



**Omsk Carbon
Group**



Omsk Carbon Group Sustainability Report

2023 г.

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A Message from our General Director



Omsk Carbon Group focuses on the production of carbon black, being a research-intensive product. A combination of unique properties and practicality, it has a limitless potential for various modifications and exploring new application opportunities. This requires from us, as its manufacturer, to be involved in an infinite technology race, and we are up to it. Thanks to our ongoing progress, our product remains in high demand on the international market and will be needed even more.

Our company strives to maintain an unwaveringly high quality of its products and enhance customer service. Following the principles of customer orientation, we committed to embed the requirements of the IATF 16949:2016 automotive standard into our business processes and in 2023 were successful in certifying our management system for conformity to it.

In FY2023, Omsk Carbon Group continued to pursue its supply diversification policy started the year before. There is a wide array of our products in China and India, Southeast Asia, the Middle East, Africa, the CIS and South America. We have also remained a sustainable partner for international tire groups of companies, manufacturers of MRGs, polymers, paints and varnishes anywhere on the globe.

Ranking among the ten largest CB manufacturers worldwide, our company has continued to enhance its capacities and expand its range of grades. According to forecasts, the near future will see intensive growth in two industries with significant use of carbon black - electrification based on independent current sources and polymer production. Therefore, developing the production of specialty blacks oriented towards those applications is one of the core

elements of our strategic planning. Going forward, our success will be a function of our group's presence in those market segments.

We believe that our team is fundamental to all achievements Omsk Carbon Group has made. Our staff are optimistic, creative and result-driven people with energetic and strong personalities. The company, on its part, provides them with everything necessary for professional advancement and workplace safety, acts as a guardian for their health and organizes sports activities for their leisure time.

Omsk Carbon Group has remained dedicated to the UN sustainability principles and continued to follow the ESG principles. Environmental monitoring is in place at all of our three production sites. Our broad-scale investment program includes heavy spending on projects aiming at energy savings and resource conservation.



Aleksey Poddubnyak
General Director
Omsk Carbon Group OOO

About the Report

Omsk Carbon Group rolls out its fourth sustainability report, which serves to ensure transparency of our business for our stakeholders. The report covers Omsk Carbon Group's manufacturing activities over the calendar year 2023 and contains information about our active production facilities, including the Omsk, Volgograd and Mogilev production sites.

The sustainability report demonstrates Omsk Carbon Group's progress in the sustainability area, describing the company's environmental, social and economic impacts on welfare in the regions of presence. The report provides an overview of the company's financial performance, ecological impacts, social contributions to the presence regions, corporate governance and relations with its stakeholders. The report details a number of matters related to the company's sustainability priorities in FY2023. In particular, there is an emphasis on UN sustainable development goals whose achievement Omsk Carbon Group will contribute in the course of its business.

The report is prepared for a wide range of Omsk Carbon Group's stakeholders, including employees, shareholders, residents of the presence regions, NGOs, suppliers and customers.

The financial information presented encompasses our entities' activities from the FY2023 IFRS consolidated financial statements perspective.

In preparing the document, we have relied on the Global Reporting Initiative (GRI) standards in their main version.

The report is posted on the company's website. We welcome feedback and suggestions by all of our stakeholders regarding this report. Please use the following contact details to share them:

Email: OCG@omskcarbon.com

Mailing address: 17 Pushkin str., building 1, 644024,
Omsk, Russian Federation

(make sure your letter is provided with the
"Sustainability Report" mark).

About the Company



The company's full business name in Russian: Общество с ограниченной ответственностью «Омский завод технического углерода».
The company's brief business name in Russian: ООО «Омсктехуглерод».

The company's business name in English: Omsk Carbon Group OOO.

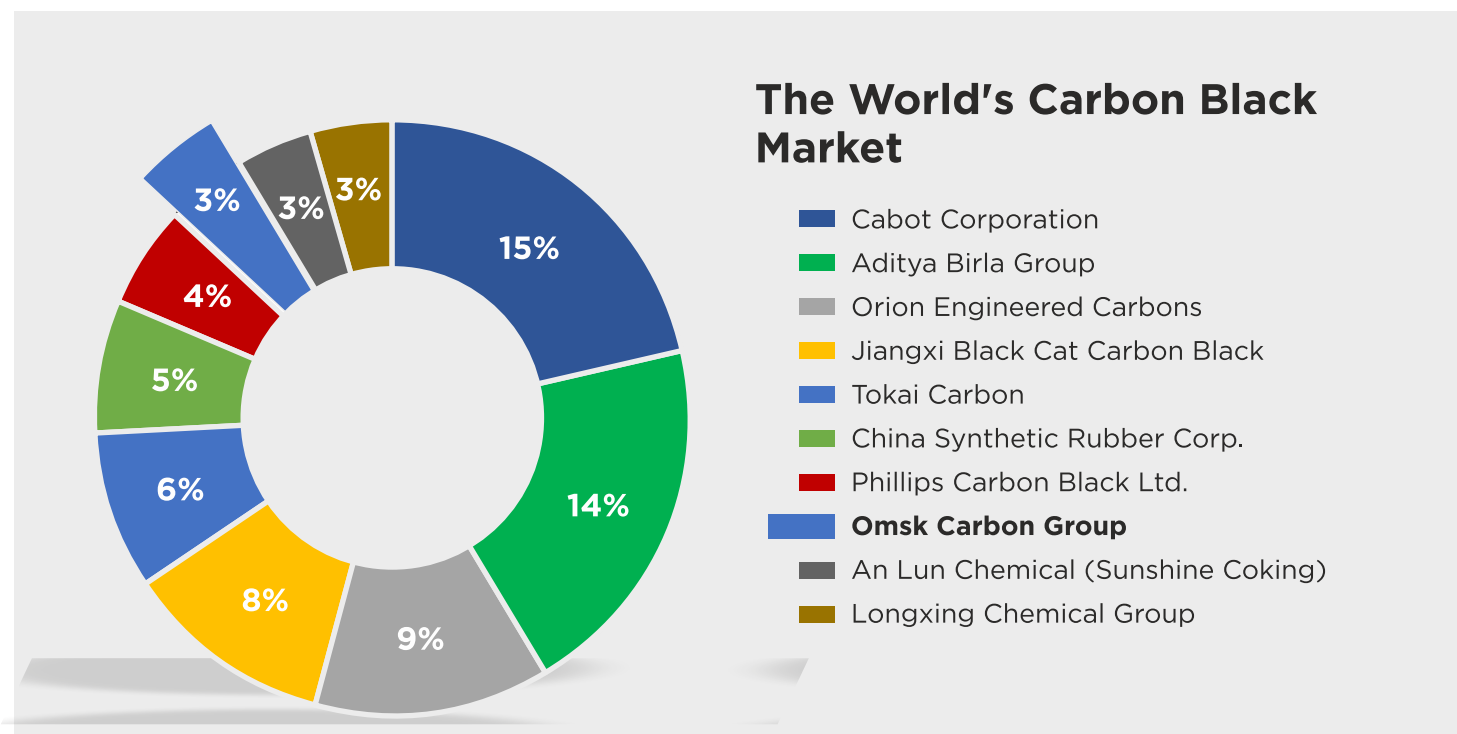
Registered address: 125284, Moscow, 31A, Leningradskiy prospekt, building 1, floor 18, suite 1, room 15B in place of the prior registered address: 17 Pushkin str., building 1, 644024, Omsk.

Mailing address: 17 Pushkin str., building 1, 644024, Omsk.

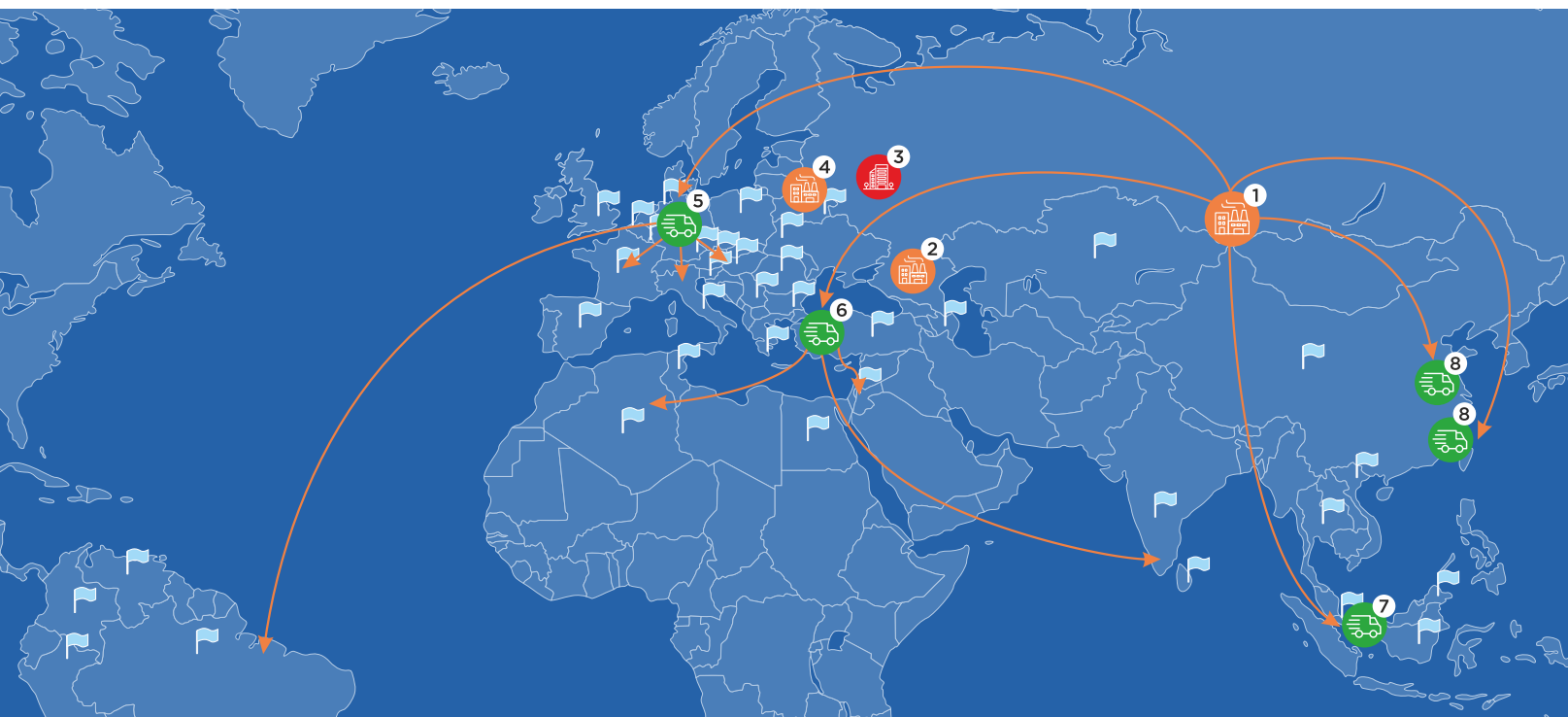
The company's principal activities:

- commercial-scale manufacture of various grades of carbon black and heat production;
- organizing and financing research programs in the development of petrochemical technologies; and
- developing and enhancing processes and organizing the commercial-scale manufacture of new types of petrochemical or other products.

Omsk Carbon Group ranks among the top ten manufacturers of carbon black across the globe and is the largest manufacturer in Russia and the CIS.



Geographical Footprint



- 1 Omsk (Russia) – Plant, Office, R&D Center
- 2 Volgograd (Russia) – Plant
- 3 Moscow (Russia) – Head Office
- 4 Mogilev (Belarus) – Plant
- 5 Waltrop (Germany) – Logistics Center, Office, Laboratory
- 6 Istanbul (Turkey) – Logistics Center, Office
- 7 Prescott (Canada) – Office
- 8 Singapore / Malaysia – Office (Singapore) with a warehouse in Port Klang (Malaysia)
- 9 China (Shanghai) – Office with warehouses in Qingdao, Lianyungang



Omsk Carbon Group cooperates with major international tire groups of companies, manufacturers of mechanical rubber goods, plastics, paints and other products containing carbon black. Products are supplied to 34 countries of the world in the Middle East, North and South America, the CIS, Asia (India and China) and Southeast Asia (Vietnam, Indonesia, Malaysia, Thailand) and Africa.

Quality control for received feedstock and outgoing products is performed by our QA laboratories accredited by the Russian Federal Accreditation Service (RusAccreditation) and the Belarusian State Accreditation Centre for technical independence and competence and having certification in the ISO/IEC 17025 international standard. The labs are provided with state-of-the-art equipment for the testing of carbon black for compliance with ASTM D or GOST requirements. Allen Bradley, an automation system based on the Rockwell Automation microprocessor technology, is used for process control.

Today Omsk Carbon Group is pursuing intensive growth based on the expansion of our product range with new high-dispersity, pigment and conductive grades of carbon black much needed in key industries. Going forward, Omsk Carbon Group will continue to boost its production and financial performance, looking to the growing market needs.

Products



Carbon black —

is a high-dispersity amorphous carbonaceous product manufactured on a commercial scale and widely used as a reinforcing filler for rubbers, a black pigment for inks and paints as well as a filler for plastics or cable sheaths imparting special properties to them.

Around 70% of the total carbon black output is used for tire manufacturing, some 20% goes into other rubber products and around 10% finds usage in other, not related to rubber, applications (plastics, paints, varnishes, xerographic compositions, etc.).

Omsk Carbon Group manufactures the widest in Russia and the CIS and constantly expanding array of products, comprising more than 30 grades of carbon black. Specialty grades are produced under our own OMCARB trademark.



Tires

Over 75% of commodity-grade carbon blacks are used for auto tire manufacturing. Without CB, a passenger car tire could not last more than 100 km.



MRGs

Over 12% of commodity blacks go to the production of MRGs. Applying OMCARB-series high-purity soft blacks leads to an up to 5% reduction in the cost of end products



Plastics

Plastics account for more than 8% of carbon black. Using P-type grades extends the service life of polymer pipes to 50 years.

Products



Coatings, Inks, Toners

Approx. 3% of our CB (OMCARB-series) is used for the production of inks, toners or other paints and varnishes.



Power Sources, Batteries

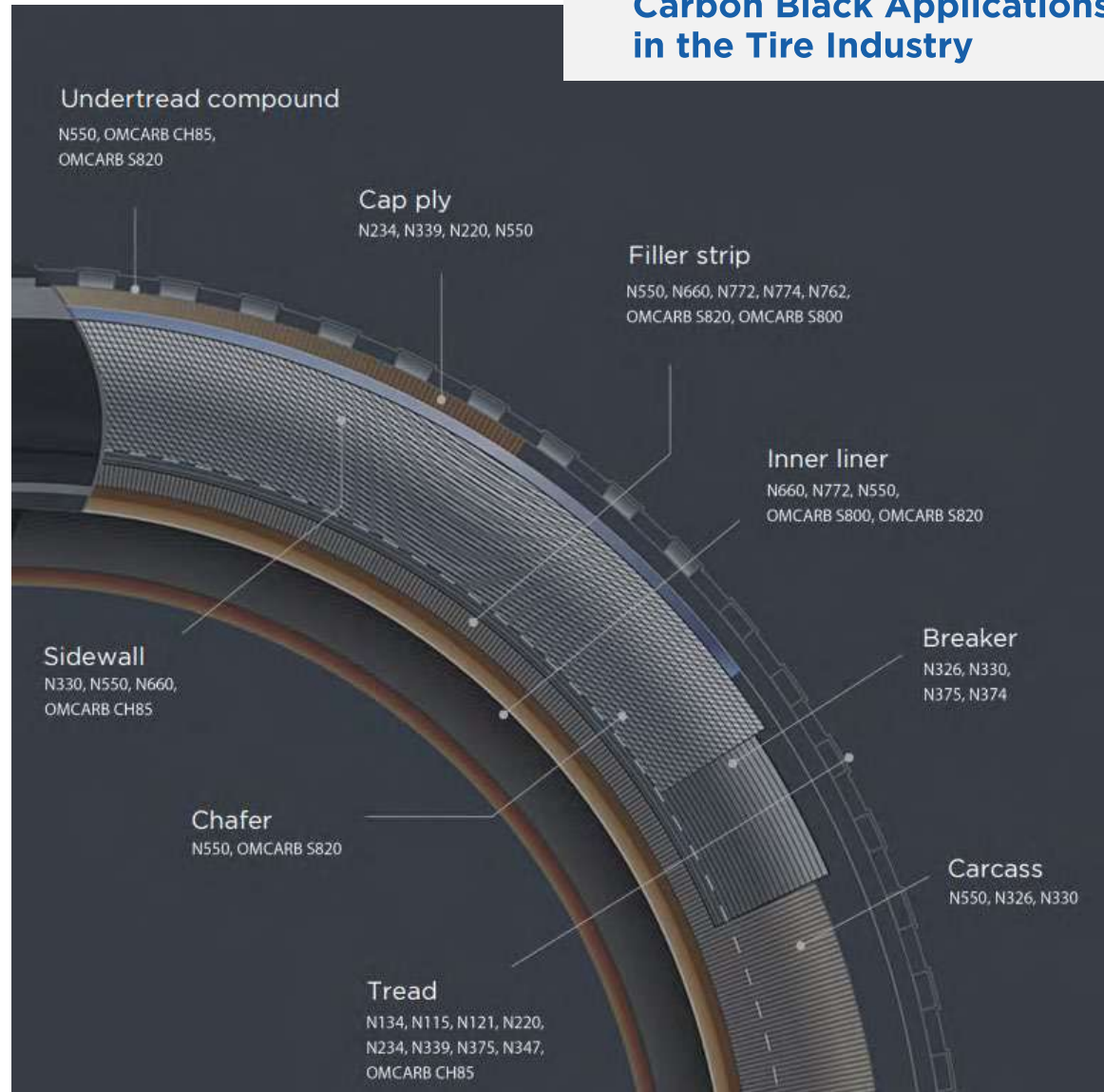
Some 2 % is used in producing batteries or electrical cells. CB finds usage in meeting IT sector demands and devising new technologies for transportation.



