

ALROSA Summer 2021

ALROSA

IN-HOUSE PUBLICATION OF THE LARGEST DIAMOND MINING COMPANY
SUMMER 2021

IMPACT REPORT

HOW MUCH ALROSA
HAS PROVIDED
TO YAKUTIA
IN 2010-2020



HONG KONG
Metamorphoses
of the diamond
business

THE LONG,
HOT SUMMER:

POLISHED DIAMONDS
FOR THE MOST LIGHT-HEARTED SEASON



DIAMONDS *that* CARE

diamondsthatcare.com

FROM THE EDITORS

R

Regardless of predictions, Chinese shoppers who had barely come out of lockdown, deprived of the joy of travel, eagerly sought some retail therapy. Vladlen Nogovitsin, director of ALROSA's office in Hong Kong, told us about the change in demand for jewelry in China over the past year, about ALROSA's business expectations in this country, and the history of the Hong Kong office.

We visited a diamond detector factory and learned about the features of new models, as well as why a jewelry professional should have not just one, but a small "fleet" of detectors.

939 billion rubles is the amount of money that provided by ALROSA to Yakutia's economy over the course of 11 years. The Impact Report contains the information on how diamonds "return" to the region, enabling medical and children's centers to be organized, together with educational programs and other projects that change the quality of life and attract highly qualified specialists.

When the sun in the sky is not enough. Iconic films of the 1950s–1990s and shiny diamonds from ALROSA—find your summer inspiration with our new art project!

The issue also contains articles about one of the brilliant directors of Yakutia, popular and little-known jewelry routes of St. Petersburg, and new collections of the world's leading jewelry brands.





06



COMPANY

04 News

Biggest Russian diamond—
The Spectacle at Christie's

06 Event

ALROSA's exclusive presentation
in St. Petersburg

08 Inner light

New Luminous Diamonds brand wins prestigious CLIO Awards prize



08

10 Interview

Hong Kong. Metamorphoses of the diamond business



18

18 Diamonds That Care
Diamonds That Care
How the jewelry brand contributes to ALROSA's social initiatives

24 Innovations
The Guardians of Two Markets
ALROSA Diamond Inspector update



UP-CLOSE

28 Art project
Joys of Isolation
Trends in the global luxury market through the eyes of an artist

34 Diamonds That Care
Impact Report – 2020
How ALROSA affects the life of Russia's largest region



48



TERRITORY

48 Contribution
The Champion's Way
"Become a Champion" project in Yakutia and ALROSA's role in its implementation

54 New Generation
Underground Kings
Miners – about their work

64 Interview
Once upon a time in Yakutia
Director Dmitry Davydov talks his victory at the "Kinotavr-2020" Film Festival and the prospects of Yakut cinema



76

LIFESTYLE

68 Art project
The Long, Hot Summer
76 Jewelry journeys
Familiar and unfamiliar routes of St. Petersburg
86 Trends
The brightest high jewelry collections



ALROSA IN-HOUSE PUBLICATION



Promotional Booklet

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6.16-carat diamond, cut and polished by "ALROSA
diamonds"
Photo by Evgeny Likhatskiy



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THE SPECTACLE GOES UNDER THE HAMMER IN GENEVA



THE BIGGEST DIAMOND EVER POLISHED
IN RUSSIA FETCHED MORE THAN

\$14 MILLION,

OR \$141,000 PER CARAT, AT CHRISTIE'S MAGNIFICENT
JEWELS AUCTION IN MAY.

The exceptional 100.94-carat D-color gem is internally flawless and type IIa.

The Spectacle was cut by Diamonds of ALROSA from a rare 207.29 carat rough stone unearthed in 2016 at Zarnitsa kimberlite pipe in the Sakha Republic (Yakutia) in the northeast of Russia. The preparation and cutting process took one year and eight months. It is a part of the collection of the same name, dedicated to Russian ballet, along with the 20.69-carat Fancy Vivid Yellow Firebird and the 14.83-carat Fancy Vivid Purple-Pink Spirit of the Rose. Alrosa

Magazine wrote about the process of creating the Spectacle in its Winter-2021 issue.

The Magnificent Jewels auction took place in Geneva on 12 May. It consisted of 131 lots and brought \$64 million in total.

"Christie's saw strong bidding from all over the world both online and on the telephone, with clients back in the room for the first time in over a year," said Max Fawcett, head of the jewelry department at Christie's, "The market demonstrated incredible strength, and prices were strong in both diamonds as well as historic and signed jewelry."



Weight	100.94 carats
Color	D
Clarity	IF
Cut	Emerald
Number of facets	57



PRIVATE SPECTACLE IN THE CULTURAL CAPITAL OF RUSSIA

photos by: NIKOLAY DUNAEVSKIY

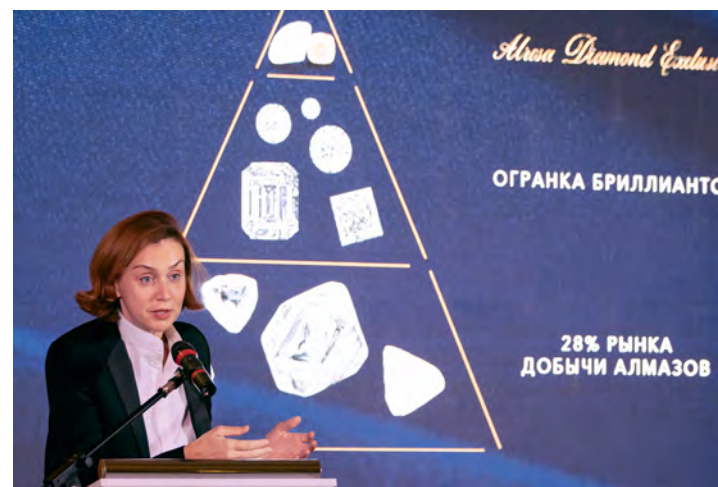
ALROSA held an exclusive presentation of the 101-carat polished diamond The Spectacle for a narrow circle in the ALROSA Diamond Exclusive program for partner banks' private clients.

Guests had the opportunity to witness the largest diamond ever faceted in Russia, which would be sent for sale at the Christie's auction house in Geneva.

The event took place at the legendary Astoria Hotel in the center of St. Petersburg. The program included remarkable performances of Russian opera and ballet from guest artists.

Elena Sukhoveeva, Head of the ALROSA Diamond Exclusive program, opened the event with a speech on the preferences for the partner banks' clients and the investment potential of rare diamonds.

For several days after the gala, the exclusive ALROSA diamonds and jewelries were demonstrated at the new flagship ALROSA Diamonds boutique near St. Isaac's Cathedral.



AWARD *for Courage*

THE ADVERTISING CAMPAIGN FOR LUMINOUS DIAMONDS, AN ALROSA PROJECT, TOOK THIRD PLACE IN THE FASHION & BEAUTY CATEGORY OF THE PRESTIGIOUS CLIO AWARDS. THE CAMPAIGN WAS CREATED BY LAUNDRY SERVICE, AN AGENCY WORKING WITH SUCH BRANDS AS NIKE, HENNESSY, BODY ARMOR AND BMW.



LUMINOUS  DIAMONDS®



The “Made Under Pressure” advertising campaign is the start of an ALROSA marketing project carried out in the USA. The first jewelry collections with fluorescent diamonds under the new Luminous Diamonds brand were launched last autumn.

Fluorescence is the rare ability of diamonds to radiate blue light under UV rays, which comes out in the most spectacular way in the lighting conditions of a theater or a club. Emphasizing the unique nature and beauty of fluorescent diamonds, the Luminous Diamonds brand draws a parallel with the inner light that exists in every woman—it moves her and fills her life with meanings, dreams and aspirations. Luminous Diamonds jewels reflect the power of this light.

The Laundry Service team, which also works with Fox, Netflix, L’Oreal, Cartier and Pepsi, has partnered with the brand to activate the campaign in the US market.

The women’s rights movement did not lose its voice during the pandemic-stricken 2020. To keep up with it, the Luminous Diamonds advertising campaign reminds women of the importance of staying real, loving life and not cheating themselves—despite

the circumstances and stereotypes that prevail over us every day.

“The idea behind the launch video, featuring seven American women, is based on the brand’s ‘Follow your inner light’ slogan. Each of the heroines shared her story, experience and feelings. The video features the iconic song “Under Pressure” by Queen and David Bowie, which, as we see it, is very much in line with the idea of the brand and the context of the turmoil of 2020, amidst which this campaign was born and launched,” commented Valentin Konurin, head of branding and new projects at ALROSA.

About Clio Awards

The Clio Awards are an established international competition founded in 1959 to award artistic achievements in advertising, communication and design for pushing the boundaries and creating something innovative.

The Luminous Diamonds brand was awarded third place in the Fashion & Beauty category. The fluorescent diamond brand from Russia was a winner alongside the likes of Gucci (Gucci Bloom), Vogue Italia, and Dove.

Lauren Fodero,

Associate Creative Director:

“This 360 campaign focuses on the various cultural and societal pressures women overcome to achieve greatness. Winning this award is symbolic of the category, acknowledging that diamond advertising has long perpetuated these exact pressures. But no longer. The passion that went into producing such a bold, sophisticated, category-defying campaign came from not just the agency, but our daring clients as well. It takes courage to produce work that’s different—work that really challenges people to think differently—and that’s what Greatness is Made Under Pressure does. I’m very proud of everyone who contributed to making this campaign a success, and I can’t wait to continue growing the Luminous Diamonds brand.”



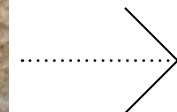
HONG KONG.

METAMORPHOSES
OF THE DIAMOND
BUSINESS

IT IS NOT THE FIRST TIME THIS MILLENNIUM THAT CHINA HAS FACED A DEADLY EPIDEMIC. ACCORDING TO NEWSPAPERS AND SOCIAL NETWORKS, THE CONSEQUENCES OF THE EPIDEMIC WERE LIKE THE APOCALYPSE — EMPTY STREETS BETWEEN SKYSCRAPERS AND PEOPLE IN WHITE CLOTHING WEARING RESPIRATORS.

HOWEVER, CHINA RECOVERED FROM THE PANDEMIC FASTER THAN OTHER COUNTRIES, AND THE RENEWED DEMAND FOR POLISHED DIAMONDS CONFOUNDED THE PESSIMISTIC FORECASTS.

VLADLEN NOGOVITSYN, DIRECTOR OF ALROSA'S OFFICE IN HONG KONG, TELLS US ABOUT THE APPEARANCE OF A RUSSIAN DIAMOND COMPANY IN THE GIANT PORT AND ITS IMPORTANCE FOR THE DEVELOPMENT OF COMPANY'S BUSINESS.





Major diamond hub

The Hong Kong office was ALROSA's fourth foreign base. The first was ARCOS Ltd. (All-Russian Co-Operative Society), which is located in London. It operated as ALROSA's trade promotion office from 1997 to 2015. Next, in 1998, the Arcos-Belgium subsidiary was established in Antwerp, the historic diamond centre of the world, and in 2002 the Arcos Israel office was opened in Ramat Gan.

The office in Hong Kong was opened in 2005, prior to the termination of a long-term agreement between ALROSA and De Beers. And in 2006, two more offices were opened: one in Dubai (Arcos East DMCC) and the other in the USA (Arcos USA).

Before establishing an office in Hong Kong, ALROSA did a lot of preparatory work: the company examined the legislation, customs and tax regimes of the region, sent delegations to different countries of Southeast Asia, and organized meetings with the leaders of the Diamond Federation of Hong Kong and the Shanghai Diamond Exchange. As a result, Hong Kong was chosen due to its favourable business environment, tax system and proximity to mainland China.

In August 2005, I registered an ALROSA subsidiary in Hong Kong. And in September, with strong support of the Diamond Federation of Hong Kong, we already arranged the first diamond tender. Initially, we focused on the sale of rough diamonds at tenders and auctions, at major international jewelry exhibitions and through direct sales. Regular participation in Hong Kong exhibitions was a new stage in the development of company's sales and distribution of ALROSA and, effectively, allowed us to open a "window" to Asia.

In 2001, ALROSA and De Beers concluded a trade agreement for the supply of rough diamonds to the value of \$800 million per year for five years. In concluding the agreement, ALROSA notified the European Commission. The European Commission, in turn, sent objections to ALROSA and De Beers, after which negotiations began on the compliance of the agreement with the requirements of the EU antimonopoly legislation. As a result, it was decided to gradually – over six years – reduce the volume of ALROSA's supplies to De Beers from \$700 million in 2005 to \$275 million in 2010. However, in January 2006, the European Commission ordered the parties to completely terminate commercial relations by the beginning of 2009. The volume of rough diamonds purchased from ALROSA was to decrease from \$600 million (€500 million) in 2006 to \$500 million (€420 million) in 2007 and to \$400 million (€340 million) in 2008. ALROSA, in turn, filed a lawsuit against the European Court. In July 2007, the EU court ruled that a complete termination of all commercial agreements between the two companies was clearly disproportionate. Nevertheless, in January 2009, the longstanding commercial relations between ALROSA and De Beers ceased entirely.

The opening of the Hong Kong ALROSA office was a significant step for networking with regional companies in the industry, especially for large retail jewelry networks in the region, as well as for a large number of gem-cutting companies in mainland China. During the operation of the Hong Kong office, the situation in the industry was changing rather rapidly. It was driven both by processes in the countries of the region and in the ALROSA itself.

In 2009, as a consequences of world economic crisis, cost of production of polished diamonds in China significantly increased, which affect

competitiveness of Chinese polished diamonds manufacturers. Many of them were forced to reduce production in China or completely terminate it.

The volume of diamond cutting in mainland China gradually declined. The large Hong Kong companies, however, remained in the business. The ALROSA office in Hong Kong basically reoriented to selling polished diamonds. Diamond auctions became an integral part of all major international jewelry exhibitions in Hong Kong.

Over the last years, the Chinese diamond market was struck with both the pandemic and the trade war with the United States. The USA imposed additional customs tariffs on jewelry from China. At the time, significant part of the jewelry that was being sold in the US was produced in China. In order to save the business, Chinese diamond and jewelry companies in adapting to quickly evolving market conditions, started to tightly control stocks, increase efforts to develop sales channels, particularly online sales and marketing. As a result, online jewelry sales became one of the major parts of the rapid market recovery.

Massive efforts in sales development create highly competitive environment where small diamond and jewelry companies suffered heavily.

Trade fairs as the pearl of Hong Kong trade

In the early years of our business activities, trade fairs and exhibitions in Hong Kong played a key

role in communicating with customers and finding new buyers, both for us and for other market participants. They were a vital tool for the business. In the space of a few days at the exhibition, we met more clients than we do in Moscow throughout the whole year. Exhibitions served not only for showing goods, but also for exchanging views, developing and agreeing on solutions and terms of partnership. Moreover, many people preferred the Hong Kong exhibition for the endless variety of goods.

Today, the importance and effectiveness of jewelry exhibitions is being reconsidered: With the emergence of rapid and secure Internet communication, the value of off-line communication started diminishing. One of the largest Europe jewelry exhibitions did not want to adapt to these changes, and continued to demand high participation costs that were not justified by the resulting sales, hence, gradually losing its glory. With relations between sellers and buyers being already established, the advantages of meeting at an expensive exhibition site became less evident. Lack of organizer flexibility led to conflicts with exhibition participants.

The Hong Kong exhibition context differs greatly from the European one. Local exhibitions concentrate a huge market potential, as the entire Asian region has great potential with regard to sales of luxury goods. The exhibition continues to be a source of new buyers and partners, and is a good launching ground for new businesses. Here, in a short time, you can feel the market pulse and see where the demand is moving, as well as the signals to change the range. In addition, the exhibition has a very accessible infrastructure that



intelligently combines capabilities for effective work, entertainment and recreation, as well as acquaintance with Asian exoticism, which is always appreciated by the participants.

Of course, the pandemic and the lockdown motivated the development of remote technologies, but the period of widespread digitalization revealed the hidden dangers of this process. Today it is obvious that people still need direct communication, as the computer world cannot completely replace it. Our clients still prefer direct contact—every person I have talked to wants to return to offline. Exhibitions, therefore, remain an important element of trade development. Their format will inevitably change, since companies will no longer want to pay the same participation

expenses. But I still cannot see alternatives to exhibitions in Hong Kong.

Office

Initially, the staff of the new office included only me, the director, and then I hired an assistant. The principal trading activity was supported by colleagues seconded from the United Sales Organization and ALROSA Polished Diamonds division. In 2011, I returned to Moscow—at that time Fyodor Borisovich Andreev, the President of ALROSA, entrusted me with the task of creating the company’s customer service ahead of ALROSA IPO. The IPO was successfully completed in October 2013. Hong Kong diamonds companies, including



“THE MAIN REQUIREMENT FOR A GEM IS THAT IT MUST BE NATURAL.”

Colleagues from Hong Kong are equally fast in making decisions about buying diamonds. In comparison, people from mainland China demonstrated a completely different approach.

Initially I had a feeling that the market would dry up completely

I returned to China just before the pandemic outbreak. Due to the switch of some government agencies to working remotely, the process of obtaining a work visa was delayed for six months: in “peacetime” the process would have taken no more than a month. At the same time, there was no complete lockdown in Hong Kong—we worked in the office and switched to remote working only twice: when an infected person was identified in our business center, and when the number of infected in the city jumped.

After the sales of rough diamonds ceased, we began to cooperate more closely with our Moscow colleagues, with the main focus on polished diamonds, including especially expensive ones that have investment potential. Sometimes I had a feeling of complete uncertainty, that made me think that the market could dry up completely. But China was the first country to recover from the crisis.

During the first four months of 2021, jewelry sales in mainland China grew by 20% in comparison with the same period of pre-pandemic 2019. The diamond jewelry sales are more modest, but they still do not compare unfavorably with sales over the same period of 2019. Cumulative jewelry sales in mainland China and Hong Kong in January-April 2021 are estimated at \$17 billion, which is about 7% higher than in the 4 months of 2019.

