

5

Sustainable development

- > Human resources 116
- > Occupational health and safety 125
- > Environment and biodiversity 129
- > Social and charity initiatives 141





HUMAN RESOURCES

Headcount breakdown by Russian operations (%)



Norilsk Industrial District (NID)	67
Murmansk Region	17
Moscow and other Russian regions	6
Krasnoyarsk Territory (excluding NID)	5
Trans-Baikal Territory	4
Foreign operations	1

HeadHunter ranked Nornickel fourth among Top 5 Russian employers and first in the metals and mining sector. HR Brand is the holding's annual independent award recognising companies for their strong reputation as an employer.

Nornickel also received the international Randstad Award as the best employer in the metals and mining sector based on a Russia-wide independent survey of 9,500 working-age respondents. The 2018 competition saw over 300 Russian corporates from various economy sectors.

One of the Company's focus areas is to nurture corporate culture aimed at boosting employee performance and commitment to delivering against targets. We view our people as the Company's key asset and keep investing in their professional and personal development, while also creating an environment that would enhance

employee performance and engagement.

Nornickel makes sure that all employees enjoy equal rights and treatment regardless of gender, age, race, nationality and origin. We provide all our talent with the same opportunities to unlock their potential and promote them solely on the basis of professional abilities, knowledge and skills.

Respect for employees and their rights lies at the heart of Nornickel's business. The protection of human rights is reflected in a number of by-laws, including Business Ethics Code, Personal Data Policy, Anti-Embezzlement Regulation and Human Rights Policy.

STAFF COMPOSITION

In 2018, the Group's average headcount totalled 75,900 people.

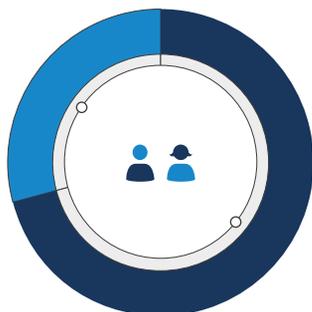
A decrease in the average headcount in 2018 was caused by our programme to improve labour productivity and reduce costs.

Nornickel is among the principal employers in the Norilsk Industrial District and Kola Peninsula, hiring 67% and 17% employees, respectively.

The Group's average headcount (people)

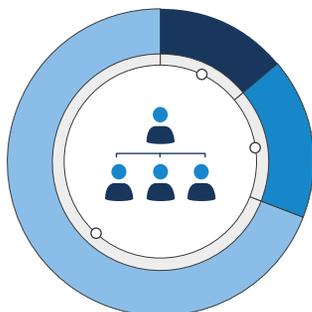
Location	2016	2017	2018
Russia	81,081	77,991	74,926
Africa	586	605	617
Europe	311	326	330
Asia	13	13	13
USA	10	10	10
Australia	5	5	5
TOTAL	82,006	78,950	75,901

Headcount breakdown by gender¹ (%)



Male	71
Female	29

Headcount breakdown by category¹ (%)



Managers	14
White-collar employees	17
Blue-collar employees	69

¹ Russian operations.

RECRUITMENT



Partnerships with universities

To make jobs in the metals and mining industry more attractive for young people and help develop skills in personnel, Nornickel pays special attention to collaboration with Russian universities. In 2018, the Company invited 301 students from industry-oriented universities to take part in its Career Start-Up programme. The students obtained practical skills as part of their apprenticeship at the Company's major facilities, while also gaining unique knowledge by taking part in the Conquerors of the North business game. The event was specifically designed to develop knowledge and competencies most sought after by Nornickel.

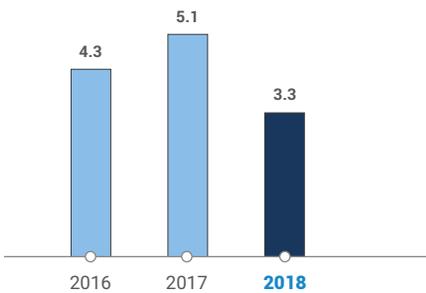
In the span of summer months, the programme participants took hands-on training and competed in a multi-stage business game with a focus on teamwork to try and tackle some of the Company's real tasks. The Company engaged 20 of its top experts to provide mentorship support to the contestants. Nornickel was the first company in the Russian mining industry to engage students and graduates in solving true business challenges. In 2018, the project saw the Company sign employment contracts with 88 participants.

Nornickel places a strong emphasis on engineering education in Russia and partakes in the promotion of relevant professions among school graduates and university students. In 2018, we supported Cup MISIS Case and Cup Technical, case-solving championships among students of Russian technical universities. During the contest, students dealt with cases related to Nornickel's operations, gaining insight into the Company's business processes.

In 2018, we launched First Arctic, a unique leadership programme that welcomed both job seekers from other companies and Nornickel's young professionals. The programme aims to attract high-potential graduates of industry-oriented universities, and retain promising young talent, including best specialists from other facilities across Russia, to strengthen the management pool of Polar Division. First Arctic targets engineers and relies on a coaching approach to growing future managers. The participants are supervised by experienced coaches from among Polar Division's top management. The July and August promo campaign helped collect more than 1,500 CVs of job seekers from 18 Russian cities. 53 candidates reached the finals in October, with as few as eight selected to participate in the programme. Assistance programme.

The Company is actively engaging employees from other Russian regions

Financing under the Assistance programme (USD mln)



379 people

joined the Assistance Programme in 2018

35,000

employees of Nornickel

participated in the Corporate Dialogues project



Assistance Programme

Due to the remote location of its industrial sites, the Company is actively engaging employees from other Russian regions. To help them settle in faster, we launched a programme called Assistance to New Employees in Adapting to the New Place of Residence in Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District (the Assistance programme). The programme does not only target highly qualified specialists and managers, but also focuses on attracting young talents and skilled workers to fill positions on the skills shortage list. Today, it covers 1,520 of the Company's employees, including 379 new participants who joined in 2018. With this programme the Company seeks to provide comfortable living conditions for the invited employees and reimburse their relocation and resettlement costs.



Personnel development

In 2018, our work to develop corporate culture centred around:

- personnel engagement;
- corporate dialogues and forums;
- comprehensive training in corporate culture;
- training of corporate coaches;
- promotion and communication.



Engagement

As part of its efforts to boost employee engagement, Nornickel annually runs a series of activities, which comprises a survey named "Let Everyone Be Heard. What Do You Think?", review of its outcomes, and delivering a set of improvement initiatives.

The survey includes polling and focus group research among some 75,000 employees from 32 Nornickel's facilities. Its results are subject to review, action planning and implementation at all governance levels, from facilities to the Group as a whole. In 2018, the Company built a team of engagement experts, with 120 employees selected and trained for the purpose.



Corporate dialogues and forums

In 2018, Nornickel ran a Corporate Dialogues project to raise employee awareness, help them embrace more fully corporate goals and values and make employee-management relationships more open. The project saw 17 corporate dialogues and 20 communication training sessions, which helped train over 200 managers. A total of 3,500 Nornickel's employees participated in the initiative.

Eight unit conferences as well as Technological Breakthrough, Leaders of Nornickel and Talent Pool forums featured workshops on engagement and corporate culture, covering over 1,000 people.



Comprehensive training in corporate culture

Eight Nornickel's facilities and units attended a 125-hour training programme on workplace culture.

The programme translated into a much better alignment of employee behaviour with corporate values Group-wide, with a 1.5–2 times increase in average alignment figure revealed by the management team survey.

Some 18 business initiatives were developed and approved, delivering an economic effect of at least USD 3.2 mln (RUB 200 mln), according to participants.

More than 1,800 blue-collar employees and over 500 line managers took part in dedicated Our Values and Value-Based Management training programmes, respectively.



Promotion and communication activities

Promotion and communication activities focused on the coverage of engagement and corporate culture events in corporate media and on the portal. In 2018, we prepared 11 articles, carried out six interviews with vice presidents, created four information and advertising videos, produced handouts on the Company's programmes (leaflets, flyers), and developed a website and a brand for Norilsk Live.

The economic effect of 18 business initiatives amounted to at least

USD 3.2 mln



Training of corporate coaches

In order to build a hub for training coaches in corporate values and roll out relevant competencies company-wide, the Company designed the Our values module. A competition was organised to select and instruct 24 corporate coaches, who later taught in more than 60 module programmes.



Talent pool

In 2018, the Company kept rolling out the talent pool management system across its mining facilities to cover recruiting of lower and middle line managers. The Company's talent pool added 115 members in Polar Transport Division, Norilsknickelremont, Norilsk Support Complex and NTEK, with 70 line managers acting as mentors. The reporting year saw the start of a training and development programme for employees and their mentors, which offers a combination of classroom and online sessions.

>1,800

employees

>500

line managers

completed Our Values and Value-Based Management training programmes

2018

Jan Feb Mar **Apr** May Jun Jul Aug **Sep** Oct **Nov** Dec

The Company completed the operational efficiency programme at Moscow's School of Management Skolkovo. Its five modules helped 55 participants better understand business and business environment, expand their planning horizon, enhance their vision of the Company's prospects, analyse best practices in production management, and also their possible use and roll-out across the Group. The programme saw the Company implement eight projects to improve the operational efficiency of its assets.

Nornickel kicked off a Leaders of Nornickel corporate development programme that welcomed 54 high-potential managers. The programme focuses on project work to improve process efficiency across the Company's business units based on lean manufacturing.

Nornickel launched an IamHR corporate programme for the professional development of HR employees. It seeks to improve the human capital management function, promote interaction between the business and HR, and introduce the most advanced solutions and best practices in HR management. The participants will be tasked with cataloguing HR practices and management tools.

720 managers

were assessed under a professional competency model

In 2018, the Company went on with assessing the capacity, current performance and growth prospects of its middle and top managers. The assessment covered some 1,500 managers from both production facilities and functional divisions of Nornickel. Its outcomes and development options were reviewed by HR committees. The assessment identified over 450 managers with a high career growth potential.

In 2018, the Company organised a number of training courses in managerial competencies for some 270 high-potential employees from Monchegorsk and Norilsk. The training topics were selected based on the competency assessment and an individual development plan for each manager.

To define priority development areas for its management, the Company runs an end-of-year 360-degree competency review using a corporate competency model built around values and management competencies. Based on its results and relevant feedback from the superior, each participant can choose the right path for development and select required tools and methods using a dedicated roadmap for next year's development activities.

In 2018, Nornickel closed the project to review the professional competencies of lower and middle line managers across its mining facilities. The project yielded a competency model and a series of relevant tests used to assess 720 line managers and identify their growth areas. Nornickel will use the review results to launch specially designed training programmes for the facilities' lower and middle line managers in 2019.

The Company pays close attention to implementing cutting-edge education technologies



Enhancing professional excellence

With our reconfigured production cycle, modernised operations, new technologies and approaches, and a rapidly changing operational environment, we need to make sure our employees meet the new expertise, skill and competency requirements. The corporate training framework must provide employees with a quick and unhindered access to new knowledge, helping them master new professional skills and receive training and development support for horizontal and vertical job rotation.

In 2019, we will proceed with the diagnostics and management of professional skill development across our facilities, building a professional competency model for certain functional and production divisions of the Company, defining knowledge and skills requirements for each position, and developing a set of test questions to assess professional competencies of employees in temporary fill positions.

In the reporting year, we continued to educate and develop our employees. Our training and retraining programmes covered over 87,500 staff-hours. Around 43,000 employees took courses in corporate training centres.

An area of special attention is the use of advanced technologies to assist in training various personnel categories. In 2018, 6,500 employees attended online HSE training sessions hinging on our staff expertise. We leverage internal expertise and today's formats to come up with new online training courses that help build up employee competencies promptly and efficiently.