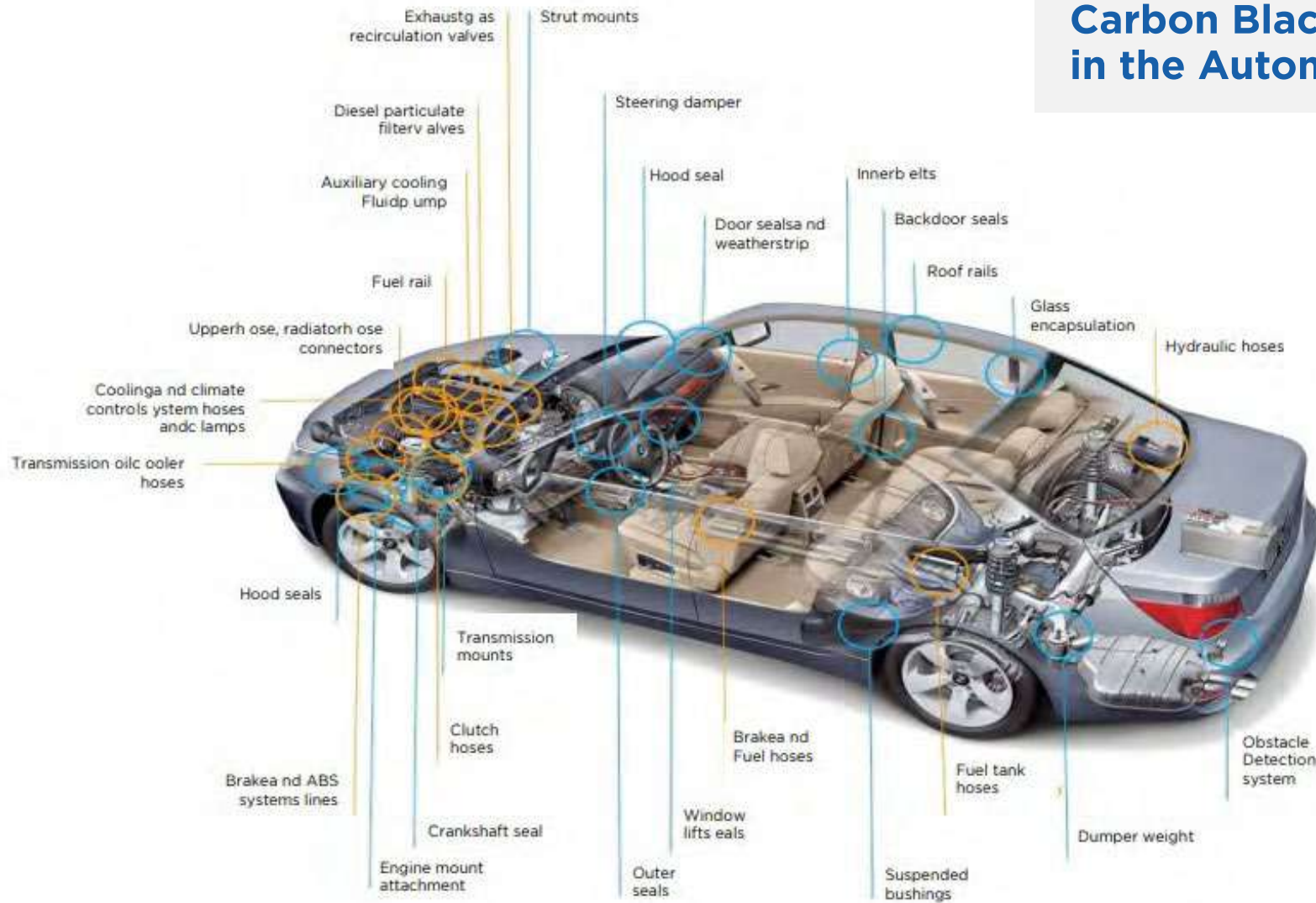
Items in Contact with Food

Around 1% (low-PAH FA-series CB) is used as a coloring agent in plastic items being in contact with food.

Carbon Black Applications in the Tire Industry



Carbon Black Applications in the Automotive Industry



Sustainability Management

Omsk Carbon Group's executives of different levels are responsible for the management of sustainability activities.

The strategic management of matters related to sustainability efforts along with the consideration and approval of top-level documents fall within the competence of the General Directors of Omsk Carbon Group OOO and Omsk Carbon Mogilev IOOO.



The following units are responsible for day-to-day management of sustainable development matters:

HR Units

The responsibilities of our HR Director and heads of HR Divisions include compliance with employment regulations and commitment to welfare for personnel, developing employees' personal competencies and improving labour productivity and labour satisfaction.

Security Department

The Head of our Security Department and the heads of the divisions within it are responsible for fighting fraud and corruption and preventing unlawful acts.

Industrial Safety Department

The Head of Industrial Safety Department along with the heads of OHS Divisions are responsible for the fulfillment of industrial safety, fire safety, occupational health and safety, environmental protection, civil defence and emergency response requirements.

Sustainability management also occurs at the business unit level. Our trade union committees are primarily tasked with aligning employees' and the employer's interests in shaping and implementing our HR and social policies.

Collective bargaining agreements are in place at Omsk Carbon Group OOO, its Volgograd-based branch and Omsk Carbon Mogilev IOOO. The collective bargaining agreements establish the employer's obligations to collaborate in the OHS area and to regard the promotion of healthy and safe working conditions as one of the top-priority tasks, and guarantee that our working

Legal Development Unit

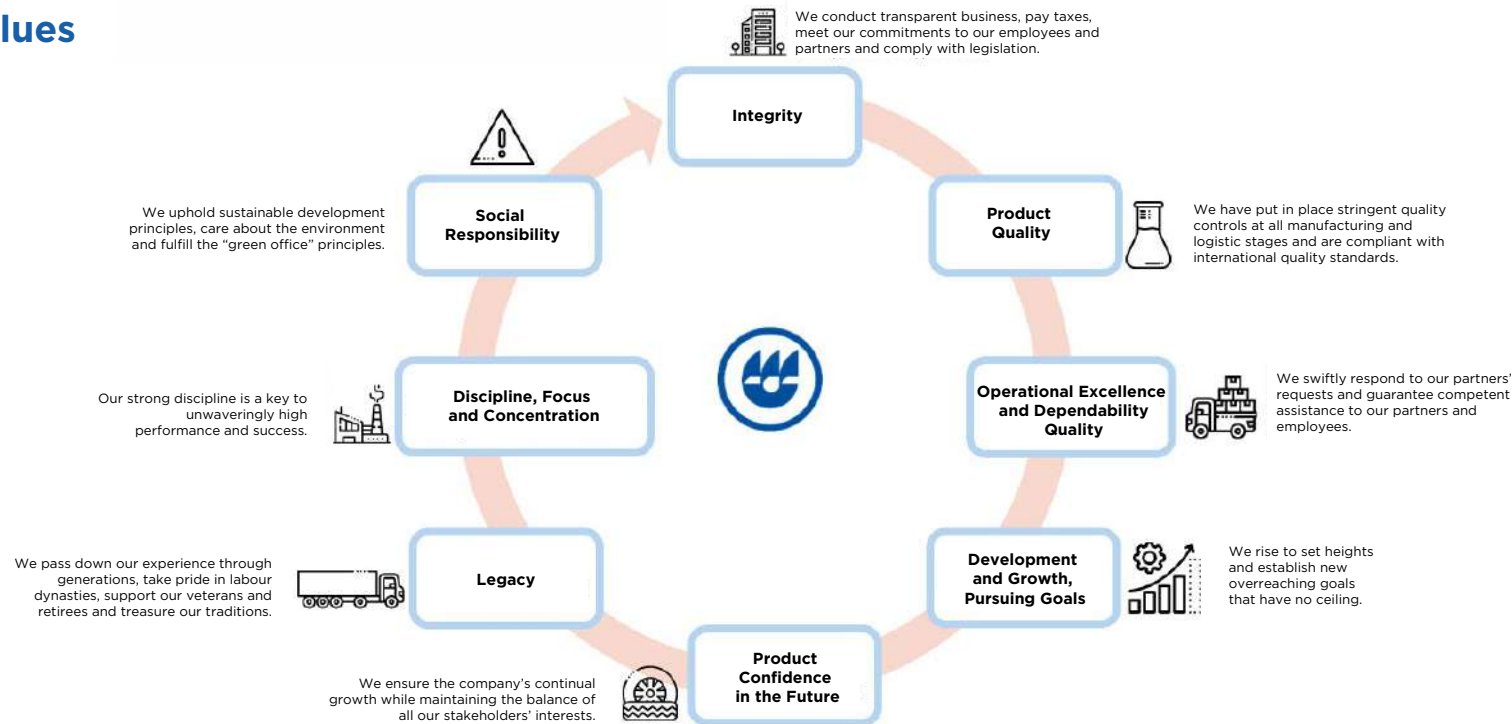
Our Director for Legal Development and the heads of local legal divisions oversee compliance within the activities of our entities, keep employees updated on the applicable legislation and organize studies of relevant laws and regulations for our officers.

conditions, compensation and benefits will be far above the minimum level provided by the applicable laws. The Quality Assurance Unit prepares Omsk Carbon Group's yearly Sustainability Report.

Sustainable Development

As a major carbon black manufacturer, Omsk Carbon Group strives to incorporate sustainability principles and values into its day-to-day operations. We are aware of the fact that sustainable development is vital to our stability, competitiveness and the ability to create value for our stakeholders in the long run.

Corporate Values



Omsk Carbon Group's key sustainability areas:

Economic stability

Omsk Carbon Group's aim is maintaining steady economic growth and creating a long-standing value for Omsk Carbon Group.

Employee wellbeing

Omsk Carbon Group's aim is to ensure safe working conditions, a fair compensation package and professional growth opportunities.

Environmental protection

Omsk Carbon Group's aim is to minimize any adverse impacts of its operations on the environment.

Local communities development

Omsk Carbon Group's aim is to contribute to economic prosperity, social and cultural progress in the geographies of its presence.



Omsk Carbon Group maintains an open dialog with all of its stakeholders and actively implements a variety of involvement mechanisms to make sure our relations are transparent and to mutual benefit.

Omsk Carbon Group's commitments are based on advanced internationally recognized standards and best practices. Omsk Carbon Group fully endorses the provisions of the UN Universal Declaration of Human Rights and respects civil, political, economic, social and cultural human rights.

Sustainable Development Priority

The sustainable development goals were adopted at the 70th Session of the UN General Assembly in September 2015 as the new global program Transforming our world: the 2030 Agenda for Sustainable Development. The agenda consists of 17 goals, including 169 targets. One special feature of these goals is that they are addressed not only to governments, but also to other participants of the sustainable development process in the world: businesses, civil society and all private persons.




