

APPROVED

by the Directors Board Resolution

RusChemAlliance LLC

MoM No. 2 dd. September 28, 2018



Chairman, Board of Directors

REGULATIONS

**on Environmental Protection
RusChemAlliance
Limited Liability Company**

2018

1. GENERAL PROVISIONS

1.1. This Regulations shall be the basis for scheduling and carrying out any types of activities, and it defines the main goals, principles and approaches of the environmental protection activity of RusChemAlliance LLC (hereinafter referred to as the Company) as part of the Company's operations.

1.2. This Regulations is based on the best world practices and is developed taking account of the requirements of the legislation of the Russian Federation, including the Federal Law No. 7-FZ dated January 10, 2002, On Environmental Protection, and the international standard ISO 14001.

1.3. This Regulations shall be binding for all the Company's business units.

1.4. The environmental protection activity shall be systematic for the Company and shall cover all its units and employees in the course of their performing their functions within the scope of any business processes.

1.5. The Company shall bring this Regulations to the attention of its partners and shall cooperate with them pursuant the provisions hereof.

1.6. Any amendments and supplements hereto shall be made where necessary, to adjust the Company's development strategy, organizational and functional structure and/ or the Company's terms of operation. Such amendments shall be considered and approved as per the procedure established by Russian law and in accordance with the documents determining the procedure for functioning of the Company's management bodies.

2. COMPANY'S ENVIRONMENTAL PROTECTION GOALS

2.1. Taking care of the environment shall be the integral part of the Company's corporate culture and shall ensure its sustainable development. To prevent any probable adverse impact, the Company assumes obligations and takes all reasonable actions to ensure protection of the environment, preservation of natural resources, including by continuously improving its products, processes and working conditions for the Company's employees and partners. The Company, being fully aware that the manufacturing activity performed by it in connection with transportation and processing of hydrocarbon raw materials is the source of a potential danger to the environment, personnel and population residing in the areas of influence of industrial facilities, sets the following environmental protection goals:

2.1.1. Reduction and prevention of any negative impact on the environment from manufacturing or other activity, minimization of any risks and prevention of risks of accidents, where it may be achieved in view of the Company's current level of development and capabilities.

2.1.2. Compliance with the requirements of the national environmental protection legislation; a pursuit for compliance with the international standards and best practices in this area.

2.1.3. Observing the principles of sustainable development; maintaining an acceptable balance of economic growth and preservation of the healthy environment; participation in environmental programs and projects aimed at achieving sustainable development in the regions of presence of the Company and of the companies controlled by it.

2.1.4. Rational use of the natural resources and energy, improving the energy efficiency of production processes, taking measures aimed at reducing greenhouse gas emissions, taking all possible measures to preserve climate and biodiversity, and fully compensate for environmental damage.

2.1.5. Continuously improving and enhancing its environmental protection activity (management system) based on the results of control, monitoring, regular audits and periodic assessment of its efficiency.

2.2. To achieve the goals specified in the Clause I of Article 2 hereof, the Company intends:

2.2.1. before the start of any works that may affect the environment and residents, to perform an environmental impact assessment, following which it will inform the public and interested parties of the results thereof by any legal means, at the Company's discretion, including:

- via mass media,
- by holding public hearings or meetings,
- by arranging public reception rooms,
- by posting information on the Company's official website in the network or Internet,

to regularly monitor the most important environmental aspects of production activities, document and analyze the results of monitoring; to develop on their basis target programs and environmental protection plans, with sufficient funding, aimed at:

- reducing emissions and discharges of pollutants into the environment;
- controlling waste disposal, use and preservation of water bodies;

2.2.2. to upgrade the existing process equipment and technologies in view of the environmental protection requirements, to apply the best available technologies at various stages of production activities, including procurement of technologies, materials and equipment;

2.2.3. to consider the risks and assess the consequences of climate change for the Company's activities, regularly conduct cryological monitoring, develop the system of reporting on greenhouse gas emissions, apply advanced technologies to reduce greenhouse gas emissions;

2.2.4. to support scientific research and implementation of innovation projects aimed at enhancing energy efficiency and at using renewable energy sources;

2.2.5. to improve knowledge and responsibility of the personnel in the area of environmental protection by developing and implementing on an annual basis training and advanced training programs for the personnel, with assessment of the results of the knowledge received;

2.2.6. to ensure that the work of the Company's contractors complies with the goals under the present Regulations;

2.2.7. to develop programs aimed at resource saving and reducing energy costs; to introduce state-of-the-art zero-waste and low-waste technologies, to analyze and adjust them on an annual basis in order to achieve the outlined goals;

2.2.8. to periodically conduct an internal audit for compliance with the goals stated hereunder in order to make sure and to assure all the interested parties that there is a process in place for managing environmental protection activities;

2.2.9. to ensure that the information related to the Company's activities in environmental protection is widely available to the public and interested parties.

2.3. The Company's activity in the area of environmental protection is based on the following principles:

- Compliance with the requirements of law and with other requirements applicable to the Company's activity in the area of environmental protection, including the standards of international law
- Preservation of the healthy environment and biological diversity
- Balance of interests of the Company in the use of natural resources
- Intolerance to environmental risks
- Innovative approach to introduction of environmental technologies
- Priority of proactive measures over the measures aimed at localizing and eliminating any consequences of dangerous events
- Transparency and reliability of the Company's reports in the area of environmental protection
- Continuity and consistency in achieving goals and objectives in the area of environmental protection.

3. INTERESTED PARTIES

3.1. For the purpose of implementation of the present Regulations, the Company considers the founders and potential investors, managers and employees of the Company, contractors and business partners who ensure compliance with the requirements hereof with the methodological support of specialists in the field of environmental safety to be interested parties.

3.2. The Company is interested in developing long-term cooperation with the residents of the region of the Company's activity, basing on the principles of respect, trust and collaboration.

3.3. Building the efficient environmental safety management system influences the corporate culture, economic efficiency and capitalization of the Company, its relations with contractors.