Incentives and rewards

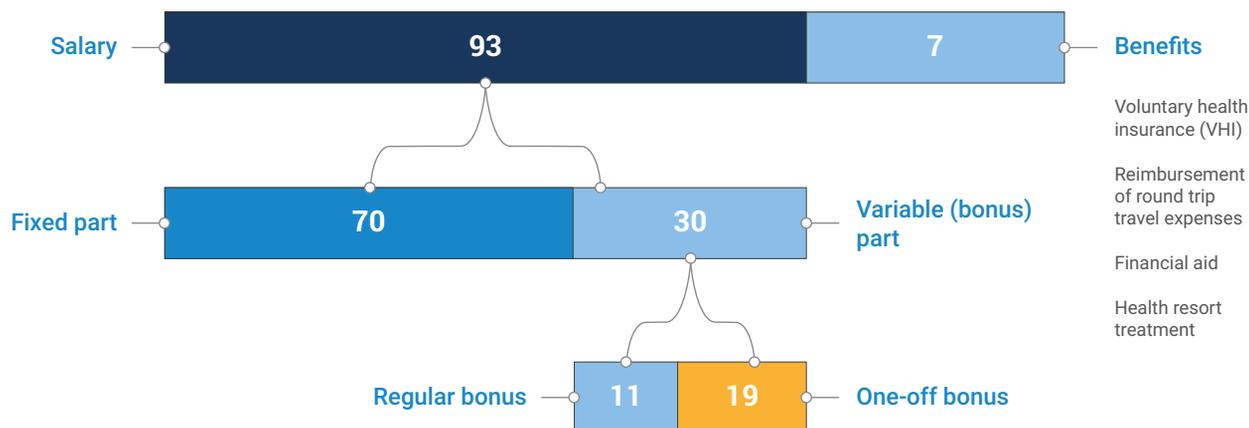
Remuneration of Nornickel's employees depends on the complexity of the functions performed, as well as individual experience, expertise and contribution to the Company's performance.

Principles of remuneration:

- Internal equity – remuneration management is based on the job description and grading methodology. The Company has a unified grade system across all functions.
- External competitiveness – remuneration is determined based on the labour market data, with adjustments made for the company's focus area, business location and job grades.
- Performance-based incentives – pay level is reviewed subject to the annual performance assessment outcome.

Simplicity of the remuneration system – pay level calculation and review procedures are transparent, and every employee knows how to improve their remuneration. The remuneration package consists of the fixed and variable components (70% and 30%, respectively), with the latter linked to the Company's operating performance and achievement of relevant KPIs.

Remuneration package across the Group's Russian operations (%)



In addition to salaries, the Company's employees enjoy a variety of benefits making up 7% of the remuneration package. The social package includes the following benefits and compensations:

- voluntary health insurance with major accident coverage;
- discounted tours for health resort treatment and recreation of employees and their families;
- reimbursements of round trip travel expenses and baggage fees for employees and their families living in the Far North and equated territories;
- one-off financial aid in the face of certain life events, or hardships;
- additional employee pensions;
- other types of social guarantees under the existing collective bargaining agreements and local regulations.

EMPLOYEE AWARDS

In 2018, MMC Norilsk Nickel approved its Award Policy, which sets out the goals, principles, rules, requirements and limitations of the Company's awarding activities. Aimed at improving employee performance, the Award Policy is a fundamental document for HR decision-making and drafting the Company's by-laws.

Average monthly salary across in the Group's Russian operations

Currency	2016	2017	2018
USD ¹	1,405	1,784	1,780
RUB '000	94.2	104.1	111.6

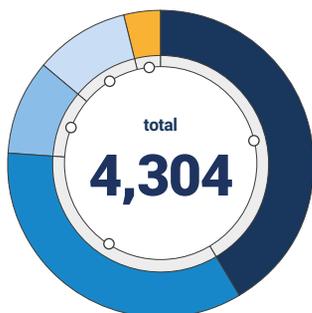
¹ Based on the average annual RUB/USD exchange rates of 67.03 in 2016, 58.35 in 2017 and 62.71 in 2018.

Expenses on employee benefits across the Group's Russian operations

Item	2016	2017	2018
Total expenses (mln USD)	103.0	122.5	127.6
including per employee (USD)	1,300	1,571	1,703

UNDERLYING PRINCIPLES OF THE AWARD POLICY

Employee awards (pcs)



Internal awards from the Group's companies	1,996
Awards from regional and municipal authorities	1,664
Awards from ministries and agencies	286
Corporate awards	275
Government awards	83

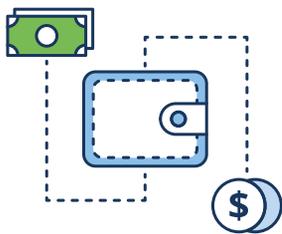
- **Fair and transparent** procedure for nominating and awarding employees. The Company uses fair, relevant and transparent criteria to ensure that the awarded employees and their colleagues clearly understand which achievements are recognised, and create a perception that the award is fair and well-deserved.
- **Award relevance and attainability.** The Company maintains a balance between employees' award aspirations and its attainability through an objective distribution of award quotas, transparent and fair procedures, material financial and non-financial incentives, and award events.
- **Communication and awareness.** The Company makes available the documents governing the Award Policy and the list of award categories and awards while also providing for visible and clear nomination and awarding conditions, criteria and procedures.
- **Maximum awareness** of all employees about award winners. The award process is open and enjoys various types of information support. Information on the awarded employees is communicated to employees via all internal communications channels.
- **Frequency.** Award campaigns and events are evenly distributed throughout the calendar year.
- **Equal opportunities** for employees working at different locations and positions to be nominated and awarded. The Company ensures there is no gender, national, or religious discrimination in the nomination and awarding of employees.
- **Development of employees** in line with strategic priorities and corporate values through better use of their potential and motivation to improve their professional skills.

The Award Policy is closely linked to Nornickel's values and strategic priorities through corporate incentives. The Company recognises employees for their outstanding professional achievements and contribution, innovations that drive growth and add value, efforts going beyond formal agreements with the Company, and business improvement initiatives. The Company praises and distinguishes employees showing unmatched production, engineering and managerial competencies by awarding those who delivered remarkable operating and management performance and contributed a lot to advancing production. There are several categories of incentives in the Company.

They include corporate incentives or awards that can be granted to the staff, and internal incentives with nomination and awarding criteria set in compliance with the Award Policy. The best employees may be nominated for agency and government awards. The Company welcomes the recognition of its employees' prodigious operating and management achievements, and significant contribution to production growth by agencies and the government.

Award events are the pinnacle of the award system. The Company bestows corporate awards at special ceremonies attended by its staff and senior management. Information about the winners is published in corporate magazines and communicated group-wide.

REMUNERATION



The key performance indicators adopted by Nornickel serve to build a transparent incentive and performance assessment system. Remuneration is linked to KPIs approved for different types of jobs, with employees consistently exceeding the targets.



The Company put in place the performance management system five years ago, with assessment reliant on a variety of key performance indicators (KPIs), including social responsibility, occupational safety, operating efficiency and capital management. In 2018, some 9,800 people (employees of the Company's Head Office, branches and subsidiaries) took part in the KPI-based assessment.



The system is instrumental in streamlining evaluation criteria and enabling the management and employees to align the current year's priorities with performance indicators of the Company/divisions/subsidiaries and link an employee's performance to their pay level.

The reporting year saw the Company kick off automation of the KPI-based employee assessment. The new system will help standardise talent pool management methods across the board, consolidate relevant data into a shared database, and provide access to the process through personal accounts for each employee. By the end of 2018, the system ran at 19 divisions and subsidiaries of the Group. In 2019, Nornickel will roll it out across its energy assets and transport divisions.

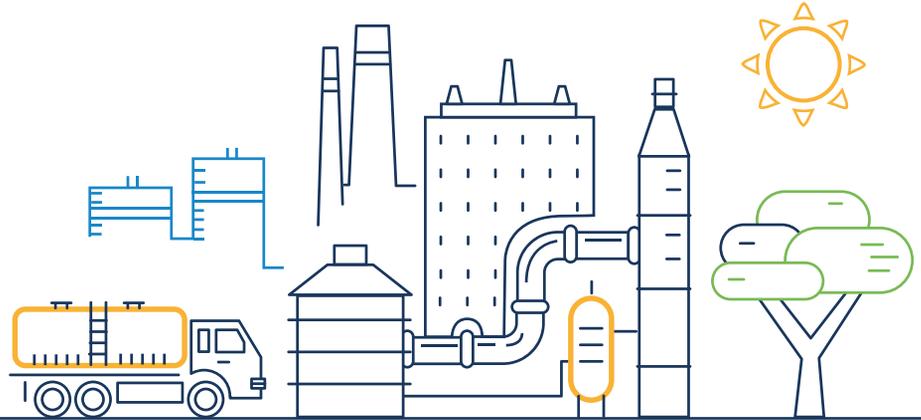
To improve the performance of the Head Office staff, Nornickel approved the Procedure for Assessing Employee Performance and the Regulation on Annual Performance Bonuses. The Procedure primarily seeks to link the assessment outcome with remuneration, development and promotion of employees, whereas the Regulation on Annual Performance Bonuses serves to review employee performance in the reporting period against team and individual KPIs.

To boost employee performance across its Russian operations, the Company put in place the Procedure for Assessing Management Performance. It calls for setting KPIs to be used as a basis for evaluating manager achievements.

OCCUPATIONAL HEALTH AND SAFETY

OUR APPROACH

Occupational health and safety and mitigation of mining and processing risks are among Nornickel's top production priorities.



53%

of the Group companies

are certified for compliance with HSE standards



HSE standards

Occupational health and safety expenses (USD mln)



Expenses per employee (USD '000)



As at the end of 2018, 53% of the Group companies (by the number of employees) were certified for compliance with Russian and international HSE standards. In 2019, the Company plans to start certification to comply with ISO 45001.

Nornickel's health and safety management system is aligned with the Company's Occupational Health and Safety Policy to keep up to date with best global practices and views life and health of employees as a fundamental value that takes priority over operational performance. In 2013, the Company embarked on a mission to reduce injury rates and promote health and safety culture.

Occupational health and safety matters are reserved to the Audit and Sustainable Development Committee of Nornickel's Board of Directors, which reviews dedicated management reports every quarter.

Severe occupational injuries and fatalities are to be examined on a standalone basis, with the management reporting in detail on accident causes, prevention and disciplinary action taken against the officers at fault.

Nornickel's First Vice President – Chief Operating Officer is directly responsible for the development of health and safety initiatives and ensuring compliance with the relevant requirements. The remuneration of the COO and heads of production units depends on the achievement of occupational safety targets. The health and safety component makes up from 12% to 28% of the KPI sheets, with fatal accidents serving as the blocking factor that reduces the occupational safety score to zero and diminishes the overall remuneration amount.

The Company has a Health, Safety and Environment Committee chaired by the First Vice President — Chief Operating Officer and designed to improve efficiency and promote responsibility in the realm of occupational health and safety. The Committee holds quarterly meetings at the production sites of the Group's divisions and Russian subsidiaries to review matters related to the improvement of the Company's health and safety management system, in particular by:

- analysing the causes and details of severe and fatal workplace injuries;
- checking the status of initiatives in the pipeline approved to prevent similar injuries at the Company's facilities going forward;
- discussing organisational and technical action plans to improve occupational health and safety.



The Company remains committed to:

- improving its production management methods with a view to enhancing occupational health and safety;
- supplying its production sites with new equipment and introducing cutting-edge safety systems and control tools;
- upgrading the rock bolting systems in underground mines;
- improving employees' health and safety skills, providing training in occupational safety and enforcing workplace discipline;
- minimising the negative impact of adverse workplace factors on the employees' health;
- providing employees with high-quality modern workwear and personal protective equipment that meet the Company's corporate standards;
- promoting preventive healthcare.

The production facilities of Nornickel have process-, job- and operation-specific regulations and guidelines in place containing dedicated health and safety sections. To top it off, the Group's collective bargaining agreements also have occupational health and safety provisions. At the end of 2018, key players of the copper and nickel and supporting industries developed and signed an interregional cross-industry agreement setting out the obligations of the parties in the domain of health and safety.

The Company and most of its subsidiaries have joint health and safety committees made up of management, employee and trade union representatives.

As all maintenance and construction operations at the existing production facilities are classified as high-hazard, the contractors' workers are required to attend induction and target briefings on health and safety prior to the commencement of works. Work permits also contain information on occupational safety requirements to be observed during the performance of works or in the immediate run-up to them. In 2018, Nornickel introduced a new corporate health and safety standard for contractor management.



Corporate standards and prevention

Nornickel has corporate health and safety standards that apply to both the Group's employees and the contractor personnel deployed at the Group's production sites. Nornickel's HSE Department is responsible for monitoring the implementation of the corporate standards and ensuring compliance with occupational health and safety requirements.

Production units of the Company's divisions and the Group's Russian subsidiaries hold regular second party audits for compliance with applicable health and safety requirements. In 2018, a total of 45 audits took place in accordance with the approved schedule.