Omsk Carbon Group understands the importance of the SGDs adopted by the UN General Assembly for tackling significant economic, environmental and social issues. Omsk Carbon Group seeks to make its own contribution to the





accomplishment of the global goals by implementing fair and transparent business principles, reducing the effects of its operations on the environment and local communities and maximizing the benefits it can bring to the society as a result of integrating the goals into its business.





Omsk Carbon Group facilitates the achievement of the UN goals not only within its core operations, but also through the involvement in different projects and initiatives aimed at protecting the environment in the presence regions, improving the quality of life and developing science, education and culture.



Omsk Carbon Group's Contribution to the Achievement of the Sustainable Development Goals

Sustainable development goals	Omsk Carbon Group's contribution	Targets implemented	Accomplishments 2023
	<p>Ensure a decent standard of living and facilitate equal access to social aspects:</p> <ul style="list-style-type: none"> • creating employment opportunities in presence regions; • social investment. 	1.1 1.2 1.4	<ul style="list-style-type: none"> • 93 new jobs created. • Average monthly salary grew by 21.8% in FY2023. • Omsk Carbon Group employee's average salary is 62% higher than the Omsk Region's average, 52% higher than the Volgograd Region's average and 40% higher than the Mogilev Region's average. Charity spending amounted to RUB 8,168 thousand in FY2023.
	<p>Ensure healthy lives and promote wellbeing for all at all ages:</p> <ul style="list-style-type: none"> • securing high standards of medical services for employees; • supporting projects promoting a healthy lifestyle among employees, notably young professionals, and their family members. 	3.4 3.8 3.9	<ul style="list-style-type: none"> • Contracts for employees' statutory medical insurance concluded. All employees were provided with pre-employment and routine checkups. • A contract for voluntary medical insurance covering all employees concluded with VSK Insurance House and the Belarusian republican unitary insurance company Belgosstrakh. Contracts concluded for vaccination as per the National Immunisation Schedule. • More than 1,500 employees and their family members took part in international, federal, regional or corporate sports competitions: the SIM Marathon; Russian Ski Run; the ZaBeg.RF half-marathon, the Velo Omsk bicycle race; regional, city, district or plant Olympics; city-level and company-level tourist rallies; competitions held within the Mogilev Free Economic Zone.
	<p>Ensure comprehensive and fair quality education and promote lifelong education:</p> <ul style="list-style-type: none"> • providing training and skills upgrade opportunities to all employees; • involving educational institutions in employees' training and skills upgrades; • offering work experience internships to students; • teaching students at the Carbon Black Manufacturing Processes and Apparatuses industrial chairs. 	4.3 4.4 4.7	<ul style="list-style-type: none"> • 2,800 employees trained. • Average number of training hours per employee was 44. • 140 students interned.

Sustainable development goals	Omsk Carbon Group's contribution	Targets implemented	Accomplishments 2023
 <p>4 ГЕНДЕРНОЕ РАВЕНСТВО</p>	<p>Achieve gender equality and empower all women and girls:</p> <ul style="list-style-type: none"> • providing equal social guarantees and creating equal opportunities for high performance and professional advancement for all employees regardless of the gender. 	5.5	<ul style="list-style-type: none"> • Women made up 34.2% of our employees. • Women accounted for 35.6% of our senior management.
 <p>5 ЧИСТАЯ ВОДА И САНИТАРИЯ</p>	<p>Ensure the availability and sound use of water and sanitation:</p> <ul style="list-style-type: none"> • reducing the consumption of freshwater, including surface water; • using water saving technologies; • minimizing impact on water bodies by ensuring the required condition of treatment plants and meeting the limits for treated wastewater discharge. 	6.3 6.4 6.6	<ul style="list-style-type: none"> • The amount of circulation water used for manufacturing remained unchanged. • Gross water discharge to surface bodies remained unchanged.
 <p>6 НЕДОРОГОСТОЯЩАЯ И ЧИСТАЯ ЭНЕРГИЯ</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy:</p> <ul style="list-style-type: none"> • reducing electricity consumption; • generating electrical power. 	7.2 7.3	<ul style="list-style-type: none"> • Overall electricity consumption remained unchanged. • Overall amount of electricity generated increased by 2.7%.
 <p>7 ДОСТОЙНАЯ РАБОТА И ЭКОНОМИЧЕСКИЙ РОСТ</p>	<p>Promote sustained, inclusive and sustainable economic growth, employment and decent work for all:</p> <ul style="list-style-type: none"> • paying taxes; • creating added value in the presence regions' economies by enhancing own production capacities; • ensuring the highest possible wages and benefits, and the best working conditions possible; • respecting and protecting labour rights and providing safe working conditions for all employees; • implementing policies that respect labour rights, including freedom of association and collective bargaining, non-discrimination and combatting workplace violence. 	8.1 8.2 8.4 8.5 8.6 8.8	<ul style="list-style-type: none"> • Aggregate taxes, customs duties and charges paid increased by a factor of 2.5. • Personnel expenses including insurance contributions grew by 22.9%. • There was a 21.8% increase in monthly average salary. • Based on its 2023 results, Omsk Carbon Group was shortlisted in Headhunter's employers competition Attractive and Open Employer Successfully Developing HR Processes and the Company Image. • Omsk Carbon Group OOO won second place in the "Talent Development" category and third place in the "Social Responsibility and Social Partnership" category in the Best Omsk Region's Em-employer 2023 contest.

Sustainable development goals	Omsk Carbon Group's contribution	Targets implemented	Accomplishments 2023
	Build resilient infrastructure, promote sustainable industrialization and foster innovation: <ul style="list-style-type: none"> investing in projects for the upgrading and development of production infrastructure in the regions of presence; strengthening technological capabilities through investments in R&D. 	9.1 9.2 9.4 9.5	Investment projects financing grew by 27.7%, of which creating/expanding <ul style="list-style-type: none"> and upgrading production capacities accounted for 25.9% and R&D projects accounted for 17.8%.
	Ensure sustainable consumption and production patterns: <ul style="list-style-type: none"> maintaining conformity of the existing environmental management system to international standards; reducing the amount of industrial waste; increasing amounts of waste recycled. 	12.1 12.2 12.5	<ul style="list-style-type: none"> Environmental management system, certified to the ISO 14001:2015 standard, once again recertified in 2023 as meeting the established requirements. Investment in environmental protection remained at the prior year's level. Waste generated reduced by 3.8%. Waste sold to external parties for repurposing increased by 17.2%. The amount of recycled refractory mortar breakages remained unchanged.
	Take urgent action to combat climate change and its impacts: <ul style="list-style-type: none"> reducing carbon dioxide emissions (CO2) by consuming less energy and improving efficiency. 	13.3	<ul style="list-style-type: none"> CO2 emissions remained at the last year's level despite an increase in output by 5.5%
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss: <ul style="list-style-type: none"> reclaiming disturbed land and landscaping; social and environmental campaigns conducted together with municipal authorities. 	15.1	<ul style="list-style-type: none"> Landscaping projects implementation: 120 nursery plants and 267,360 flower seedlings planted, 2,517 m2 of flower gardens decorated. Staff members participated in "Green Russia", an All-Russian community cleanup event, and the "Forest Week" event held in Belarus.

Sustainable development goals	Omsk Carbon Group's contribution	Targets implemented	Accomplishments 2023
	<p>Promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels:</p> <ul style="list-style-type: none"> ● complying with applicable laws, including on human rights protection; ● proactively implementing initiatives to combat corruption or bribery, preventing conflicts of interest; ● working with governmental authorities with a view to satisfying the local communities' needs. 	16.3 16.5 16.6 16.7 16.10	<ul style="list-style-type: none"> ● Rigorous compliance with the principles of our Social Policies. No contraventions of law recorded, including in respect of human rights protection. ● Strict compliance with the principles of our Anti-Fraud and Corruption Policies, effective use of anti-corruption mechanisms: 6,127 suppliers and contractors undergone due diligence screening; selecting contractor entities through bidding procedures; assessing suppliers' activities for corruption-related risks. ● No contracts terminated or non-renewed with our business partners due to any identified corruption-related violations or any legal proceedings initiated against the company or its employees based on alleged involvement in contravention of anti-corruption laws. ● The company is socially and legally proactive in identifying and preventing its suppliers' corruption schemes or attempts to involve the company's personnel in such corruption schemes.
	<p>Revitalize the global partnership for sustainable development:</p> <ul style="list-style-type: none"> ● maintaining effective partnerships between governmental entities, between public and private sectors and between civil society organizations. 	17.17	<ul style="list-style-type: none"> ● Supplying heat to Omsk's two microdistricts – Moskovka and 40 let Oktyabrya. Based on its 2023 results, Omsk Carbon Group was shortlisted in Headhunter's employers competition Attractive and Open Employer Successfully Developing HR Processes and the Company Image. Omsk Carbon Group OOO won second place in the "Talent Development" category and third place in the "Social Responsibility and Social Partnership" category in the Best Omsk Region's Employer 2023 contest. Omsk Carbon Group OOO and its Volgograd Branch rank among the top ten tax paying enterprises in the Omsk Region and the Volgograd Region, respectively.

Involvement in International, National and Regional Sustainability Initiatives




The UN Global Compact is a voluntary international social responsibility initiative aimed at facilitating steady economic growth and enhancing corporate social responsibility which brings together 12,000+ companies based in over 160 countries.

The Global Compact's principles are stated on the basis of the Universal Declaration of Human Rights, the International Labour Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development.

Though not directly participating in the Global Compact, Omsk Carbon Group's management team extensively support the idea behind it, strive to rely on the ten fundamental principles in their activities and endorse the UN sustainable development goals intended to improve the wellbeing of the present and future generations.