Why are Mainlanders spending more now than before the pandemic? The first reason is that there is no opportunity to travel abroad. Chinese tourists used to account for a significant share of jewelry sales in Europe and the United States, but due to the closed borders and restrictions on domestic travel, all demand has been concentrated in the domestic market.

The second reason is the polarization of people’s income. Part of the population is suffering from the aftermath of the pandemic and has been forced to tighten their purse strings, while another part of the population is rapidly accumulating money,

big retail jewelry companies were among the first ALROSA long term clients. In 2019, I returned to Hong Kong and took charge of the modernized ALROSA office. Today, we have an office staff of four—me, my deputy for diamond sales, a bookkeeper, and a technician.

Initially our business in Hong Kong started with sales of rough diamonds, but the pandemic turned everything upside down, and this trade almost completely ceased. Today, the major part of online and offline sales is attributed to polished diamonds. Also, our efforts are largely aimed to the development of marketing initiatives and market analysis.

Role of Chinese tourists for Hong Kong

The demand for jewelry in Hong Kong was mainly generated by tourists from mainland China, who purchased more than 50% of the jewelry sold here. In Hong Kong, there are also large shopping malls built specifically for guests from mainland China. More than 60 million people visited Hong Kong each year, that is, more than 5 million a month. Currently, the number of tourists is as low as 5,000 a month.

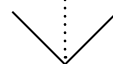
For four months of 2021, in the absence of tourists, the volume of jewelry sales in Hong Kong was about 50% of that in the first four months of 2019. It means that domestic demand grew in comparison with the pre-pandemic year. But, it obviously could not fully compensate for the losses due to the absence of tourists. Analysts predict a resumption of tourist flow and sales growth for the beginning of Q3.

“THE ENTIRE MARKET EAGERLY AWAITS FAMOUS HONG KONG TRADE FAIRS RETURNING FROM SELF-ISOLATION.”



What surprises me in the people of Hong Kong?

The entrepreneurial spirit of Hong Kong people is legendary. I never encountered such determination and promptness in implementation of decisions. Our company’s first office was located in the famous Bank of China building, on the 56th floor, and we managed to renovate it within three months. Taking into account size of the office, it would have taken much longer in Moscow. By the way, delays in the Hong Kong office renovations occurred only from our side.



“WE ARE PLANNING TO DEVELOP **PARTNERSHIP** WITH THE SHANGHAI DIAMOND EXCHANGE.”

especially people employed in export-oriented industries, and medicine in particular. The second category of citizens is showing interest in investing in jewelry and rare diamonds—sales of gems are also intensifying in the context of anticipation of inflation.

Chinese tradition does not accept artificial gems

In China, there is a tradition of presenting diamond engagement rings. A marriage proposal without a ring is not taken seriously. Due to tensions in the relationship with the United States, the trend of authentic Chinese culture has intensified recently. However, customers do not want to abandon the Western tradition of presenting engagement and wedding rings. This said, the main requirement for a gem is that it must be natural. Artificial gems run contrary to the Chinese culture, so customers on the whole do not accept “synthetic gems.”

China is the largest producer of synthetic industrial diamonds, but the production of synthetic polished diamonds is just beginning to develop there. And attempts to promote synthetic diamonds sometimes do not comply with the rules of business ethics. For example, some producers are trying to mimic the large jewelry brands of Chow Tai Fook and Chow Sang Sang, which emphasize the utmost importance in having natural diamonds in their products. The jewelry industry in China, as well as worldwide, is faced with issues of falsification of small diamonds in jewelry products. But large polished diamonds are sold with certificates. The buyers understand the importance of verifying the authenticity of an expensive diamond, appreciate its natural origin, and use every opportunity to share information about it in social networks.

Paradise for the rich

At the moment, a Greater Bay mega-region is being created in China. It will include the megacities of Hong Kong, Macau and Guangzhou. This world's largest metropolitan area should become a zone of accelerated economic and innovative development and has great prospects, for Hong Kong in particular.

We are planning to develop a partnership with the Shanghai Diamond Exchange.

We are looking forward for cooperation with Macau Diamond Exchange in a way of development of the Greater Bay Area, which can be a place where diamond companies will develop production, exclusive jewelry services and shopping opportunities, that a person with a high income might want.

Rapid-fire questions

Favorite place for walking in Hong Kong

My wife and I like hiking. When the opportunity arises, we do a lot of walking away from the city. During the pandemic, it helped us immensely to maintain our mental strength. Hong Kong is a strange place. Two steps sideways—and you are in the jungle, where you do not feel like a city-dweller at all.

When I came here in 2005 and entered the forest for the first time, I was shocked by the absence of birdsong—there were only plants and people. At that time, Hong Kong had just recovered from a SARS epidemic. Today the nearby forests are filled with their singing.

Favorite Hong Kong dish

Dishes cooked by my wife (smiles). Dishes of Russian and Yakut cuisine. Also, I appreciate Cantonese cuisine from the Guangdong province: healthy food with fresh seafood.

What I miss the most in Hong Kong...

People in Moscow, and even more so in Yakutsk, are more frank: if they have accumulated negative emotions inside, they will directly express what they think of you. Here, with their external amiability, it is difficult to comprehend how a person really regards you. It is rather difficult for a foreigner to be accepted as an equal. Therefore, during my first visit, it was sometimes difficult to approach clients. But if you can break through and prove that you can do business on an equal footing, then you get trust and a reliable partner.

As a Yakut, I miss genuine meat in Hong Kong. Here, it seems somehow artificial. Even while living in Moscow, I always tried to bring meat from Yakutsk, as the beef from Yakutia is unrivalled.





DIAMONDS THAT CARE: WARM BEAUTY

Every year, ALROSA works on hundreds of social projects through its Diamonds That Care initiative. This commitment to social causes lies at the core of the Diamonds That Care brand. For the buyer, it is an opportunity to engage in social initiatives and ultimately contribute to making the world a better place.

Throughout its history, ALROSA has worked to develop the regions where it operates: creating jobs for the local population and investing in infrastructure, education, and culture. About 5% of our revenue goes towards social initiatives and charitable causes.

ALROSA has given the name Diamonds That Care to its social efforts, and they are an integral part of its diamond mining.

The eponymous jewelry brand emerged during a year that proved challenging to the whole world due to the pandemic, when the values of charity and mutual support came to the forefront. Part of the revenue from every piece of jewelry under this brand goes to a major charitable foundation.

Diamonds That Care is symbolized by the soft, warm tones of the light brown diamonds used in its jewelry.



DIAMONDS FOR DIAMONDS THAT CARE

For the Diamonds That Care jewelry, we select light-brown polished diamonds of various saturation levels, from champagne to milk chocolate. "We call this color range earth-tone, as it highlights the diamonds' natural origin, the diversity of the natural diamond palette, connection with the earth, from which they emerged, and the heartfelt warmth behind the brand's concept," an

ALROSA spokesperson commented. It is believed that brown, pink, and the especially rare red shades occur in rough diamonds due to plastic deformation, in which interatomic bonds are broken and reformed. In other words, the diamond's atoms get rearranged, which alters the way the diamond absorbs and reflects light, creating unique optical effects. This shift of the carbon atoms within the crystal lattice is the result of the pressure and movement of the earth's upper mantle at great depths (more than 100 kilometers). When this process occurs, the diamond crystal has already formed, but is still malleable, due to the extremely high temperatures in the surrounding environment.

Brown diamonds are found at all of ALROSA's mines, but they are especially plentiful in the pipes of the Lomonosovskoye deposit in Arkhangelsk Region and the Almazy Anabara placers in Yakutia, which are also famous for their pink diamonds.

Photographer: Sasha Lytvyn Set, Design: Jocelyn Cabral, Art direction: Mark Preston

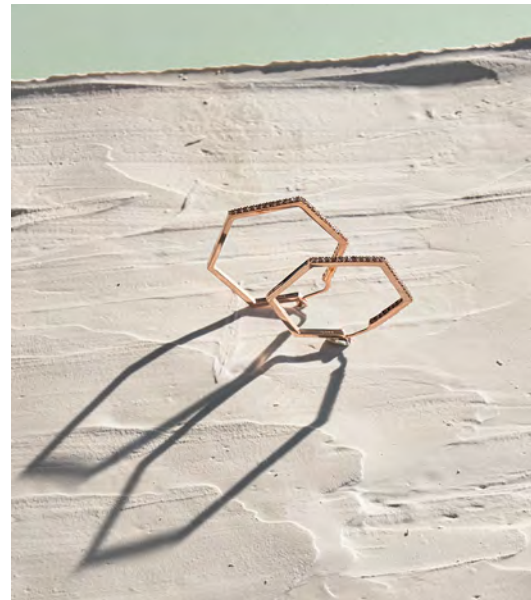




Character of Diamonds That Care Jewelry

The design of the Diamonds That Care jewelry builds upon light brown diamonds' soft shades and flawless origins: the brand's master jewelers focus on clean, concise forms and use gold in warm tones.

Hexagonal earrings adorned with elongated, round-link chains, pendants shaped like compasses or eight-pointed stars, bracelets with two central diamonds that hug the wrist in a thin open arc: the Diamonds That Care pieces demonstrate classic shapes and symbols, while giving a nod to current trends. They represent the "adaptive" jewelry which is popular today: accessories that fit any dress code and can accompany their wearer throughout the day, emphasizing her individuality and boosting her confidence. The combination of minimalistic shapes with enchanting earth-tone diamonds, simplicity with luxury, perfectly conveys the idea of Diamonds That Care.



Another heartwarming detail of this story: each Diamonds That Care piece is engraved with the inscription "I Care," invisible to public eyes, but reminding the wearer that her jewelry has contributed to a good cause.



The first exclusive release of the Diamonds That Care collection is available at Brilliant Earth, a major online jewelry retailer

Photographer: Sasha Lytvyn Set, Design: Jocelyn Cabral, Art direction: Mark Preston



Charitable Collaboration

Last year, ALROSA's "warm" brown diamond initiative received support from world-famous designer Anna Hu, who created a unique jewelry set for a charity auction at Christie's. The collection, launched in collaboration with the Diamonds That Care project, consists of three pieces: a necklace with a 27.02-carat Fancy Brown-Yellow Pear Brilliant-Cut Diamond as a centerpiece; a red gold ring with a 1.59 carat Faint Brown pear brilliant-cut diamond; and a pair of 3.21 and 3.01-carat Faint Brown pear brilliant-cut diamond earrings. The key motif of the set is the heart shape.

The key idea of the initiative fits in with the collections motto that "Every diamond must help those in need." A Christie's online auction in July 2020 sold over \$300,000 of jewelry. All proceeds were transferred to the Brave of Heart foundation, which helps the families of healthcare workers who lost their lives on the front lines of the COVID-19 pandemic.



Anna Hu

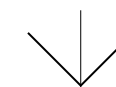
Feeding America is the largest hunger relief organization in the USA. Through its network of food banks, pantries, and nutrition programs, the organization provides help to those facing food insecurity, an issue that annually affects one in seven Americans, **and the pandemic has only made the situation worse.**

Photographer: Sasha Lytvyn Set, Design: Jocelyn Cabral, Art direction: Mark Preston

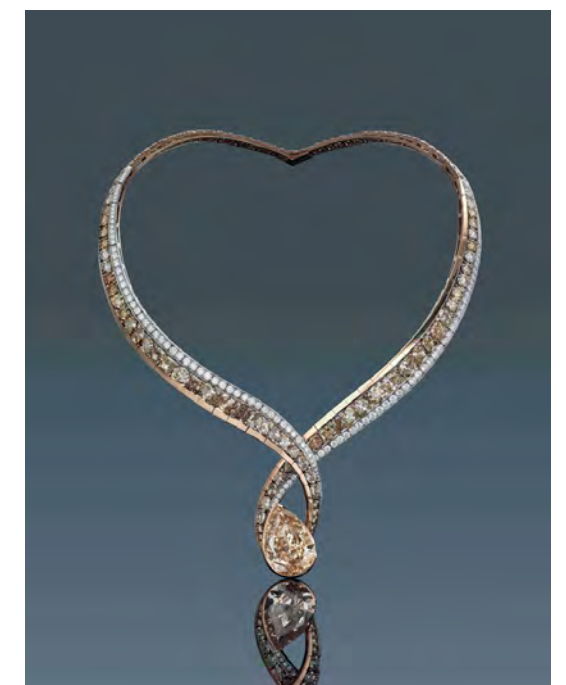
The Diamonds That Care Principle

10% of each US sale of Diamonds That Care jewelry is donated to Feeding America. Feeding America projects that, due to the effects of the coronavirus pandemic, 42 million people (1 in 8), including 13 million children (1 in 6), may experience food insecurity in 2021. Feeding America programme's aim is supporting the most vulnerable families. This ALROSA charity initiative goes in line with its commitment to support local communities.

For many years, ALROSA provides support to the Republic of Sakha (Yakutia) and Arkhangelsk Region of Russia, where the company mines rough diamonds. Every year, ALROSA spends an average of 10 billion rubles on approximately 500 social initiatives, including building and renovating hospitals, rehabilitation centers and schools, as well as organizing sports and cultural events.



To find out more about ALROSA's investments in Russia's largest region with the harshest environment, see the Impact-Report special project, pages 34-47



THE GUARDIANS *of Two Markets*

How can consumers and retailers be sure of the natural origin of their diamonds? There are some certified testing laboratories, of course, but the first line of defense at the border between the markets of natural and lab grown diamonds consists of devices that allow users to inspect diamonds on their own.

We meet Vladimir Sklyaruk, CEO of ALROSA Technology, the company that designed and produced ALROSA DIAMOND INSPECTOR, and talk to him about diamond detectors and their prospects in the market.



Your basic device model, ALROSA DIAMOND INSPECTOR (ADI), first entered the market three years ago. It was followed up by the launch of ADI VIEW and ADI Wide Scope. What are your principles for expanding your detector line?

When creating new devices, we use a traditional principle that is already part of, say, car manufacturing: first comes the basic model, then its modifications, with new options and functions.

Let's start with the basic model, ALROSA DIAMOND INSPECTOR (ADI). What makes it special?

It would be no exaggeration to call it a complex, unique device. It was designed by ALROSA with support from the Technological Institute for Superhard and Novel Carbon Materials (TISNCM). It uses not just one, but three optical analysis methods: Raman spectroscopy, UV absorption spectroscopy, and fluorescence spectroscopy. The main purpose of the device is to detect whether a gemstone is a diamond and if it is, where it came from. ADI helps distinguish natural gems from lab-grown gems and simulants. It also determines if the gem has been subjected to any manipulations in order to artificially improve its texture or to remove cloudiness, cracks, or discoloration. More than that, it is capable of analyzing both individual gems and crystals that are part of jewelry.



What is the difference between ADI and similar devices?

I would say that there is no such thing as a device truly similar to ADI. The market does have various options with different features and functions, meant to complete similar tasks. But on average, such devices are both significantly larger than ADI and about 10 times more expensive (ADI costs about \$6,000—ALROSA). The upside of our device is that we managed to create a miniature detector without loss of function: it's ergonomic, weighs just 1.5 kg, and can be powered both by the grid and an external battery. ADI also has another benefit: it is very simple to operate. It allows any users, even those without degrees in gemology, to assess a diamond's origin. All you have to do is place the diamond specimen inside the device, and 40 seconds later, its monitor will display the results of the analysis, which can be saved or printed. So in a way, it's a gadget with an enormous brain and infinitely complex software.

Last year, in 2020, you added two more devices: first ADI VIEW, then ADI Wide Scope. What prompted their launch?

Like any other device, our detector cannot perform every function possible. We are all aware—even if we use the most basic example, home appliances—that the three-in-one format imposes certain limitations on any device's operation, and in many cases, the optimal solution would be to distribute the tasks between different devices. ADI is great for inspecting gems between 0.03 and 10 carats. But if you want to examine several gems at once, say, as part of a complex, intricate piece of jewelry, this device will no longer work: the size of its inner chamber is insufficient for things like massive necklaces or bracelets with a lot of gemstones. At the same time, we have been getting multiple requests for devices to inspect such items. That was what prompted us to add a new device to our product range: ALROSA DIAMOND INSPECTOR Wide Scope. Its purpose is precisely to examine large gems, both separately and as part of jewelry.

What is the operating principle of ALROSA DIAMOND INSPECTOR Wide Scope?

It has a special remote probe, which makes it possible to inspect specimens without placing them inside the device. That is the main difference between ADI Wide Scope and the basic ADI model. As far as the rest of its features go, it also uses three methods of optical spectroscopy, and it can analyze gems





across a range of 11 gemological indicators and detect simulations, lab-grown diamonds, artificially refined diamonds, and low-nitrogen type IIa diamonds. The analysis time has also been reduced significantly. To sum up, ADI and ADI Wide Scope have slightly different applications and are meant for different market segments. ADI is primarily meant for users that are dealing with one gem at a time, while ALROSA DIAMOND INSPECTOR Wide Scope caters to users that work with complex jewelry.

Your line also has another device: ADI VIEW. What does it do, and what are its particularities?

ADI VIEW uses a photoluminescence method: it analyzes the fluorescence and phosphorescence patterns of rough and polished diamonds, obtained in two spectra of UV radiation. The goal of ADI VIEW inspection is to determine a rough diamond's origin: it can tell whether it's natural, lab-grown, or refined. Importantly, the analysis process is compatible both with separate rough and polished diamonds, and with large groups of diamonds inlaid into jewelry or watches. Essentially, I would say that it's a great companion for the basic detector, ADI: when used together, they ensure a comprehensive inspection of any gem specimen.

So you are saying that before testing a gem with ADI VIEW, you must first make sure that it is, in fact, a diamond?