In order to minimise its production risks, the Company develops and implements a comprehensive annual health and safety action plan. For example, as part of the Risk Control project (launched in 2016 to facilitate the introduction of the STO KISM 121-211-2014 occupational health and safety risk management standard), 2018 saw further work to meet the standard requirements, improve hazard identification procedures, and assess and manage health and safety risks. Heads of the production units joined forces with the OHS team to analyse changes in the indicators included in the audit matrix and use this analysis to assess the quality of safety behaviour audits and efficiency of remedial initiatives designed to reduce the number of hazardous actions and situations at the workplace.

In 2018, the Company developed a new health and safety corporate standard for contractor management, which sets out a wide range of requirements starting from the choice of contractors.

In 2018, Nornickel installed automated gas monitoring and control systems at the self-propelled mining equipment of Polar Division and Medvezhy Ruchey to power the equipment off when the gas mixture reaches an explosion limit and thereby eliminate the risk of explosions inside the mines.



Staff training and raising awareness about occupational safety

The Company strives to make sure that its employees have all the necessary knowledge and skills to perform their duties in a safe and responsible manner.

Training for a newly hired employee starts with an induction briefing on safety and continues with a series of workplace briefings. The existing corporate programmes also require staff briefings to be held on a regular basis going forward. There are also interactive training sessions for employees in key positions.

Nornickel has put in place an OHS monitoring system



Safety workwear, footwear and personal protective equipment for employees

To minimise the negative impact of adverse workplace factors on the Company's employees, Nornickel has developed standard requirements to safety workwear, footwear and personal protective equipment. Employees use advanced personal protective equipment, including safety workwear and footwear, helmets, respirators and goggles. Workers with on-site production experience of up to three years wear special red helmets with the word "Warning" on them and protective clothing with "Warning" badges that make them stand out.

Employees working in contaminated conditions are provided with free-of-charge wash-off and decontaminating agents.

In 2018, the Company purchased personal protective equipment worth approximately USD 41 mln (RUB 2.6 bn).



Control over compliance with health and safety requirements

The Company refuses to compromise on OHS standards, as prevention of health and safety violations is key to reducing injury and accident rates.

Nornickel has put in place an OHS monitoring system, which harnesses a multi-stage control architecture with ad hoc, targeted and comprehensive inspections. The first stage involves controls by the line manager or the supervisor (aided by professionals from the OHS team) and focuses primarily on workplace discipline. The second

and higher level stages involve controls by special OHS commissions including representatives of the management and employees.

In addition to the prevention and control initiatives described above, the Company regularly conducts safety behaviour audits in accordance with the approved schedule. To date, the prevention and control team has identified some 14,900 violators of health and safety requirements and held them to account, including by partially or completely stripping them of their bonuses.



Occupational health

To minimise the risk of occupational diseases, the Company promotes medical prevention and healthy lifestyles among its employees, with the management striving to raise awareness about the importance of health and safety requirements. Nornickel also seeks to introduce meaningful occupational health initiatives taking into account both workplace and individual risk factors.

The Company offers its staff regular disease prevention check-ups in line with recommendations from the healthcare authorities. Employees undergo compulsory pre-employment, regular and ad hoc medical examinations organised at the Company's expense. Those that have contact with hazardous materials are subject to additional check-ups at occupational pathology centres (regularly and upon recommendation from a medical board).

The Group's production facilities have dedicated medical aid posts to perform pre-shift checks and provide medical assistance at request during the working hours.

If certain hazardous production factors are identified at the workplace, the Company supplies employees with free personal protective equipment (PPE), including respiratory protection (respirators, gas masks), hearing protection (earmuffs, earplugs), eye protection (glasses/goggles with UV filters, visors), skin protection (gloves, protective and regenerative creams, protective outerwear).

To improve health performance indicators and prevent occupational diseases, the Company also provides employees working in harmful and hazardous conditions with free foods, milk, and other equivalent food products for therapeutic purposes.

All these initiatives are not only designed to raise the living standards of the workforce, but also to produce a positive economic effect by reducing the number of lost time illnesses and injuries.

USD 41 mln

spent by the Company to purchase personal protective equipment in 2018

Fatalities went down



Health and safety performance indicators

In 2018, Nornickel's occupational health and safety initiatives helped reduce the number of workplace injuries from 60 to 32 and the lost time injury frequency rate (LTIFR¹) from 0.44 to 0.23. The number of fatal injuries and the fatal injury frequency rate (FIFR²) also went down from 8 to 6 and from 0.07 to 0.05, respectively.

Investigation of workplace injuries and occupational diseases is carried out in accordance with the Labour Code of the Russian Federation, industry regulations, and the Accident Investigation corporate standard. The details of all fatal injuries were reported on to the Board of Directors and thoroughly investigated to avoid similar injuries in the future.

Nornickel's management views occupational safety and zero workplace fatalities as its key strategic objectives and keeps running dedicated programmes to prevent workplace accidents.

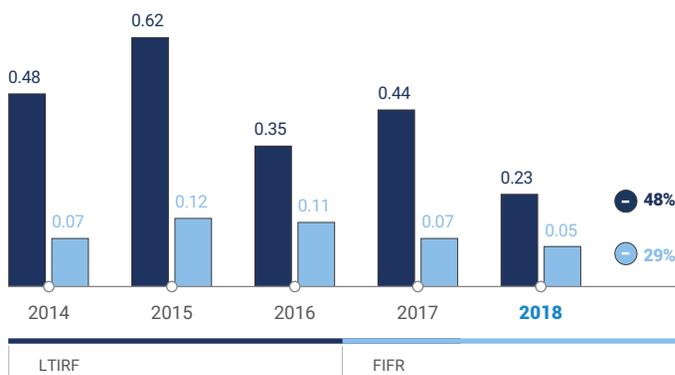
In 2018, Nornickel reduced the number of accidents

by **47%** vs 2017

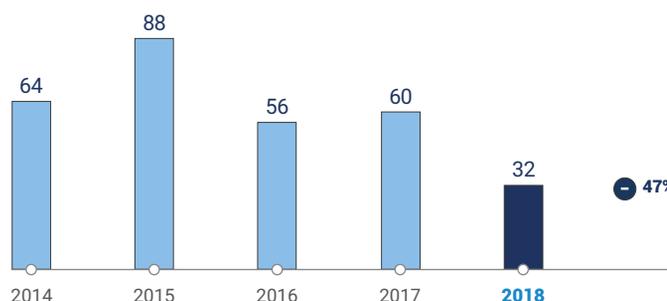
¹ LTIFR stands for lost time injury frequency rate (LTIFR = non-fatal LTIs / total number of hours worked × 1,000,000).

² FIFR stands for fatal injury frequency rate (FIFR = FIs / total number of hours worked × 1,000,000).

Workplace injury rates



Number of injuries (injured people)



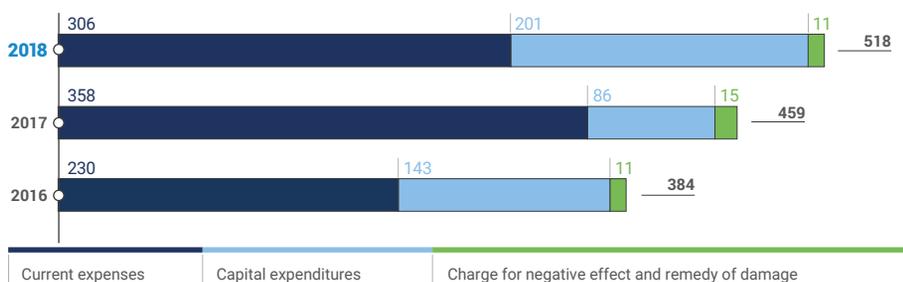
Safety performance indicators

Indicator	2016	2017	2018
FIFR	0.11	0.07	0.05
LTIFR	0.35	0.44	0.23
Workplace injuries (people)	56	60	32
Including: fatal injuries	13	8	6
lost time injuries	43	52	26
Contractors' workplace injuries (people)	18	16	19
Including: fatal injuries	8	1	2

>>> For more details on the Company's occupational health and safety initiatives, please see the 2018 Sustainability Report

ENVIRONMENT AND BIODIVERSITY

Environmental expenses (USD mln)



ENVIRONMENTAL MANAGEMENT SYSTEM

In 2018, the Environmental Management System^⑥ (EMS) continued to operate as part of the Corporate Integrated Quality and Environmental Management System (CIMS). This enabled the Company to harmonise environmental and quality management initiatives with the operations of other functions (such as production management, finance, health and safety) and enhance its overall performance along with environmental safety. With the EMS now in place, the Group's enterprises reap multiple benefits, as it demonstrates their compliance with global environmental standards.

System audit

To confirm compliance of the EMS with ISO 14001:2015, the Company engages Bureau Veritas Certification (BVC) to conduct surveillance audits once a year and recertification audits once every three years. In November 2018, Nornickel successfully passed a surveillance audit of its CISM. The auditors of BVC confirmed CISM compliance with the ISO 14001:2015 and ISO 9001:2015 requirements. Based on the audit findings, BVC identified the scope for potential improvements while also highlighting the overall strengths of the Company's EMS.

Throughout 2018, the Company carried out internal audits and a corporate audit as part of the CIMS in line with international standards and Norilsk Nickel's by-laws. The internal audits and the corporate audit were conducted by specially trained and competent personnel.

In line with ISO 14001 and principles of environmental openness and transparency, the Company cooperates with the legislative and executive agencies, international and public organisations, mass media, shareholders, investors, local communities, and other stakeholders.

2018 milestones

Bystrinsky GOK passed state environmental review.

Bystrinsky GOK benefits from new highly efficient equipment and technologies that help minimise its adverse environmental impact. The Company has a modern domestic and industrial waste landfill with seepage water collection and treatment systems. Flue gas emission areas are equipped with cutting-edge gas purification systems. The Company also conducts ongoing monitoring of the environmental and radiation conditions.

Kola MMC's Smelting Shop increased sulphuric acid output to 58 kt, thus exceeding the target.

By replacing the obsolete technology of copper-nickel concentrate roasting, which previously caused sulphur dioxide emissions of 48 kt/a, the Company brought down these emissions to their lowest levels. Today, to prepare copper-nickel concentrate for smelting, Kola MMC uses the briquetting technology, where feedstock is pressed mechanically and briquettes have a higher sulphur content than pellets. When processed in the Smelting Shop, such feedstock produces gas that is richer in sulphur dioxide and is easier to capture and recycle.

⑥ MMC Norilsk Nickel's Environmental Management System (EMS) has been successfully operating since 2005 in the production, project management, storage, delivery, including delivery by sea, and sales.

CLIMATE CHANGE

Climate change is a global problem of our day capable of having an adverse impact on the world community, as it will affect the biodiversity, reduce water and energy availability, and cause other environmental risks. GHG emissions are one of the key drivers of global warming and approaching climate change. Nornickel recognises the importance of fighting against climate change and supports global initiatives to reduce GHG emissions. The Company pursues its long-term development agenda through process upgrades using the best available technologies, improving its energy efficiency, increasing the share of green energy, and reducing the energy intensity of commercial production. Moreover, the Group is committed to the UN Global Compact Principles.

Nornickel's Board of Directors deals with climate change issues on a regular basis as part of discussions on the Company's Environmental Development Framework and progress reports on major investment projects, and treats them as a priority in setting Nornickel's targets and the development strategy. The First Vice President – Chief Operating Officer oversees climate change matters.

Climate risks

The Company has always worked in harsh climatic conditions, including permafrost, seasonal ice melt, and extremely low temperatures. Operations in such environment historically took into account severe climate changes, which, to crown

it all, have a pronounced seasonal nature. Therefore, all structures were built on pilings, while industrial facilities are based on hard rock to avoid building decay.

Most supplies, including consumer goods, feedstock and materials for manufacture and constructions, as well as social goods arrive at the Dudinka Port located 100 km from Norilsk and accessible to sea and river vessels alike. The Company is the Port owner. It is the world's only port that gets flooded every year during the spring thaw. Located in the Far North, the port operates a seasonal service: approximately from November to May its water area and the Yenisey basin freeze. During this period, Dudinka Port handles only sea vessels using port icebreakers to de-ice the berths and provide support during manoeuvring and mooring operations. In May and June, during the flooding, the service is suspended. When ice drift passes and water level goes down, the Company promptly restores the operability of berths using its unique proprietary technology.

