



APPENDIX No. 1

to the Order dd _____ 2019 No. _____

Policy in the field of reliability and safe operation
of tanks of Ilim Group JSC.

2019

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1. Purpose

The policy in the field of maintenance, reliability, and safe operation of tanks (hereinafter, the Policy) of Ilim Group JSC (hereinafter, the Company) is intended for use by all employees of the Company and all other persons admitted to the production facilities of the Company performing installation (dismantling), operation, repair, reconstruction, modernization, and disposal (liquidation) of tanks.

The purpose of this Policy is to prevent accidents, incidents, emergencies, loss of life and health of people during installation (dismantling), operation, including repair, reconstruction, modernization, and disposal (liquidation) of tanks.

This Policy has been developed taking into account the requirements of regulatory documents of the Russian Federation and international standards, as part of the implementation of the Ilim's Global Manufacturing System (GMS).

To ensure compliance with the requirements of the Policy and the effective implementation of best practices for control, repair, reliability, and safe operation of tanks, based on local conditions and accumulated experience, the branches of the Company shall develop local regulatory documents (instructions, regulations, and standards). The requirements of the developed local regulatory documents shall not contradict this Policy.

2. Area of application

2.1. This Policy determines the requirements to the scope of control, technical inspection, and assessment of the technical condition, installation (dismantling), commissioning, operation, repair, reconstruction, modernization, as well as the disposal (liquidation) of tanks at all branches of the Company.

- The requirements of the Policy shall apply to all tanks (metal, fiber-glass reinforced plastic, and plastic), vessels and devices operating under pressure of 0.07 MPa (0.7 kgf/cm) or below, vacuum and atmospheric pressure, which are owned by and used at the facilities of the Company.

- Exceptions:

- the Policy shall not apply to reinforced concrete tanks, tanks operating under pressure above 0.07 MPa (0.7 kgf/cm), transportable tanks, and manufacturer's shipping containers.

- the Policy shall not apply to tanks with a volume of less than 10 m³, except for tanks that handle substances specified in Appendix 2 to Federal Law No. 116-FZ.

2.2. This Policy is recommended for use by subsidiaries and affiliates of Ilim Group JSC. Application of this Policy in subsidiaries and affiliates is reached by a statement and enforcement of the relevant local regulations by the authorized governing bodies of subsidiaries and affiliates.

3. Definitions

Tank – a permanently installed cistern (vessel or device) intended for storage and/or transfer of substances involved in the process to consumers;

RTD – Regulatory and Technical Documentation;

the Company – Ilim Group JSC;
HIF – Hazardous Industrial Facility;
IS – Industrial Safety;
Federal Law No. 116-FZ – Federal Law dated June 20, 1997, No. 116-FZ *On Industrial Safety of Hazardous Industrial Facilities*;
TD – technical diagnosis;
TI – technical inspection;
TR CU 010/2011 – Technical Regulation of the Customs Union *On the Safety of Machinery and Equipment*;
FRR – Federal Rules and Regulations in the Field of Industrial Safety;
ISER – Industrial Safety Expert Review.

4. General requirements

4.1. By issuing orders, the branches of the Company appoint persons from among the managers and specialists responsible for:

- Industrial control when operating tanks;
- Keeping tanks in good condition and safe operation.

4.2. The specialist responsible for the industrial control shall be responsible for monitoring and coordinating the safe operation of tanks in the SSD subordinated to the branch in accordance with the job description, the order on the implementation of industrial control, and other local regulations developed at the branch.

4.3. The specialist responsible for keeping the tanks in good condition and safe operation shall be responsible for organizing the works to keep the tanks in good condition and ensuring their safe operation, in accordance with internal regulatory documents approved by the branch of the Company.

4.4. Violations of operational parameters and defects which entail prohibition of the tanks operation are described in the certificate, manual (instructions) for installation and operation of the manufacturer, RTD, and other local regulations developed at the branch.

4.5. Tanks purchased and mounted at the Company's facilities and accompanying documentation shall comply with the requirements of TR CU 010/2011, RTD, and design documentation.

4.6. Acceptance and control of tanks installation quality shall be carried out in accordance with the requirements of the manual (instructions) for installation and operation of the manufacturer and the design (engineering) documentation.

4.7. Technical inspection of the newly mounted tank shall be carried out in accordance with the requirements of the manual (instructions) for installation and operation of the manufacturer, RTD.

5. Design requirements

5.1. New tanks shall be designed on the basis of the terms of reference and in accordance with the requirements of FRR, GOST 34347-2017, TR CU 010/2011 and related standards (determined by the decision of the Customs Union Commission

when approving this technical regulation).

5.2. Tanks handling hazardous substances specified in Appendix 2 to the Federal Law No. 116-FZ must be equipped with pallets the capacity of which shall be sufficient to contain one tank of maximum capacity in case of its emergency destruction; the height of the tank guard shall be 0.2 m higher than estimated level of spilled liquid.

