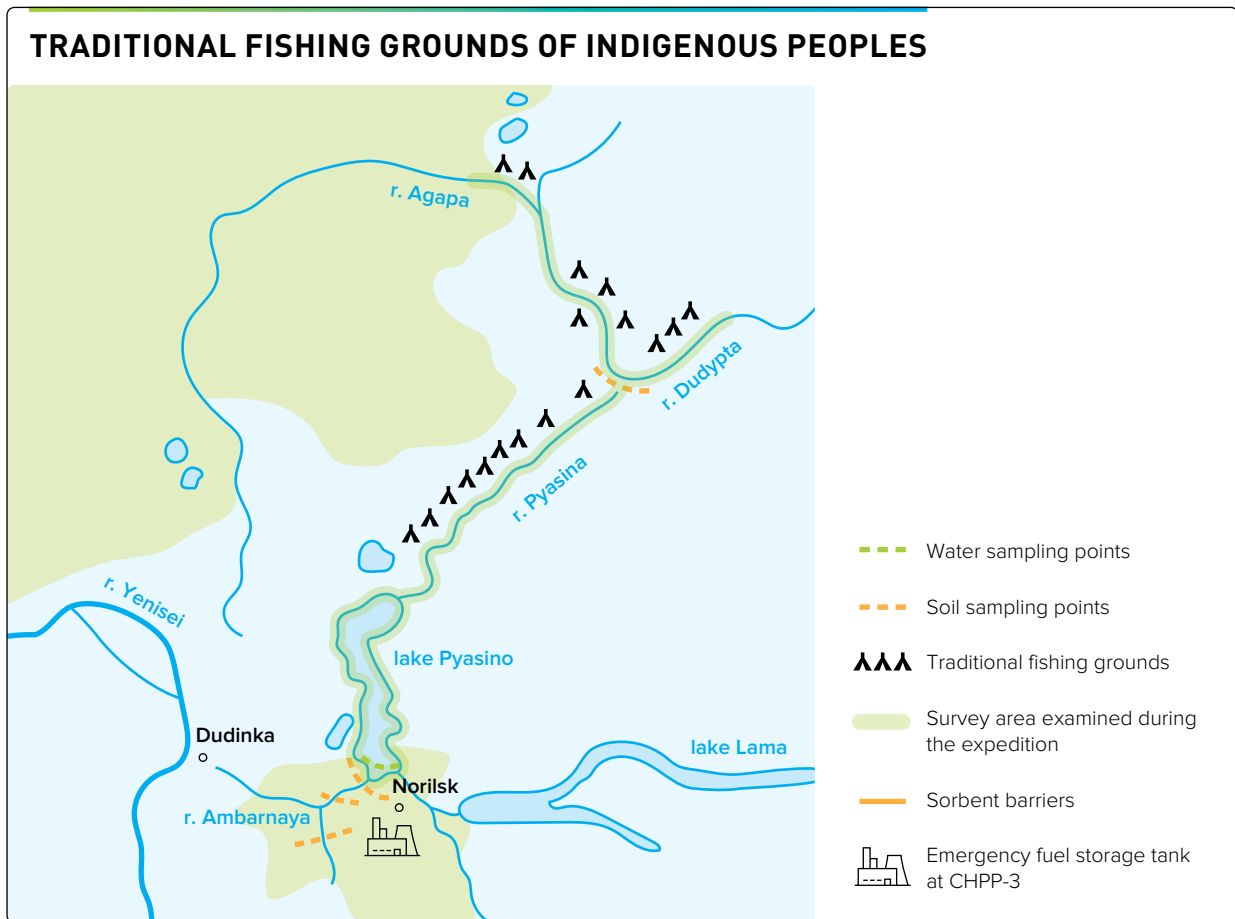
¹ According to IFRS statements.

of Taimyr. A follow-up to an ethnological expedition carried out in the summer of 2020 on the Taimyr Peninsula, the programme includes over 40 specific initiatives aimed at supporting traditional activities, developing indigenous trades, and reproducing renewable resources, which forms the basis for their traditional lifestyle and conservation of indigenous ethnic groups, as well as provides for funding to support housing, healthcare, infrastructure, tourism and socio-cultural projects. The programme is planned to be implemented within five years, with its financing totalling about RUB 2 billion (USD 28 million). Each initiative under the programme has been agreed with indigenous communities.