The Company's power supplies are also adjusted for climate conditions. The Company uses neither solar nor wind power because of violent winds and long polar nights during the winter period, but it makes a good use of green hydropower. Nornickel operates two hydropower plants covering 44% of its energy needs. The Company has established fuel-based backup generating capacity to be used in the event of drought or decline in hydropower plant output.

2018 milestones

Sulphur Project kick-off.

In September, Copper Plant officially kicked off the Sulphur Project, Nornickel's most ambitious initiative to dramatically improve local environment. The official ceremony was attended by Vladimir Potanin, Nornickel's President, and Sergey Menyaylo, the Russian President's Plenipotentiary Representative to the Siberian Federal District.

Dialogue with stakeholders. Experts from Russia and Norway discussed environmental initiatives.

Nornickel's representatives furnished their Norwegian colleagues with data on reduction of the Company's environmental footprint in Norilsk and on the Kola Peninsula and shared details of the large-scale Sulphur Project, which targets a 75% reduction in sulphur dioxide emissions in the Norilsk Industrial District by 2023.

CO₂ emissions totalled

10 mt

Renewable energy sources provide

44% of electricity consumed

Share of coal in fuel consumed stands

at **1.1%**



Key climate change risks

Risk type	Risk description	Key risk factors	Risk mitigation activities
Climate change risks	Lack of water resources: water shortages in storage reservoirs of the Company's hydropower facilities may result in failure to achieve necessary water pressure at HPP turbines leading to limited power production and drinking water shortages in the Norilsk Municipality territory	Abnormal natural phenomena (drought) caused by climate change	<ul style="list-style-type: none"> • Establish closed water circuit to reduce water withdrawal. • Use a hydrological monitoring system on a regular basis to forecast water level in rivers and water bodies. • Cooperate with Roshydromet to set up permanent hydrological and meteorological monitoring stations and improve the accuracy of water level forecasts in rivers where the Company operates. • Dredge the Norilskaya river and reduce energy consumption at the production facilities, should the risk materialise. • Replace equipment at hydropower plants to increase power output through improving the performance of hydroelectric units (implemented in 2012–2021)
	Soil thawing: loss of bearing capacity of pile foundations, deformation of buildings and structures leading to their destruction	Climate change, average annual temperature increase (over the last 15–20 years). Increased depth of seasonal thawing	<ul style="list-style-type: none"> • Erect buildings and structures on soil or hard rock • Regularly monitor the condition of foundation beds for buildings and structures built on permafrost • Run geodetic control of changes in buildings' positions • Monitor soil temperature at buildings' foundations • Monitor the facilities' compliance with operational requirements for crawlspaces • Develop recommendations and corrective action plans to ensure safe operating conditions for buildings and structures

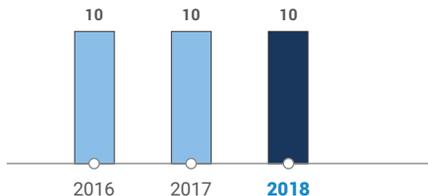
GREENHOUSE EMISSIONS

The Company assessed its GHG emissions in accordance with the existing national methodology. The assessment reflected the climatic conditions of operations, facilities upgrade and reconfiguration timelines. Direct GHG emissions total ca. 10 mtpa¹, including some 6.40 mtpa from fuel and energy assets, 3.45 mtpa from smelting operations, and up to 0.15 mtpa from transport and logistics. Next year, Nornickel intends to use the international methodology of GHG emission assessment for comparison purposes.

At the moment, Russian legislators are working to introduce statutory requirements for corporate GHG reporting.

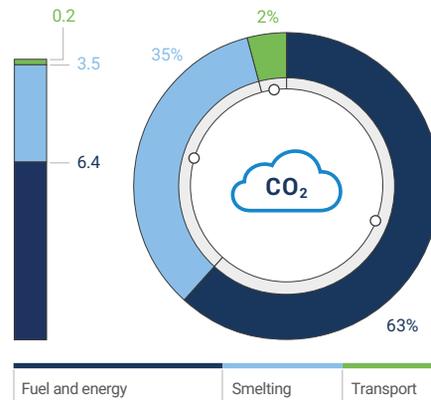
The Company is monitoring all legislative developments on this front to ensure compliance with the regulations.

Direct GHG emissions (Scope 1, mt)¹



¹ According to the GHG Emission Calculation Guidelines approved by Order No. 300 of the Russian Ministry of Natural Resources dated 30 June 2015.

GHG emissions broken down by source (mt)



RENEWABLE ENERGY SOURCES

The European Union has set a target for a reduction of 20% in GHG emissions in the year 2020 compared with 1990 levels predominantly through shifting from fossil fuel to renewable energy sources.

The Company seeks to cover its energy needs primarily from renewable sources. Nornickel makes continuous efforts to reduce the consumption of such energy sources as diesel fuel, coal, and natural gas as well as to provide its enterprises with reliable and efficient low-carbon energy sources in the long term. As a result of Nickel Plant shutdown, the estimated coal consumption declined by 40–70 ktpa.

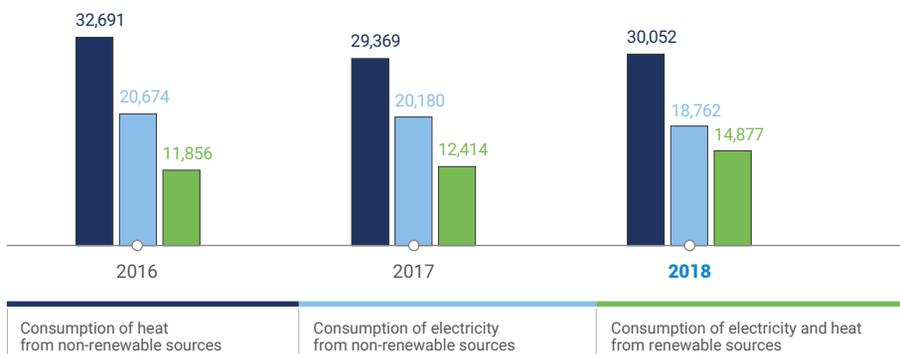
The Company's priority energy source is hydropower generated by hydropower plants: Ust-Khantayskaya and Kureyskaya HPPs (481 MW and 600 MW of installed capacity, respectively). In 2018, renewables accounted for 44% of total electric power generated by the Norilsk Nickel Group and 51% of power generated in the Norilsk Industrial District. The Company rolled out a project to replace hydropower plant equipment for rendering it more reliable and increasing power output through better performance of hydroelectric units (implemented in 2012–2021), thus laying out the groundwork to expand the share of renewables.

The use of other renewables such as solar, geothermal, and wind energy is limited, as Nornickel's major production assets are located beyond the Arctic Circle. There is not enough solar energy in winter because of polar night lasting approximately 60 days. Wind turbines are also inefficient due to changes in wind intensity: weather conditions range from dead calm lasting for weeks to snowstorms with a wind speed of up to 50 m/s.

Electric power generated from renewable sources (%)



Group's consumption of electricity and heat (TJ)



Power consumption and energy efficiency improvement

Nornickel is committed to the responsible use of heat and electricity. 85% of electricity is generated by the Company's fuel and energy companies supplying electric power to both intragroup facilities and third parties.

2018 saw the Company continue implementing initiatives in pursuance of Presidential Executive Order No 752 *On the Reduction of Greenhouse Gas Emission Volumes* of 30 September 2013. The Group's investment programme embraces several large-scale priority projects to fully unlock the potential of renewable power sources (hydropower) and ensure energy savings.

Major projects include:

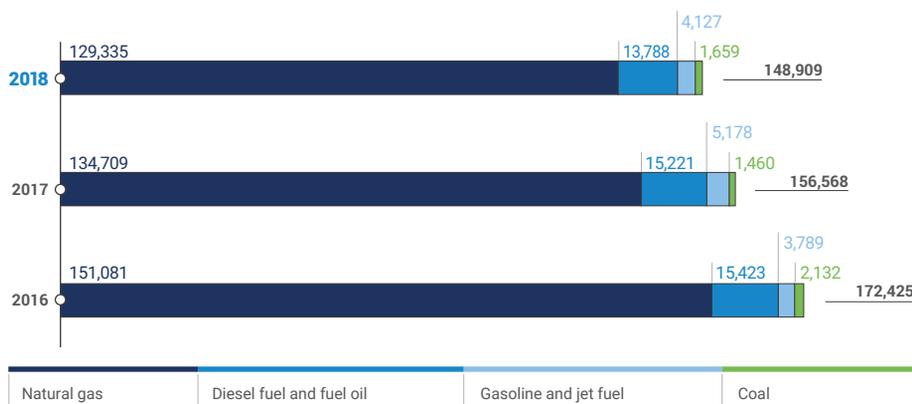
- replacement of hydroelectric units and introduction of an automated dispatch system at Ust-Khantayskaya HPP;
- TPP-1 retrofit to enable automated process control;
- replacement of wooden supports at 110 kV lines with steel ones;
- construction of steam pipelines for the centralised heat supply system.

>>> For more details on energy assets see p. 93–95

85% of electricity is generated by the Company's fuel and energy companies

In 2018, significant efforts were invested in improving energy efficiency. As a result, the Group achieved savings of 87,822 tonnes of reference fuel (units). In the reporting year, per unit fuel consumption at TPPs stood at 265 g/kWh, down by 29 g/kWh vs target and by 17 g/kWh y-o-y. During the reporting year, the Company's subsidiaries saved 17.3 mcm of natural gas.

Fuel consumption (TJ)



In 2018, the Company's spending under the programme totalled ca.

USD 92 mln

(RUB 5.8 bn)

In 2018, the Group achieved savings of

87,822

tonnes of reference fuel

Group's electricity and fuel generation and consumption^② (TJ)

Indicator	2016	2017	2018
Fuel consumption ^①	172,425	156,568	148,909
natural gas	151,081	134,709	129,335
diesel fuel and fuel oil	15,423	15,221	13,788
gasoline and jet fuel	3,789	5,178	4,127
coal	2,132	1,460	1,659
Energy from the Group's renewable sources (HPPs)	11,856	12,414	14,877
Electricity and heat procurement from third parties	8,968	10,483	10,931
Electricity and heat sales to third parties	19,882	19,503	18,926
TOTAL ENERGY GENERATION AND CONSUMPTION (1 + 2 + 3 – 4)	173,367	159,962	155,792

① For a detailed breakdown of the Group's energy consumption by company, please see the 2018 Sustainability Report.

② Including the fuel used to generate energy for covering the needs of Norilsk.

PROTECTION OF WATER BODIES

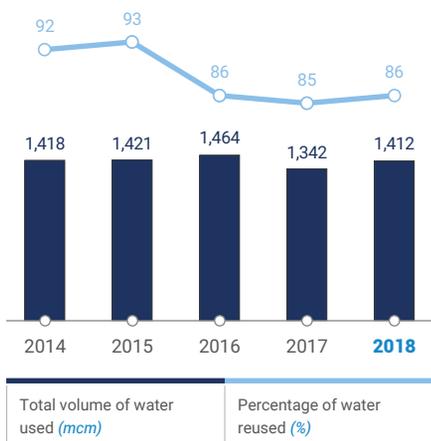
The Company's major production assets are located in regions with sufficient water resources. However, cognisant of the fact that certain regions of the world suffer from lack of water resources, the Company is extremely careful about its use of fresh water and strictly complies with restrictions applicable to industrial water withdrawal.

Nornickel's key facilities have a closed water circuit in place enabling them to reduce water withdrawal. Furthermore, the Company never withdraws water from protected natural areas. In 2018, 86% of all water used by the Company was recycled and reused. All sources of water used by the Company are subject

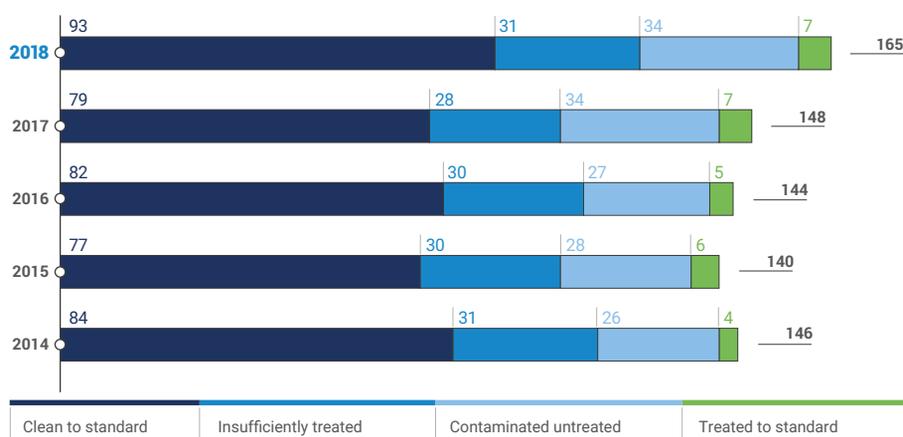
to government-approved surveillance programmes for water and water protection zones.