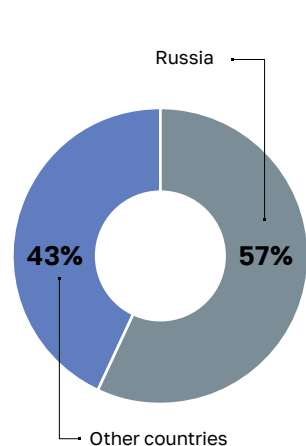
Yes. The basic ADI model and ADI Wide Scope operate on a number of principles, including Raman scattering, which is a 100% reliable way to distinguish diamonds from other minerals. ADI VIEW, in turn, is the next stage of inspection: it only works with diamonds, detecting their nature with maximum precision. How do you use the ADI + ADI VIEW complex? Let's say you have already used ADI to determine that the gem you are examining is a diamond, but you are still not quite sure about its origins: you cannot say if it's natural, lab-grown, or low-nitrogen. So you place your gem into ADI VIEW, and the luminescence spectrum gives you more detailed information: is this luminescence typical of a natural diamond, or of, say, a lab-grown specimen? The image of your luminescent specimen is displayed on a computer monitor, and if you compare it to two samples (we add a sample library as a bonus when you buy the device), you will be able to unmistakably determine the nature of your rough or polished diamond.



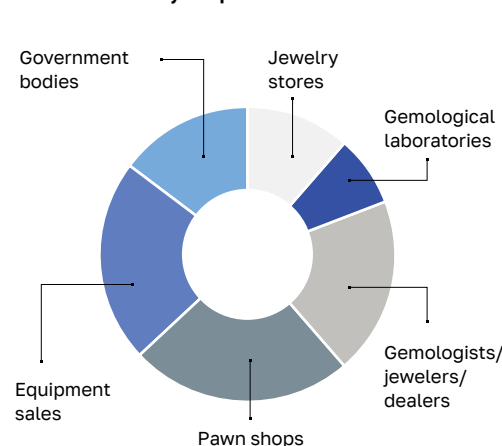
Where are your devices most in-demand?

They can be used for express tests at multiple government authorities: for example, the Assay Chamber, customs, or Gokhran.* Our devices are also being actively purchased by pawn shops, gemological labs, jewelry stores, and private jewelry makers. For obvious reasons, ADI Wide Scope, with its capacity for inspecting large-scale specimens, is particularly in-demand in the jewelry market. In addition, our devices are indispensable during business transactions and business trips. Today, technology has reached such a level that it is nearly impossible to tell lab-grown diamonds apart from natural diamonds. But you still have to do that, somehow. Plus, some labs have learned to do all kinds of "magic," like growing a synthetic layer over a small rough diamond and then selling this hybrid for the price of a natural gem. We even know of cases when professional gemologists were not able to identify the origins of such gems with 100% certainty.

Deals around the world



Buyer specialization



"SOME LABS HAVE LEARNED TO DO ALL KINDS OF "MAGIC," LIKE GROWING A SYNTHETIC LAYER OVER A SMALL ROUGH DIAMOND AND THEN SELLING THIS HYBRID FOR THE PRICE OF A NATURAL GEM"

Modern lab-grown diamonds look amazing and are suitable for jewelry, but they should not be priced as highly as natural polished gems. But the temptation to sell cheaper items for a higher price is always there. That is why we want our devices to help mark the boundary between two different markets: the lab-grown gem market and the natural gem market. Mixing the two threatens both consumer rights and businesses.

Could you give some examples from your practical experience?

Here's the most recent example: we were contacted by jewelers that had been buying materials for years from a supplier they thought they could trust. But after an expert assessment of one of their finished items, they began to suspect that about 30–40% of the diamonds they had used in the item were not natural. And this is becoming more and more common. There is a long, complicated chain between the gem supplier and the finished piece of jewelry, and this chain has several at-risk points where the gems can be swapped for counterfeits. And the liability for the

final product lies with the seller, who may be completely unaware that their jewelry is partly lab-grown. But if this fact is somehow discovered, the seller will lose both their money and their reputation. This is why control at all stages is a must. Here's another example, this time from private experience: one woman, when testing a ring with what she assumed to be a high-quality natural gem, received a report saying that her gem was a simulant. As it turned out, just a couple of days before that, she had parted with her ring to have it cleaned...

So you could say that your devices are a great marketing tool for those sellers who want to make their business processes more transparent.

That's exactly right! One of our Irkutsk customers, a jewelry chain, announced its purchase of ADI devices on local TV. After that, the chain's sales rose by 6–7%. Customers want to clearly see what they are paying for, and a seller who is open to having any of their items inspected cannot help but inspire trust. And as for the shadow market... Well, our devices are not welcome there, for obvious reasons. We have had employees literally kicked out of jewelry stores with their ADI devices, not even getting a chance to test the items. That is serious cause to stop and think whether buying jewelry at a place like that is a good idea.

What certificates do ADI devices have?

Our basic device, ALROSA DIAMOND INSPECTOR, has been certified by the Customs Union. It also has the CE declaration and an Assure certificate issued by the Diamond Producers' Association (now – Natural Diamond Council, NDC).

The Assure certification process involved tests of over 1400 specimens, including type I and II natural polished diamonds and lab-grown polished diamonds, including some gems that have not yet entered the market and have been grown with the most advanced technologies, plus some non-diamond imitations.

The ADI device was almost 100% successful in detecting natural polished diamonds. It also made no mistakes when detecting lab-grown diamonds and was the only device to detect non-diamond imitations in 100% of cases.

In which situations would an ADI test be sufficient, and which situations also require a visit to a gemological lab?

In the majority of cases, about 99%, our express laboratory identifies even the most challenging specimens of an obscure nature. But if things are far too confusing, it's best to contact a certified laboratory: this option is even included in our detectors' software. Such situations are rare, but they do occur. In a laboratory, each specimen is analyzed not for 10–40 seconds like when using one of our devices, but for several days, under a dozen immensely powerful spectrometers, cryogenic equipment, and more.

Do you have any plans to keep expanding your detector range?

Yes, we are already working on the development of devices that allow the user view the internal structure of the crystal. And we are also planning to launch devices for inspecting colored gems like emeralds, rubies, and others. Such inspections will require spectral analysis. Another one of our concepts is a device capable of analyzing a diamond's color, because color is a highly important parameter that affects quality. Our goal is to make our product range as full as possible, allowing it to meet a variety of market needs.

* Gokhran is the short designation for the State Institution on Formation of the State Fund of Precious Metals and Precious Stones of the Russian Federation, Storage, Release and Use of Precious Metals and Precious Stones, a branch of the Russian Ministry of Finance.



Bright pleasure in

ISOLATION

The figures show that buyers long for jewelry even while locked at home. Let's see how the pandemic has affected the diamond jewelry market.

MARIA CHUDAYKINA
visual artist

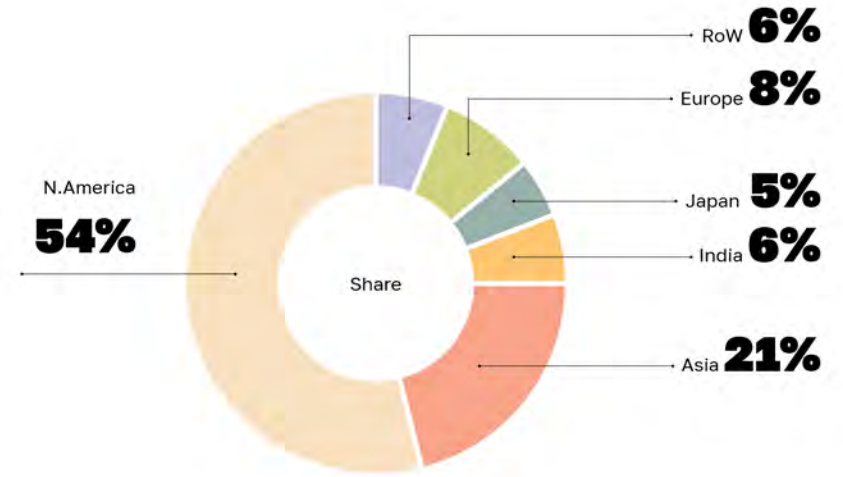


In 2020, demand for jewelry decreased less than demand in other personal luxury market segments



Source: Bain-Altgamma 2020 Worldwide Luxury Market Monitor

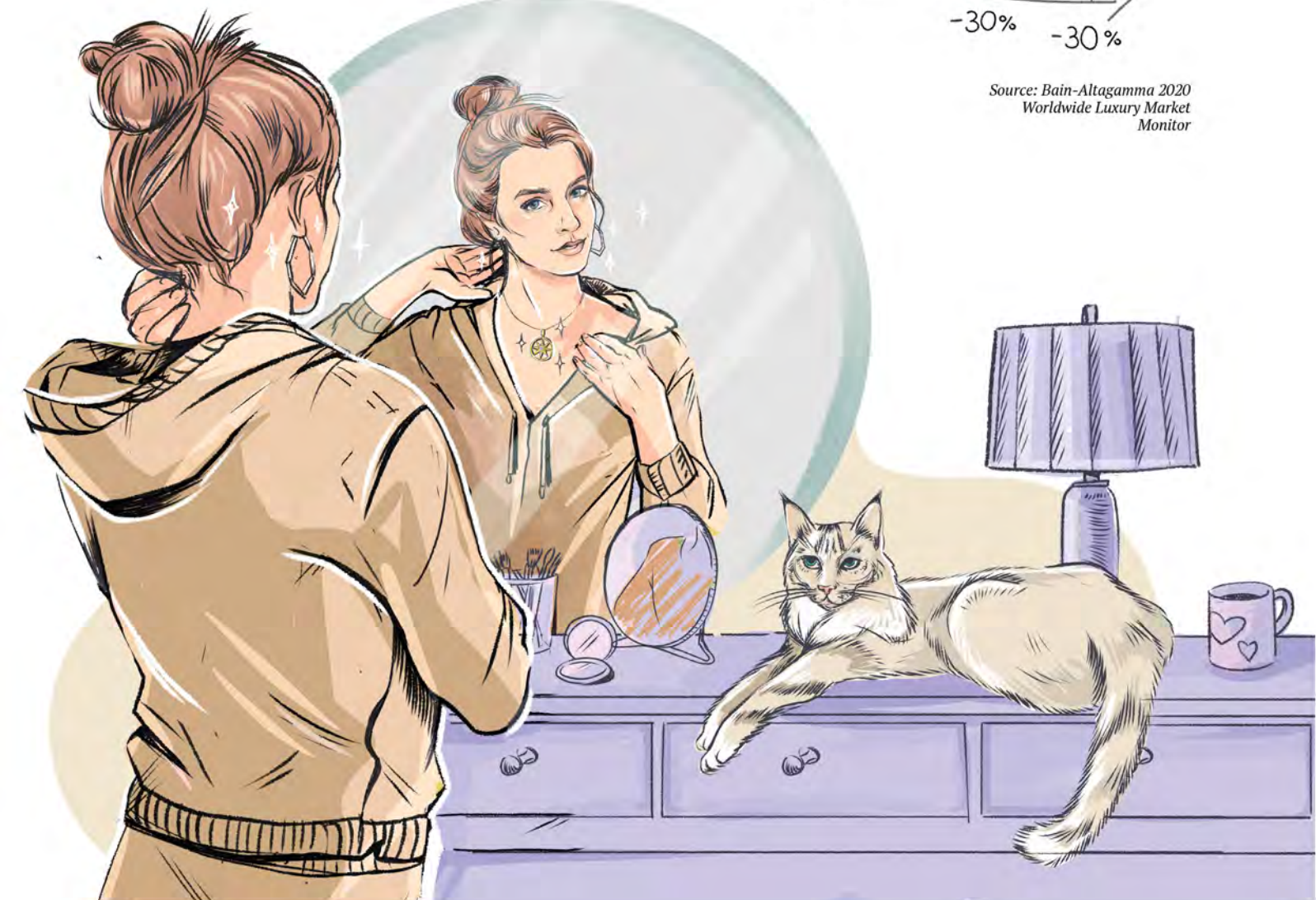
Diamond jewelry sales by region



Total diamond jewelry sales 2020
~\$73 bn

Source: ALROSA's expert estimates

Europe: EU, Russia
Asia: Asian countries excluding Gulf countries, India and Japan
Rest of the world—Africa, Gulf countries, Australia, South America



After vacations, diamond jewelry is the luxury good most desired by women. The maintenance of demand for diamonds is likely partially driven by COVID-19's effect on demand for vacations

Desirability of high-end / designer / luxury items



Man

Followed by @alrosadiamonds, @woman @alrosaglobal



Electronics 49%♥ Vacation 40%♥ Clothing 29%♥



Woman

Followed by @luminousdiamonds, @alrosadiamonds @man, @alrosaglobal



Vacation 49%♥ Diamond Jewelry 39%♥ Clothing 31%♥



Diamond Jewelry 29%♥ Watch 21%♥ Shoes 19%♥



Electronics 25%♥ Handbags 16%♥ Shoes 15%♥



Perfume 9%♥ Handbags 4%♥

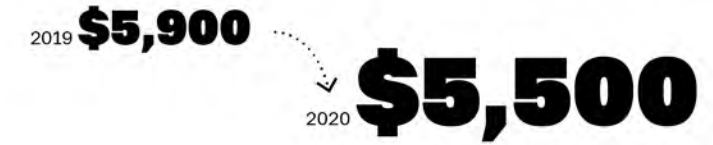


Perfume 10%♥ Cosmetics 10%♥ Watch 5%♥

Source: Natural Diamond Council Consumer Research (March 2021), USA, ranking based on 3,504 women poll and 1,499 men poll (multiple answer option).

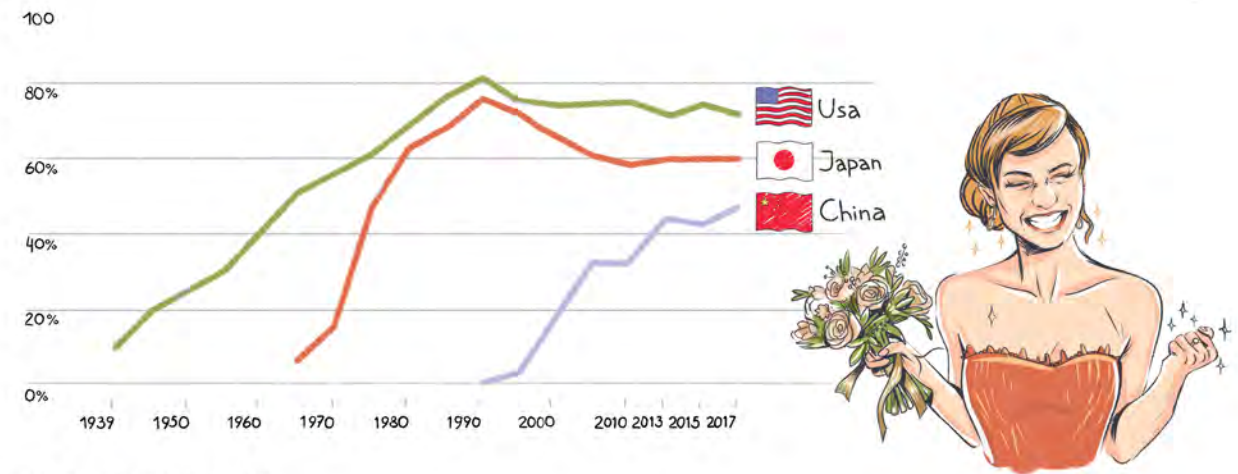
Pop the question

AVERAGE PRICE OF AN ENGAGEMENT RING IN US



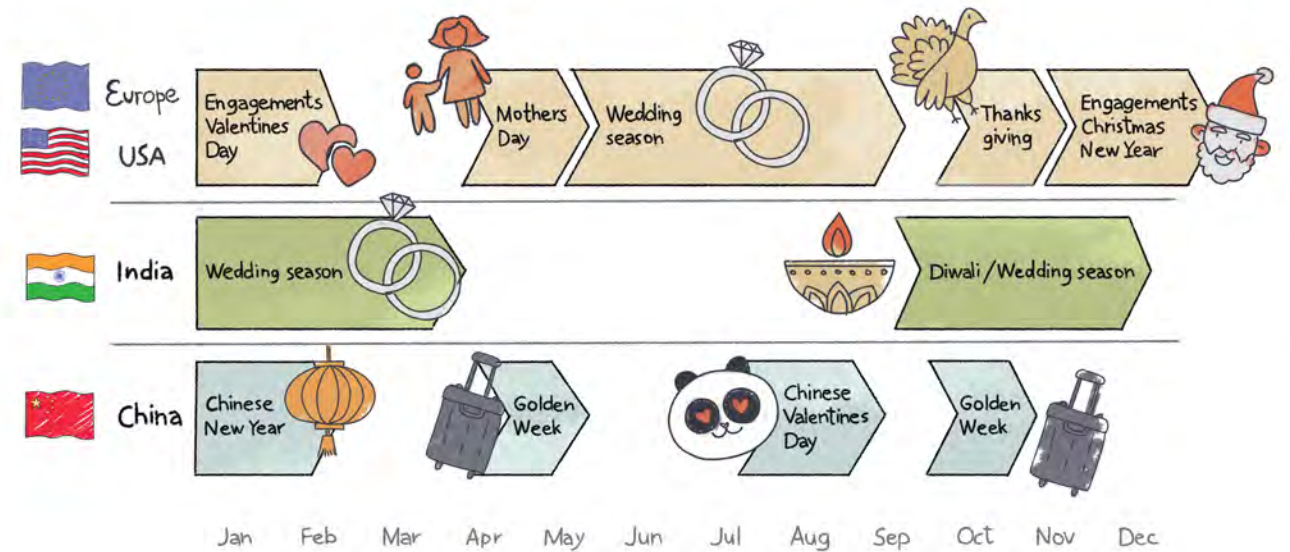
Source: The Knot

% of brides receiving a diamond ring



Source: De Beers Insight Report 2019

Calendar of diamond jewelry purchases





IMPACT REPORT

20

(EXCERPTS)

An old legend has it that, while flying over Yakutia, God's hands froze and he dropped a bag of riches on the ground, and that is why the Yakut land is rich in minerals, including diamonds. We mine diamonds and sell them on the international market, making use of the latest technology and our vast experience. Yakut diamonds are today known all over the world, thanks to their high quality and guaranteed conflict-free origin. They are also mined in accordance with the best social and environmental practices.

