

2.4. Environmental Protection

The fundamental principles of NCSP Group's environmental policy are:

- › To take all possible efforts to reduce environmental impact in order to not violate the constitutional human right to a clean environment
- › Sustainable use of natural resources, materials and energy
- › Prioritizing preventative measures over measures to mitigate negative environmental impact
- › Compliance with Russian and international environmental protection standards
- › Continuous improvement of environmental management system
- › Fostering a culture of environmental stewardship, educating and raising the environmental awareness of employees and the public
- › Ensuring transparency and availability of information about the Company's environmental management activities for all stakeholders

In pursuit of these commitments, the Company:

- › Creates organizational mechanisms to ensure that negative environmental impact is minimized
- › Considers environmental protection issues to be a fundamental priority of its activities
- › Identifies and assesses risks in the area of environmental protection, and determines and implements measures to eliminate and minimize these risks
- › Implements projects aimed at reducing the negative impact of industrial activities on various ecosystems, including:
 - › outfitting rain water drainage systems with treatment facilities
 - › construction work to redirect rain water to treatment facilities, thus reducing the amount of pollutants which might come to the sea
 - › construction of local treatment facilities for rain water
 - › purchasing special equipment as part of the implementation of an action plan to reduce dust pollution when handling cargo that generates dust

- › plans the scale of operations with a view to minimize environmental impact
- › fosters a corporate culture based on engagement and participation of all PJSC NCSP employees in tackling the issues of environmental protection
- › ensures that employees are knowledgeable and aware of environmental issues
- › promotes best industry practices, introduces best available technologies and implements efficient innovation projects
- › actively participates in public activities in its region of operations, and promotes the social and economic development of the municipality of Novorossiysk
- › ensures that the public and other stakeholders are informed about the results of the Company's efforts to protect the environment

Public hearings

Public hearings were held on June 25, 2018 on a government environmental impact study on PJSC NCSP operations in internal marine waters.

Public hearings were held in July 2018 on the rationale for NLE operations in internal marine waters.

Public hearings were held from October 6 to November 6, 2018 on a government environmental impact study on Novorossiysk Grain Terminal operations in internal marine waters.

The Company spent 123.444 million RUB on environmental protection measures in 2018.

ENVIRONMENTAL PROTECTION MEASURES IN 2018

PJSC NCSP	The construction of local treatment facilities has started at Eastern Pier with installation of storm water drainage (series No. 1-4)
	Work done to equip seven water outlets (No. 13, 14, 15, 16, 17, 19 and 25) with specially designed FOPS cartridge filters to filter storm water runoff into the sea
	Design work completed on installation of local treatment facilities at Wide Pier No. 1, Wide Pier No. 2, Marine Terminal and Sheskhari's Oil Terminal; project partially carried out
	Design work completed for construction of storm water drainage networks in area where port equipment is deployed, and for technical upgrades to Sadko local treatment facilities
NLE	In order to reduce dust at coal yards, existing three-meter concrete blocks were partially replaced with six-meter high blocks along the perimeter of bulk cargo storage yards
	Treatment facilities installed at Sixth operation area, making it possible to treat storm water runoff from the area; after treatment to standards, the storm water is discharged into the Black Sea

USE OF WATER RESOURCES

	2017	2018
Water intake, total ('000 m ³)		
– from public water supply systems	556.62	493.88
Water treatment, total ('000 m ³)	8.96	30.34
– treatment of rainwater	8.96	30.34
Waste and storm water disposal, total ('000 m ³)	356.21	391.36
– contaminated, without treatment	259.59	264.75
– contaminated, insufficiently treated	48.2	48.23
– clean to standard (without treatment)	3.52	1.75
– treated to standard	44.9	76.63

WASTE GENERATION AND MANAGEMENT, TONNES

Hazard class	2017			2018		
	Waste generated	Waste recycled	Disposal outsourced	Waste generated	Waste recycled	Disposal outsourced
1	1.25	0	1.25	1.37	0	1.3
2	12.75	0	12.74	12.21	0	12.22
3	2,213.53	1.42	2,230.42	2,299.01	3.69	2,299.06
4	13,427.5	678.73	12,725.98	11,927.03	417.0	11,366.32
5	11,779.6	0	11,779.56	12,257.4	0	12,257.43
Total	27,434.62	680.15	26,749.95	26,497.01	420.69	25,936.32