The UN Global Compact Principles

	Areas	Principles	
	Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights
		Principle 2	Businesses should make sure that they are not complicit in human rights abuses.
	Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
		Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour
		Principle 5	Businesses should uphold the effective abolition of child labour
		Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation
	Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility
		Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies
	Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery

Omsk Carbon Group considers the UN Global Compact principles at the strategic and operational management levels. Being an integral part of our strategic development, the principles are embedded in Omsk Carbon Group's system of internal regulations which expressly govern the operation of our core business processes.

Responsible business management is one of Omsk Carbon Group's principal values. The company adheres to, and shares, the principles of fundamental international declarations and conventions on human rights, labour, anti-corruption and the environment, including:

- The UN Universal Declaration of Human Rights;
- The UN Declaration on the Environment and Development;
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;
- ILO's Freedom of Association and Protection of the Right to Organise Convention No. 87;
- ILO's Right to Organise and Collective Bargaining Convention No. 98;
- ILO's Convention concerning Discrimination in Respect of Employment and Occupation No. 111.
- The principles of those international documents are outlined in our internal regulations and integrated into the corporate business processes.

Omsk Carbon Group directly facilitates the achievement of the UN's goals not only as part of its core operations, but also by supporting and participating in diverse projects and initiatives designed to protect the environment in operations areas, improve the quality of life, develop science, education and culture.



Investor Carbon Disclosure Project is an international partnership that initiated a project to collect information about companies' environmental activities in respect of GHG emissions.

More than 820 institutional investors with their assets totaling USD 95 trillion collaborate with the project. In 2016, CDP launched its new scoring methodology, significantly lifting the bar and requiring leading companies, in addition to GHG control and reduction efforts, to take steps consistent with the goals and targets described in the Paris Climate Agreement.

Based on its 2020 results, in 2021 Omsk Carbon Group reached a yet again high score – C level. There was an improvement in calculation of Scope 3 emissions. Due to the sanctions being imposed since 2022, CDP changed its format of working with Russian and Belarusian companies, continuing to collect information on the environmental aspects of their activities in respect of GHG emissions without assigning any score.

In FY2023, members of our units and departments collected information requested by the group's customers to gain insight into our resource conservation efforts made in the context of the climate change and GHG emission issues.

Taking a comprehensive approach to data analysis, we arrived at indicators for Scope 1, Scope 2 and Scope 3 emission categories. As part of the efforts to reduce our carbon footprint, our R&D Center staff developed an internal calculation methodology and substantially adjusted the use of data for calculation models applied previously.

Particular focus was placed on the group's business strategy in terms of dealing with climate change. Following a detailed analysis, it was decided to complete in the next two years the development of a climate protection plan for Scope 1, Scope 2 and Scope 3 emissions in light of the Paris Agreement's most ambitious aim – to limit global temperature rise to 1.5 °C.



Omsk Carbon Group's integrated management system is certified to the ISO 9001:2015, IATF 16949:2016, ISO 14001:2015 and ISO 45001:2018 international standards. In 2023, our quality management system was recertified as conforming to the ISO 9001:2015 requirements and successfully obtained IATF 16949:2016 certification. We also confirmed that our integrated management system continued to be compliant with ISO 14001:2015 and ISO 45001:2018.



As a consumer of coke-chemical products, Omsk Carbon Group OOO holds member-ship of the TK 395 "Coke and Coke-Chemical Products" standardization technical committee within the Federal Agency for Technical Regulation and Metrology.

A total of 21 interstate standards and 4 amendments to interstate standards were approved in FY2023. Continuing our efforts within the technical committee, we prepared and submitted comments on the first draft of GOST 2770-2024 (in supersession of GOST 2770-74) Coal Tar Oil for Wood Treatment. Technical Requirements and sent our voting ballots regarding other interstate standard drafts and amendments reviewed as part of the committee's activities. The work undertaken to amend TU 19.10.20-203-00190437-2020 Coal Tar for Processing. Specifications which started in 2022 were suspended because of the decision to assign the specifications the interstate standard status. The amendment work will be resumed when concurring the standard's version.



In a bid to minimize its environmental impacts, ensure maximum protection for natural resources and reduce the amount of waste, Omsk Carbon Group extensively supports “green office” principles.

The project’s essence is meeting voluntary commitments to improve the environment of office premises. Participating in the project means reduced office maintenance costs, a real contribution to lower energy consumption and decreased GHG emissions.

The following “green office” principles are in place at Omsk Carbon Group:

- using modern energy-saving (LED, fluorescent) lamps and light fixtures in outdoor and indoor lighting systems;
- optimizing the modes of electrical equipment and heat consumption in buildings;
- using multisystems instead of air conditioners;
- utilizing an electronic document management system to reduce the amount of printouts;
- purchasing printing paper with eco labeling;
- implementing energy efficient power equipment;
- making use of metering devices, water flow and heat consumption regulators;
- separate collection and accumulation of waste.



Each year, Omsk Carbon Mogilev participates in the Forest Week republican campaign organized by Belarus’ Ministry of Forestry.

The campaign aims at forest conservation and forest expansion, being crucial to maintaining biodiversity and ecological equilibrium. Participants’ understanding of the importance of our planet’s greening is representative of their conscious attitude to the environment and willingness to being involved in ecological initiatives over the long term.



Omsk Carbon Group annually takes part in “Green Spring”, a nationwide environmental cleanup organized by the Green Russia environmental social movement.decreased GHG emissions.



Omsk Carbon Group participates in all actions comprising the “Clean Air” federal project within the “Environment” national project.



Omsk Carbon Group’s products are registered in accordance with the requirements of REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation (EC) No 1907/2006, adopted by the EU, which regulates the circulation of chemical products manufactured and imported to EU countries.

The Regulation’s aims include:

- ensuring a high level of protection for human health and the environment;
- collecting and systematizing information about all of the substances manufactured or imported into the EU;
- promoting innovation and development of alternative methods for the assessment of the hazardous properties of substances.

We annually take a number of actions to confirm compliance with the requirements of the Regulation: conducting tests, updating MSDS/declarations of conformity or logon data for REACH IT, etc.

Following the UK’s Brexit from the EU on 1 January 2021, the provisions of the EU REACH are no longer applicable to England, Scotland and Wales. From that date on, all companies present or entering the British market have to be compliant with the requirements of the UK REACH, a new British regulation. To continue an uninterrupted supply of its products to the United Kingdom, Omsk Carbon Group prepared its Downstream User Import Notification.

We are working closely with the only representative and the lead registrant as part of fulfilling our registration obligations under the Turkish KKDİK regulation concerning the registration, evaluation, authorization and restriction of chemicals.

Stakeholder Engagement

As part of sustainable development, Omsk Carbon Group attaches particular importance to building up fair and win-win relations with its stakeholders, striving to accommodate their interests and concerns, be compliant with Russian and Belarusian laws, fulfill contractual obligations, and protect and respect human rights across its business processes.

Our key stakeholders are individuals and legal entities whose actions, interests or safety could be affected by, or affect, Omsk Carbon Group's operations.

To continually improve the interaction process, we seek to obtain feedback from both internal and external stakeholders.

On his visit to the Mogilev Region in September 2023, Roman Golovchenko, Prime Minister of Belarus, attended Omsk Carbon Mogilev's site to evaluate the status of endeavors undertaken with a view to investment projects implementation and imports phaseout. Discussing the key milestones and modalities of implementing the Omsk Mogilev project, being of great importance to the country, the Prime Minister showed particular interest in such matters as target markets reorientation, feedstock supply as well as HR policies and social benefits for personnel.



Key stakeholders:

- Investors
- Partners and shareholders
- Customers
- Employees and trade unions
- Governmental authorities
- Supervision and oversight authorities
- Local self-government authorities
- The presence regions' population
- Suppliers and contractors
- Educational institutions
- Research community
- The mass media

An open dialogue with stakeholders is vital to the achievement of high performance and strategic goals, improvement of business efficiency and risk management. To maintain an effective dialogue, Omsk Carbon Group uses a whole gamut of communication channels the choice of which depends on the modalities of engaging with a particular stakeholder group.

Pursuant to President's orders, there are national projects in Russia being comprehensive programs with a national-scale importance. One of these, the National Ecology Project is being implemented in the City of Omsk, including Omsk Carbon Group OOO. With a view to improving the environmental setting and the health of the Russian population, the project involves environmental protection efforts in the following areas: waste disposal and waste treatment; eliminating landfills; forest and water body conservation; reducing air emissions; promoting ecotourism and environmental education; preserving biodiversity.

**The participants of national projects include governmental authorities, realizers, federal project supervisors, NGOs and people.
The Ecology Project implementation is to be completed by 2026.**

As part of the Ecology Project, the implementation of the federal Clean Air project is underway in Omsk, including Omsk Carbon Group OOO. The project includes a 20% emission reduction experiment in 12 industrial cities to be completed by 2026. The project is aimed at establishing a control and monitoring system for pollutant emissions by large industrial companies and embedding the best technologies available at enterprises such as an environmentally friendly product manufacturing technology based on modern-day scientific and technical achievements.

Developed in the course of the Clean Air project, an integrated plan for the City of Omsk includes action to reduce emissions of pollutants.

The participants of the Omsk Integrated Plan include: Omsk Administration, the Federal Ob-Irtysh Weather Control and Environmental Monitoring Service and Omsk's largest companies such as the city's oil refinery, the TGK-11 heating energy provider, Omsk Carbon Group, Omsk Rubber, Omsk Tire, Omsk Polypropylene Plant, the Omsk RTS heating energy provider, First Cargo Company, Saturn and Omsktransmash.

The Clean Air project is being implemented in accordance with Federal Law of 26 July 2019 N 195-FZ. In a bid to reduce the level of air pollution in 12 approved industrial cities, there is an experiment to establish quotas for pollutant emissions (with the exception of radioactive substances) into the air based on air pollution summary calculations.