As a minimum, all subsoil users should strive to avoid harming and spoiling the location in which they mine. We pursue a broader goal: To make Yakutia a better place using the opportunities that we have, and the subsoil resources that are given to us. We therefore create jobs, guarantee our workers a decent salary and benefits, help build schools, hospitals and sports facilities, meet our tax obligations, and pay out good dividends to our shareholders, the largest of which is the republic itself. Together, all of these efforts make it possible to create a comfortable environment in the region, improve people's lives and make things brighter, even when it is dark outside.

Our new report provides more detail on what we do and offer a comprehensive assessment of the company's role in the life of the republic of Yakutia. It covers the period from 2010 to 2020. Today, as this report is being prepared, the diamond market is experiencing hard times due to the coronavirus and the ensuing crisis. But even these circumstances will not change our community-focused approach. ALROSA will always support Yakutia, our homeland, and we will do our best to help the people who live here forget about this difficult period as soon as possible. We hope that diamonds will be increasingly associated not only with jewelry, but also with the good deeds that back them.

*Alrosa CEO
Sergey Ivanov*



FACTS ABOUT YAKUTIA



One in every four polished diamonds on retail shelves comes from the Russian North



The Republic of Sakha (Yakutia) is Russia's largest region



Yakutia covers an area **6** times larger than France and **10** times larger than Italy



The population of Yakutia is less than **1** million



More than **40%** of Yakutia is located beyond the Arctic Circle, many more areas are equivalent to the Arctic in terms of living conditions



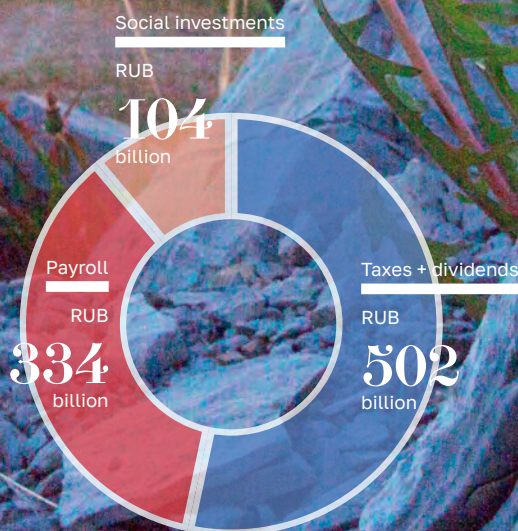
Yakutia is the coldest inhabited region of our planet: in terms of absolute minimum temperature (down to minus 70°C) and the length of time these low temperatures are experienced (from 6.5 to 9 months per year), the republic is unlike anywhere else in the Northern Hemisphere



The average duration of the heating season in Yakutia is 8–9 months a year. In the Arctic zone heating is required all year round

From 2010 to 2020, ALROSA contributed around

939
RUB billion to the economy of Yakutia.



RUB
502
billion



The republic receives most of its money from diamond mining and sales in the form of taxes and dividends. ALROSA is registered in the town of Mirny, which is located next to the kimberlite pipe of the same name, and the company thus pays almost all of its taxes to Yakutia. The republic and eight of its uluses (districts) also own 33% of ALROSA's shares, receiving annual dividends in accordance with their stake. Yakutia and the districts determine how these funds are spent, but we know that they are primarily directed toward social needs – public-sector salaries (doctors, teachers, educators), landscaping, and the construction of roads and social infrastructure.

RUB
104
billion



Social investments are the funds that ALROSA allocates for implementation of its own social projects. These include corporate social programs for workers and their families, targeted aid to districts and towns to solve specific problems, and assistance to people in need.

RUB
334
billion



Payroll is the money that our employees receive for their daily work. They make their own decisions about how to spend it. But the money that they spend locally within the region—to buy vegetables in a convenience store, or clothes, or fuel at a gas station, whatever—will also be included in the chain and will ultimately work for the development of their city, the region and Yakutia at large.

Over the past 10 years :

- The official unemployment rate for Yakutia as a whole fell from 2.4% to 1.6% of the active population, while in Mirny District where the company conducts most of its business the rate declined from 1.3% to 1.1%.
- The mortality rate in Mirny District is significantly lower than that of other districts in Yakutia and the average rate for the republic (7.8 per mille in 2019); since 2010 Mirny's rate has fallen from 7.1 per mille to 6.3 per mille.
- Investment in fixed assets in Mirny District was twice as high in 2019 as in 2010.
- The commissioning of residential buildings in Mirny District has increased by a factor of 10 over the past decade, with a total of 65,800 square meters commissioned.
- The share of dilapidated and substandard housing in the total housing stock dropped from 10.7% to 4.4%.

Of course, credit for this belongs not only to ALROSA, but also to the joint work of many companies and authorities of different level. Still, we are proud to be contributing to such a significant cause.

COOPERATION WITH THE REPUBLIC OF SAKHA (YAKUTIA)

These days, ALROSA employees can be encountered in various countries on different continents. But Yakutia has always been and remains the company's home. It was here in 1954 that two female geologists discovered the first kimberlite pipe in Russian history. They named it Zarnitsa. Over subsequent years, several dozen diamond placers and primary deposits were discovered. It is thanks to these that today, Russia bears the proud title of the world leader in mining and reserves of these gemstones. It is Yakutia that is now home to ALROSA's main operations: five of the company's mining and processing facilities are located here, with 91.6% of its diamonds originating from here, too.

Mining companies around the world often form partnerships and reach agreements on social and economic development with the regions in which they operate. But ALROSA is linked to Yakutia through more than just a partnership—the republic is the company's main shareholder. Yakutia currently owns 25% of ALROSA's shares, its eight uluses (districts) own another 8%, giving a total of 33%, the Russian Federation (also holds 33%).

This special status determines the company's support to the state in several ways at once: payment of dividends to shareholders, payment of taxes and other payments.

ALROSA payments of dividends and taxes to Yakutia and its uluses, billion rubles

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
20	26	29	31	37	47	61	70	78	64	38

Dividends

It is important to every shareholder that the company in which it owns a stake generates good profits. This is especially important in the case of Yakutia, because ALROSA is the largest company operating in the republic, and its dividends make up a significant share of the region's budget; without them, the budget would be much more dependent on federal subsidies.

The payment of dividends is regulated by the dividend policy approved by the Supervisory Board—this does not only apply to ALROSA, but to any company. In the case of ALROSA, the period from

2010 to 2020 have seen a significant shift from small and non-transparent payments to the international best practices that ensure high dividends for shareholders.

Dividends paid by ALROSA to Yakutia and its 8 uluses, million rubles

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
99.9	733.3	2,975.5	3,270	3,572.8	3,572.8	5,079.7	21,704.2	27,148.5	19,322.3	6,392.2

Total dividends paid by ALROSA to Yakutia and its 8 uluses amounted to RUB

94

billion over 11 years.

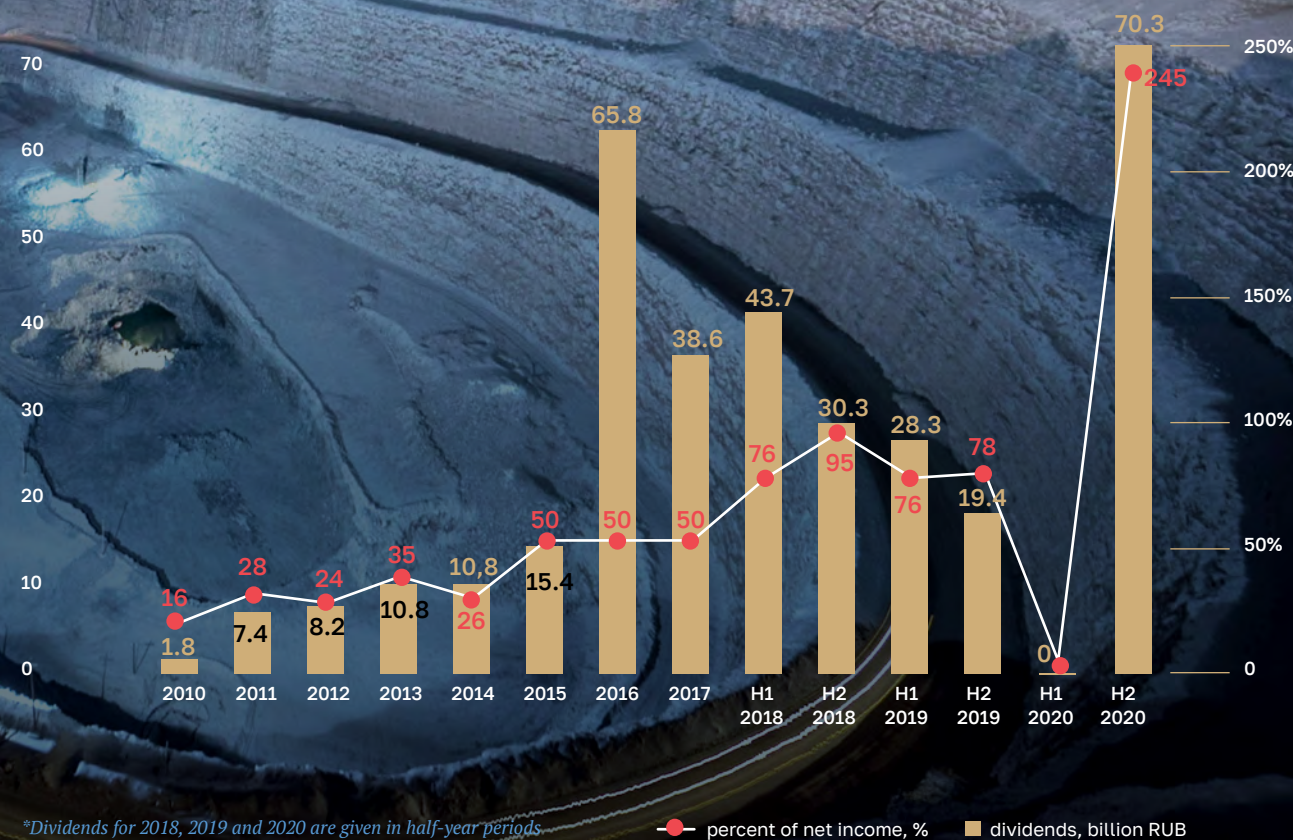
Having said that, over the past three years (2018–2020), the budget received approximately RUB 20 billion more in dividends than over the previous eight years.

The trend in dividend payments by ALROSA reflects changes in the company and its business in recent years. Over this period, ALROSA's dividend policy has changed several times. Initially, the company allocated just 10% of its net profit under the Russian accounting standards for dividends, but later, following government recommendations for companies part-owned by the state, the bar was raised to 25%. However, calculating dividends based on the Russian accounting standards has a significant drawback for companies with a multidivisional structure, since the Russian accounting standards only take into account the parent company's numbers. In the case of ALROSA, the parent company actually conducts mining on several sites, thus the budgets received some funds, while in other cases it is possible that parent companies do not conduct operations at all.

In 2014, ALROSA adopted a new dividend policy, under which the company pledged to pay dividends of at least 35% (50% a bit later) of its net profit in accordance with IFRS—the international reporting standard that takes into account the figures of all companies within the group. This would have been reflected in the above table, but during this period Yakutia sold part of its stake during privatization, so dividends paid to the republic for this period grew less than they might have done.

In 2018, ALROSA once again updated its dividend policy to bring it in line with current international standards; many Russian experts have described it as “one of the most transparent and progressive policies.” According to the new rules, free cash flow is used as the basis for calculating dividends. This takes into account the cash flow from operating activities

The overall dynamics of ALROSA declared dividends



*Dividends for 2018, 2019 and 2020 are given in half-year periods

● percent of net income, % ■ dividends, billion RUB

after deducting investments (capital investments) in primary production (thus, the payment of dividends cannot have a negative impact on capital expenditure). The size of dividend payments is linked to the value of net debt and EBITDA: if the financial situation deteriorates, the company may pay less, but if it improves, the company must increase payments.

ALROSA's dividends are particularly important for Yakutia's uluses (districts) in all regions usually

lack funding, and so the money they receive from the company is a great help for them. Moreover, the regional budget previously cut district funding by the amount of the company's dividends, thus leaving their income at the same level. This practice was only stopped in 2015.

In 2010–2020, eight uluses in Yakutia received dividends from ALROSA exceeding RUB 22 billion, around RUB 2.8 billion for each district.



Taxes

ALROSA's tax payments are another tangible form of supporting Yakutia's budget. As a big company, it pays high taxes, and over 90% of its taxes are paid in Yakutia.

The amount of taxes paid is influenced by a number of factors, in particular, profits, production volumes and the company's place of registration. Any joint-stock company pays most of its taxes in its place of registration. ALROSA is officially registered in the town of Mirny, at 6 Ul. Lenina. This means that the company's taxes are paid in Yakutia instead of going to the federal center.

Another particular feature of the interaction between Yakutia and the company is that ALROSA pays the mineral extraction tax to the republic. This makes up half of all tax payments. Most mining companies pay the mineral extraction tax to the federal budget. Payment of the diamond mining tax to Yakutia's budget is a unique case, a preference that was granted to the region.

ALROSA's tax payments in Yakutia, billion rubles

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
19.8	25.2	26.4	28	33.7	43.3	55.8	48.1	51	45	31.9

Total taxes paid by ALROSA to the budget of the republic and local budgets in 2010-2020 amounted to RUB

408.3

billion.

Taxes and dividends paid by ALROSA account for a significant share of Yakutia's budget revenues, and this share has noticeably increased over the past years.

ALROSA's payments as a share of budget revenues

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
19%	20.6%	20.9%	20.4%	21.6%	25.1%	31%	34%	31.5%	25.9%	13.8%

ALROSA's payments as a share of own revenues (excl. subsidies from the federal budget)

35%	35.7%	36.2%	38.7%	37%	38.9%	46%	50.8%	46.8%	40.2%	25%
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THE TEAM AND THE PAYROLL FUND

ALROSA currently has a staff of 32,500 people around the world: in Russia, Africa, Hong Kong, the United Arab Emirates, India, USA, Israel, and Belgium. Over 90% of the total staff live and work in Yakutia. Employees under 30 account for 15% of the company's workforce. 31% of the total workforce in 2020 are women.

ALROSA promotes equality for our employees regardless of their gender, and equal pay for people of both sexes in identical positions with identical functions.

At the time of recruitment we focus on evaluating staff by their qualifications, however we give preference to local personnel. We believe that this approach is fair to the region in which we operate. Offering vacancies for local personnel is another way of providing socio-economic support to the region, an opportunity for people living in difficult conditions to earn a decent wage and enjoy a decent standard of living.

The average ALROSA's employee salary in 2020 was RUB

138,400

per month.

Over 2010-2020, the average salary at ALROSA has tripled. This significantly outstrips inflation (which amounted to about 90% in Russia over this period). The average salary at ALROSA (parent company) is almost twice the average salary in Yakutia (RUB 76,700); the average salary growth rate is also around double.

The average salary at ALROSA (parent company) is almost three times higher than the national average (RUB 51,100) and is also significantly ahead in terms of growth rates.

As wages increase, the payroll goes up too. The latter also includes various incentives and social benefits.

ALROSA's total payroll in Yakutia in 2010-2020 amounted to more than RUB

300

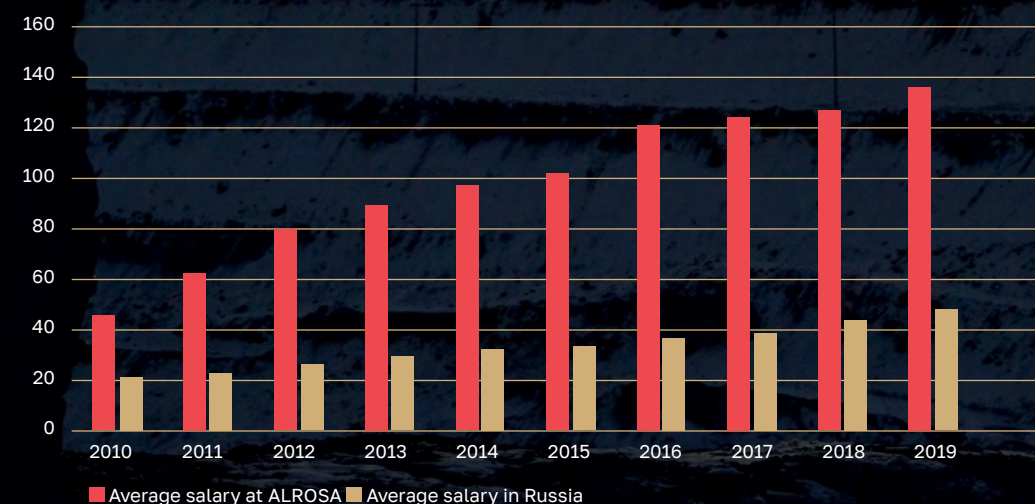
billion.

ALROSA's total payroll in Yakutia, billion rubles

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
16.2	21.4	27.5	30.1	32.1	33.4	38.3	36.4	33.9	32.5	32.3

Since most of ALROSA's employees are residents of Yakutia, most of the payroll funds are invested in the republic's economy through the goods and services purchased by people.

Comparison of average salaries in ALROSA with the average in Russia





CORPORATE SOCIAL PROGRAMS

Decent working conditions for ALROSA employees mean not only good wages and guaranteed employment rights, but also an impressive corporate benefit package over and above state benefit entitlements. Each corporate social program is open to both workers and their families.