Wastewater effluents also do not exceed the approved limits or have any major impact on biodiversity of water bodies and related habitats.

Volume of water used



Wastewater discharge (mcm)



EMISSIONS

High sulphur dioxide emissions resulting from smelting sulphide concentrates with high sulphur content is one of the Company's key environmental issues. Nornickel's strategic plan is to transform the Company into a cleaner and environmentally safe enterprise through implementing the Sulphur Project and environmental initiatives at Kola MMC. In 2019, the Company plans to introduce light unmanned aerial vehicles for monitoring environmental conditions on the Kola Peninsula and in the Norilsk Industrial District.

The Sulphur Project is the umbrella name for the second stage of Nornickel's large-scale environmental programme to achieve a 75% reduction in aggregate sulphur dioxide emissions across the Norilsk Industrial District by 2023. This will guarantee that Norilsk air meets

the air quality requirements regardless of wind speed or direction. The total CAPEX for the Sulphur Project is estimated in the range of USD 2.5 bn.

As part of the programme, **Nadezhda Metallurgical Plant** will receive new facilities capturing sulphur-rich gases, while sulphur acid will be neutralised with natural limestone, with waste gypsum produced as a result. The gypsum will be stored in a dedicated structure. Under another project, a revolutionary continuous copper matte converting unit will be built on the Plant's site. Its emissions will also be used to produce sulphur acid. In the reporting year, the design of these projects was completed and submitted for state expert review.

Meanwhile, **Copper Plant** will see its elemental sulphur production capacities

retrofitted and the entire converter section shut down, which will eliminate low-height emissions of low grade converter gases that have a pronounced effect on ground level concentrations of sulphur dioxide during unfavourable weather conditions. The total capacity for recovering sulphur from gases at Copper Plant is expected to reach ca. 280 ktpa of sulphur by 2022. Nornickel started implementing its Sulphur Project at Copper Plant in September 2018.

Kola MMC continues implementing the action plan to reduce sulphur dioxide emissions from Smelting Shop at the Nickel site by upgrading the equipment (reconstruction of feeding and sealing systems of ore-thermal furnaces, gas duct replacement, preparation of furnace charge for smelting, etc.) and lowering smelting shop utilisation through the Outotec project

of concentrate separation and shipment facility at Zapolyarny while selling part of Kola MMC's concentrate to third parties. This is expected to have an environmental impact of at least 50% reduction of sulphur dioxide emissions in Nickel by 2020 vs 2015 and achieving maximum permissible emission rates.

In 2018, emissions of Norilsk Nickel's Russian operations totalled 1,927 kt, up 4.3% y-o-y. The growth was caused by a temporary increase in sulphur dioxide emissions at Polar Division. This increase resulted from the processing of an extra amount of sulphur-containing copper concentrate purchased from Rostec. Although the emissions became higher,

they were still within the permissible emission rates applicable to the Company. Air pollutant emissions at Polar Division totalled 1,789 kt in 2018, up 84 kt y-o-y (+4.9%) mainly as a result of higher sulphur dioxide emissions (+5.3%).

In 2018, the Company made efforts to control pollutant emissions during unfavourable weather conditions with 140 instances of suspending operations at its metallurgical plants. To inform the local community of the environmental impact of its metallurgical operations on the quality of air in Norilsk, the Company maintains an automatic toll-free enquiry service line offering environmental forecasts for the city area to anyone dialling 420 007.

The Company's transport and logistics subsidiaries and units have all the necessary environmental permits and comply with the applicable environmental regulations, namely:

- air pollutant emissions from mobile sources do not exceed the maximum permissible concentrations;
- marine fuels are purchased from vendors that have all the required documents confirming fuel quality. The quality of fuel is verified by a third-party laboratory;
- onboard wastewater treatment plants are subject to annual certification for the avoidance of pollution and contamination of water bodies and marine environment;
- oil-containing water is transferred to specialist contractors at sea ports.

Air pollutant emissions across the Group (kt)

Air pollutants	2016	2017	2018
GROUP TOTAL	1,936.4	1,845.6	1,926.6
Including:			
sulphur dioxide (SO ₂)	1,878.0	1,785.1	1,869.6
nitrogen oxide (NO _x)	10.1	11.4	11.2
solids	14.3	13.5	14.5
other	34.1	35.6	31.3

Polar Division

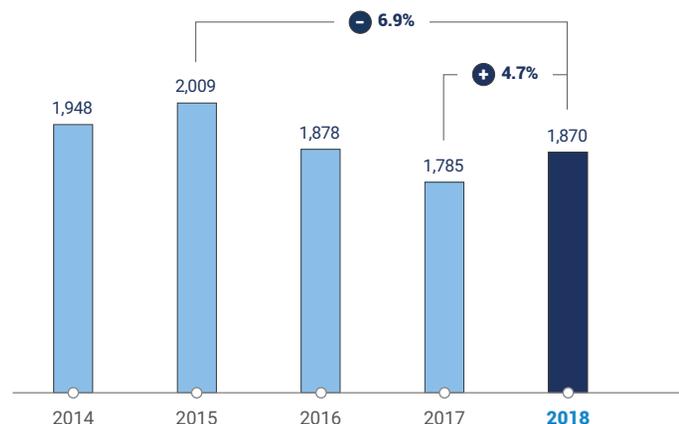
TOTAL	2016	2017	2018
TOTAL	1,787.6	1,705.0	1,789.0
Including:			
sulphur dioxide (SO ₂)	1,758.2	1,675.9	1,764.7
nitrogen oxide (NO _x)	1.5	1.6	0.6
solids	6.2	6.1	5.5
other	21.7	21.5	18.2

Kola MMC

TOTAL	2016	2017	2018
TOTAL	132.9	121.9	117.5
Including:			
sulphur dioxide (SO ₂)	119.7	109.1	104.8
nitrogen oxide (NO _x)	1.1	1.2	1.8
solids	7.4	6.9	7.6
other	4.7	4.7	3.3

Air pollutants	2016	2017	2018
Other branches and subsidiaries			
TOTAL	16.0	18.7	20.2
Including:			
sulphur dioxide (SO ₂)	0.1	0.1	0.2
nitrogen oxide (NO _x)	7.5	8.6	8.8
solids	0.7	0.5	1.4
other	7.7	9.5	9.8

Sulphur dioxide (SO₂) emissions (kt)



PRODUCTION WASTE

The Company reuses most of its industrial waste as ca. 96% of the waste are class 5, i.e. non-hazardous waste. This is mostly waste from the mining and smelting operations, including rock and overburden, tailings, and metallurgical slags. Ca. 70.4% of all waste generated across the Company's operations in 2018 was reused, with the rest of waste disposed of at special facilities or transferred to special contractors for use and treatment. Waste generated from the extraction of ore mineral resources is used in backfilling of mined-out areas and pits, road filling, and strengthening of tailings pits.

A new tailings pit was commissioned at Talnakh Concentrator in 2017, allowing to dispose of 7 mt of tailings. The facility was built using the most advanced technologies to reduce environmental impact of the waste.

In 2018, as part of hot commissioning testing under the comprehensive

project to upgrade and retrofit Talnakh Concentrator (first tailings pit construction stage) to increase its total ore capacity to 16 mtpa, the Company prepared the tailings pit floor for the safe operation of hydraulic structures, including the construction of barriers and an initial slope to ensure the safe operation of free-flow structures. This helped dispose of 7,311.532 kt of tailings.

The Company currently operates four tailings pits: Lebyazhye, tailings pits of Nadezhda Metallurgical Plant, Talnakh Concentrator, and Kola MMC. A tailings pit of Bystrinsky GOK has also been built and is being currently commissioned. The Company conducts regular monitoring of the environmental conditions at tailings pits and within the area of their environmental impact for the purpose of observation, assessment and forecast of environmental changes as well as for the prevention and mitigation of adverse environmental impact.

The Company's waste management efforts are focused on the following:

- development of waste disposal sites to reduce human impact on the environment;
- waste reuse maximisation.

Waste generation by hazard class (kt)

Hazard class	2016	2017	2018
5	32,118	30,722	29,517
4	1,114	1,190	1,191
3	30	13	15
2	5.8	2.4	1.1
1	0.1	0.1	0.1
Total	33,268	31,927	30,724

ENVIRONMENTAL IMPACT ACROSS NORILSK NICKEL'S FOREIGN OPERATIONS



Norilsk Nickel Harjavalta

The Company has all the necessary environmental permits and operates a certified integrated management system that meets the requirements of ISO 9001, ISO 14001 and OHSAS 18001.

Norilsk Nickel Harjavalta's main environmental impact consists in the emissions of ammonia (NH₃) and nickel (Ni), and discharges of nickel,

sulphates (SO₄²⁻) and ammonia ions (NH₄⁺). In 2018, Norilsk Nickel Harjavalta met all permit requirements for emissions, discharges and waste disposal volumes. Lower waste volumes in 2018 (down 2.7 kt y-o-y) are a result of switching to the Company's feedstock that is less contaminated with impurities as compared to third party materials.

Environmental impact metrics of Norilsk Nickel Harjavalta

Item	2016	2017	2018
Industrial wastewater, '000 m ³	771	899	988
Pollutants in industrial wastewater, t			
Ni	0.4	0.5	0.6
SO ₄ ²⁻	22,457	25,853	30,189
NH ₄ ⁺ (rebased to nitrogen)	49.5	60.3	69.6
Total water consumption, mcm	10	11.1	11.8
Air pollutant emissions, t			
Ni	1.6	1.7	1.2
NH ₃	70	69	84
Waste generation, kt	7.0	5.5	2.8
Waste disposal, kt	0.8	0.8	1.1



Nkomati

The company is required to comply with both national environmental regulations and Norilsk Nickel Group's corporate standards. Nkomati pays close attention to environmental safety, is certified and regularly audited for compliance with ISO 14001.

Environmental impact metrics of Nkomati

Item	2016	2017	2018
Total water consumption, mcm	0.333	0.064	0.429
Waste generation, t	921	431	358
Waste disposal, t	1,611	845	725
Environmental expenditures, USD mln	0.42	0.27	0.31

BIODIVERSITY CONSERVATION



Cooperation with nature reserves

Nornickel's production facilities are adjacent to nature reserves on the Taimyr and Kola Peninsulas. Kola MMC's sites are only 10–15 km away from the Pasvik and the Lapland Nature Reserves (Murmansk Region). The Company's Polar Division is located some 80–100 km away from the buffer zone of the Putoransky Reserve (Krasnoyarsk Territory).

For over a decade now, Nornickel has annually provided hundreds of millions of roubles to nature reserves for the purpose of preserving the unique Arctic environment. This is in line with Nornickel's strategy set to embrace green technologies in the next five years through a new investment cycle to secure sustainable development.

In the Trans-Baikal Territory, the Company supports the R&D initiatives and environmental awareness programmes of the Relict Oaks State Reserve.



The Pasvik Nature Reserve

(Kola Peninsula)

The Pasvik Nature Reserve

is home to rare animal species listed on the international and Russia's Red Data Books. Since 2006, as part of the contract signed with Kola MMC, **the Pasvik Nature Reserve** has been carrying out an ecological assessment of the natural environment in the area of Pechenganickel Plant (Zapolyarny, Nickel and their suburbs,

including the Pasvik State Nature Reserve), and developing a long-term environmental monitoring programme.

Nornickel supports scientific research carried out by the nature reserve, its efforts to protect natural and cultural heritage, promote tourism and environmental education. The Company helps establish

an international natural historical open-air museum on the Varlam island. Nornickel sponsored the book called **The Varlam Island – the Pearl of Pasvik**.

In addition, in 2018, the Company provided financial assistance for purchasing a mobile environmental monitoring lab.