With summary calculations and health risks assessments completed for every city involved, a list of priority pollutants was determined for every area under the experiment. Quotas (maximum allowable quantities for harmful substances to be emitted) were set for the participant companies, with deadlines established for reporting on the efforts to stay within the quotas. In 2021, Omsk Carbon Group OOO also had quotas specifying the allowed value of emissions which should be reached by 2026 through taking approved emission reduction measures.

Enacted in 2021, Federal Law of 02 July 2021 N 296-FZ On Reduction of Greenhouse Gases Emissions introduces new concepts such as a register for GHG emissions, a register for carbon units, climate projects and verification. A large amount of GHG-related regulatory documentation, including emission calculation methods for specific types of manufacturing facilities, has been published. The RF government assigns the "regulated entity" status to companies based on criteria predicated on business or other activities accompanied by GHG emissions equivalent to 150,000 tonnes of carbon dioxide or more.



The regulated entities must yearly submit reports on their GHG emissions before July 1 of the year following the reporting year to a competent federal agency. Omsk Carbon Group OOO meets the regulated entity criteria and thus is required to annually report its GHG emissions.

GHG emissions, namely the products' carbon footprint, raise concerns among carbon black consumers. Our customers are interested in purchasing products manufactured with negligible GHG emissions. To this end, they request calculations of our GHG emissions.

We completed an inventory of air emission sources, calculated maximum allowable air emissions and, based on those calculations, obtained a certificate of compliance of our draft documentation with public health requirements.



During his visit to the Omsk Production Site on 15 December 2023, Maksim Korolkov, the Clean Air project leader, spoke positively about the progress in implementing 2026 environmental programs as presented by Nikolay Krivitsky, the site's Director.

For our internal stakeholders, the most in-demand communication channels are Zavodskie Vesti, a corporate newsletter, and meetings with management at which our managers share operational results for a period and further development plans.

Omsk Carbon Group is committed to an unhindered, fair and multilateral dialogue with all of its audiences. An overview of the company, its products and sustainable development action, contact and hotline details are available at Omsk Carbon Group's website, including in the English language:

<https://omskcarbongroup.com>,
<https://en.omskcarbongroup.com> (Omsk and Volgograd) and
<https://ocm.omskcarbongroup.com> (Mogilev). News is posted in the "Newsroom" section, consisting of the "Company news", "Events" and "Publications" subsections.

During FY2023, Omsk Carbon Group continued to actively develop and employ social media, which included designing its PRO Carbon24 enterprise portal, now in operation.

Because on 01 March 2022, the authorization for collecting, transporting, treating, disposing of, neutralizing and placing I and II hazard class waste was transferred to a federal operator, Omsk Carbon Group OOO registered itself with the Federal Government Information System for Accounting and Control of Handling I and II Hazard Class Waste, a national digital platform, and entered into a waste removal agreement with the federal operator. Pursuant to the agreement, the operator picked the following types of waste for disposal and neutralization: mercury lamps, lead/acid batteries for uninterrupted power supply units with electrolyte fluids and undamaged used magnesium/zinc alkaline electrical cells.

As a participant of the emission quota experiment being conducted in the Russian Federation, Omsk Carbon Group OOO developed its Action Plan for Staying within Quotas for Pollutants Emissions into the Atmospheric Air included in an Omsk Comprehensive Action Plan for Reducing Pollutants Emissions into the Atmospheric Air approved by Viktoria Abramchenko, Deputy Chairperson of the Russian Government. The actions are to be completed by 31 December 2026.

Our Presence in Social Media

ОПП ВФ



VK



YouTube

Youth Commission



VK

Omsk Carbon Mogilev



VK

The aims of maintaining social media accounts:

- providing the public with insight into Omsk Carbon Group's activities
- improving general loyalty to the organization
- sustaining an image as an up-to-date advanced company
- attracting talent

Managing Sustainability Risks

Risk management is a by-product of our success and growth. Our business readily accepts new ideas, projects, business models and innovation, which increases its complexity and risk exposure.

Developing a “risk-oriented” culture inside it, Omsk Carbon Group seeks to leverage on risk management to accomplish its strategic and operational goals and make the right management decisions. Our senior management team takes the lead in this process and demonstrates permanent dedication to risk management. Ensuring the company’s growth while at the same time mitigating its risks is a key to long-standing success.

Risk management policies are in place at our company. These ensure we are focused on risk management and create responsibility at all levels of Omsk Carbon Group’s organizational structure. Through establishing and promoting stringent risk management standards, we achieve our corporate goals related to the protection of people, assets, earnings and the environment.

In planning, Omsk Carbon Group considers factors with external and internal conditions in mind and determines the risks and opportunities for which action is required:

- to secure the achievement of anticipated results
- to enhance desired effects
- to avert or mitigate negative consequences
- to attain improvement

The risks listed below do not constitute the entirety of risks our company is exposed to. There may be other risks so far not known or appearing insignificant which could adversely affect our operations and financial performance:

- customer relationships risks
- feedstock availability and pricing risks
- regulatory risks
- HR management risks
- environmental risks
- OHS risks
- corruption risks
- risks associated with the engagement of third parties (vendors)
- IT security risks.

Human Rights

In the human rights area, Omsk Carbon Group relies on Russian laws and follows the principles of the Human Rights Declaration, ILO Declaration on Fundamental Principles and Rights at Work and other international requirements in this area. Omsk Carbon Group OOO is compliant with all of the Global Compact human rights requirements.

Omsk Carbon Group places a particular emphasis on ensuring full compliance with all of the applicable laws and regulations. To this end, we have developed a package of internal documents containing the ethical standards and fair business practices which all employees should observe.



Our principal documentation governing such matters:

- Management Systems Policies
- Social Policies
- Anti-Fraud and Corruption Policies
- Ecologically Responsible Purchasing Policies
- Code of Conduct

Omsk Carbon Group provides working conditions meeting all internal and external requirements:

- complies with the prohibition on child and forced labour
- guarantees the protection of human dignity and privacy
- acknowledges the right to freedom of thought, conscience and expression
- puts no obstacles to unionization
- provides decent pay and social security to all staff members
- seeks to avoid harm to the residents of the presence areas by its operations

The company guarantees no discrimination on the grounds of race, gender, ethnic origin, religion, political or other views, sexual orientation, national or social origin, wealth or any other status, or other factors not related to performance.

In accordance with Omsk Carbon Group's Code of Conduct, compliance with business conduct rules and ethical standards constitutes an essential part of the corporate governance system. Integrity and honesty in performing job duties and the observance of business ethics regulations are required from all staff. The principles, rules and regulations set out in the Code are further developed and detailed in the company's other internal regulations.

At Omsk Carbon Group, labour relations are governed by the requirements of the RF's Labour Code and the Republic of Belarus' Labour Code. The Labour Codes list the jobs which women are restricted from doing, the jobs forbidden to persons of less than 18 years of age, prohibit forced labour, promote the protection of labour rights and freedoms, establish the procedure for resolving employment-related disputes and liability for acting contrary to labour laws or other regulations containing norms of labour law.

To effectively ensure respect for employees' rights, we consistently handle feedback and requests by employees, law enforcement authorities, the trade union and the Federal Labour and Employment Service.

Implementing personnel development and support programs, Omsk Carbon Group promotes its employees' socioeconomic rights to, among other things, social security, education, family welfare, housing, creative freedom and involvement in cultural life.

Drafts of documents governing social or labour relations (internal regulations such as collective bargaining agreements, by-laws, regulations on compensation and bonus payments as well as employment contracts and orders on disciplinary action or termination) are subject to pre-approval by in-house counsel.



Omsk Carbon Group's obligations corresponding to rights of the citizens affected by the company's operations basically arise from environmental laws.

Omsk Carbon Group's Code of Conduct establishes a discrimination-free working environment where every employee can contribute to the overall performance and make full use of their capabilities and potential. All employees and job applicants are assessed based on their professional competence, experience and abilities. Any decisions made for reasons not related to an employee's or a job applicant's performance (e.g., based on race or ethnical origin, gender, religion, political views, nationality, age, sexual orientation, family status, disability, etc.) are discriminatory and prohibited by law and the principles Omsk Carbon Group relies on.

Child labour and forced labour are strictly prohibited across Omsk Carbon Group's and its suppliers' operations. Omsk Carbon Group requires its suppliers to observe the same ethical principles as it observes. We annually conduct assessments of human rights risks.

To gain assurance that human rights are fully respected, Omsk Carbon Group interacts with its stakeholders on an ongoing basis using various two-way communication channels. There is a hotline at Omsk Carbon Group providing direct access by stakeholders via different channels such as phone, email and Russian Post. At Omsk Carbon Group, we carefully review any reports, suggestions or questions, whether public or anonymous, regardless of the applicant's status. Omsk Carbon Group welcomes transparency and unhindered dialogue and encourages all its stakeholders to be involved in it. Labour dispute commissions were established to resolve employment-related issues, with no applications in FY2023.

All of the human rights commitments and matters related to the management of risks associated with potential or actual human rights violations resulting from the company's activities are integrated in our internal regulations. Omsk Carbon Group incorporated respect for human rights standards into all areas where the risks of violation exist such as interaction with personnel, organizing procurement and contractors' works, safety and security.

For human rights requirements to be met, staff members must have relevant knowledge. There-fore, the company organizes appropriate training and raises personnel's awareness on a systemic basis. The company's human rights requirements are included in a number of training programs and internal regulations that all employees must know. Employees undergo human rights training as part of the "Onboarding School" course, when confirming or raising their grades or as part of targeted training. 100% of our staff are familiarized with internal regulations governing human rights matters, with signature acknowledgement in relevant logs.

Hot Line



Omsk Carbon Group's hotline is a system for collecting information on violations, abuse or embezzlement that enables reporting on known facts or suspicions.