Health Program

ALROSA considers looking after its employees' health first and foremost as a way to create decent living conditions for employees in the region. This kind of support from the company mitigates possible health problems at local level, and gives employees ample opportunity to obtain high-quality medical care or consultations, and undergo treatment at large medical centers in Russia.

In addition to compulsory state medical insurance, ALROSA employees receive additional medical insurance paid for by the company. This includes the services of doctors in various specialties, as well as inpatient, emergency and ambulance services.

Between 2010 and 2020, ALROSA invested

RUB 2.7 billion into voluntary health insurance. The voluntary health insurance system is open to all of the company's employees without exception. As many as 2,500 to 3,000 people receive qualified medical assistance under the health insurance program annually.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vouchers										
13,338	12,622	13,227	13,283	13,751	14,041	14,350	13,994	13,429	10,474	1644
Million rubles										
397.5	557.6	596.5	654.6	677.8	711.8	841	833.3	842.7	693.5	232

Photos by: Carlos Folgoso



Since 2012, the company has also had its own Medical Center with 28 outposts at different sites. The center has two functions. It keeps the production team healthy, and also conducts a number of research and medical procedures, eliminating the need for employees to visit the clinic. You may read about our Medical Center in detail in Alrosa Magazine Winter issue 2021.

Recuperation and Recreation program

As a logical continuation of the measures aimed at maintaining employee health, the Recuperation program provides an opportunity to visit recreation centers, resorts or other health facilities. Rest is not optional, as something we all need is to recuperate and improve our health. Consequently, our HR policy states that every employee must take a long vacation at least once a year rather than putting it off. In total, ALROSA employees received 134,200 vouchers for recreation and recuperation between 2010 and 2020, on which the company spent RUB 7 billion. In 2020, investments into recreation and recuperation vouchers were significantly lower due to the worldwide coronavirus pandemic.

In particular, 25,625 children were given the opportunity to improve their health or spend some time in children's summer camps in Yakutia and other parts of the country. No vouchers for children were provided in 2020 because of the coronavirus pandemic.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In Yakutia									
2,426	2,296	2,461	2,364	2,412	2,411	2,445	2,313	2,292	2,007
Elsewhere									
64	86	92	85	113	298	318	412	404	326

The ALROSA Sports and Culture Complex today includes 22 facilities in Yakutia:

- 7 cultural institutions (community centers, clubs, museums)
- 13 sports facilities (swimming pools, sports centers, one of which has an ice arena and a stadium, a hockey rink, a ski base and a go-kart club)
- 2 children's camps

The operation of these facilities is supported by a Sports and Culture Complex team of about 500 people.

Housing Program

Sooner or later, many workers are faced with the need to improve their living conditions, for example, if their families grow. In addition, many workers come to diamond province cities from other regions of



Yakutia, and, of course, they do not want to live their whole lives in rented apartments. To help employees improve their living standards, and to attract and retain qualified personnel from other regions, ALROSA offers a Housing Program.

The key features of this program are:

- Mortgage assistance: the company offers to reimburse the interest paid on mortgage loans when employees with skills which are in demand buy a home (in any credit institution and at the employee's place of work). ALROSA has already spent RUB 378 million on this program, which covers more than 300 people.
- Assistance for employees to buy company-owned apartments: employees pay 20% of the house price, and the remaining 80% can be paid back to the company in installments over five years



Since employee demand for housing is quite high, and new houses have not been built in diamond province towns for a long time or construction is proceeding at a slow pace, to resolve the housing issue ALROSA took on the role of building homes, subcontracting the work to specialist companies. In recent years, the company has commissioned three of its own new residential buildings for temporary housing:

- In 2015 a residential building to temporarily house 450 people in the village of Aikhal (RUB 841 million)
- In 2016 a residential building for 340 people in the town of Mirny (RUB 696 million)
- In 2018 a residential building with 140 apartments in the town of Udachny (RUB 698 million)

The living quarters in these buildings are fully equipped with all the essentials for a comfortable stay. Young employees arriving in the region to work for the company can live in these houses during their first few years as they settle in, get used to their work and start saving for their own home.

In 2019, we also completed the program to relocate retirees to the city of Oryol and Oryol Region in central Russia. During the course of the program, ALROSA built 15 multi-apartment residential buildings and 30 cottages with land plots, investing over RUB 3 billion for this purpose. Almost 2,000 families have been relocated from the Far North. The remaining apartments in Yakutia have been used to house the current employees of ALROSA. We are thinking about new options and forms of assistance for retired staff by relocating them from the Far North to places with friendlier living conditions.

SOCIAL INVESTMENTS

- ALROSA allocates significant funds for social investment every year. These include:
- Contributions to the Fund for Future Generations of Yakutia (construction of community facilities)
 - Funding of regional development programs (construction of community facilities, infrastructure, and landscaping)
 - Maintenance of infrastructure
 - Social programs (culture and sports, health, etc.)
 - Charitable support to organizations and individuals

ALROSA's total social investments in 2010–2020 were

RUB **103.9** billion.

Year	Social infrastructure	Regional development, charity, sponsorship	Total (million rubles)
2010	6,899	1,415	8,314
2011	11,840	1,631	13,471
2012	9,787	2,073	12,188
2013	8,093	1,745	9,838
2014	8,248	1,946	10,194
2015	6,320	2,411	8,731
2016	4,845	3,614	8,459
2017	5,208	3,490	8,698
2018	5,038	4,492	9,530
2019	5,095	3,531	8,626
2020	3,410	2,461	5,871
			103,918

* In accordance with reporting rules, these figures do not include ALROSA's payments to the Almaznaya Osen Private Pension Fund that in recent years amounted to about RUB 3 billion per year.



Social infrastructure, housing and utilities

In the 1950s, there was taiga instead of these towns. There were no settlements here, they were built from scratch for workers in the diamond industry. Their families then followed them to the North. To provide people with a good quality of life, residential buildings were built along with infrastructure—an

airport, hospitals, schools and kindergartens, cultural and sports facilities, and retail outlets. The company used to support their operation. Under today's legislation, industrial companies are no longer allowed to own, for example, schools or roads—public facilities are managed by local authorities. ALROSA continues to support them financially, however, independently and in coordination with the

Social infrastructure, housing and utilities, million rubles

	Maintenance of cultural facilities	Maintenance of sports facilities	Housing services	Construction and purchase of housing	Kindergartens	Health improvement, agriculture, miscellaneous	Total
2010	112	197	2,365	2,464	630	1,131	6,899
2011	187	253	2,772	6,288	880	1,460	11,840
2012	430	540	3,904	2,224	1,084	1,605	9,787
2013	418	501	2,797	1,724	994	1,659	8,093
2014	365	460	2,940	1,640	1,181	1,662	8,248
2015	385	567	1,723	1,170	867	1,608	6,320
2016	444	720	147	475	924	2,135	4,845
2017	473	685	112	544	967	2,427	5,208
2018	446	678	110	435	933	2,436	5,038
2019	455	662	78	97	662	3,141	5,075
2020	370	532	84	54	593	1,777	3,410

74,783



authorities, as it strives to ensure a decent standard of living for people.

Housing services: By agreement with the government of the Republic of Sakha (Yakutia) in 2011, ALROSA undertook to transfer to municipal ownership a part of its housing stock in Mirny, Udachny and Aikhal. It was agreed that to compensate for the shortfall in income, ALROSA would fund the maintenance of these buildings until 2016. From 2012 to 2015, the company independently carried out work to bring the housing stock fully up to standard. This effort involved major and current repairs, the installation and replacement of elevators, and the installation of building meters. In parallel, there was (and continues to be) a program to demolish dilapidated housing and relocate citizens to new housing co-financed by ALROSA. The main part of construction under this program continued until 2016. Now, the emphasis is on demolition and relocating people, for which the company allocated RUB 1.08 billion in 2016–2019. This explains the high figures for housing and construction programs in 2010–2015 and the decline from 2016. Between 2016 and 2020, 40 buildings in dilapidated or critical condition were demolished in Mirny, Udachny, and Aikhal. Residents of 395 apartments were relocated to better housing.

Kindergartens: ALROSA is a co-founder (and was previously the sole founder) of the autonomous non-profit organization Almazik, which operates 29 kindergartens in the “diamond province” towns. Today, these kindergartens are attended by more than 4,600 children. The company’s funding provides high-quality equipment, technical facilities and educational programs for preschool children. The kindergartens have gyms and music rooms, and classrooms for developmental education. Five kindergartens have swimming pools. Each group has a separate room. The shared rooms are equipped with the necessary educational and play modules fit for the children’s height and age. All of the kindergartens are located on landscaped plots. Each kindergarten is suitable for play: playgrounds are equipped with shades and sandboxes, and there are also sports grounds for physical education in the open air. Kindergartens accept children from the age of 18 months.

One of the key lines of ALROSA funding is support for the Trust Fund for Future Generations of the Republic of Sakha (Yakutia).

The fund, created in 1993, aggregates donations from subsoil users working in Yakutia to build social infrastructure that will serve current and future generations.

From 1993 to 2019, 102 facilities were built or renovated at the expense of the Fund, including

37 educational facilities, 15 sports facilities, 8 healthcare facilities, and 17 cultural facilities.

Between 2012 and 2020, ALROSA funded 39 facilities, including 8 educational institutions, 10 sports facilities, 10 cultural and development facilities, 4 hospitals, 4 rehabilitation centers, and 3 residential buildings.

ALROSA is the largest donor to the Trust Fund for Future Generations (in million rubles).

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0	521	1,016	521	611	581	584	700	800	931	910

Total 7,176

We are proud that ALROSA’s money has helped the Fund to implement many projects to improve people’s lives, primarily in remote small settlements, and provide access to high-quality healthcare, education, and leisure.

Here are some projects funded by the company:



↑ Nyurba Republican Center for Disabled Children dormitory building

Commissioned: September 2017
Funding:

RUB **37.7** million.



↑ School for 90 students in Abyi village

Commissioned: January 2019
Funding:

RUB **329** million.

Vladimir Neverov Adaptive Sports Hall in Betyuntsy village

Commissioned: 2019
Funding:

RUB **130** million.



↑ Water treatment plant in the Kharyyalakh village, Verkhnevilyuysky ulus

Commissioned:
September 27, 2019

More than 880 people live in the village. Previously, people relied on a supply of trucked water. The modular potable water station has a capacity of

50 m³.



WHO IS THIS KID – A GYMNAST OR A SNOWBOARDER?

Parents seeking to teach their children a healthy lifestyle are often in search of a sports club suitable for them. How do you choose a sport where the child can both realize their potential and enjoy the lessons? The creators of the Become a Champion project volunteered to solve this problem. ALROSA helped launch this initiative in Yakutia.



Sergey Korostov

*administrator of the BECOME
A CHAMPION project*

BECOME A CHAMPION is a federal innovation project implemented with the support of the Ministry of Sports of the Russian Federation and regional sports ministries. In Yakutia, these hardware and software systems appeared thanks to ALROSA. Project administrator Sergey Korostov told us about their aims and the principles of their operation.

– High achievement in sport is important, but the primary goal of BECOME A CHAMPION is to popularize sports and get children involved in them. Today, children go in for sports less and less, and are more interested in phones and computers. But when a child is told that he has an ability for skiing,

swimming or shooting, he remembers it, and if he begins to practice, then he does it more willingly and with better results.

The state, allocating funds to support professional sports, is also interested in high-quality sports selection and training. Children who get into “their” sport from the very start will not quit or move on to other sports.

– At the moment of the project’s launch, we note a huge interest in it, in all regions. There were even complaints about a lack of available sign-up slots! Then the situation evens out, and each system regularly tests several people a day.





The key feature of the system is a computer program written with the participation of experts, instructors from the P. F. Lesgaft National State University of Physical Education, Sport and Health. It analyzes the readings of the measuring devices and the results of the physical tests, and makes recommendations based on reference values. The program recommends about 5 sports to choose from.

Most of the devices are combined into a single information environment: the values of the indicators are automatically transferred to the tester's tablet, which eliminates the risk of errors that may occur during manual input.

During the testing process, unique data are collected in the fields of pediatric anthropometry, physiology, etc., and they will be used in the future to improve the predictions.

What is worth noting is that the human factor does not affect the recommendations in any way. At the start of the project, experienced testers, specialists with higher sports education took part in it, who interpreted the results obtained depending on their experience, outlook, etc. Over time, the system has been modernized, and now the results are issued without any emotional human influence.

How does it look in practice?

A girl from Omsk was fond of track and field athletics and figure skating. She underwent testing in the presence of an honored athletics coach: he noted the child's outstanding abilities in that particular sport

Sergey Korostov,

administrator of the BECOME A CHAMPION project:

“As far as I know, there are no projects like this in the world that solve the problem in a consistent manner. There are projects that test readiness for a specific sport—running, rowing or boxing. But for the test to cover all sports simultaneously, and provide an automatic conclusion on the basis of results—there is nothing like that anywhere.”



At the end of 2020, thanks to ALROSA, we delivered 8 systems* to Yakutia—and even with such a number, we received messages about difficulties with sign-up due to high demand.

How does it work?

The system examines various characteristics of children aged 5.5 to 12.5 years: functional features of bodily development and the features of its structure, psychophysiology, physical qualities, and motor skills. During the examination, which lasts about an hour and a half, about 150 parameters are recorded for the child, which are considered in conjunction with each other.

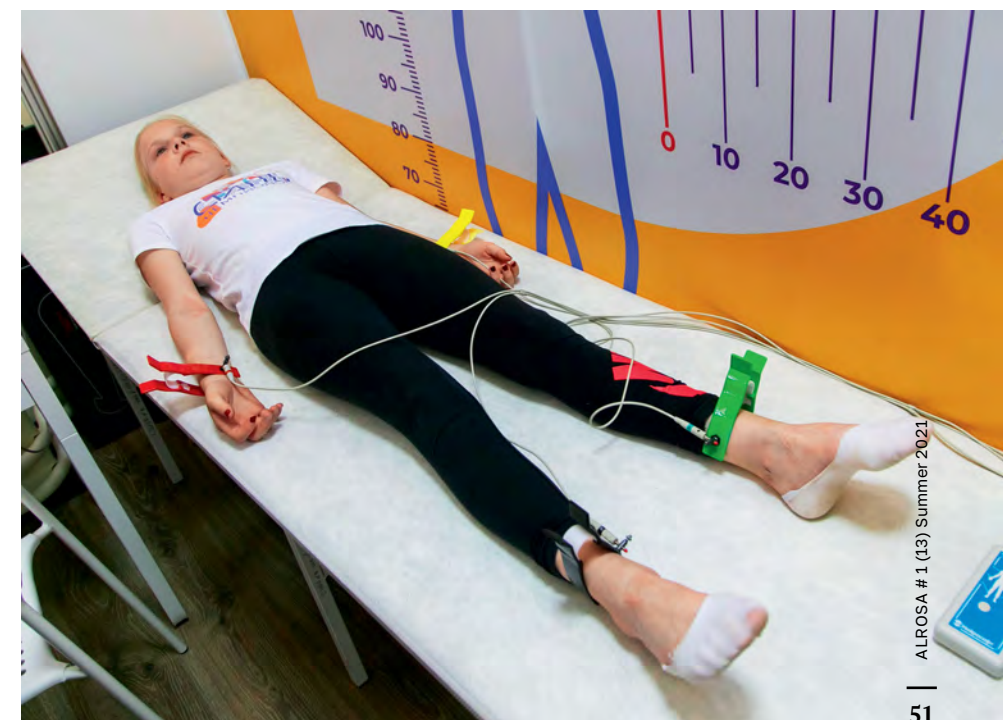
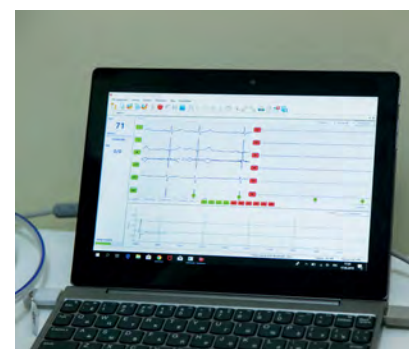
For example, the growth projection shows that the child will not grow tall. Therefore, a sport such as basketball will not be recommended. Or, due to a peculiarity of blood circulation, he will be able to give maximum results only in running short distances, and no matter how you train him, he will not become a long-distance runner: he will reach a ceiling, and quite a low one when compared with those who are predisposed to endure long, high loads.

The project started within the framework of the Federal Experimental Site on the basis of the Ministry of Sports in February 2019—

10

centers were opened in 8 regions of the country, from Kaliningrad to Vladivostok, and the supply of BECOME A CHAMPION systems to the regions continues.

At the moment, more than 20,000 children have been tested.





and recommended that the parents give it priority. But the parents were against it: "Figure skating is the best of sports, beauty, and prestige!"

The coach managed to persuade them, and the girl began to do both figure skating and athletics at the same time. Literally a couple of months later, she began to win in athletics competitions, and she soon focused only on that: she liked it and did it well.

Why this age bracket, exactly?

At a younger age, a child does not do well without the help of his parents—he may get scared or cry. At the same time, it is no secret that it's too late to start figure skating at 8 years old—the child should be skating at 5. And this is the case for most sports. The project aims to show children the paths that may be potentially successful for them in a timely manner. The age limit when a child can still go somewhere for further professional development in sports is 12 years old—the system individually selects suitable sports for such children. As for the selection of suitable sports for those over 12 years old, the necessary reference values for such an examination do not exist.

Who carries out the diagnostics in the field?

At first, these were specialists with physical and medical education. Now, in connection with the automation of the processes, the requirements have been reduced: any sports specialist (for example, a coach) who knows how to handle children can carry out diagnostics. As a rule, these are employees of sports training centers.

