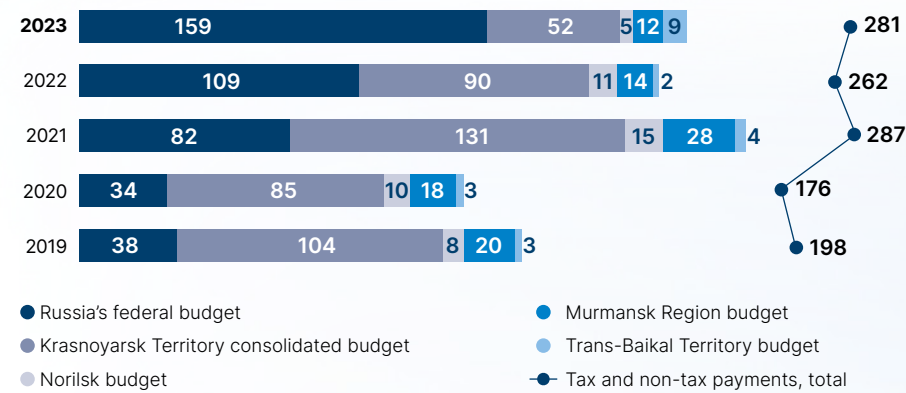


CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF LOCAL COMMUNITIES



Budget payments

Tax and non-tax payments to local, regional, and federal budgets¹
RUB bn



In 2023, Norinickel's tax and non-tax payments to budgets of various levels totalled RUB 281 bn. In 2023, tax revenues of the Company's regions of operation were mainly affected by the use of the Russian Ministry of Finance's methodology for distributing the income tax of the former members of the consolidated taxpayers group (CTG) among the regions. Thus, in 2023, 80% of income tax payments by former CTG members were aggregated in a "common basket" and then distributed proportionally between the regions depending on the share of regional CTGs' tax payments in previous years.

Employment of local population

GRI 203-2

The Company provides employment in the key regions where it operates by using the following recruitment methods:

- opening the Company's own Personnel recruitment centres (five as at the end of 2023);
- Cooperation with educational institutions to develop higher, vocational, and supplementary

education. Targeted demand for a wide range of mining and metals experts enables students to opt for a potential career path with the Group, complete an internship with their future employer and synch theoretical knowledge and practical skills. Apart from that, the Company donates books and specialised

equipment to students, and contributes to the maintenance works and campus construction at the educational institutions, thus improving the quality of training.

Registered unemployment in key communities¹, %

Region of operation	2019	2020	2021	2022	2023	Change 2023/2022
Norilsk	0.6	1.4	0.3	0.2	0.2	↔
Taimyrsky Dolgano-Nenetsky Municipal District	0.8	1.2	0.7	0.5	0.5	↔
Krasnoyarsk Territory	0.8	3.5	0.8	0.8	0.7	↓
Monchegorsk	2.2	2.2	1.7	1.2	0.6	↓
Zapolyarny	2.0	1.9	1.6	0.8	0.5	↓
Nickel town	3.3	3.0	2.2	1.4	0.7	↓
Murmansk Region	1.7	2.7	1.4	0.8	0.6	↓
Trans-Baikal Territory	1.0	5.3	1.5	1.1	0.8	↓

The Company's regions of operation have consistently low levels of unemployment that saw a y-o-y decline in 2023.

The registered unemployment rate across Russia came in at 0.6%

at year-end 2023 – in line with the level registered in the Company's regions of operation².

¹ Tax and non-tax payments include all taxes paid, net of VAT, as well as insurance payments and customs duties. Total income tax allocated to the regions from the federal basket using the methodology was RUB 82 bn, including RUB 65 bn for the Krasnoyarsk Territory, RUB 16 bn for the Murmansk Region, and RUB 1 bn for the Trans-Baikal Territory.

¹ As at the end of the reporting year.

² Source: [Federal State Statistics Service](#).

Supporting local suppliers

GRI 203-2

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

Relevant UN SDGs



Related federal projects

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

Key initiatives and focus areas

- 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](#)
- GR Accelerator programme implementation

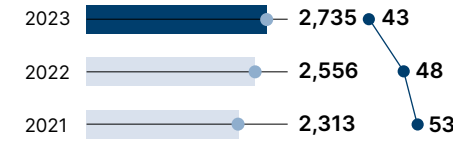
Nornickel develops partnerships across its footprint by signing long-term agreements, providing expert help in accelerator programmes, and assisting with the launch of new investment projects in the regions.

A decline in the number of procurement tenders for goods and services held by Kola MMC and GRK Bystrinskoye in 2023 was related to the external economic factors, as well as completion and suspension of certain investment projects and related procurement

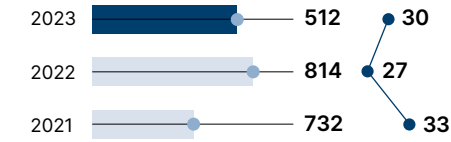
procedures. A larger number of tenders at Polar Division came on the back of active implementation of Sulphur Programme.



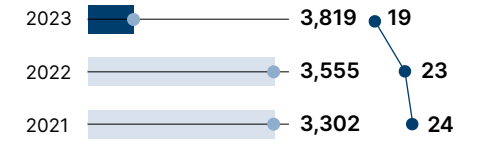
Procurement tenders held by Polar Division (Krasnoyarsk Territory)



Procurement tenders held by Kola MMC (Murmansk Region)



Procurement tenders held by GRK Bystrinskoye (Trans-Baikal Territory)



● Procurement tenders for goods and services held by the Company

● Locally awarded procurements as a share of tenders held by the Company, %

The Group's spending on local procurements, RUB bn

Indicator	2021			2022			2023		
	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory	Krasnoyarsk Territory	Murmansk Region	Trans-Baikal Territory
The Group's spending on local procurements, including:	29.1	3.3	1.5	51.5	5.0	1.5	63.0	3.5	1.7
• services	23.5	3.0	1.3	38.7	4.8	1.1	52.3	3.3	1.3
• materials	4.8	0.3	0.2	11.9	0.2	0.4	9.8	0.2	0.4
• food supplies	0.8	-	-	0.9	-	-	0.9	-	0.001

In 2023, procurement expenses of the Company's facilities in the regions of operation amounted to RUB 68.1 bn, up 17% y-o-y. The growth was driven by the implementation of large-scale capital construction projects.