The hotline was organized to accept applicants' reports, review them, prepare response and take appropriate action (where required).

Omsk Carbon Group guarantees confidentiality to persons who report on potential or existing violations and protection for both employees and third parties from any forms of pressure, retaliation or discrimination.

Applicants are free to send their reports in any form convenient, but there are a number of recommendations which, if complied with, speed up the consideration process. Where a report is made and sent in line with such recommendations, the applicant may expect an official response within the period established by the company's applicable internal regulations.

If economic, social or reputational effect, such as prevented damage, from a hotline report is identified, the non-anonymous whistleblowers may be rewarded.

To speed up the processing of a violation report, it should contain:

- The applicant's full name
- Preferred communication method (mailing address, phone or email)
- As many details of the violation to be investigated as possible

Anonymous reports are processed too.

Currently, the Hot Line is available via the following communication channels: phone, email, Russian Post, Belarusian Post. There are three reporting areas.

There are three reporting areas.

1. Regarding combatting fraud and corruption, preventing unlawful actions, including, without limitation, the following matters:

- bribing an employee
- exceeding authority by an employee
- taking advantage of an employee's official position contrary to Omsk Carbon Group's legitimate interests for the purpose of deriving benefit
- inducing an employee to corruption offence
- an employee's actual/potential conflict of interests
- embezzlement of things of value by an employee
- divulgence or unauthorized use of confidential information
- inflicting damage/loss of profits
- inflicting harm to reputation

Phone: **+7 (3812) 91-01-41**
 Email: a.nadtochiy@omskcarbon.com
 Mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).

Phone: **+375 222 49-55-00**
 Email: o.galibin@omskcarbon.com
 Mailing address: Omsk Carbon Mogilev IOOO, west of Veino agrotown, Veino Rural Council, Mogilev District, Mogilev Region, 212035 Republic of Belarus (with the "for hotline" mark).

2. Regarding environmental and OHS matters, including, without limitation:

- breach of environmental laws
- breach of OHS laws and regulations
- potential hazards and risks in the OHS area

Phone: **+7 (3812) 91-04-27**
 Email: a.kundaev@omskcarbon.com
 Mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).

Phone: **+375 222 49-55-00**
 Email: v.dudkin@omskcarbon.com
 Mailing address: Omsk Carbon Mogilev IOOO, west of Veino agrotown, Veino Rural Council, Mogilev District, Mogilev Region, 212035 Republic of Belarus (with the "for hotline" mark).

3. Regarding HR management matters, including, without limitation:

- human rights abuse
- discrimination (e.g., on the grounds of race, ethnic origin, gender, religion, political views, nationality, age, sexual orientation, family status, disability, etc.)
- child or forced labour
- employment relations.

Phone: **+7 (3812) 91-05-16**
 Email: personal@omskcarbon.com
 Mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).

Phone: **+375 222 49-55-00**
 Email: s.bobrova@omskcarbon.com
 Mailing address: Omsk Carbon Mogilev IOOO, west of Veino agrotown, Veino Rural Council, Mogilev District, Mogilev Region, 212035 Republic of Belarus (with the "for hotline" mark).

Trust-mail



Every employee can share their problems and voice their opinion, be heard by the Company's management and get advice needed or effective help as feedback.



Our trust-mail boxes can be found at the following locations:

Omsk Carbon Group OOO
(Office Building, Central Amenities Building)

Volgograd Branch, Omsk Carbon Group OOO
(Office Building, Central Amenities Building)

Omsk Carbon Mogilev IOOO
(Office Building)

Across Omsk Carbon Group companies, employees can anonymously express their opinion regarding any sustainability aspects. "Trust-mail" boxes are installed for anyone to report their problems, or voice company development initiatives, suggestions on improvement of the compensation system or social policies, or willingness to grow professionally or upgrade skills. Trust email is also available via the PRO Carbon24 EI portal.

People



Omsk Carbon Group treasures its employees and seeks to make sure our incentive system fully unlocks every staff member's potential.

We have taken a comprehensive approach to creating appealing and competitive working conditions, training and development, shaping the corporate culture and implementing our comprehensive social policies.

In its business, Omsk Carbon Group is guided by the principles of respect towards people and ensuring equal rights and opportunities. Any discrimination on the

grounds of gender, nationality, religion, political views, etc. in hiring, promoting or providing benefits is not tolerated. In particular, we guarantee equal remuneration to women and men occupying equal positions. Omsk Carbon Group encourages an open and transparent exchange of information and regularly receives feedback from its employees.

Omsk Carbon Group's strategic goals:

conformity to Russian and international standards for the respect, support and promotion of human rights

meeting the needs for highly skilled personnel to cope with day-to-day or strategic objectives

Personnel Structure

Personnel Structure

Personnel	2023 г.
Total employees	2 961
men	1 947
women	1 014 (34%)
including those with disabilities	21
Total senior managers	45
men	29
women	16 (35%)

Personnel gender and age structure

Age	Under 18 years of age	18–30 years of age	31–50 years of age	51 years of age or more
Year	2023	2023	2023	2023
total	none	423	1 881	655
men	none	311	1 226	245
women	none	112	655	410

Employees left

Age	Under 18 years of age	18–30 years of age	31–50 years of age	51 years of age or more
Year	2023	2023	2023	2023
total	none	161	220	81
men	none	122	134	43
women	none	39	86	38

Omsk Carbon Group upholds women's aspirations for leadership and management. The fact that less women are working for us than men can be explained by regulatory requirements restricting women's work at companies with harmful working conditions.

Executive employees from among the communities of the presence regions

Executive employees from among the communities of the presence regions	2023 г.
senior managers	45
including from among local residents	36
percentage of local senior managers, %	80,0%

Newly hired employees

Age	Under 18 years of age	18–30 years of age	31–50 years of age	51 years of age or more
Year	2023	2023	2023	2023
total	none	237	266	65
men	none	179	154	38
women	none	58	112	27

Personnel turnover

Turnover rate	2021	2022	2023
Total, %	9,1	9,3	9,9

In FY2023, staff turnover remained virtually unchanged from 2022 - 9.9%.

Motivation

Providing decent and comfortable working conditions to all employees is one of Omsk Carbon Group's crucial tasks. To this end, we place much emphasis on employee engagement, including both financial and nonfinancial incentives.

Omsk Carbon Group offers its employees a competitive level of compensation (at or above the market average values). There is zero tolerance to discrimination. Skills, capabilities, credentials and experience are what matters in deciding on the amount of pay when it comes to hiring, and career achievements are what matters when it comes to promotion. Gender, age or ethnicity is irrelevant. Base salaries and rates of pay are annually raised to reflect the anticipated growth in the consumer price index according to the RF Ministry of Economy or the Belarusian Ministry of Economy.

Salary

On average, a salary paid to an employee of Omsk Carbon Group was 62% higher than the average salary in the Omsk Region, 52% higher than in the Volgograd Region and 40% higher than in the Mogilev Region.

Social welfare benefits

The collective bargaining agreements provide for Omsk Carbon Group's core principles and approaches in the social welfare domain. A benefits package is available to all of our employees. It includes both statutory benefits and fringe benefits as per the bargaining agreements.

Social welfare benefits, RUB thousand	2023 г.
Social expenses, including: <ul style="list-style-type: none"> • vacation bonus; • holiday bonus; • partial meal allowances; and • social expenses, including financial aid under bargaining agreements 	136 349

The year 2023 saw a 21.8 per cent increase in the average monthly salary against 2022.

In addition, all of Omsk Carbon Group's employees can benefit from monetary and nonmonetary incentives exceeding the ones required by employment laws. Such incentives include vacation bonuses, annual performance-based bonuses, partial reimbursement of medical treatment expenses, additional pay to recent graduates and retiring staff members, professional holiday bonuses, food allowances, taking employees to and from work, reimbursement for stay at recreation centers for employees and their family members, etc.



Taking care of our employees' and their family members' health has long been one of the priorities pursued in Omsk Carbon Group's social policies.

We entered into contracts for employees' statutory medical insurance, and all our employees receive scheduled health checks. Our contracts for voluntary medical insurance with VSK Insurance House and Belgosstrakh cover all employees. A voluntary medical insurance policy includes both government-run and private health care facilities. The sum insured provides for employees' access to a broad range of medical services, including medical advice, medical supervision, lab testing, functional diagnostics, etc. With free choice of doctors, no waiting in line and personalized approach, the insurance makes healthcare services highly convenient for our employees.

Personnel Development and Training



To develop its employees' potential, Omsk Carbon Group implements different training and development programs, provides continuous inhouse professional training and works out targeted pro-grams for workers, specialists and management. Employees are trained throughout their professional lives based on tailor-made learning programs.

The system for continuous professional education involves several types of learning:

mandatory learning required to ensure the necessary competence level in order to be admitted to work at hazardous production facilities;
targeted learning provided for certain professions in given areas
periodic learning needed to maintain employees' proficiency.

There are additional programs for the training of employees comprising our talent pool.

Training and skills upgrades are rolled out in the following formats:

the online mode based on information technologies and education platforms, videoconferencing and webinars;
intramural training in classrooms equipped with all necessary aids: projectors, magnetic boards, dry erase boards and flip charts.





No. of employees trained

Total, %

management and specialists

women

talent pool

2023 г.

2 800

1 285

1 386

129

The average number of training hours per employee was 44.

Collaboration with Educational Institutions

Omsk Carbon Group attracts young people as a potential employer thanks to the company's competitive pay, steady jobs, professional and career opportunities, strict compliance with employment laws and appealing welfare benefits.

One of the aspects of working with youth is the company's involvement in students' education at specialist educational institutions. Interaction with specialist educational institutions is, therefore, one of Omsk Carbon Group's focal areas.