How do you sign up and find out the results?

Testing is free.

You can sign up on the website <https://sportchampions.ru/> or by calling the hotline at 8 800 505-75-00. The diagnostic results can also be found on the website.



* 6 are intended for stationary use, and 2 for field trips



Sergey Korostov,

administrator of the BECOME A CHAMPION project:

"Testing is not a guarantee of brilliant sports results, for which many factors must come together. First, the child must have the desire and aspiration, and second, a good coach and training conditions. We are developing a mobile application that will help parents find and select nearby clubs and sports schools, see the schedule and find feedback on the coaches' work."



Valentina Samoylova, Udachny:

"I heard about this program at CSC and signed up my son Denis for it. In November last year, he was six-and-a-half years old, and attended different clubs—swimming, figure skating, boxing, rock and roll, but it was time to focus on something specific. So we decided to see what suited him best.

Testing showed that we should choose swimming. Now, my son trains in swimming and figure skating, which, basically, fits his interests.

I was not present at the testing, but Denis came out tired and happy. There was a lot of emotion! He said that all sorts of devices were connected to him, he ran and jumped—in a word, he was interested.

The test results were sent to my email address, and we carefully studied them. Now I recommend testing to all my acquaintances with children of this age!"

Natalia Kravchenko, Udachny:

"I learned about the testing from coach Viktoria Khokhlova. She works in the gym of our CSC, which I visit. At that time, in November 2020, my daughter was five and a half years old, and we decided to try it. The first thing that I liked was the comprehensive diagnostics, which provides an understanding of which aspects of the physical and psychological development of my child I should pay most attention to. As a mother, I want Alena to dance, sing, and engage in creative activities, and the testing showed that she needs to develop more physically, and engage in sports such as freestyle wrestling and judo.

I have 11 years of artistic gymnastics behind me—I did it professionally, and I think that sport is needed solely to support health, and it must be present in life as an element of education.

In my opinion, this undertaking must be advertised. I am sure that all parents will be interested in having their children undergo such testing."



Underground **KINGS**

Mining is hard work, both physically and emotionally. Our heroes tell us how they came to the profession, what a miner's daily schedule is, and how they relax such that they miss the underground.

text: ELLA ZAKHAROVA
photo: GRIGORIY IFTODIY, DMITRY NESTERENKO



Nikolay Stepanov,

*age 33, gunboat underground shaft
electromechanician, Internatsionalny mine*

I was born in the Verkhnevilyuysky District of the Sakha Republic (Yakutia). After high school, I entered the Mirny Polytechnic Institute, specializing in Mining Electrical Engineering. I did my internship at the ALROSA division. As a student, I aspired to become a miner—it is a good, respected profession.

After graduation, I worked in the town of Udachny for three years, first as an electrician at an open pit, then, after the army, as an engineer and repairman at Almazavtomatik. At the same place, for 3 years, until 2014, I worked on site as an engineer.

In 2014, I transferred to Mirny and got a job at the Mir mine as an electrician. In 2017, after the Mir mine was closed—there was a water breakthrough—I switched to Internatsionalny, to site No. 2, for improving and maintaining mine shafts. I worked as an electrician, and since 2020, I have been working as an electromechanician.

My duties involve the maintenance of the mine shaft, which is responsible for the delivery of rock mass from the lower levels to the surface. I make sure that all the equipment in the shift is in good working order.

The schedule is five days on, with days off on Fridays and Saturdays. At 7 in the morning, I am already at my workplace, taking the report of the night shift. At 7:15, a work order for the upcoming shift is created. Then the order is issued to the staff. By 8:00, I start working on the documentation. At 10:00 I go down the mine and examine the equipment. At 12:30, I come back up to wash and have lunch. Then there is time to work with the documentation and prepare the shift check. I draw up a report, issue a work order for the evening shift, and, at 17:00, I leave the mine and go home, to Mirny.

But the work schedule for electromechanicians is irregular. So when equipment breakdowns occur, I may be called to work at any time—both at night and on weekends. Then I assemble a repair team and we go to the mine to fix the breakdown.

An electromechanician goes down into the mine for a couple of hours, but when I worked as an electrician, I was underground for 8 hours. The most difficult thing is working two shifts in a row when equipment breaks down: we work until we fix everything. In general, it is difficult to repair equipment in a mine—the conditions are not like in a box on the surface: there's little light, it's damp, there are drafts, it's sometimes cold, sometimes too hot, and there's limited space.

From time to time, according to the plan, we carry out major overhauls of the equipment like, for example, replacement of the hoisting unit head rope. We are divided into two teams, the first one works 8:00 to 20:00, and the second, from 20:00 to 8:00. The work takes two or three days, and it is difficult to go out on such shifts, especially at night. But I have never wanted to change my profession and say goodbye to the underground. My job will be related to mining until I retire.

I love my team very much. They are friendly, all good guys. Any task, even the most difficult, will be completed and always supported.

I work in electrical engineering, so I repair all electrical equipment, both at home and for my relatives. After work, I go to the gym and the pool, and in the summer, I go jogging at the stadium. I try to maintain an active lifestyle.

I have 65 days of vacation, which is quite enough to relax. I even find myself missing. I have two daughters—Michaela, she is 6-and-a-half years old, and Milana, who is 19 months old. The children of course like the sea, so I take them and my wife Maria to warmer climes: before the pandemic, we went to resort countries—Thailand, Vietnam, Turkey, the United Arab Emirates, and Tunisia. And last year we visited Baikal for the first time—we traveled all over the Far East by car.



**MAKE ME
CHOOSE :**

A city of a million or a small town? – Small town.

Forest or sea? – The sea.

Sun or northern lights? – The sun.

Oil or diamonds? – Diamonds, of course.



MAKE ME CHOOSE:

A city of a million or a small town? – Small town.

Forest or sea? – The sea.

Sun or northern lights? – The sun, especially at sunset.

Oil or diamonds? – Diamonds, because I mine them.

Arkady Rylchenko,

age 32, operator of underground self-propelled vehicles, Udachny mine

I was born in Zhatay, Yakutia.

I have been working since the age of 14. After the army, I wanted to be a mountain rescuer, but they didn't take me—I needed underground work experience. I was trained as a drilling rig operator, and after three months I went down to the mine. That was in 2010. In 2012, a new section of drainage and plugging operations was opened at the Mir mine. I moved there and worked there for 5 years, from 2012 to 2017.

At first, I had no idea what an operator did, or what a mine was. After training, there were twelve guys. Eight quit in the first month, then two more. A mine is not suitable for everyone, and not everyone is suitable for it. Some people don't like the schedule, and some can't work underground at all.

In 2016, I graduated from INRTU, Irkutsk National Research Technical University, with a degree in mining engineering, and immediately after receiving my diploma I became an acting mine foreman. And then an accident happened... After that, I could not go underground for some time. Fortunately, it was a temporary emotional state. At the company's expense, I was given a ticket to a health resort by the Black Sea: the change in environment and climate helped recovery. Then I got a job as a driver at the Verkhne-Munskoye field.

I moved to the Udachny underground mine in January 2020 as a driver of underground self-propelled vehicles, and soon I was appointed acting deputy head of the mine preparation section. Our section is responsible for leveling the roadbed. Our responsibilities also include refueling other sections' vehicles, transporting people, and removing water from the mine. I draw up official notes, issue work orders, monitor

attendance, go down the mine to check the roadbed, etc.

The day of a driver of underground self-propelled vehicles usually goes like this: he arrives at the mine, undergoes a medical examination, and receives a work order from the chief. He signs it, has breakfast, goes down the mine and to the equipment. The work goes on non-stop, three shifts a day. The shift lasts 7 hours, with another hour to travel into and out of the mine. The schedule is as follows: 4 days shifts, from 7:00 to 15:00; two days off; 4 night shifts from 23:00 to 7:00; one more day off, then 4 shifts from 15:00 to 23:00. There are 22–24 shifts in a month with 7–8 days off. Vacation—73 days. The very best shift, of course, is the last one before a vacation. And the hardest part is waking up at 5:30 in the morning.

The more you know, the better. I consistently, every year, study some specialty: shotfirer, operator of underground self-propelled vehicles, operator of load haul dumpers, driller, excavator operator, BelAZ driver. My area of operations has changed quite abruptly: first I was in an open pit, then in a mine, now I basically work in an office. I do not know what lies ahead, but I will definitely be at ALROSA: it is the same company, but there is enough variety in my life.

Since I live in the north, I like to vacation in the south – Gelendzhik, Anapa, this year I plan to go to Crimea. I like St. Petersburg, and I have been there three times—I love places with rich history. I have traveled to Irkutsk many times, I love Baikal. I want to go to Grozny, to Kazan. But I have never been abroad.

Of course, I feel proud when, somewhere on vacation, I tell anyone that I work in Yakutia and mine rough diamonds. People are interested. They ask if it's scary. They all work above, and it is difficult for them to imagine our job. *I play the guitar, but only for myself* – I learn the tunes I like according to my mood. Sometimes I have my guitar in my hands for a whole week. I love sports. I practice crossfit—as an amateur, though I've been at it half my life. The main thing is to never stop. It's the same as learning: go forward, even if you're only taking small steps.



MAKE ME CHOOSE:

A city of a million or a small town? – City of a million.

Forest or sea? – The sea.

Sun or northern lights? – The sun.

Oil or diamonds? – Diamonds.

Kirill Andrenko,

age 31, bulldozer driver at the Nyurba Ore Mining and Processing Plant, formerly a combine operator at the Mir mine

As a child, I neither dreamt, nor even came close to thinking that I would become a miner. I was born in Ust-Kut, in an unremarkable city with no special prospects. After school I went to study heat and power engineering, but I realized that it wasn't for me. I got into mining after the army. After serving a year in Khabarovsk, I returned to Mirny, where I had moved after 10th grade. I didn't want to return to my previous job, where I worked with air conditioning and ventilation systems, so I decided to find something new. I became a security guard at washhouse No. 3. At the same time, I was looking for a more promising place. And I found it: a year later, I was invited for a job interview at the mine. "Why not?" I thought. And I became a combine operator.

I worked at Mirny Mining and Processing Plant from 2012 to 2017, before the accident. I was engaged in breaking rock mass on a mining combine. A miner at the face is a kind of boss. All the responsibility is on him. That is, cleaning cutter breaks, measuring the face, support malfunctions, and much more. Now I have risen a little higher from the mine: I work in the Nyurbinskiy and Botuobinskiy an open pit. Working in the mine was an interesting experience, but I don't miss it: when you can see the sun and sky overhead, it's easier and more interesting to work.

A combiner's working day went like this: we went to work an hour and a half before the start of the shift—for a mandatory medical examination and to receive the work order. Then, having changed our clothes, we took a self-rescuer and lamp and descended to our level in the cage. The way the day went depended on the shift. In the morning preparatory shift, combines do not work for half the shift, and the combine operators prepare the face. During this time, it is necessary to reinstall cables if they are not long enough, enhance ventilation, extend the automated gas protection sensor, maintain the combine, and measure the face. Then ore mining begins. If the shift is not preparatory, the combine operator carries out sinking

according to the work order: for example, you have to go five meters. There are shifts with parallel roof control—then assistant sinkers are involved. First, the combine operator cuts through a meter—then they, together with the sinker, install the frame.

Every miner's favorite moment is, probably, ascending out of the mine in the cage. Especially if it's the last shift before the weekend. Although, when you work for many years, it becomes a matter of habit—just like with people returning home from the office.

Nothing is easy in a mine. When I worked underground, the first morning shifts were the most difficult, and the most difficult work was the preparation of the face and the installation of the frames. In the mine, I had to deal with all sorts of things: sometimes the cutter breaks fell, the frames slipped, or the combine was obstructed. But I would not even say such shifts were particularly difficult. Many have had it much worse.

What I will never forget is the day of the accident at Mir, when I was working the morning shift on the level. Moving towards the building, we—there were five of us together with the foreman—decided to give a little help to the two shotfirers remaining in the mine, who were loading the face. And so it was that we were the last to see them... Since then, I've often thought that I might also have remained in the mine, never to leave again.

I personally knew some of the guys who were there... It is impossible to forget, and in comparison with that, everything else—a fallen frame, or an obstructed combine—is just trivial.

I'm interested in everything. I love playing the guitar, I used to be fond of aerial photography, and I was part of a comedy group. I try everything that is possible and not prohibited. But perhaps my most important hobby is motorcycles. I am a member of the Mirny motorcycle club, which is like a big family for me. Since moving to Novosibirsk, I have seen my clubmates less often, but that hasn't changed my feelings toward them or toward motorcycles. In the winter I go in for snowboarding, I love any active sports, and traveling: in Russia, in Asia. I still have a dream, even a goal, of learning to fly an aircraft. This summer, I will take my first steps towards piloting.



Kirill Andrenko and Nikolay Stepanov



Arkady Rytchenko

Our heroes' work is directly related to rough diamond mining, but have they often actually held diamonds in their hands? We invited Nikolay, Arkady and Kirill to the Diamond Sorting Center in Mirny, so they could both look at the objects of their work from every angle in bright light, and also have pictures taken with them as a keepsake.



ONCE UPON A TIME IN YAKUTIA

IN THE LAST YEAR, YAKUT CINEMA, A PHENOMENON THAT HAS BEEN DISCUSSED FOR SEVERAL YEARS, HAS STRENGTHENED ITS POSITION, BECOMING A SENSATION AT KINOTAVR. THE FILM *SCARECROW* BY **DMITRY DAVYDOV**, A FORMER SCHOOL TEACHER AND NOW THE MOST FAMOUS DIRECTOR OF YAKUTIA, RECEIVED TWO AWARDS: THE GRAND PRIZE FOR BEST FILM AND THE PRIZE FOR BEST ACTRESS. THIS EVENT IS ALL THE MORE SURPRISING BECAUSE THE STORY OF A PERSECUTED SORCERESS WHO TAKES ON SOMEONE ELSE'S PAIN WAS THE FIRST YAKUT FILM ADMITTED FOR SCREENING IN SOCHI AND GIVEN WIDE RUSSIAN RELEASE.

Having celebrated a victory that came out of nowhere, the cause of the sensation managed to shoot his next film—editing should be completed in the fall—and, together with his colleagues, is laying the groundwork for the Yakut landing on the Asian film market. Dmitry Davydov told ALROSA magazine about the future prospects of cinema in the Sakha Republic, about budgets, festivals, as well as old and new projects.

HOW I GOT INTO MOVIES

I worked at a school and led a study group for teenagers where we filmed some videos—that was before 2011–2012. Just then, a boom in local cinema began in Yakutia, and there were full houses. I watched these films and realized that, in principle, I could shoot at the same level, and that I also had something to say. So, I wrote a script, and in 2014, I made my first film, *Bonfire in the Wind*. All this time, I continued to work at the school—until last winter. And then I moved over to cinema once and for all—it would have been impossible to combine the two. We shoot films quite quickly—we have a small shooting team of 18–20 people, and that allows us to be efficient. For example, very recently I shot a new film—the process took 15–16 days, and

by fall we should finish editing, then we plan to shoot a new film. That is how we work.

INDEPENDENT FILMS

Cinema can be mass market or independent. The first type operates according to the typical business scheme: you create a product with the expectation of making money on it. I make independent films—for me, expressing my views is most important of all. Of course, you won't always make money on such films, but *Scarecrow* allowed me to cover all production costs, while I made the movie that I wanted to make. Who is the creator? The one who develops an idea, turns it into a script, makes a film based on it, edits it and shows it. So I write all the scripts for my films on my own. After the victory at Kinotavr, I began to receive a large number of scripts from different regions, including Moscow. But I do not accept them—I knew from the very beginning that I would do everything myself.

MY ACTORS

I live in the Amga region, in Amga village. I shoot in the same place, and I only involve local people in my films: friends, acquaintances, and other residents of the village.



ABOUT *SCARECROW*

Shooting took 11 days, with a budget of 1.5 million rubles

Dmitry Davydov wrote the script for the film over almost a decade: according to him, the story went through his mind for a long time—it matured, and was promptly completed in 2018, shortly before the start of filming

The main role in the film was played by Valentina Romanova-Chyskyrray, a popular Yakut singer and actress at the Yakutsk State Variety Theater. The role in *Scarecrow* was her film debut and brought her first award: the Best Actress prize at Kinotavr-2020.



Valentina Romanova-Chyskyray in the film *Scarecrow*

We pay for the work depending on the jobs in the project—we discuss it with everyone separately. For the next project, I will probably invite artists from our Sakha theater (Sakha P.A. Oyunsky Academic Theatre—ALROSA), but some of the actors will still be from here, from Amga.

ABOUT BUDGETS

Now, the average price tag of a Yakut film is somewhere around 3–4 million rubles. We shot *Scarecrow* for 1.5 million rubles, but now it would be unrealistic to keep within the same budget. Some of the equipment, which we do not have in Yakutia, we bring in from Moscow and St. Petersburg, and the rental costs are constantly growing. Later, we began to invite Moscow specialists—operators, artists—and that costs more. If we want to be competitive in the market, we need to increase our budgets. All of our Yakut films are shot here, in our area, with a limited number of actors—we cannot afford mass scenes or, for example, complex sets. With an increase in budget, we could do larger-scale projects, for example, historical ones.

ABOUT THE KINOTAVR VICTORY

Of course, while shooting *Scarecrow*, I did not think that it would get into any festivals, let alone win a prize. We just tried to shoot what we wanted. And the victory at Kinotavr was a great surprise to me, almost a shock. Even the very

fact that we were accepted there—after all, Yakut films have been applying to the festival for five years, but they have always been turned down. Therefore, the release of *Scarecrow* to a wide Russian audience is a big step forward for us. On the other hand, now we have to think about what will happen next. It seems that we have been given an opportunity—we received good reviews from critics and comments from viewers. But what can be done to keep the interest in Yakut cinema alive, so that it expands beyond the region? Because if nothing changes, it will be a big disadvantage for us.