The supporting measures are outlined in an agreement on cooperation signed by Nornickel, the Russian Association of Indigenous Peoples of the North, the Regional Association of Indigenous Peoples of the North of the Krasnoyarsk Region, and the Local Public Organisation “Association of Indigenous Peoples of the Taimyr of the Krasnoyarsk Region”. The agreement is an important milestone of the historical partnership between the Company and indigenous peoples living in the Taimyrsky Dolgano-Nenetsky Municipal District.

In 2020, Nornickel also started making cash payments to indigenous communities fishing in the area of Lake Pyasino and the Pyasina River who

were potentially affected by the diesel fuel spill at CHPP-3. Indigenous communities and the Russian Association of Indigenous Peoples of the North took part in compiling the list of 699 affected representatives of indigenous minorities based on an ethnological review conducted for the first time in Russia to assess ethnological consequences of an environmental incident. Total payments exceeded RUB 175 million (USD 2.4 million).



COMPRISING 42 INITIATIVES:

- support for the traditional lifestyle of indigenous minorities on the Taimyr Peninsula
- support for educational projects, construction of a community centre
- construction of homes
- construction of children’s playgrounds, purchase of sports equipment, etc.
- construction of new first aid stations, purchase of special equipment, etc.
- tourism and other development and support projects.

World of Taimyr project contest

In autumn 2020, the Taimyr Social Expedition visited Taimyr to develop proposals on a set of sustainable measures to support local social and public initiatives. The expedition held a series of focus groups, surveys and interviews. Its proposals determined a number of local development priorities such as traditional trades and ethno-tourism, creation of seasonal jobs, implementation of distance learning (online), etc.

The expedition’s key proposals served as the basis for the regulations on a new World of Taimyr project contest, which will aim at supporting public initiatives and promoting sustainable development of Taimyr’s indigenous territories. The Company started the World of Taimyr contest on 10 December 2020. In 2021, Nornickel will implement a unique training and support programme for project teams involving representatives of indigenous minorities, communities and public organisations of Taimyr.

The contest’s key feature is that it only covers indigenous territories and communities within the Taimyrsky Dolgano-Nenetsky Municipal District. The maximum grant size is RUB 6.5 million (USD 90 thousand). The contest involves public and non-profit organisations, indigenous communities, as well as state and municipal organisations.

Every year, representatives of indigenous minorities take part in the Socially Responsible Initiatives Competition under the World of New Opportunities

charity programme. In 2020, grants were awarded to 1 indigenous community, 5 non-profit organisations and 11 budgetary institutions across Taimyr settlements.

Nornickel also offers regular assistance in response to specific requests from Taimyr municipalities and sponsorship support for indigenous peoples of the North, including through arranging air transportation and supplies of construction materials and diesel fuel. Nornickel’s expenses on support for northern indigenous minorities totalled about RUB 100 million (~USD 1.4 million).

SUPPORT FOR LOCAL COMMUNITIES

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

Norilsk Development Agency

The Norilsk Development Agency supports 16 SME investment projects in the service economy, manufacturing, and tourism with a total funding of around RUB 3 billion. The projects will create about 500 new jobs. IT-cube. Norilsk Children’s Digital Training Centre is one of these investment projects. The agency applied to a grant competition held by the Ministry of Education of the Russian Federation to obtain a subsidy for the launches of children’s digital training centres. The agency’s application was supported by the city administration and the government

of the Krasnoyarsk Region. Currently, 400 school students receive training in the centre.

