

## 6.4. ENVIRONMENTAL PROTECTION

### 6.4.1. Environmental protection policy

The Sovcomflot Group fleet meets the highest environmental standards taking into consideration both current and planned norms and requirements.

All the new tankers of Sovcomflot Group have an additional class notation confirming their high environmental compatibility. This is another proof of the responsible attitude of PAO Sovcomflot to environmental issues.

In 2018 no spills of chemicals, oil or fuel from the fleet were registered. However, Sovcomflot Group's operating specifics are associated with certain man-made environmental impacts, which include:

- emissions from different types of ship fuel burned by ship engines;
- discharge of wastewater generated by ships.

The Sovcomflot Group environmental protection policy is an integral component of the overall management system for safe operation of ships and pollution prevention established in accordance with the International Safety Management Code, which lays down the principles, goals, objectives and key areas of the company's environmental safety activities.

The main goals of the SCF environmental protection policy are to increase environmental sustainability of the fleet and to raise the capitalisation of the Group by ensuring the reliability and environmental safety of the services rendered.

The Environmental Protection Policy provides for the following activities:

- Environmental monitoring and audit;
- Programmes aimed at increasing the competencies and awareness of personnel in relation to environmental protection;
- Investment programmes to increase the energy efficiency and environmental safety of core operations;
- Environmental risk management programmes, which include risk identification and assessment, implementation of environmental protection measures, and monitoring and assessing their adequacy.

Sovcomflot Group has in place an environmental management system, which was established in accordance with the principles, goals and objectives of the Environmental Protection Policy, and encompasses the activity of all employees of the Group, from ships' crews to top management.

On 12 September 2018, during the 4th Eastern Economic Forum, Sovcomflot Group and the Russian Ministry of Natural Resources and Environment signed an agreement on the development of long-term cooperation in ensuring environmental safety and preserving the natural environment of the Russian Arctic. The agreement, in particular, provides for the development of proposals for the implementation of comprehensive measures to stimulate the use of new environmentally

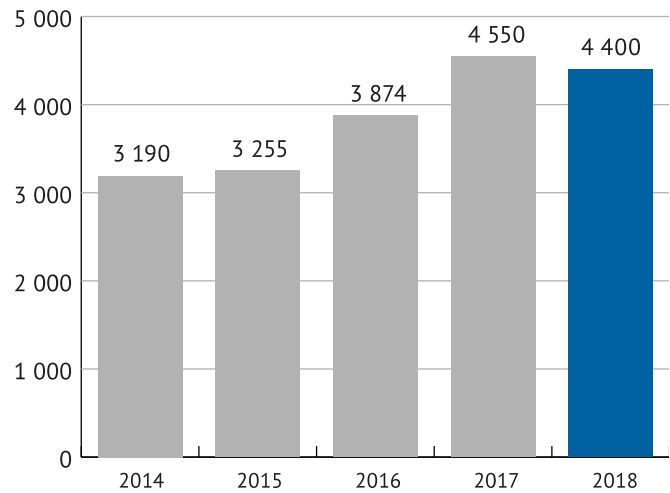
friendly types of marine fuel, primarily LNG, the development of other "green technologies," as well as information exchange and joint activities to prevent substandard navigation in the Arctic seas.

### 6.4.2. Atmospheric emissions

Air emissions from marine vessels account for 5 to 10% of global emissions from the transport sector.

The basic components of atmospheric emissions are carbon, sulphur and nitrogen oxides formed during the combustion of fuel in ship engines.

**Dynamics of carbon dioxide (CO<sub>2</sub>) emissions, 000'tonnes**



**Dynamics of nitrogen oxide (NO<sub>x</sub>) emissions, tonnes**