ABOUT INTEREST IN YAKUT CINEMA

Everyone used to think that Russian films were only produced in Moscow, that there was just nothing else. And all of a sudden, it turned out that it exists in the regions, in Yakutia, for example. Moreover, it is completely autonomous, independent of Moscow—it has its own distribution, its own audience, and it's doing quite well. That was a discovery for many people. Russia is vast, its residents speak different languages, and the Russian audience is beginning to understand that. And it was probably tired of the monotony of so-called “capital cinema”. The viewers I spoke to said that they would like to see Russia in different ways—and in essence, it is different. They are really interested in Yakut films—for them that is also Russian cinema.



Dmitry Davydov and Valentina Romanova-Chyskyray at the Kinotavr Film Festival, 2020

Ekaterina Chesnokova / RIA Novosti

FEATURES OF YAKUT CINEMA

There are always three constant components in Yakut cinema: the Yakut language, local actors and nature. We all mainly live in villages, near forests. Therefore, nature is an important part of almost any Yakut film: it is simply a must. One of the success factors of our cinema is that it is not limited to some purely ethnic themes, but works in different genres: we have films designed for a wide audience and niche ones. We do not shoot local stories, just those that are clear to absolutely everyone. Our stories are completely universal, and could just as well be shot somewhere in central Russia. Thanks to this versatility, Yakut cinema has audiences outside the region. We have shown our films in the West, and they have been well received there, too.

ON THE RULES OF RUSSIAN CINEMA

There are long-established rules in Russian cinema, and it is not easy to follow them. And there is no great interest in doing that. I always say to my Yakut colleagues that we have a much better chance if we work with other countries. Moreover, there is already such experience. We took films to various film festivals—to Canada, Australia, Germany—and we were received with even greater interest there than in Russia. Here we are only interesting as some sort of exotica. By the way, now the Yakut film *Ich-chi*, directed by Kostas Marsaan and produced by Marianna Siegen, should be released in the US. It will be very interesting to see how the audience will take it—it is also a new experience for our cinema. In general, I think we have good prospects in Asia—there is a lot of money in the Asian market, a large audience, and we are close to the culture of the region. This autumn, we and other Yakut directors also wanting to undertake big projects with other countries are planning to show 10–12 of our films in the Asian market, to make ourselves known. Generally, we try to unite and support each other.

AND ABOUT THE NEW RULES OF THE AMERICAN FILM ACADEMY*

All these rules seem strange to me—they are dictated by Hollywood, but besides Hollywood, there is other cinema in America, which is broader and operates outside these rules. And there is no point in focusing on the Oscars—there are many other festivals in the world: Berlin, Rotterdam, where we will go in June with *Scarecrow*, and the Asian film screenings. And we have a much better chance of getting there than to the Oscars. We are currently talking to many representatives of various festivals—it's an opportunity to take Yakut cinema outside the region.

FILMS I WATCH

Recently, I have been watching old Soviet films of the 1970s and 1980s—catching up on what I missed as a child. For example, I watched *The Master of Taiga*, and next I'm planning to watch the seven films by Tarkovsky—it so happens that I haven't seen a single one. As for contemporary Russian cinema, over the past year I have not seen anything interesting. And if there is nothing interesting in what is being done now, you should turn to the classics—to Soviet films.

* Last year, American Academy of Motion Picture Arts and Sciences presented a list of criteria that must be met by films nominated for an Oscar in the Best Picture category. The list includes the following points: the main or leading supporting role must be played by at least one representative of an ethnic minority; at least 30% of the performers of secondary roles must be women, representatives of a particular racial or ethnic group, LGBTQ+ people, or people with disabilities; the theme of the film should be focused on these groups, etc.



Sean Connery in the third James Bond film, Goldfinger, 1964

Location:
MIAMI, FLORIDA;
FURKA PASS,
SWITZERLAND

THE LONG, HOT SUMMER*

Indulge in idle bliss from time to time, catching reflections of the sun in a glass with ice cubes, rewatching old movies and mentally transport yourself with the characters to the Côte d'Azur or an evening square in the Eternal City. Your favorite movie pictures and diamonds will help you catch the long, hot summer mood: yellow—sunny dawn, purple—sunset, colorless—icy and providing long-awaited coolness...

Fancy colored cushions
weighing from 10 to 16 carats

**The Long, Hot Summer: a film directed by Martin Ritt in 1958, starring Paul Newman*

weight: 6.11 carats
color: F
clarity: VS1
cut: round



Jude Law in The Talented Mr. Ripley, 1999

Location:
**ISLAND OF PROCIDA,
BAY OF NAPLES,
ITALY**

weight: 4.01 carats
color: Fancy Intense
Yellow
clarity: VVS2
cut: pear





Anita Ekberg in La Dolce Vita, 1960

Location:
**TREVI FOUNTAIN,
VIA DELLA STAMPERIA,
ROME**

weight: 31.1 carats
color: Fancy Deep
Yellow
clarity: VVS2
cut: cushion





*Romy Schneider and Alain Delon
in The Swimming Pool, 1969*

Location:
**VILLA IN SAINT-TROPEZ,
CÔTE D'AZUR**
FRANCE



weight: 4.01 carats
color: Fancy Intense
Yellow
clarity: VVS2
cut: pear

weight: 3.29 carats
color: Fancy Intense
Purplish-Pink
clarity: VVS1
cut: pear



weight: 25.55 carats
color: Fancy Deep
Brownish Yellow
clarity: VS1
cut: Cushion



Bouquet, 1740, by Jérémie Pauzié. Precious and semi-precious stones, and gold. State Hermitage Museum, exhibition "Jewels! The Splendor of the Russian Courtyard" (14.09.2019–27.09.2020)



As clichéd as it may sound, for me, the jewelry world of St. Petersburg starts with the halls of the Hermitage. For example, from the works Lala Ragimova created for the museum. If you are fond of classic glyptics, you'll probably be fascinated by these replicas and new takes on timeless classics.

Then you have to visit the Special or Diamond Room of the Hermitage, housing the main part of the museum's jewelry collection. The collection consists mainly of objects that belonged to the Russian imperial family and were nationalized after the revolution in 1917.

You can find authentic artwork of the Renaissance here, such as a unique emerald pendant in the form of a caravel made by Spanish artists of the late 16th century. Or coral jewelry manufactured by Sicilian craftsmen in the 17th century. But the main part of the exhibition shows the splendor and richness of the 18th century. This is presented by works from French jewelers, with their masterful techniques, from English artists known for their skillful gem carving, as well as works from German masters, such as the famous Saxon snuffboxes with stone mosaics.

...THERE IS A CITY OF GOLD

The most beautiful time to roam the streets of St. Petersburg, the famous white nights with their magical light, is finally upon us. Although, who am I kidding? The northern capital of Russia is a marvel any day of any season. It always has a special light and color. And of course, the walks.



text: ELENA ESAULOVA, creator of the E2J jewelry brand, collector
Photo: Press services

The first thing you have to decide is what resonates with you the most—the festive St. Petersburg, with its sparkles of gold and huge gems, decorated front entrances and vast museums filled with history, or its secret side, with small local galleries and courtyards, where you can engage in

endless conversations about beauty lost and regained.

But we will start our journey into this city's jewelry history with the basics—festive and ceremonial St. Petersburg. This way, there will be no doubt as to why the city's unique artists could have been born only here and nowhere else.



A watch from the Yusupov collection, late 18th century, by Leonard Bordi. Gold, silver, diamonds and other precious and semi-precious stones. State Hermitage Museum, exhibition "Jewels! The Splendor of the Russian Courtyard" (14.09.2019–27.09.2020)

➔ ADDRESS:
State Hermitage
Museum, Palace
Square, 2



"Rhapsody" set. White gold, diamonds. Vladimir Alyushin

Vladimir Alyushin



After the Hermitage and a break at one of the city's numerous cafes, you can turn your attention to St. Petersburg classics. For me, one of these is Vladimir Alyushin. His authentic St. Petersburg aristocratism, combined with many years of work, experience and taste, gives birth to new forms and jewelry that can be worn both to a ball or to a business dinner. Incidentally, Alyushin has his own alternative, unique point of view on Fabergé's works, and is not shy to express it to particularly inquisitive visitors. And, of course, he demonstrates a new level of handicraft to them when working on jewelry pieces. All his techniques and approaches carry on the traditions of the early 20th century. That is why Alyushin's works serve as excellent trophies for those who believe in the magic of handicraft and love antiques at their best. Personally, I feel that the master's approach could be a little more innovative, but maybe the imperial St. Petersburg does not need that.

"Brothers" rings. White gold, diamonds, sapphire. Vladimir Alyushin. Photographer: Viktor Dubinkin



"Yamagiva" earrings. White and yellow gold, diamonds, pearls. Vladimir Alyushin. Photo: Viktor Dubinkin



"Star" ring. White gold, diamonds, star sapphire. Vladimir Alyushin. Right: "Aqua" pendant. White gold, diamonds, aquamarine. Vladimir Alyushin. Photo: Viktor Dubinkin



Photographer: Viktor Dubinkin

ADDRESS:
Vasilievsky Island, 12 line,
53, flat 174,
phone: +79219354306,
vladimir.Alyushin2016@
yandex.ru

Having mentioned the sacred name of Fabergé, as true explorers, we must head to this brand's museum.

I'd like to mention that the word "unique" resounds within these walls so often that it gives way to rather strange thoughts and reflections.

As for the work of Carl Fabergé himself, there are two substantiated alternative opinions that the museum guides share before even moving on from the first display: "Was Fabergé a great artist, or a great marketer?" The controversy continues unabated, and each version has its own following. However, there is no doubt that the most brilliant pieces were created for this House by ingenious Finnish jeweler Alma Pihl. Unfortunately, we will find only one of her creations in the museum's collection—a collier bracelet from the Snowflake series.

Right across the street from the museum is a mooring, from which you can take a boat to the shores of New Holland Island. Walking in its wide open spaces you will be able to gather your thoughts on what you have seen and get ready for a new day, because St. Petersburg has just begun to surprise you.

ADDRESS:
Fontanka Embankment, 21



"Pansies" flower. St. Petersburg, 1903–1904. Carl Fabergé, master Henrik Wigström © Fabergé Museum in St. Petersburg

Collier bracelet from the "Frost Patterns" series. Made by order of Emmanuel Nobel. St. Petersburg, circa 1912. Carl Fabergé, master Albert Holmstrom © Fabergé Museum in St. Petersburg



The "Coronation" egg. St. Petersburg, 1897. Carl Fabergé, master Mikhail Perkhin, miniature carriage made by Georg Stein © Fabergé Museum in St. Petersburg



The next day, right after my morning coffee, I would go to a very cozy place—the Tenzo space. There, they will tell you of the most beautiful stones, show you products of the highest class, and, if you are lucky, the owner himself, Alexander Tenzo, will be there, and you will get real pleasure from his stories of the “hunt” for the rarest and most beautiful precious objects. After all, Alexander is a great friend of the Hermitage and the initiator of many exhibitions of jewelry art in its incredible halls.

Stepping from the Tenzo space into the city’s humid air, you can stroll down



Katerina Bokuchava



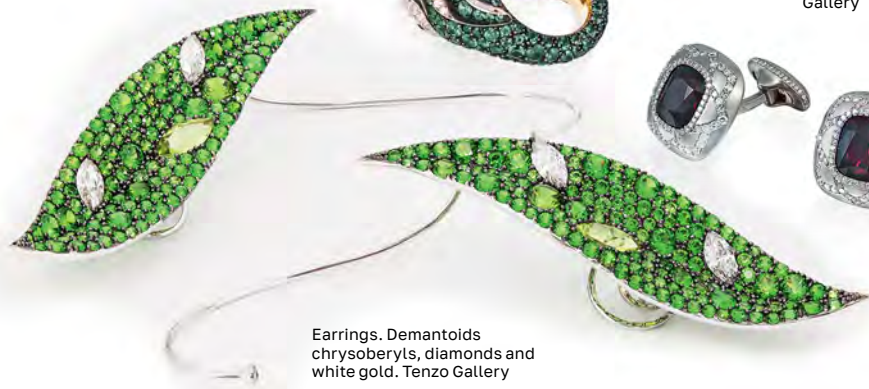
“Cobra” ring. Tourmaline, diamonds, white gold, black rhodium. Tenzo Gallery



Rings. Tourmalines, garnets, diamonds, platinum, yellow gold, black rhodium. Tenzo Gallery

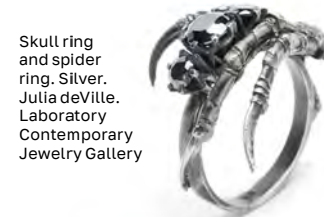


Cufflinks. Purple spinel, diamonds, white gold. Tenzo Gallery



Earrings. Demantoids chrysoberyls, diamonds and white gold. Tenzo Gallery

the embankment to several private galleries. The first one on your way will be Laboratory Contemporary Jewelry Gallery. The name speaks for itself: the gallery’s owner, Katerina Bokuchava, has collected excellent examples of jewelry art from different countries. In my opinion, combining completely incompatible brands that not only fit together, but also create a new story, is completely St. Petersburg style.



Skull ring and spider ring. Silver. Julia deVilleville. Laboratory Contemporary Jewelry Gallery



ADDRESSES:
Tenzo: Suvorovsky Prospekt, 40A, office 6
Laboratory Contemporary Jewelry Gallery: Lenin Street, 8, +7 (812) 498-57-20, @laboratory_stpetersburg



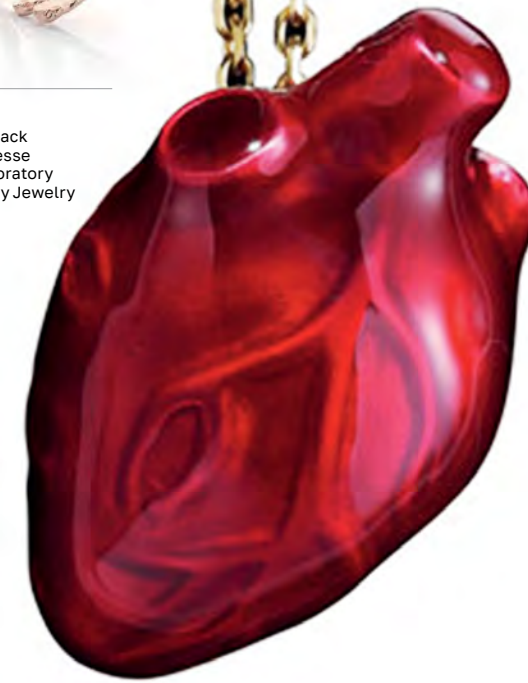
Bracelet. Bronze. Bjorg. Laboratory Contemporary Jewelry Gallery



Necklace. Steel. Arielle de Pinto. Laboratory Contemporary Jewelry Gallery



Ring. Gold, black diamonds. Nesse Jewelry. Laboratory Contemporary Jewelry Gallery



Pendant. Gold, red enamel. Solange Azagury-Partridge. Laboratory Contemporary Jewelry Gallery

of the Kazan Cathedral. If you get lost in the vast variety of books, opt for albums with the tsar’s jewels, Fabergé’s treasures, or, for those who prefer the avant-garde, albums with Gennady Lentsov’s works and books by Irina Perfiljeva.

ADDRESSES:
Charms of Stones jewelry shop: ul. Sadovaya, 17
jewelryauthor.com
Singer House of Books, Nevsky Prospekt, 28

After the “Laboratory”, you can get acquainted with another private selection, this time exclusively from St. Petersburg masters. They are presented in the Charms of Stones jewelry salon located on Nevsky Prospekt. It displays pieces made by both aspiring jewelers who experiment with stones and metals and recognized world masters residing in St. Petersburg. Last time, I discovered two new artists whose works impressed me with their fantastic form and craftsmanship—Oleg Mosur and Svetlana Stepanova. If you are not familiar with these names yet, I strongly recommend you see their designs—they are bound to amaze you.

