

Environmental Impact Management

Environmental Protection

TransContainer's main strategic objective with regard to environmental protection is to ensure the environmentally-friendly and sustainable development of the Company while also minimising the environmental impact of its activities.

Our key environmental protection principles include:

- ensuring compliance of the Company's activity with the Constitution of the Russian Federation, federal laws and other regulations of the Russian Federation, international regulations governing environmental protection and sustainable use of natural resources, and strict compliance with the rules intended to ensure personnel, community and environment safety by all employees;
- constantly improving and enhancing our environmental performance and environmental management system;

- prioritising activities set to reduce the impact of hazardous operations on people and the environment;
- staying alert and taking immediate action to prevent and manage any environmental accidents, incidents, occurrences, disasters or other emergencies;
- taking a consistent and holistic approach to ensuring environmental safety;

The following guidelines were developed in 2018:

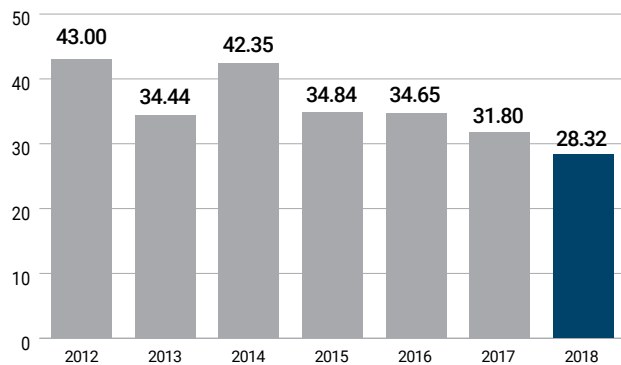
- maximum permissible emissions (MPE) for a 5-year term;
- maximum permissible discharges (MPD) for a 3-year term;
- standards for waste generation and disposal limits.

Since 1 January 2016, the Company's road vehicles use Euro 5 fuel, ensuring reduced harmful air emissions.

Key Environmental Activities in 2018

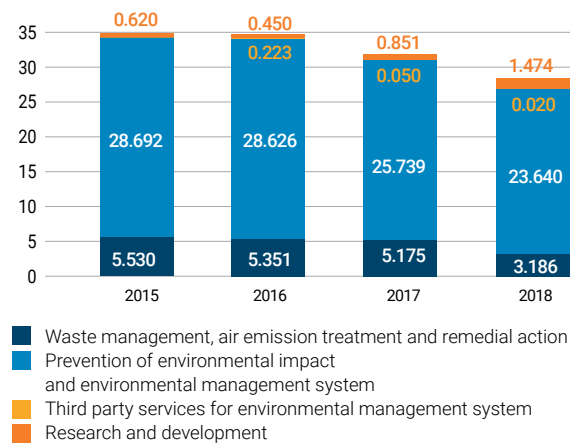
Activity	Target area (container terminal)	Expenditures (000 RUB)
Moscow Branch		
Procurement of containers for waste accumulation	Kuntsevo-2, Lesok	30
Gorky Branch		
Procurement of containers for temporary waste storage	Lagernaya	22
Kuibyshev Branch		
Construction of the water supply and fire extinguishing systems	Chernikovka	13,400
North Caucasus Branch		
Maintenance (pothole repair) of the asphalt road pavements	Rostov-Tovarny	306
Overhaul of the asphalt road pavements	Krasnodar	2,455
Krasnoyarsk branch		
Procurement of containers for temporary waste storage	Bazaikha	25

Environmental Expenditures, RUB mln



Our environmental expenditures decreased by 11% year-on-year due to the shutdown of several terminals.

Breakdown of Environmental Expenditures, RUB mln



Solid Waste

Solid waste is collected and stored in sealed containers in compliance with Sanitary Rules and Regulations (SanPiN) 2.1.7.1322-03 on Hygienic Requirements for the Storage and Disposal of Industrial and Consumer Waste. Solid waste control is ensured by keeping record of the generated, accumulated and transported industrial and consumer waste.

The Company set up temporary sites for waste storage and signed hazardous waste disposal contracts with specialist companies licensed to collect and recycle mercury-vapour lamps, household waste, scrap metal, and oily rags for their timely disposal.

In 2018, welding shops at container terminals were equipped with hazardous substance measurement devices.

In accordance with TransContainer's Investment Programme, the fire-extinguishing and water supply systems were put into operation at the Chernikovka container terminal of the Kuibyshev Branch in 2018. Water from that system is discharged into an isolated system (catch basin), which prevents the dumping of liquid household waste to the ground. The solution allowed the elimination of negative environmental impact and lower risk of penalty imposition by the Federal Service for Supervision of Natural Resource Usage for non-compliance with environmental and sanitary-epidemiological requirements while handling liquid industrial and consumer waste. The penalty is provided for by Chapter 8 "Administrative Environmental Protection and Management Offences" of the Code of Administrative Offences of the Russian Federation. The system also ensured compliance with fire safety requirements at the facility and contributed to working conditions improvement. The project cost is RUB 13,401,199,000 (net of VAT).

Energy Efficiency

In 2018, TransContainer extensively promoted efficient energy use control and installed light sensors. Fluorescent light fixtures were replaced with LED ones in the Privolzhskaya, Kuibyshev, Ural, West Siberian, Zabaikalskaya and Far Eastern branch offices. The West Siberian Branch implemented the Webasto system for heating the driver's cabin during idle hours in the winter season.

Remote Terminal Monitoring

For better fuel control, the Company rolled out a system of remote road vehicle operation monitoring.

The system helps to control the performance of technical equipment by means of GPS navigation enabling online diagnostics of the equipment by the operator. Real-time monitoring and metering of fuel consumption are possible as well. The system is also used for more efficient and seamless operation of vehicles (dispatching). Smart vehicle route planning and installation of fuel level sensors translate into a significant reduction in empty mileage and fuel consumption. Most of our fleet (154 tractor units), except for the recently purchased vehicles, is equipped with remote monitoring devices.