

ENVIRONMENTAL PROTECTION PROGRAMME

Aeroflot Group is fully aware of its responsibility to society and future generations and as the undisputed leader of the Russian civil aviation industry is committed to ensuring sustainable development across all areas of its activities. The Group complies with all applicable environmental protection legislation and strives to meet the strictest international environmental standards.



1.2%
reduction of specific fuel consumption across Aeroflot Group

PJSC Aeroflot's environmental policy is aimed at improving the energy efficiency and environmental performance indicators of its end products. The key focus in environmental management is on improving aircraft fuel efficiency, which helps reduce the Company's environmental footprint while at the same time cutting fuel costs, a major contributor to overall operating expenses.

- using environmental performance indicators as a selection criterion for suppliers and contractors;
- incentivising employees to use resources sparingly.

In February 2015, PJSC Aeroflot's integrated environmental management system successfully passed a supervisory audit, confirming its compliance with ISO 14001:2004 international standard. The audit scope included a review of documents related to the environmental management system and assessment of operations and facilities in terms of their impact on the environment.

In addition to fuel-efficiency initiatives, priorities in this area also include:

- improving energy efficiency of operations by implementing resource-saving policies and technologies;
- recycling-based waste management aimed at reducing the environmental footprint;

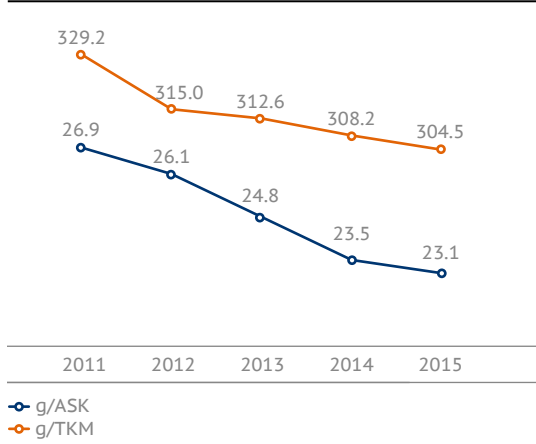
FUEL EFFICIENCY

During 2015, to mitigate environmental impact the Group's airlines continued implementing existing programmes to improve fuel consumption and shift to more advanced, fuel-efficient aircraft.

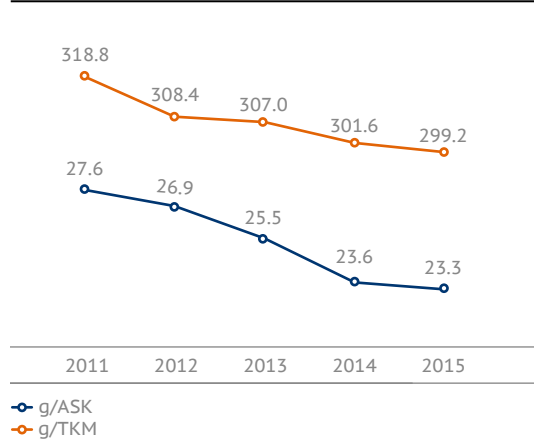
Fuel-efficiency initiatives at Group airlines focus on:

- analysis of route options to select the best flight routes between destination and departure airports;
- optimisation of fuel consumption during ignition and taxiing;
- use of reduced thrust-takeoff procedures;
- route alignment;
- use of optimal approach and landing procedures;
- minimising the variance between the projected and actual revenue loads in departure airports;
- centre-of-gravity control;
- optimal use of auxiliary power units;
- use of ground systems for pre-flight air conditioning of aircraft cockpit and cabins;
- improving aircraft aerodynamics through quality, full aircraft surface washing;
- improving aircraft engine efficiency through gas/air duct cleaning;
- aircraft weight optimisation;
- reducing fuel consumption through monitoring and reduction of water supplies on-board; use of updated weight estimates for kitchen equipment and in-flight meals.

Specific fuel consumption in Aeroflot Group



Specific fuel consumption in Aeroflot airline



299.2 g/TKM
Aeroflot airline's specific fuel consumption

Note: Calculated based on fuel consumption rates for transportation operations; for FY2011 calculation of Aeroflot Group's fuel consumption is based only on airlines which were part of the Group as of 31 December 2011.

Specific fuel consumption across Aeroflot Group decreased by 3.7 grammes (or 1.2%) y-o-y to 304.5 grammes per tonne-kilometre (TKM). Aeroflot airline's specific fuel consumption was reduced over the same

period by 2.4 grammes (or 0.8%) to 299.2 g/TKM, which is an excellent level for an airline operating short-, medium- and long-haul aircraft.

AIR QUALITY INITIATIVES

Aeroflot Group has in place a CO₂-emissions monitoring and measuring system to ensure compliance with Russian and European requirements for monitoring, reporting and verification of greenhouse gas (GHG) emissions. This system is in particular used at Rossiya, Orenair and Aeroflot airlines.

The CO₂ Emissions Calculator is available on Aeroflot's website and allows passengers to assess the carbon footprint of their flight.

Aeroflot airline's entire fleet complies with ICAO standards for noise levels and atmospheric pollution.

The Online CO₂ Emissions Calculator was developed in line with the best industry practices and using ICAO and IATA methodologies.

To reduce the environmental impact of ground vehicles the Group's airlines carry out regular fine-tuning of instrumental controls and fuel system to ensure compliance with permitted toxicity and smoke levels.

The voluntary donations made by passengers to offset their carbon footprint will be used to support green initiatives aimed at reducing GHG emissions (tree planting, protection of forests against bark beetles, clean energy initiatives, clean-ups of water bodies, etc.).

As part of its efforts to implement the Carbon Offset Programme, in late 2015, Aeroflot introduced an online CO₂ Emissions Calculator tool.

WATER RESOURCE MANAGEMENT

In 2015, the Company's environment experts and SPU-1 DZM, which services the Company's Office Building in Melkisarovo, implemented a project to monitor the amount and quality of waste water discharged by the office building's treatment facilities. A total of 316 tests of treated waste water samples were carried out. The results suggest that all relevant standards are met.

In 2015, the Company's specialists also monitored the morphometric characteristics of the Klyazma River. The findings will be used as an input to improve the effectiveness of water protection measures and water resource management.

WASTE MANAGEMENT AND DISPOSAL

Environmental specialists at the Group's airlines conduct regular inspections of industrial and consumption waste storage sites, managing waste disposal contracts with external organisations.

In 2015, 66% of the total waste generated by PJSC Aeroflot were recycled. Aeroflot is the only Russian air carrier to collect and recycle de-icing fluid after aircraft maintenance procedures.

ENVIRONMENTAL FEES

Pursuant to Federal Law No. 7-FZ On Environmental Protection dated 10 January 2002, Aeroflot Group pays environmental fees for using natural resources. Fees for the negative impact are calculated based on the Natural Resource User Module 1.7 by the Russian environmental watchdog (Rosprirodnadzor).

Total fees paid by PJSC Aeroflot and its subsidiary airlines for negative impact on the environment, RUB million