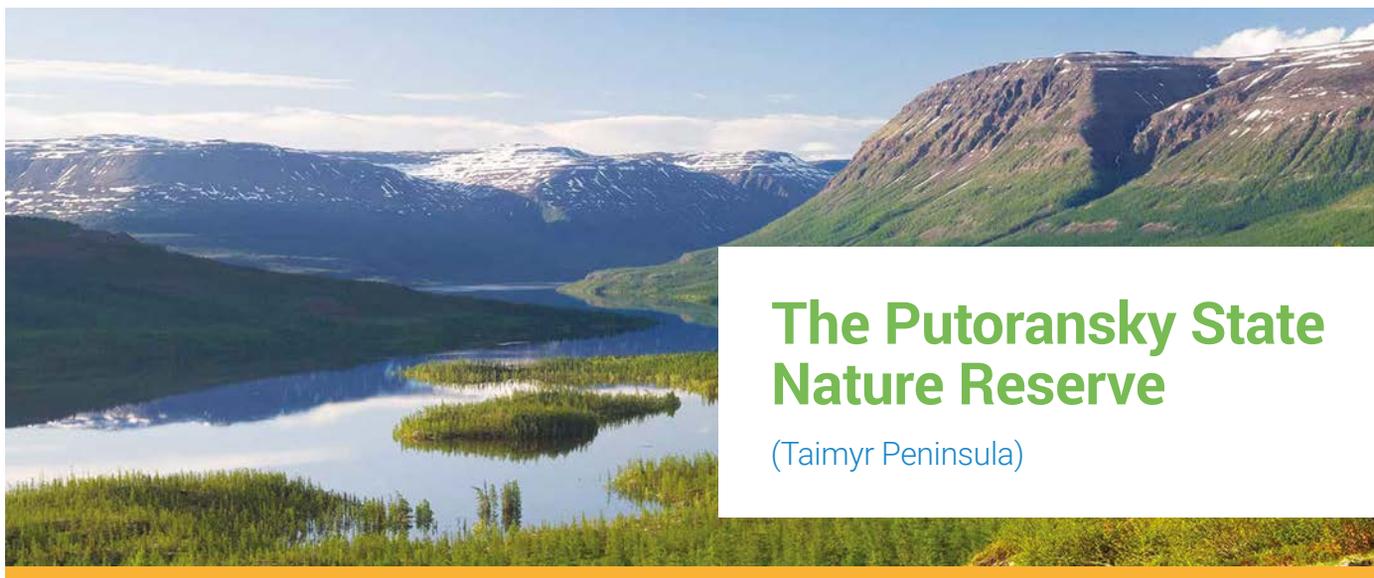
The Lapland State Nature Biosphere Reserve

(Kola Peninsula)

The Lapland State Nature Biosphere Reserve is one of the largest protected areas in Europe covering 278,000 ha. Established with the aim of saving the wild reindeer from extinction, it now boasts over 1,000 reindeer, the largest reindeer herd in Northern Europe. The European beaver population has also been successfully restored.

Since 2002, the Lapland Biosphere Reserve has entered into contracts to reclaim disturbed natural environment in the areas affected by multi-year emissions from Severonickel Plant, and monitor areas adjacent to Monchegorsk site and the Lapland Biosphere Reserve. The data obtained during a scientific research

provided a basis for the subsequent contractual work to reclaim disturbed lands, and bring about sanitary and fire protection improvements in the forest areas. The Company also provided financial aid for the Lapland Biosphere Reserve to make a new nature trail and publish books about Oleg Semyonov-Tyan-Shansky and Herman Kreps, the reserve founders.



The Putoransky State Nature Reserve

(Taimyr Peninsula)

In 2018, the Putoransky State Nature Reserve kept implementing projects selected under Nornickel's World

of New Opportunities charitable programme. The projects involved annual open air events in the protected area, reclamation of lands

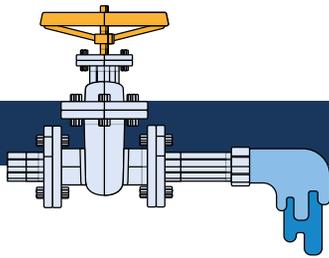
for commercial reindeer herding and dwelling of indigenous ethnic minorities, research and environmental activities.

Nature conservation programmes

Nornickel is committed to a proactive approach to environmental protection and sustainable use of natural resources. To this end, the Company is deploying development programme 2016–2023 that involves major upgrade of its production capacities and radical environmental safety improvements.

Environmental education and experience sharing are another priority area. The Company organised The Environment Protection and Sustainable Development in the North VII environmental forum held in Murmansk on 15 and 16 November 2018. The forum offered a venue for discussing Arctic region development in terms of environment and corporate

social and environmental responsibility, sharing experience of implementing environmental protection initiatives in the Far North and the Environment national project in northern territories, and integrating the best available and cutting edge technologies. More than 200 experts from all over Russia and Arctic region attended the event.

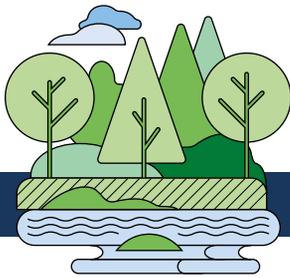


Water

Norilsk Nickel's Polar Division is working on a project to breed valuable fish species and release them into natural water bodies. In 2018, the Company released 475,000 Siberian sturgeon fingerlings into the Yenisey River for the purpose of reproduction of aquatic bioresources. The initiative was supposed to compensate for the damage done to water bodies during the construction of the new tailings pit for Talnakh Concentrator

and sand extraction at the Seredysh Island. The Company plans to continue valuable fish breeding and release projects in 2019.

2018 also saw Nornickel continue landscaping of the Dolgoye Lake area in Norilsk.



Landscaping and sanitary clean-up

In 2018, Polar Division together with authorities of cities where the Division operates contributed to the sanitary improvement and landscaping of urban territories. In summer, the Company also contributed to the roadside clean-up, water body protection, waterfront landscaping and facelift of several camping sites. Furthermore, Polar Division planted trees at the Zapolyarnik stadium.

Around 190 employees of the Company joined the annual environmental marathon held in Norilsk in 2018. Volunteers organised ca. 100 events involving 2,500 people of Norilsk, held 20 clean-up days as well as festivals and workshops, planted 100 trees, collected 25 tonnes of garbage, and improved several urban facilities.

SOCIAL AND CHARITY INITIATIVES

The Norilsk Nickel Group is the world's largest metals and mining company, playing a significant role in the Russian economy. Its geography and financial performance determine the Company's strong impact on the social and economic life of the regions where it operates. With its key facilities located in one-company towns, Nornickel seeks to maintain favourable social climate and comfortable urban environment providing the Company's employees and their family members with ample opportunities for their creative pursuits and self-fulfilment.

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

The harsh climate faced by the Company's employees in life and at work, remoteness of the Company's key industrial facilities and the toughening competition for human capital across the industry are the factors

for Nornickel to make its social policy highly effective, human-centred and contributing to the Company's excellent reputation as an employer.

Social expenses¹ (USD mln)



¹ Excluding expenses of social programmes for employees.

SOCIAL PARTNERSHIP

Russian operations of the Norilsk Nickel Group have established a social partnership framework aimed at reconciling the interests of employees and employers on matters pertaining to the regulation of social and labour relations.

The Company meets all obligations under the Labour Code of the Russian Federation, collective bargaining agreements and joint resolutions.

In regulating labour relations, employee interests are represented by social and labour councils and trade union organisations.

Social partnership framework



In regulating labour relations, employee interests are represented by **trade unions** and **social and labour councils**

Trade union organisations

As at the end of 2018, 10.8% of employees engaged in the Group's Russian operations were members of trade union organisations.

Trade unions of the companies located in Norilsk and on the Taimyr Peninsula form a single Trade Union Organisation of the Company and its subsidiaries. Trade unions of the companies operating in the Murmansk Region are joined under two umbrella trade union organisations – Regional Trade Union Organisation of Kola MMC and its Subsidiaries Employees and Primary Trade Union Organisation of Kola MMC.

Trade union organisations of the Company and its subsidiaries, Kola MMC, Bystrinsky GOK, NordStar Airlines and Zapolyarye Health Resort are all members of the Trade Union of MMC Norilsk Nickel Employees, an interregional trade union organisation. In the reporting year, the relationship between the employer and the Trade Union was governed by the Social Partnership Agreement signed in 2014 to formalise implementation procedures for joint initiatives ensuring sustainable performance, operating and financial excellence, employee welfare, health and safety, and enhancement of social benefits.

The trade unions of transport and logistics divisions are members of the Yenisey Basin Trade Union of Russia's Water Transport Workers (Krasnoyarsk).

In order to develop interregional social partnership, Interregional Cross-Industry Association of Employers "Union of Entities of the Copper and Nickel and Supporting Industries" (the Association of Employers) was founded by the Group's Russian companies in the Krasnoyarsk Territory and the Murmansk Region. In November 2018, the Association of Employers and the interregional public organisation initiated collective bargaining to develop

and sign an interregional cross-industry agreement for the key players of the copper and nickel and supporting industries for 2019–2022. Signing the agreement and increasing the number of organisations to apply its provisions are slated for 2019.

Social and labour councils

In 2018, the share of employees represented by social and labour councils across the Group stood at 78%.

The Group's companies located on the Taimyr Peninsula and in the Murmansk Region established social and labour councils back in 2006 to represent the interests of employees who are not members of trade unions. Chairs of the local councils make up the Social and Labour Council of MMC Norilsk Nickel and the Social and Labour Council of Kola MMC.

Offices for operational, social and labour matters

In addition to the Corporate Trust Service, the Group launched offices for operating, social and labour relations back in 2003. They are primarily tasked with response to employee queries, control of their processing, and prompt resolution of conflicts. On a monthly basis, the offices monitor the staff's social status, enabling us to solve reported issues in a timely manner. In 2018, the Group's companies in the Norilsk Industrial District ran 24 offices that received about 52,000 queries and requests mostly from employees (78%), former employees (21%) and local communities (1%). They mainly focused on social and working matters (72.5% of queries and requests), legal matters (26%) and other matters (1.5%).

The Group has also set up collective bargaining commissions, labour dispute commissions, social benefits commissions/committees, social insurance commissions, health and safety commissions/committees, social and labour relations committees, etc.

Collective bargaining agreements

In 2018, the share of employees covered by collective bargaining agreements stood at 81%.

In 2010, the Group entered into 21 collective bargaining agreements, including two entities that signed these agreements for the first time.

To streamline efforts on the employment-related social partnership, in 2018, the Group prepared guidelines for developing and entering into collective bargaining agreements. The collective bargaining agreements of the Group's Russian companies comply with the applicable laws and meet the majority of employee expectations.

There were no social or labour disputes during the reporting period.

78%

the share of employees represented by social and labour councils across the Group in 2018

81%

of employees covered by collective agreements in 2018¹

Engaged in Norilsk Nickel's Russian operations were members of trade unions as at the end of 2018

11%

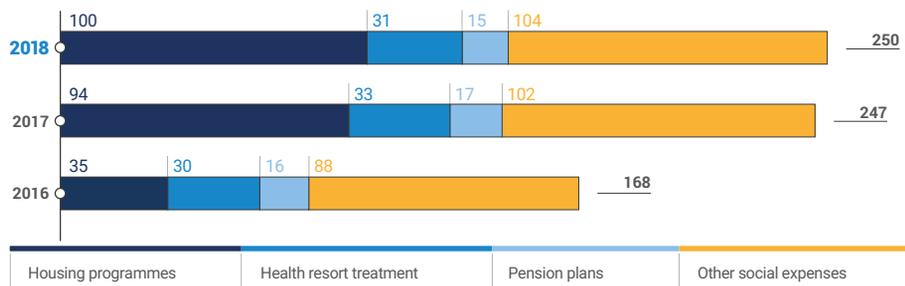
 of employees

¹ Including entities that have no collective bargaining agreements in place but have approved local regulations that make MMC Norilsk Nickel's Collective Bargaining Agreement effective at these entities, including foreign assets.

Social programmes for employees

HEALTH IMPROVEMENT PROGRAMMES

Social programmes for employees (USD mln)



The harsh climate of the Far North and the heavy working conditions of the mining facilities require that the Company make extra investments in health programmes for employees and their families. Health resort treatment programmes are a key priority in Nornickel’s social policy.

In 2018, about 11,000 employees and their families had recreation and treatment in Zapolyarye Health Resort (Sochi). Some 12,300 people spent their vacations in other health resorts, including approximately 4,400

employees who travelled to Bulgarian resorts and about 1,700 staff members who went to Hainan (China). The Company compensates their employees an average of about 85% of the trip voucher cost.