The Norilsk Development Agency and the city administration implement greening and landscaping projects within the Lake Dolgoye recreation park and projects to create modern public and neighbourhood spaces with direct participation of Norilsk residents. A number of projects to install sports grounds and workout zones with outdoor gym equipment and benches and art forms have already been completed. One of the more recent projects is residential eco-parking with four stations for simultaneous heating of eight vehicle motors. 2020 saw the completion of an initiative to restore the Olympians, the fourth mosaic restored under the Norilsk Development Agency’s project with participation of the city administration and support from Nornickel. All these projects are part of a master plan for Norilsk development.

The agency is completing the development of the first phase of a master plan for the proposed Arctic tourist cluster. The project aims to preserve fragile arctic nature and develop conscious tourism while making tourism a viable business in the arctic part of the Krasnoyarsk Region. A total of 51 investors signed an agreement for the cluster development. Funding for the cluster investment projects totals RUB 4.3 billion. Despite the COVID-19-induced lockdown, at the end of 2020, tourist traffic was up 4% year-on-year and exceeded 5,000 people. The Federal Agency for Tourism awarded grants totalling over RUB 17 million to seven companies active in the cluster. 7 new routes have been developed, 8 tourist accommodation establishments received classifications, and 38 new guides were registered. First-ever agreement for the sale of tours to Khatanga was signed between local company Anabar-tour and regional tour operators. The Arctic. Putorana Plateau tourism and recreation cluster was included in the top 30 high-potential eco-tourism areas at an all-Russian eco-cluster contest.

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

Second School centre for community initiatives in the Pechengsky District

In the context of its closure of a smelting shop in Nikel, the Company together with regional and municipal authorities and local communities developed a new concept for the social and economic development of Nikel and Pechengsky District to address various social matters such as providing jobs for the shop employees, creating a favourable environment for SME development in the region as well as attracting investors to the region.

In 2020, the Company and the Second School centre for community initiatives in the Pechengsky District held a contest to provide interest-free loans for business development in the Pechengsky District. A total of 11 business projects won the contest, including new hotels, abrasive manufacturing facility, trout farm, dairy farm, environmentally friendly plastic waste recycling facility, holiday camp, bakery, mobile retail outlets, and a cafe on wheels. The total cost of the projects to be financed by Nornickel stands at RUB 212 million (USD 3 million), with about 145 new jobs expected to be created. All projects will be completed as early as 2021.

Monchegorsk Development Agency

Monchegorsk administration and Nornickel launched the Monchegorsk Development Agency in September 2020 to create a favourable environment and opportunities to drive the city's

sustainable social and economic development. The agency will focus on three areas: business and investment, social and cultural projects, and tourism.

Relocation programme

In 2020, Nornickel and the Russian Government continued their joint implementation of a long-term target programme to relocate people from Norilsk and Dudinka (Krasnoyarsk Region) to other Russian regions with better climates. The programme provides for financing families entitled to relocation under government programmes and registered to purchase an apartment in Norilsk or Dudinka, with Nornickel operating as its sponsor. The programme was launched in 2011 and is scheduled for completion in 2020. Since its launch, the Company has donated a total of RUB 8,651 million (USD 207 million) under the programme. A total of 8,219 families exercised their relocation rights under the programme between 2011 and 2020, including 6,713 families from Norilsk and 1,506 families from Dudinka.

The Company fully discharged its financial obligations under the programme which was completed in 2020.

Construction of a sports and recreation centre

In 2020, the Company completed the construction of the Ayka sports and recreation centre in Norilsk. The centre was built under an agreement concluded in 2010 for collaboration and cooperation in the upgrade and development of social and utility infrastructure and housing in Norilsk. Investments in construction projects totalled more than RUB 3.6 billion (USD 50 million), including RUB 2.5 billion (USD 34.7 million) spent in 2020.

These projects span all areas within the Company's footprint. In Zabaykalsky and Murmansk Regions, such social projects have been running for several years under formal agreements.

In 2020, Nornickel provided RUB 400 million (USD 6 million million) to finance social projects of Zabaykalsky Region Government, plus RUB 50 million (USD 0.65 million million)

for the Murmansk Region under a 3-year social and economic development programme.