Then, amazed by your walk, you can drop by the famous Singer House, also known as the House of Books, buy a volume on jewelry art and sit at a local cafe that boasts the most incredible view

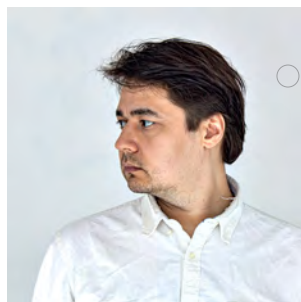


As a counterbalance to the Hermitage Museum, I suggest a leisurely stroll to the small and not as widely known Museum of Glass Art on Yelagin Island. From there, take the underground, just like a time tube, to a place whirling with activity, where you will find the workshop of contemporary avant-garde St. Petersburg artist Yuri Bylkov. It is not by chance that we start our journey to experimental St. Petersburg here. You can come across Yuri's works at the Hermitage, the All-Russian Decorative Art Museum in Moscow, as well as at the beautiful jewelry museum in Pforzheim, the jewelry capital of Germany. But it's only here, in St. Petersburg, where you can meet the artist in person and have a heartwarming chat,

"Atom" ring. Titanium, silver. Yuri Bylkov



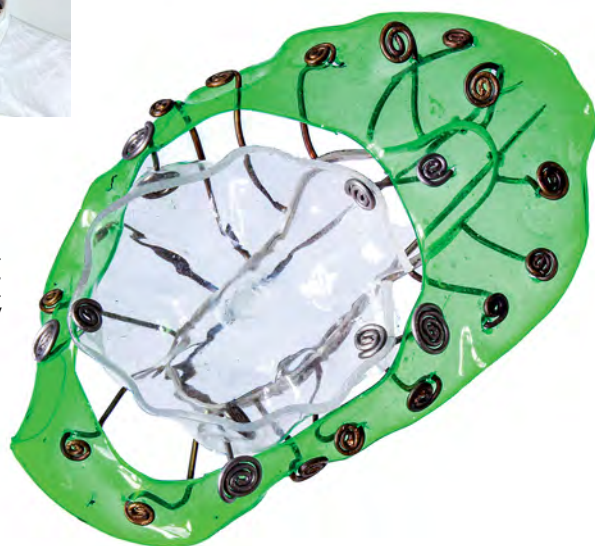
"Eleven" ring. Titanium. Yuri Bylkov



Yuri Bylkov



"Small measure" brooch. Plastic from plastic bottles, silver, brass. Yuri Bylkov. INACE Gallery



"Anemone" brooch. Anodized titanium. Valery Starikov and Irina Starikova. INACE Gallery



Ring without a name from the "Ruf" series. Brass. Yuri Bylkov

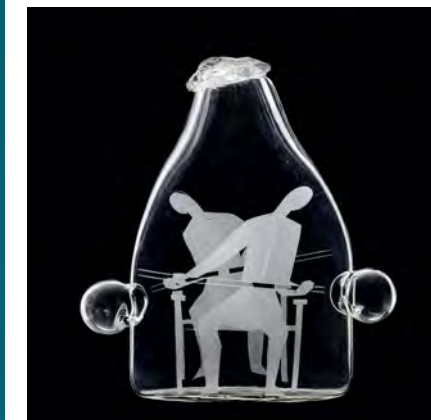
touch his creations and try them on, and take a look at his unique library. From Yuri's workshop—nonstop, so as not to lose any inspiration—we delve into a world of stones and plastic art from another amazing creator, Yulia Gogol. Her works are displayed beyond St. Petersburg, for example, at the Fersman Mineralogical Museum in Moscow, but here, in her home workshop, you can see experimental jewelry, observe the process of creating new objects and touch natural

Photo by Anastasia Gusarova



"Ecclesiastes", quartz, metal. Julia Gogol

"Glassblowers". B.A. Sirnov. Museum of Glass Art



"Bridge of Friendship". I. Imane, author's workshop in Riga, 2011. Museum of Glass Art

stones that are going to become a part of something new. As we come out into the cool of the evening, one rhythm is instantly absorbed by another. Try not to let all these smiles and impressions fade away in the rapidly changing flow of sights and sounds.

ADDRESSES:
 Museum of Glass Art on Yelagin Island: Yelagin Island, 4B;
 Yuri Bylkov: <https://www.instagram.com/bylkov/>
 Julia Gogol: Griboyedov Canal Embankment, 68, 8N

Photo: Alexander Artemov



"Hidden feelings", quartz. Julia Gogol

Photo: Yulia Mikhnova



"Dandelion" pendant. Layered agate, gold, diamond. Julia Gogol



Garden vases, Pallada, 2011. Recreated for the Summer Garden from archaeological fragments. "Keramarkh"



Exhibition hall dedicated to the Art Nouveau era, "Keramarkh"



From top to bottom:
A fragment of the ceramic decoration of the Petrograd Provincial Credit Society building (House of Cinema). Pallada, 2006. "Keramarkh"
Left:
Tiled stove. Early 20th century. E. Teichert's Saxon furnace and fireclay factory, Meissen (Germany), "Keramarkh"

Composition on the religious subject "Fatherland", G.V. Kupriyanov, 1992. "Keramarkh"
All photos by Yuri Molodkovets

ADDRESSES:
online INACE Gallery:
www.instagram.com/inache_gallery/
Keramarkh Museum of Architectural Ceramics:
The Peter and Paul Fortress

The next stop on our route is the online INACE Gallery, dedicated to contemporary Russian jewelry art. I suggest that you browse it at one of the cozy local cafes or restaurants. However, you can access it from anywhere in the world.

Then you can take a break and walk to the Peter and Paul Fortress, where I strongly recommend starting from the Keramarkh Museum of Architectural Ceramics. It has absolutely marvelous glazed tile stoves and from the 18th to the early 20th centuries, as well as tiles from the domes of the St. Petersburg Mosque and historical photos. Here you can endlessly examine the lifestyle of festive St. Petersburg and its citizens, and the ornaments they decorated their rooms with so elegantly. After the museum, you should also take the time to walk to the St. Petersburg Mosque itself to see the composition and beauty of this example of northern modernism in the daylight.

And to finish our walk around the jewelry scene of St. Petersburg, I recommend visiting the Russian Museum of Ethnography and roaming its amazing halls and the Special Room with its display of ethnic jewelry made of precious metals and stones. The collection includes pieces created by Russian craftsmen using river pearls and gold threads, coral Ukrainian namysto beads, and traditional jewelry worn by the Kazan Tatars and the peoples of the Volga region and Siberia. There is also a display of gifts presented to Emperor Nicholas II and his wife Alexandra Fedorovna in the early 20th century.

Even if you have already been to this museum, I am sure that after our walks, its halls and rooms will resonate with you differently and reveal new stories.



ADDRESS:
The Russian Museum of Ethnography,
ul. Inzhenernaya, 4/1E

Our tour of St. Petersburg ends with a museum, just as it began. Overwhelmed by impressions, we fall into the evening twilight of this golden city, carrying with us a small part of its everlasting beauty and ongoing history.



Women's breast jewelry, Azerbaijani. Early 20th century. "Weaving the thread of fate into a carpet..." exhibition (19.02.21-18.07.21)



Wedding kokoshnik. Mid-19th century. Nizhny Novgorod province, Russian. Russian Museum of Ethnography collection. "Wedding dress of the peoples of Eurasia" exhibition (16.04.21-03.10.21)



The wreath is a bridal headdress. Early 20th century. Ivano-Frankivsk region, Ukrainian Hutsuls. Russian Museum of Ethnography collection. "Wedding dress of the peoples of Eurasia" exhibition (16.04.21-03.10.21)



Stories

OF A GREAT HOUSE

There is no doubt that jewelry houses will always launch new couture collections shortly before Paris Fashion Week—designers start working several years before their creations see the light. The format chosen to present them is another question.

Photo: press services materials

A week before Fashion Week started, Paris, home to flagship boutiques of most jewelry houses, faced a ban on mass gathering events. This meant that jewelry brands, following the fashion houses, had to present their collections online again, just like last summer. Many decided not to accept these circumstances and insisted on special conditions—short individual sessions with clients and journalists, observing distancing requirements. As for the collections, the vast majority of houses took a story from their archives and tailored it to suit the modern day.



Graff [TRIBAL]

This year, the British jewelry house Graff turned to the universal language of symbols and archetypal concepts dating back to the times when people easily navigated the celestial map and were close to nature. A large part of the jewelry is comprised of unique haute couture pieces, which, along with incredible craftsmanship, demonstrate Graff's signature technique—use of exceptional gemstones.

The starting point of the story was an old tale from the San people of Africa, "The Girl who Made the Stars," about a girl who created celestial bodies by throwing ash from the fire into the skies. Graff's gateway became the main theme of the collection as an image of a moment suspended in time, merging the future and the past, the heavens and the earth. Another key theme is sunrise, symbolizing the birth of life, energy, and strength. It is reflected in the image of the solar disc rising over the horizon, burning with the warm fire of yellow polished diamonds. The third theme is the Moon, its crescent formed by round-cut diamonds and pavé.

The campaign for the collection was shot on the San's native continent. The Atlantis dunes of South Africa were chosen as a place of force and the



meeting of heavenly and terrestrial elements. The girl was played by Portuguese model Sara Sampaio and depicted by famous fashion photographer Mikael Jansson, who used exclusively created massive blackened steel sculptures to enrich the imagery. The date for the presentation—March 20th, the vernal equinox—was chosen taking natural cycles into consideration.





Chanel

[ESCALE A VENISE]

The theme of the Chanel collection is one way or another connected to a journey: a journey to a ghost city which has become even more distant and elusive during the pandemic. However, the story of this collection takes us back a hundred years. Mademoiselle Chanel wasn't a fan of traveling, and rarely went anywhere beyond France. In 1920, as she was mourning Arthur Capel, the man of her life, who had died in a car crash. Her friends virtually kidnapped her and took her to Venice, which is a failsafe route for anyone needing an injection of life and beauty. The proven recipe worked, and Chanel fell in love with the floating city once and for all. Alongside vivid impressions, she brought home something she would later include in her collections: love for the color gold, mosaics and the image of a winged lion, the symbol of Venice.



The Escalé à Venise ("a sojourn in Venice" in French) collection, comprising 70 pieces, was conceived by Patrice Leguèreau, director of Chanel Fine Jewelry Creation Studio, as a journey to Venice's jewelry world. The "route" includes a trip to the islands of the Venetian lagoon (the Isole della Laguna theme, with a motif of camelia, Chanel's favorite flower), a voyage along the Grand Canal (the four Gran Canale sets, dedicated to ships and the sea), discovery of the city's architecture (the Serenissime set, inspired by the façades of Venetian palaces and the floor mosaics of Santa Maria della Salute), and a tribute to its symbol, the winged lion of St. Mark (Spirito di Venezia with the Lion Secret collier and the Constellation Astrale set, featuring a figure of the city's symbol on a backdrop of the starry sky as the focal point). By the way, the image of the king of beasts has always had a special place in Chanel's creative work. Born in August, under the sign of Leo, she believed in astrology, just like her colleague Christian Dior.



Dior

[ROSEDIOR]

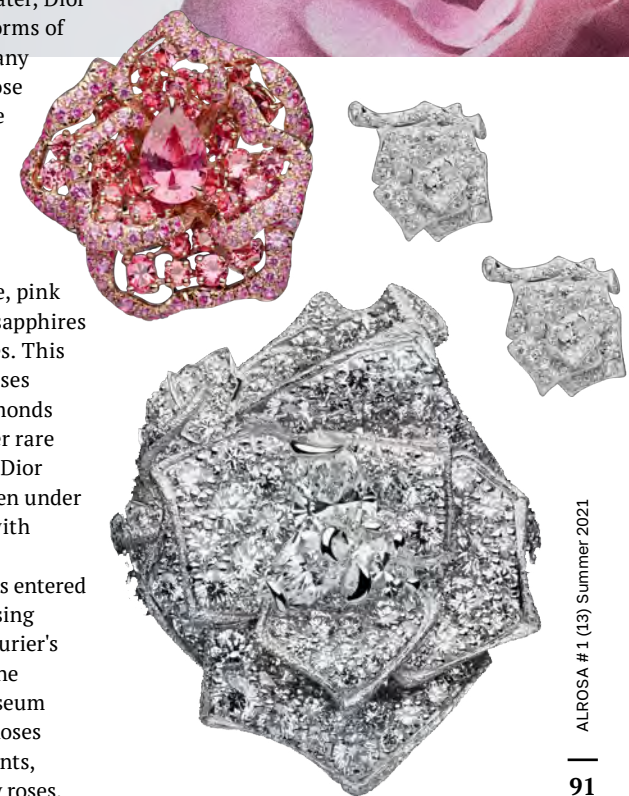
In April, Victoire de Castellane, creative director of Dior's jewelry line, presented a new take on roses, the RoseDior haute couture jewelry collection. Its accessories, spangled with stones and polished diamonds, are incredibly realistically made as rose buds. Those who keep track of the house's collections know that this tribute to Christian Dior's favorite flower is not the first and will definitely not be the last. A tribute to roses similar in complexity was introduced by Victoire de Castellane 10 years ago in the Bal de Roses collection.

Living in a private house in Normandy, Christian Dior was surrounded by garden roses from his early childhood. They were

grown by Madeleine Dior, his mother and first and most important muse. Later, Dior transferred the rich shades and forms of the royal flower to his dresses, many of which had matching names: Rose de Damas, Rose Pompon and Rose France.

Every petal of the RoseDior bud is spangled with a pave of polished diamonds, spinelles, tsavorites, and colored sapphires. A tear-shaped Paraiba tourmaline, pink spinelle, polished diamonds and sapphires serve as the largest, central stones. This year, there are also snow white roses spangled with clear polished diamonds in Dior's precious garden. Another rare "garden" specimen is the La D de Dior mystery watch, with its face hidden under a flower made of pink sapphires with a polished diamond in the center.

It is no coincidence that Dior has entered 2021 with a grand tribute, comprising 54 accessories, to the famous couturier's favorite flower. From June 5th to the end of October, the designer's museum in Granville houses the Dior and Roses exhibition with a display of garments, jewelry and fragrances inspired by roses.





The first stage, L, is represented by the Sparks pieces and the Brilliant Glow set. The Sparks accessories flicker with multi-colored gemstones and polished diamonds. The central element of Brilliant Glow is a unique collier with a symbolic, heart-shaped yellow diamond surrounded by scattered white and yellow diamonds, pink sapphires, spessartites and rubies.

The second stage, O, is brought to life in two haute couture sets, combining bright red, orange and purple gemstones with polished diamonds in modern settings.

Harry Winston

[WINSTON WITH LOVE]

"Talk to me, Harry Winston. Tell me all about it! (meaning diamonds —ed.)," sang Marilyn Monroe in her famous song "Diamonds Are a Girl's Best Friend." The name of American jeweler Harry Winston has been synonymous with exceptional gemstone quality for years. He once confessed himself that jewelry was not just his love, but his life: "I am obsessed with it!" The story of this obsession was reflected in the latest collection, Winston with Love, where every letter of the key word, L.O.V.E., symbolizes a certain stage of love, from its first spark, to the passionate obsession that Harry Winston talked about.

The collection includes 39 hand-made accessories and can be divided into four parts: L—Winston Light; O—Winston Obsession; V—Winston Vow; and E—Winston Eternity.



V—Winston Vow—features a Winston Promise pendant, a ring and earrings, adorned with a heart made of pink gold with gemstones, and the minimalistic Dual Hearts pieces.



And finally, E, Winston Eternity, is the peak of the relationship, represented by a set consisting of a pendant, a ring and earrings in the form of intertwined hearts made of polished diamonds, rubies and pink sapphires. One more set, symbolizing the pinnacle of relationships, Endless Love, with polished diamonds and rubies forming the House's signature woven pattern, was recreated according to a Winston legacy design.

Chopard [PRECIOUS LACE]

As can be guessed from its name, the main theme of Chopard's latest fine jewelry collection is lace, which is a nod to haute couture traditions, since fine jewelry collections are traditionally presented exclusively during Haute Couture Weeks. However, this time the presentation had to be held online. The decision was made at the very last moment by Chopard's Co-President and Artistic Director, Caroline Scheufele, due to quarantine restrictions.

Patterns hand-woven by Chopard's jewelers from white and pink gold and accompanied by round and pear-shaped polished diamonds are reminiscent of Belle Epoque dresses, with festoons, ruffles and floral motifs. The collection can be roughly divided into four sets: Mini Froufrou, featuring floral petals; Vague, which plays with the form of ocean waves; Nuage, reminiscent of clouds; and finally, the heart-shaped Coeur pendants.

Apart from the connection to haute couture, Precious Lace conveys another idea. Nowadays, it is not only the boundaries between the real and virtual world that are being erased. The differences between the classic and the modern, between Haute Joaillerie and Joaillerie Fine, are also becoming more and more tentative. And the Precious Lace jewelry, despite complex craftsmanship and use of polished diamonds, contains the idea of versatility. These accessories don't have to be combined exclusively with dresses that comply with a strict white tie dress code. Matching different pieces of a woman's wardrobe, they can accompany her throughout the day, filling it with beauty and making her more confident.



Garrard [ALORIA]

The history of this jewelry house is inseparably connected with the British royal family. In 1843, the house was named the first official Crown Jeweller by Queen Victoria. Over more than 280 years, Garrard's jewelers have filled many orders from Buckingham Palace. One of these was the head of the British royal scepter, dated 1910, and adorned with the world's most expensive polished diamond, Cullinan I. This signature piece inspired the Aloria collection.

The easily recognizable silhouette of the royal motif is enhanced with polished diamonds, which frame colored stones at a slight angle, cut in the calibré-cut technique. The color range varies from pink sapphires with polished diamonds in a pink gold setting, to yellow sapphires with polished diamonds in a yellow gold

setting. Transparent polished diamonds and aquamarines were mounted in white gold.

Despite the no-nonsense storyline of the collection, the Aloria rings, earrings, collars and bracelets are modern transformer jewelry consistent with the concept of adaptive design. Wearers can adjust the length and change the parts, forms and even colors to suit different occasions. Some accessories are offered with replaceable parts in different colors. It is noteworthy that the same idea inspired the royal scepter—the famous Cullinan I could also be detached to be made a part of a brooch. The Garrard team, which, by the way, consists entirely of women, included the interchangeability of jewelry parts as a nod to Queen Mary, who changed the stones in her accessories as often as the colors of her dresses.





Chaumet

[JOSEPHINE]

The Chaumet house held its presentation at a recently renovated boutique on the Place Vendôme, simultaneously showing both Haute Joaillerie and Joaillerie Fine pieces, as well as the Josephine Aigrette watch, launched in 20 variations.



The creations are all additions to the Josephine “royal” jewelry collection, which was originally introduced in 2010 and extended in 2015. Journalists, who for obvious reasons weren’t able to fly to Paris, were offered a virtual tour of the renovated building and an opportunity to look at every detail of the pieces on their computer screens instead.

Joséphine de Beauharnais, Napoleon’s first wife, was a loyal customer and muse of Chaumet and ordered both “casual” jewelry and tiaras with her favorite pear-cut polished diamonds. Thus, the birth of a Chaumet collection named Joséphine was just a matter of time. If, in 2015, the Josephine collection featured emeralds and sapphires as well as polished diamonds, the stars of 2021 are diamonds complemented with several blue sapphires.

The haute couture line includes two sets— Joséphine Valse Impériale, evoking splendid imperial balls, and Joséphine Duo Eternel, inspired by Joséphine and Napoleon’s relationship. And the recurrent element of all three collections is the tear-shaped form loved by the empress. While with the jewelry pieces this is mainly seen in the pear cut, in the Josephine Aigrette watches it is in the pear-shaped case.

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