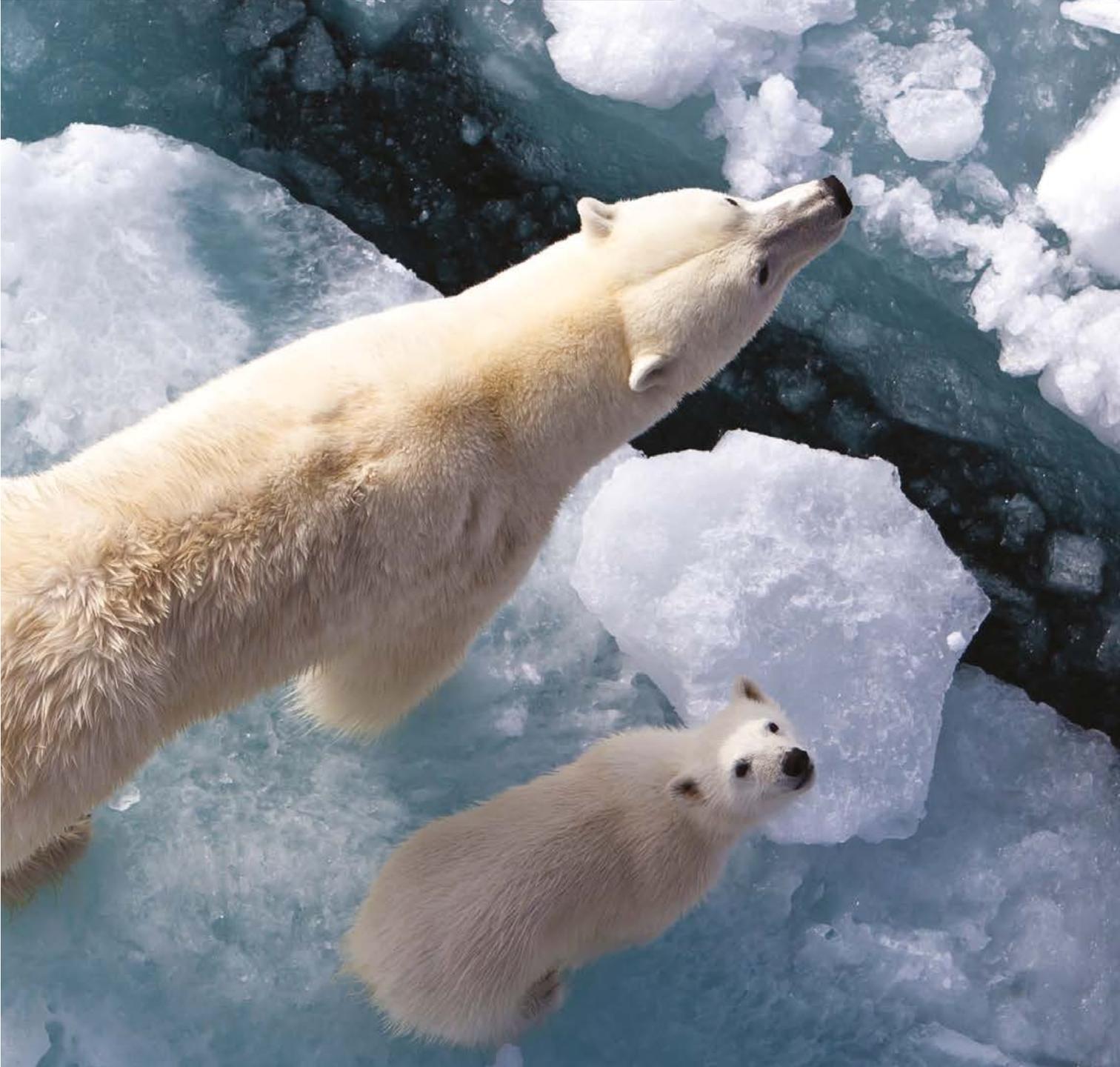


ENVIRONMENTAL PROTECTION

Environmental Management System

MMC Norilsk Nickel's Environmental Management System (EMS) has been in place since 2005 covering production, project management, storage, delivery, including by sea, and sales (nickel, copper, cobalt, precious materials, sulphur, selenium, tellurium).



In 2016, the 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.

Throughout 2016, the Company carried out internal audits as part of the CIMS. In line with international standards and Norilsk Nickel's by-laws, internal audits were conducted by specially trained and competent personnel:

- 19 EMS internal audits were held at the Company's Head Office (as part of the CIMS internal audits);
- 57 internal audits were held at Polar Division, Polar Transportation Branch and Murmansk Transportation Branch (21, 23 and 13 audits, respectively).

To confirm compliance of the EMS with ISO 14001, the Company engages Bureau Veritas Certification (BVC) to conduct surveillance audits once a year and recertification audits once every three years. In October 2016, an EMS surveillance audit was held as part of the CIMS at the Company's Head Office in Moscow, Polar Division's production sites in Norilsk, and Murmansk.

Transportation Branch in Murmansk. The audit confirmed that MMC Norilsk Nickel's EMS complied with ISO14001:2004 (Compliance Certificate No. RU228136 QE-U of 2 November 2014). Based on the audit findings, BVC identified the scope for potential improvements while also highlighting the overall strengths of the Company's EMS.

In 2016, Norilsk Nickel was working to bring the EMS in line with the requirements of ISO 14001:2015 replacing ISO 14001:2004.

Kola MMC's EMS has been in place since 2004 covering ore mining, production of converter matte, nickel, copper, cobalt, their compounds, precious metal concentrates and sulphuric acid.

Since 2009, Kola MMC's EMS has operated as part of the CIMS, in compliance with ISO 14001 and the Company's by-laws.

In 2016, following another Kola MMC's CIMS audit, the EMS was recertified for compliance with the ISO 14001 requirements as confirmed by Certificate No. RU227729 E-U of 4 May 2016.

In 2016, 30 EMS internal audits were held at Kola MMC (within the scope of the CIMS internal audits).

19

EMS internal audits

were held at the Company's Head Office in 2016

57

internal audits

were held at Polar Division, Polar Transportation Branch and Murmansk Transportation Branch

THE EMS STRENGTHENS THE NORILSK NICKEL GROUP HELPING IT TO:

- secure priority funding for environmental initiatives;
- raise environmental awareness among employees;
- improve its public image;
- gain a competitive edge in the domestic and international markets;
- demonstrate a global standard of environmental compliance to customers and other stakeholders, and win the trust of customers who require the supplier to have an effective EMS;
- gain additional opportunities for recognition in the international context and in global markets;
- boost its investment case.