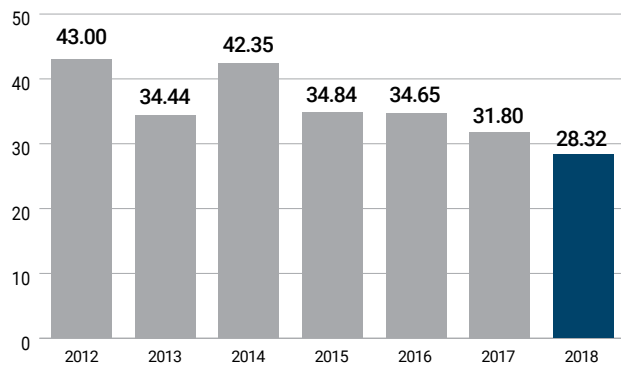
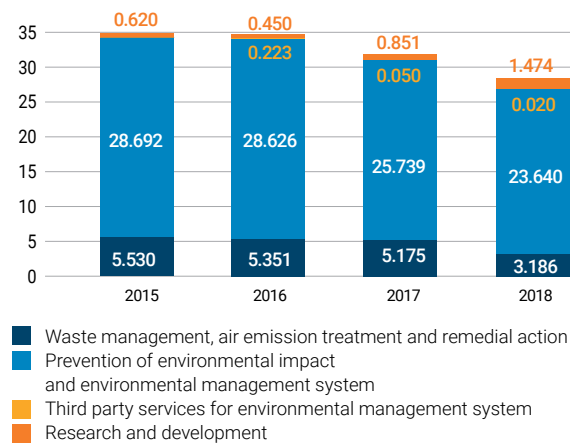


Environmental Expenditures, RUB mln



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.

Energy Consumption in 2018

Energy type	Physical volume	Volume in monetary terms (000 RUB)	Volume (tons of equivalent fuel)
Electricity, total (thousand kW · h)	17,288.50	95,086.75	5,791.65
Diesel fuel (tons)	3,674.80	161,691.20	5,328.46
Petrol (tons)	211.50	1,015.20	315.14
Natural gas (thousand m ³)	106.00	455.80	120.84
Heat (Gcal)	29,000	14,926.54	4,147

Energy Savings in 2018

Energy type	Physical volume	Volume in monetary terms (000 RUB)	Volume (tons of equivalent fuel)
Electricity, total (thousand kW · h)	114.60	630.30	38.39
Diesel fuel (tons)	34.20	1,504.80	49.60
Petrol (tons)	1.20	57.60	1.80
Natural gas (thousand m ³)	5.00	20.50	5.70

Energy Savings in 2017

Energy type	Physical volume	Volume in monetary terms (000 RUB)	Volume (tons of equivalent fuel)
Electricity, total (thousand kW · h)	107.30	418.470	13.160
Diesel fuel (tons)	55.660	1,830.100	64.700
Petrol (tons)	1.578	63.910	2.000
Natural gas (thousand m ³)	20.080	109.220	23.400

Energy Savings in 2016

Energy type	Physical volume	Volume in monetary terms (000 RUB)	Volume (tons of equivalent fuel)
Electricity, total (thousand kW · h)	213.95	941.16	26.20
Diesel fuel (tons)	119.20	3,984.74	138.60
Petrol (tons)	1.50	55.10	3.80