Tanks installed in open areas with a volume of 10 m³ or more, which handle other substances, must be equipped with pallets the capacity of which shall be sufficient to contain one tank of maximum capacity in case of its emergency destruction; the height of the tank guard shall be 0.2 m higher than the level of estimated volume of spilled liquid, but not more than 1 m.

Pallets shall be equipped with a drain into the industrial sewage.

5.3. The modernization and reconstruction of tanks operated by HIF shall be carried out in accordance with the developed design documentation agreed upon by the manufacturer and passed the ISER in cases established by the Federal Law No. 116-FZ.

5.4. The design documentation for the modernization and reconstruction of all tanks shall include an assessment of the tanks compliance with the requirements of existing RTD, an assessment of the condition, and strength analysis.

6. Requirements for installation (dismantling), reconstruction or modernization of tanks, repair and composition of as-built documentation after repair

6.1. Installation (dismantling), reconstruction, or modernization of tanks during operation shall be carried out in accordance with the manual (instructions) for installation and operation of the manufacturer, the requirements of RTD applicable to the tank (RUA-93, GOST R 34347-2017, RD 34.21.526-95, *Safety Manual for Vertical Cylindrical Tanks*, and other RTDs).

6.2. Tank repair works, execution of as-built documentation for the works performed, as well as its composition, are determined by the list agreed upon by the person responsible for keeping the tanks in good condition and safe operation before the works commencement.

6.3. The results of repair using welding, gluing, soldering of the main elements of tanks, as well as information on the reconstruction (change of substances being handled) shall be recorded in the certificate and repair log.

7. Requirements for safe operation of tanks

7.1. Before commissioning and during operation, the tanks used by the Company shall be subject to maintenance in accordance with the RTD requirements by the person responsible for good condition and safe operation together with the person responsible for the industrial control, unless otherwise specified in the manufacturer's manual (instructions) for installation and operation of the tank. The results shall be entered into the tank certificate by the persons who performed the maintenance.

7.2. Commissioning shall be carried out by written order of the person responsible for good condition and safe operation in accordance with the local regulatory documents of the branch.

7.3. The registration of the tanks in the information characterizing the HIF (if required) shall be carried out in accordance with the requirements of the Federal Law No. 116-FZ.

7.4. Upon the expiration of the standard service life specified in the certificate, the tanks to be registered in the information characterizing the HIF shall be subject to ISER in accordance with the requirements of the Federal Law No. 116-FZ in order to determine the further operation feasibility. The ISER conclusion for the tank is an integral part of the certificate and shall be stored with the tank certificate.

7.5 Upon the expiration of the standard service life specified in the certificate, the tanks not to be registered in the information characterizing the HIF shall be subject to TD in order to determine the further operation feasibility. The TD conclusion for the tank is an integral part of the certificate and shall be stored with the tank certificate.

8. Training and admission of personnel to tank operation

8.1 The specialists responsible for maintaining good condition and safe operation, as well as those responsible for the industrial control, shall be mandatorily certified in accordance with the *Regulations on Organizing Work on Training and Certification of Specialists of Organizations Supervised by the Federal Environmental, Industrial and Nuclear Supervision Service of Russia*.

The workers of the primary occupation engaged in the operation, maintenance, and repair of tanks used at the HIF of branch must have an appropriate level of qualification, pass a knowledge assessment, and be admitted to work independently in accordance with the *Regulation on the Organization of Training and Knowledge Assessment of Workers of Organizations Supervised by the Federal Environmental, Industrial and Nuclear Supervision Service of Russia*.

9. Personnel actions in case of emergency

9.1 At the branch, an emergency procedure shall be developed and communicated to the workers engaged in tank operation against signature.

9.2 The composition and content of documents determining the actions of personnel in emergencies, along with the requirements determined by the specifics of production, shall comply with the requirements of RTD.

10. Procedure for dismantling (disposal)

10.1 The tanks that have reached an inoperative state in which further operation is unallowable or unfeasible, or restoration of an operational state is impossible or unfeasible, must be dismantled and disposed of.

10.2 Dismantling and disposal shall be carried out in accordance with the requirements of FZ-116, guidelines (instructions) for installation and operation of the manufacturer, TR CU 010/2011, and other local regulations developed at the branch.

11. Responsibility

11.1. Supervision of the implementation of the requirements of this Policy shall be entrusted with the HSE and Fire Safety Director.

11.2. The branch managers shall be liable for complying with the requirements of this Policy.

12. Revision procedure

12.1. This Policy is approved by the Chief Executive Officer of Ilim Group JSC.

12.2. Amendments and additions to this Policy shall be introduced based on the order of Ilim Group JSC.