The health resort treatment programme is designed to prevent the development of chronic diseases among the employees’ children and give them an opportunity to take full advantage of their summer vacations. As part of this initiative, about 1,500 children spent their holidays in Anapa and Golden Sands (Bulgaria).

SPORTS PROGRAMMES

Healthy lifestyle is one of the focus areas in the personal growth of the Company’s employees facing the harsh climate of the Far North. Sports programmes seek to promote a healthy lifestyle, foster team spirit, improve interpersonal communication and develop corporate culture.

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

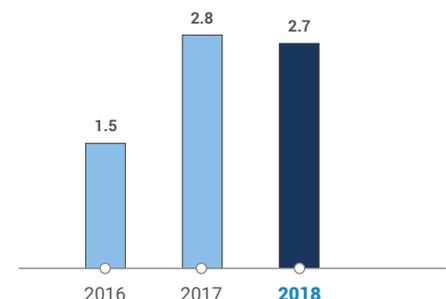
To ensure further development of amateur hockey, in 2018, the region of Norilsk hosted the Night Hockey League games as part of Conference North with eleven teams including the Company’s employees taking part in the event.

Events for local communities include annual Spartakiads and various mass sports events engaging the Company’s employees, their family members and the region’s community.

In 2018, about 27,000 employees and local residents took part in the corporate mass sports events, spartakiads and sports

initiatives held by the Company’s facilities and Russian entities in the Norilsk Nickel Group.

Sports expenses (USD mln)



HOUSING PROGRAMMES

In 2018, the Company continued implementing the Housing Programme Policy adopted in 2017. To optimise the effort, two housing programmes, Our Home and My Home, were merged into one, Our Home / My Home, featuring better terms of participation and a broader coverage of the Group's companies. Since the launch of the programme back in 2010, the Company has purchased 3,826 apartments.

As part of the Our Home / My Home programme, Nornickel purchases ready-for-living apartments in various Russian regions at its own expense, and provides them to eligible employees under co-financing agreements. Apartments are usually purchased in the Moscow and Tver Regions, as well as in the Krasnodar Territory, with the Company seeking to buy properties located in close proximity to enhance the employees' living standards

by developing additional infrastructure and optimising the scope of maintenance tasks assigned to the property management company.

The Company pays up to half the cost of the apartment of about USD 47,000 (but in any case no more than RUB 3 mln), with the rest paid by the employee within a certain period of employment with the Norilsk Nickel Group (from five to ten years). The cost of housing remains unchanged for the entire period of the participation. Title is registered at the end of participation in the programme, but the employee may move in immediately after receiving the apartment.

The Company also runs the Corporate Social Subsidised Loan Programme for Employees of Nornickel that was phased from a pilot to an ongoing project. This programme was developed

primarily as a tool to retain highly qualified staff, with employees at Polar Division and Kola MMC entitled to an interest-free loan to make a down payment and to a reimbursement of a certain share of interest on their mortgage loan. Overall, more than 200 employees took part in the programme.

Since 2010, the Company has purchased

3,826 apartments

under My Home / Our Home housing programme

PENSION PLANS

Nornickel offers its employees non-governmental pension plans. Under the Co-Funded Pension Plan, the Company and its employees make equal contributions to the plan. The Complementary Corporate

Pension Plan provides incentives for pre-retirement employees with considerable job achievements and an extensive employment record.

Pension plans coverage

Item	2016	2017	2018
Co-Funded Pension Plan			
Financing, USD mln	7.8	8.6	7.7
Participants, thousand people	17.3	15.7	13.9
Complementary Corporate Pension Plan			
Financing, USD mln	6.7	8.5	6.7
Participants, people	614	718	545

SOCIAL INVESTMENTS

Relocation programme

In 2018, Nornickel and the Government continued joint implementation of a long-term target programme to relocate people from Norilsk and Dudinka (Krasnoyarsk Territory) to Russian regions with more favourable climatic conditions. Introduced in 2011, this ten-year programme provides

for 11,265 families (or 1,126 families per year) residing in Norilsk and Dudinka to be relocated from these municipalities as entitled to housing subsidies.

The Company acts as a programme sponsor. The programme budget totalled RUB 8.3 bn. Since the programme launch,

the Company has transferred to the local budget a total of USD 183 mln (RUB 7 bn), including USD 13,2 mln (RUB 830 mln) in 2018. In 2011–2018, 7,107 families purchased new homes on the “mainland” and moved there, including 5,847 families from Norilsk and 1,260 families from Dudinka.

Relocation programme results

Item	2011	2012	2013	2014	2015	2016	2017	2018	Total
Company contribution, USD mln	39	28	27	26	22	14	14	13	183
Total apartments purchased as at 31 December	1,137	1,013	1,199	1,038	908	627	652	533	7,107

Support for local communities

The Company makes a significant contribution to the development of local communities and runs social programmes and projects. These initiatives are focused on securing an accessible and comfortable living environment, providing environmental protection and supporting local communities. The Company rolls out its programmes and projects both independently and in partnership with local authorities, regional and federal government bodies, non-profit organisations, public organisations and professional associations.

In addition, the Company supports platforms enabling an exchange of views by representatives of government, business and society as well as facilitating a constructive dialogue on matters crucial for the regional economy, business activities and social life. The fact that two regions of the Company’s operations are located along the nation’s borders (the Murmansk Region and the Zabaykalsky Kray) and two are included in the Russian Arctic (the Krasnoyarsk Territory and the Murmansk Region) makes forums, conferences and other similar events a vital driver for developing the regions both socially and economically, attracting

investments, generating solutions for matters related to environmental protection, development of the Arctic fleets, ports and navigation along the Northern Sea Route. At the end of the day, these activities help integrate the regions into an economic space, both with the Arctic countries and with the rest of the world.

As part of the Year of Volunteer in Russia in 2018 under Presidential Executive Order No. 583 dated 6 December 2017, Nornickel

and the city administrations in Krasnoyarsk, Norilsk, Chita and Monchegorsk entered into a number of cooperation agreements to support the volunteer movement, implement the state policy related to the development of free will activity and volunteering, as well as encourage participation in charitable and voluntary activities. The agreements resulted in agreed and implemented action plans to promote volunteering in the regions where the Company operates.

The Company makes a significant contribution to the development of **local communities**

Nornickel and the city administrations in Krasnoyarsk, Norilsk, Chita and Monchegorsk entered into **a number of cooperation agreements**

Support of indigenous peoples

Nornickel recognises the right of indigenous northern minorities to preserve their traditional way of life, stick to the age-old environmental management practices and have decent living conditions. The Company adopted the Indigenous Rights Policy that defines Nornickel's key commitments in this aspect. In 2018, there was no record of the Company violating the rights of indigenous minorities. The Company's representatives are also members of indigenous northern minority commissions organised by local authorities.

For several years now, the Company has been supporting initiatives to improve living standards of the Taimyr Peninsula's indigenous people. 2018 saw further implementation of the Comfortable Taimyr project, under which the Company will

invest to construct 2,300 sq m of housing in the Tukhard settlement, where indigenous people live.

In an attempt to preserve national traditions and culture of indigenous Northern minorities, the Company participates in staging annual authentic festivals for tundra inhabitants on the occasion of the Reindeer Herder's Day and the Fisherman's Day and provides presents and prizes for the winners in various competitions. To that end, the Company purchases items that enjoy the greatest popularity among locals, including tents, gasoline power generators, household equipment, outboard motors, inflatable boats, GPS navigators, sleeping bags, binoculars, etc. The Company also offers regular financial help to public Taimyr-based organisations.

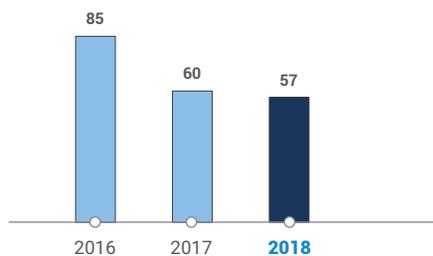
To ensure the sustainable development of the Taimyr region, the Company provides assistance to indigenous peoples of the North, including by helping to organise air transportation and supplying construction materials and diesel fuel.

Children of reindeer herders in the Tukhard tundra are provided with comprehensive meals as part of the Food Programme carried out in association with the Dudinka Department of Education. In line with the effective agreements, foods for the local hospital and primary school are supplied by Norilskgazprom's Procurement Unit at below-market prices.

INFRASTRUCTURE DEVELOPMENT

Nornickel is actively involved in the development and renovation of social infrastructure across its footprint, looking to create accessible and comfortable environments for the work and life of the Company's employees.

Financing of development and innovation of social infrastructure (USD mln)



Given the high importance of the XXIX International Winter Universiade to be held in 2019 in Krasnoyarsk, in 2018 the Company focused its key efforts on performing the cooperation agreement signed between MMC Norilsk Nickel and Krasnoyarsk municipal authorities and intended to improve the city landmarks. Pursuant to the agreement, Nornickel was heavily involved in a number of large-scale projects implemented as part of the public-private partnership to prepare the city for hosting athletes and guests.

The Kommunalny Bridge over the Yenisey River saw the launch of an architectural lighting. The left embankments of the Yenisey River and the Kacha River along with their adjacent territories were improved.

A park area (the Bobrovoy Ostrov) was created on the adjacent territory to the Bobrovoy Log Fun Park

on the Bazaikha River, the venue of the XXIX International Winter Universiade in 2019. The park area boasts sports and playgrounds, walkways, bike lanes, recreation areas, and a foot and bike bridge across the Bazaikha to make the park accessible for people with limited mobility. The access roads to the Bobrovoy Log Fun Park are provided with decorative noise barriers and planted large trees.

In 2018, the Company's spending on Krasnoyarsk redevelopment totalled about USD 5.6 mln (RUB 351 mln).

In 2018, Nornickel continued its work to upgrade the civil section of Norilsk Airport in accordance with the memorandum of intent signed by MMC Norilsk Nickel and the Federal Air Transport Agency under the Russian Transport Development Federal Programme. In 2018, the third stage of the airport reconstruction was

Lighting of the bridge over the Yenisey River



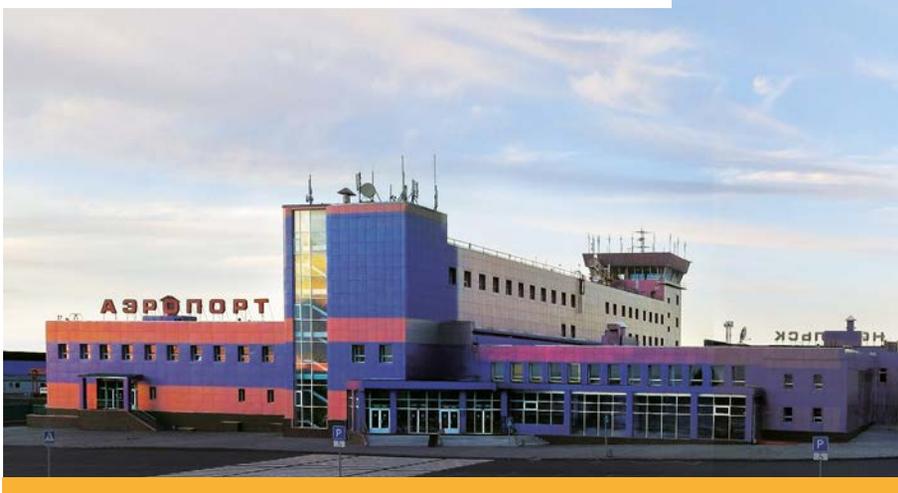
completed. The construction period saw the renovation of the 1,081-meter runway, the upgrade of a taxiway, the partial repairs of the pavement in the apron for civil aircraft, installation of a drainage system, new light signalling and meteorological equipment, partial reconstruction of power

supply facilities, and installation of flight radio equipment. Today, the upgraded runway meets the latest flight safety requirements. On 21 September 2018, the airport received a certificate of compliance from the Federal Air Transport Agency.

In 2018, Nornickel and the Zabaykalsky Kray Government continued performing the cooperation agreement, which serves as the basis for the Company to provide USD 6.2 mln (RUB 430 mln) for the following social projects of the Zabaykalsky Kray Government and municipalities:

- launched Quantorium, a science park in Chita, at the Company's discretion; upgraded rooms and premises of the Junior, children and youth centre for engineering; provided state-of-the-art equipment for the science park to run ship-building, aircraft engineering and IT projects;
- completed socially important infrastructure projects in the territory of 34 municipalities as part of the Zabaykalsky Kray of the Future and Successful School projects;
- continued refurbishment of the Dekabristov Square in Chita, with the Zabaykalsky Kray Walk of Fame opened in Bagulovaya Alley to immortalise the names of the region's prominent residents;
- financed loft platform in the Chita centre to become a multi-purpose platform for creativity development;
- financed initiatives as part of Creating a Comfortable Urban Environment, a top priority project.

