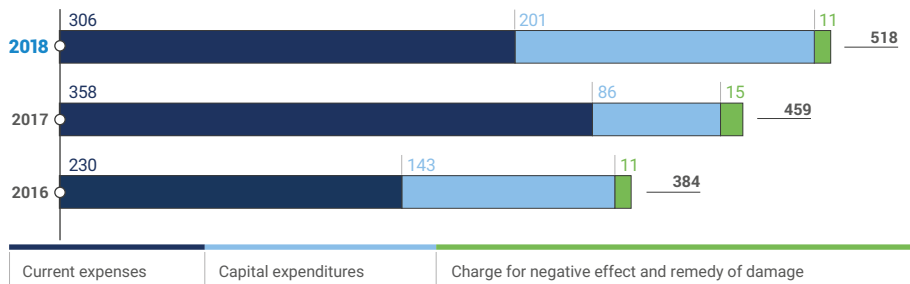


ENVIRONMENT AND BIODIVERSITY

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.