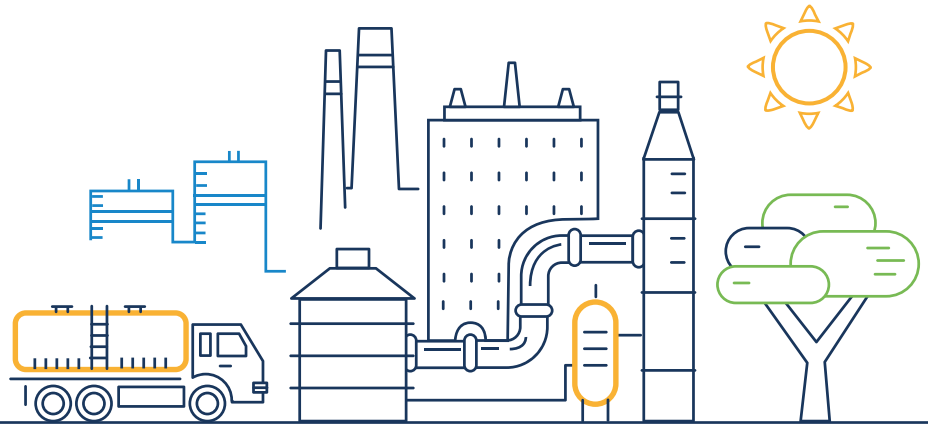


OCCUPATIONAL HEALTH AND SAFETY

OUR APPROACH

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



53%

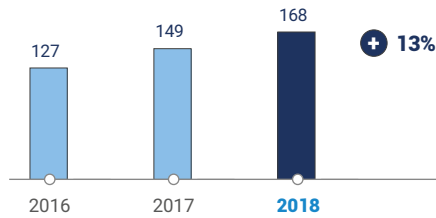
of the Group companies

are certified for compliance with HSE standards

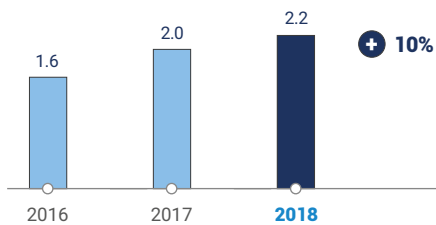


HSE standards

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

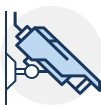


Safety workwear, footwear and personal protective equipment for employees

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.

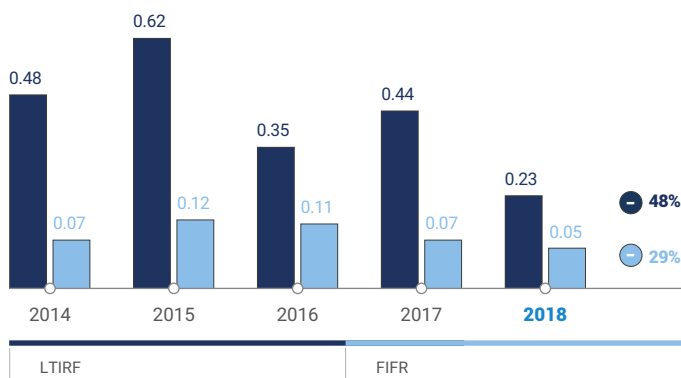
In 2018, Nornickel reduced the number of accidents

by **47%** vs 2017

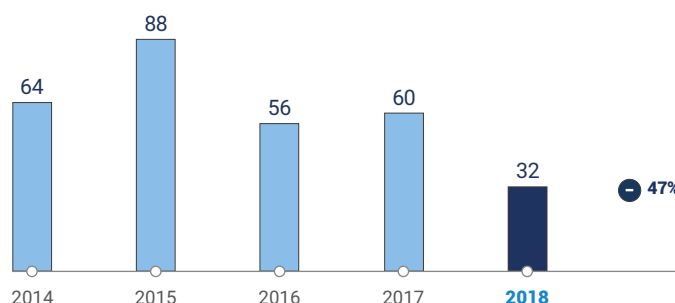
¹ LTIFR stands for lost time injury frequency rate (LTIFR = non-fatal LTIs / total number of hours worked × 1,000,000).

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