Norilsk Airport reconstruction



SUPPORT FOR SPORTS PROJECTS



Our support for sports has been increasingly broad-based and comprehensive as we extend our efforts beyond financing occasional events to invest in sports facilities, new schools, sports grounds and mass events promoting fitness and healthy lifestyles.

As part of this effort, the Company sponsored the second Norilsk Nickel Cup – New Hopes, an inter-regional football tournament organised by the Football Union of Russia and MMC Norilsk Nickel. The competition took place in the Krasnoyarsk and the Zabaykalsky Kray, the Murmansk Region and Norilsk, bringing together 96 teams and over 1,100 young players.

Nornickel also supported the Futsal to Schools programme in the Zabaykalsky Kray, involving 63 schools in Chita and the Gazimuro-Zavodsky District. The schools received gym equipment, gear, uniforms, and education materials for sports teachers. One of the project's key goals is to identify gifted children for further training.

GOVERNMENT RELATIONS

The Company interacts with federal legislative and executive authorities, and civil society institutions. The Company is represented and expresses its interests in 21 committees, councils, commissions, expert teams, and working groups established by government bodies in association with the business community, thus supporting socially important projects. Currently, the Company mainly cooperates with the working groups and councils of the State Commission for Arctic Development and the Government Commission on the Use of Natural Resources and Environmental Protection.

The Company also actively participates in the work of regional authorities' expert boards across its geographies including the Governor's Council for Strategic Development and Priority Projects of the Krasnoyarsk Territory.

Representatives of the Company take part in parliamentary sessions and round table discussions organised by the Federation Council and State Duma of the Federal Assembly of the Russian Federation, Government of the Russian Federation, Russian Union of Industrialists and Entrepreneurs, Chamber of Commerce

and Industry of the Russian Federation, Association of Managers (an interregional public organisation), etc.

The Company's experts engage in draft regulation discussions held by the Open Government and by community councils of the federal executive bodies, as well as in anti-corruption due diligence and regulatory impact assessments. All of that helps maintain a constructive dialogue with the government, cut red tape and improve the nation's business climate.

WORLD OF NEW OPPORTUNITIES CHARITABLE PROGRAMME

The programme has three focus areas:

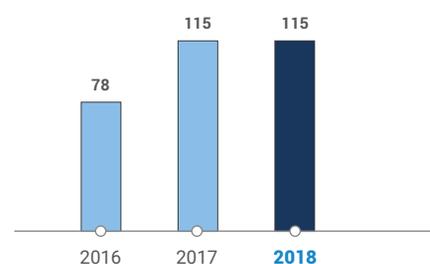
**Partnership
 Innovations
 Development**



The Company runs World of New Opportunities, a charitable programme to encourage and promote sustainable development of local communities. The programme primarily aims to develop soft skills in local communities, demonstrate and introduce new social technologies, support and promote public initiatives, and encourage cross-sector partnerships.

In 2018, after the commissioning of Bystrinsky GOK in the Zabaykalsky Kray, the World of New Opportunities geography expanded to cover the Gazimuro-Zavodsky District which now hosts Nornickel's Socially Responsible Initiatives Competition, Arctic.PRO R&D marathon and School of Urban Competencies.

Charity expenses (USD mln)



Partnership



This area focuses on supporting volunteer initiatives of local activists, fostering new skills and developing local expertise.

In spring 2018, the Company initiated the We Are the City! social technologies forum in Norilsk and Monchegorsk to bring together local communities, inform them of the new trends and best practices in charity and volunteering, and share successes in solving social issues. In the lead-up to the forum, locals got a chance to meet a wide range of experts who imparted their ideas on upbringing children, finding your own way in life, personal development, etc. The forum venues were attended by a total of 1,500 people.

On the Company Day, Nornickel traditionally stages the We Are the City! PicNick event in Norilsk, Monchegorsk and Zapolyarny. PicNick is a festival "for a good cause" organised by local activists and participants

of the World of New Opportunities programme (winners of the Socially Responsible Initiatives Competition and socially minded entrepreneurs) and Plant of Goodness corporate volunteer programme. It ran as a street festival with a project fair, workshops, training sessions, etc. For the first time, PicNick was held in Chita on the Miner's Day.

All events arranged by the Company served to raise charity awareness in local communities and encourage public-private partnerships. In 2018, the Socially Responsible Initiatives Competition, which aims to support public initiatives, received 426 project bids, 116 of which were approved for funding. The grant fund totalled USD 2 mln (RUB 125 mln).

Innovations



This area focuses on facilitating the introduction of advanced technologies, fostering R&D potential and encouraging innovation in engineering. Its target audience are schoolchildren, university students and adult activists interested in science and frontier technologies.

For the fifth year in a row, the Company hosted the Arctic.PRO R&D marathon aiming to encourage R&D creativity, innovations in engineering and thirst for knowledge among children and young people. 1,600 students aged 12 to 15 took part in the marathon, while 25 more children attended the Winter R&D School in Yekaterinburg.

For the fourth year running, the Company was a general partner of the All-Russian Science Festival held by Moscow State University. Importantly, Murmansk was selected for the first time as the event's central regional venue. In two days, the festival was attended by 3,500 people, with 50 venue organisers helping to stage it.

In 2018, we kicked off the I Make competition for young inventors. Schoolchildren from across the cities where the Company operates sent their inventions to take part in the contest. Of the 103 bids received by the organisers, eight best projects were selected to compete at the International Young Inventors Award in Indonesia, where Nornickel's delegation won 3 gold and 3 silver medals.



Development



This area focuses on engaging active citizens and SMEs to address social issues of local communities using available business technologies.

One of the Company's initiatives was to provide training in Social Entrepreneurship. With assistance and guidance from experienced coaches (active businessmen), trainees are expected to develop business plans and present them at the Investment Session. The session saw the graduates submit some 24 business projects, with four of them awarded interest-free business loans from the Company.

In 2018, Nickel hosted the second Convention of Social Entrepreneurs from the North attended by 150 active and would-be social entrepreneurs. The convention provided a platform to discuss trends, prospects and measures to support social entrepreneurship

in the Polar regions and analyse relevant national and international best practices. In the run-up to the event, experts and participants from other regions took part in a quest to learn more about social entrepreneurship in the Pechengsky District.



SPONSORSHIP



Rosa Khutor Ski Resort

In 2016–2019, Nornickel will invest USD 250.5 mln in the development of the Rosa Khutor ski resort as part of the programme to support mass sports in Russia. The funds will be used to develop new ski pistes and lifts and build new recreational and sports facilities, helping to transform the Olympic resort into a year-round tourist attraction. By way of consideration, Nornickel was granted a minority stake in the Rosa Khutor project.



Russian Olympic Committee

As a partner of the Russian Olympic Committee and the Russian Olympic team, Nornickel supports youth and high performance sports, among other things, by facilitating the implementation of Olympic educational programmes developed by the Russian International Olympic University.

Another area of cooperation between the Company and the Russian Olympic Committee is the inclusion of Nornickel's regions of operation in the pan-Russian Olympic Patrol project. In 2018, the Olympic Patrol visited Krasnoyarsk and Chita, giving local children a chance to meet renowned athletes who shared their personal Olympic experiences, took part in autograph and photo sessions, and held workshops and fitness tests.

The Company sponsored the Russian Youth Olympic team, which delivered a strong performance at the 3rd Summer Youth Olympics in Buenos Aires.

We also helped organise the 29th National Olympic Day, a sports festival hosted by 80 cities across Russia to promote healthy lifestyle, mass fitness and sports.

Financing of sports projects (USD mln)



Football Union of Russia and Russia's national football team

Nornickel remains an official partner of the Football Union of Russia and Russia's national football team. The Company is the Football Union's exclusive partner in the metals sector.

The Football Union of Russia and Nornickel staged the Nornickel Cup – New Hopes inter-regional tournament that brought together youth teams from the Krasnoyarsk and the Zabaykalsky Kray and the Murmansk Region. The winning team was awarded a trip to the Futsal Academy's training camp.



International University Sports Federation

The Company will remain a partner of the International University Sports Federation (FISU), an universiade organiser, until May 2019 to support the international university sports movement. As in the previous year, we backed the FISU Volunteer Leaders Academy international forum held in June 2018 and attended by leaders of volunteering associations from over 120 FISU member states, university sports delegations and officials. The forum took place in the run-up to the 2019 Winter Universiade helping to facilitate communication between volunteers and national university sports federations and to share knowledge and experience in organising major international sporting events.



CSKA professional basketball club

Nornickel remains the general sponsor of Russia's most successful and well-known basketball club. In 2018, CSKA came out as a winner in the VTB United League and took part in the EuroLeague's Final Four.

Over the year, workshops led by the club transformed into a tournament for sports schools. The first CSKA junior basketball tournaments took place in Norilsk and Krasnoyarsk, with the winning teams offered tours to the CSKA junior camp in Moscow and workshops from the club's players.



29th International Winter Universiade in Krasnoyarsk

As a general partner of the 2019 International Winter Universiade in Krasnoyarsk, Nornickel duly and timely fulfilled its obligations to assist with preparations for the international student games in accordance with the agreement signed in 2015.

The Company's support for the universiade helped improve the local sports infrastructure, boosted the international image of the Krasnoyarsk Territory and its capital, promoted healthy lifestyles and mass sports, and enhanced living standards in the region.

In total, the Company contributed in excess of RUB 2.1 bn to the 2019 Winter Universiade.



One of our major commitments in the run-up to the universiade was to **fully upgrade the Bobrov Log Fun Park** and prepare it for alpine skiing events. In 2018, Nornickel successfully completed the construction of a new athletic training facility equipped with a broadcasting system, expansion of the existing ski pistes and creation of an additional training track, development of an integrated security system, modernisation of the artificial snow machinery, and preparation of an ambulance helicopter pad. As a general partner of the 2019 Winter Universiade, Nornickel ensured extensive promotion of the Student Games to inform the public about the event.



In 2018, the three **NordStar Airlines planes** bearing the 2019 Winter Universiade logo continued flying domestic and international routes. They made nearly 2,927 flights during the year and carried over 385,000 passengers who were updated about the upcoming event while on board. Information about the Universiade was also available in the NordStar inflight magazine.



Among our initiatives was launching **a thematic metro train in Moscow dedicated to the Krasnoyarsk Universiade**. The train is designed in the event's signature colours and features quick facts on the history of the Winter Games, universiade facilities, and the sports included in the programme. It also showcases the diversity of Siberia's culture and nature, as well as its history and traditions.



Norilsk Nickel Futsal Club

In 2016, the team and administrative personnel of Norilsk Nickel Futsal Club moved to Norilsk. The Company is the team's general sponsor. The team takes part in the Russian Super League Championship and Russian Futsal Cup. Relocation of the club gave a powerful boost to the development of futsal in the local community. The Russian Futsal Association and MMC Norilsk Nickel work closely to ensure the success of the Futsal to Polar Schools project. As part of this nationwide initiative, the Club's futsal players give master classes for schoolchildren and special workshops for trainers.



All Russian Federation of Dance Sport and Acrobatic Rock'n'Roll

In 2018, Nornickel supported the All Russian Federation of Dance Sport and Acrobatic Rock'n'Roll in developing and promoting these sports. As part of the partnership, we helped set up a corporate acrobatic rock'n'roll club in Norilsk that successfully debuted in the pan-Russian competitions. In recognition of Nornickel's contribution to dance sports and acrobatic rock-and-roll, the Company received the national Exercise Award 2018 as the Patron of the Year. The Company is the partner of the Federation of Dance Sport and Acrobatic Rock'n'Roll.



Rosgonki and Sochi Autodrom



In 2018, Nornickel was a partner of Rosgonki and Sochi Autodrom to support and promote motor racing in Russia. The Rosgonki autonomous non-profit organisation is the official organiser of the prestigious Formula One circuit race in Russia.

In 2018,
 the Company
 partnered
 with **Rosgonki**
 and **Sochi**
Autodrom

The Company spent

over **USD 2.1** bn

to organise and hold the 2019
 Winter Universiade