We regularly conduct targeted tours for students. Our representatives participate in preview days hosted by educational institutions, job fairs, presentations and panel discussions on graduates' employment prospects. The company annually provides internships for students.

Organizing internships for students

With a view to infusing a fresh spirit, work experience and research internships have become a tradition for Omsk Carbon Group. We co-work with the following universities and vocational schools within the presence regions:

- Omsk State Technical University
- F.M. Dostoevsky Omsk State University
- Omsk State University of Railway Engineering
- K.G. Razumovsky Moscow State University of Technologies and Management
- Volgograd State Technical University
- Volgograd State Agrarian University
- National Research University «Moscow Power Engineering Institute»
- Omsk Polytechnic
- Volgograd Industrial Technical School
- Omsk Industrial and Economic School
- Omsk Aviation School
- Omsk Road Transport School
- Volgograd Power Engineering School
- Volgograd Gazprom College
- V.I. Vernadsky Volgograd Engineering College
- Belarusian-Russian University
- Mogilev State Food Supply University
- Mogilev Technology School
- Mogilev Industrial School

Youth Policy

Working with young professionals

Working with young employees is an essential part of Omsk Carbon Group's HR policies designed to secure an uninterrupted supply of workforce, attract youth and facilitate their successful and efficient onboarding and self-actualization.

Onboarding action comprises two components: getting to know the company and workplace adaptation. Our HR Division organizes the former via a new employee training course. A new employee's line manager is responsible for the latter.

Developing the concept of mentorship plays a vital part in the system for working with young professionals as this ensures continuity in professional experience, best production practices and the corporate culture. Mentors are designated from among the superior or equal ranking employees.

Working with young workers and specialists, up to 30 years of age	2023 r.
No. of young employees	423
Percentage of young employees in headcount, %	14%
No. of young specialists	21
Young employees hired	147
No. of students interned	140



Working with Trade Unions

Omsk Carbon Group recognizes employees' rights to freedom of trade-union association and collective bargaining. One of the priority objectives of our social policies is entering into long-term bargaining agreements with trade unions. The trade union committees established at our sites align employees' and the employer's interests when shaping and implementing the HR and social policies.

The collective bargaining agreements between the employer

and the employees adopted at employees' general meetings are currently in effect at Omsk Carbon Group OOO, its Volgograd-based branch and Omsk Carbon Mogilev IOOO.

The bargaining agreements fix the employer's commitment to collaboration in the OHS field and to creation of healthy and safe conditions for employees, and complement statutory safeguards in terms of compensation, benefits and working and living conditions.

To make the co-work effective, senior management regularly holds meetings with the trade unions' representatives and employees. No conflicts or collective labour disputes were recorded in 2023.

The year saw no violations of human rights to the freedom of association or collective bargaining.



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Training is provided for newcomers as part of onboarding seminars discussing human rights procedures, organizational structure, rules of procedure, employment contracts, compensation, the existing collective bargaining agreement, social security, etc.

The trade unions also help employees and their family members participate in cultural and sports events at international, federal, regional and company levels such as the Siberian International Marathon; Russian Ski Run; the ZaBeg.RF half-marathon; the Velo Omsk bicycle race; regional, city, district or plant Olympics; city-level and company-level tourist rallies; competitions held within the Mogilev Free Economic Zone. The Social Policies, approved by the General Director on 18 March 2022, are in place at Omsk Carbon Group OOO.



Their objectives include:

protecting employees via a system of benefits and guarantees provided by the government, employment laws or the company's management

safeguarding interests of all parties to the production relationship

reproducing workforce

These provisions are also included in the collective bargaining agreements of Omsk Carbon Group OOO and its Volgograd branch.

The Social Policies make sure that Omsk Carbon Group is compliant with employment laws and contains the following guarantees:

- Regular payment of salaries
- Indexing salaries on a yearly basis
- Higher payments, reduced working days and additional leave entitlement for abnormal working conditions
- Pre-employment and routine health checkups
- No labour by children or persons under 18 years of age
- No discrimination on the grounds of gender, nationality, religion, political opinions and any other grounds when hiring, promoting or supplying benefits
- Observing OHS rules and regulations
- Promoting work-life balance
- Protecting personal data

The welfare benefits and guarantees set forth in the Social Policies:

- Taking personnel to and from work using the company's vehicles at no charge
- The availability of medical facilities at the plant premises
- Enhancing technological infrastructure and workplace comfort
- Personnel training, skills upgrading and development
- Awarding employees on their professional holiday
- One-time bonuses depending on the seniority of working at the carbon black plants
- A one-time vacation bonus
- A one-time bonus based on annual performance
- Partial meal allowances for all shop workers and other employees



- Financial aid in accordance with the collective bargaining agreements
- Financial aid for resigning persons who have reached the age of retirement and have worked over 15 years at a carbon black plant
- Health resort vouchers for employees
- Children's summer camp vouchers
- Additional days off for employees on their special occasions
- Organizing sports events, participating in cross-industry competitions

Occupational Health and Safety



As with any industrial manufacturing process, carbon black manufacturing is fraught with a high level of production risks. Because of this, ensuring safety of all employees and contractors is paramount for Omsk Carbon Group. Omsk Carbon Group's approach to OHS management comprises promoting safety culture among staff members and contractors, complying with all applicable laws as well as monitoring and managing risks.

Occupational health and safety management is a crucial component of Omsk Carbon Group's sustainability efforts and success over the long term.

Omsk Carbon Group's strategic objective is maintaining the Vision Zero injury frequency rate.

Omsk Carbon Group received ISO 45001:2018 certification for its occupational health and safety management system.

The corporate safety culture forms a critical part of OHS management. Identifying key health or safety risks is integral to the OHS system. OHS briefings and training supply employees with the knowledge and skills needed to perform their work safely. Every employee annually takes a test to check the knowledge of working instructions and OHS rules.

Omsk Carbon Group established documented OHS procedures designed to mitigate risks, including workplace hazards associated with the potential of inflicting harm on employees' life or health, improve working conditions, and minimize the risk of workplace injuries, incidents or accidents while raising personnel's awareness and understanding of their personal OHS responsibility, pursuant to which:

- risk identification cards have been developed for each workplace
- OHS agreements have been entered into between the employer and employees represented by the shop-floor trade unions.

Expenses for OHS activities, RUB thousand

2023 г.

Expenses for OHS activities, including

- PPE expenses
- Health maintenance
- Statutory workplace assessment of labor conditions
- Purchasing legal, regulatory or standard process documentation, safety signs, posters, etc.
- Occupational injury and disease insurance
- Liability insurance for businesses operating hazardous production facilities
- Expenses under a contract for disease control and prevention testing
- Expenses under a contract with accident rescue units
- Fire safety expenses

There was an increase by 16.1% in OHS spending in 2023 as compared to 2022.

Workplace injury prevention

Occupational health and safety management is an essential part of Omsk Carbon Group's sustainability efforts and success over the longer term. Our strategic objective is maintaining a zero injury frequency rate.

To this end, Omsk Carbon Group provides its employees with briefings, training and knowledge assessments on safe working practices.

Briefing types:	Training types:	Knowledge assessment types:
<ul style="list-style-type: none"> • introductory briefing • initial briefing (at workplace) • refresher briefing • off-schedule briefing • targeted briefing 	<ul style="list-style-type: none"> • theoretical instruction • hands-on training (for employees exposed to harmful or hazardous working conditions) 	<ul style="list-style-type: none"> • knowledge assessment and clearance to work unsupervised • routine knowledge assessment • extraordinary knowledge assessment

Omsk Carbon Group puts much emphasis on personnel training in the industrial and occupational safety area.

Personnel training in the industrial and occupation safety area	FY 2023 r.
No. of managers and specialists certified in industrial safety	124
No. of workers trained and certified based on the results of targeted safe operation courses*	137
No. of managers, specialists and workers trained and certified in basics of fire safety	262
No. of managers and specialists trained and certified in occupational safety	834
Total	1357

For accident prevention purposes, we follow our documented procedures to conduct comprehensive inspections of working and industrial safety conditions across our business units and check compliance with statutory OHS requirements. In 2023, we conducted OHS inspections at 54 units of our companies as per the year's inspection schedules.

In the course of such inspections, compliance with statutory or other OHS requirements is assessed on the basis of The List of Statutory and Other Occupational Health and Safety Requirements of Omsk Carbon Group OOO and The List of Statutory and Other Occupational Health and Safety Requirements of Omsk Carbon Mogilev IOOO. The audits focus on irregularities in maintaining documentation, units' sanitary conditions, the completeness and correctness of using personal protective equipment, etc.

*Targeted courses cover the following topics:

safe operation rules for pressure vessels
rules for the design and safe operation of steam and hot water pipelines
gas-based units maintenance with the authorization to perform hazardous gas works
working cradles located on the lift (tower)
road safety rules for drivers (annually)
training for carbon black production operators
management systems training for personnel
preparation for a scheduled knowledge assessment for electric and gas welders
preparation for a scheduled knowledge assessment for elevator operators
operating rules for heat-generating power plants
basics of fire safety for workers performing electric and gas welding or other hot works
safe operation rules for hazardous facilities

Preventing Incidents or Accidents and Emergency Response

Omsk Carbon Group has identified potential accidents and emergencies with adverse effects on the environment and OHS and developed the procedures for preparing for, responding to, or preventing such situations and mitigating their potential environmental, health and safety impacts.

Ensuring the preparedness for accidents or emergencies means the allocation of organizational, human, technological, financial or other resources as necessary to avert, contain or eliminate, nearmisses, accidents and their consequences.

Omsk Carbon Group's hazardous production facilities are identified and recorded in national registers.

No accidents, emergencies, incidents, fires or ignition were recorded at Omsk Carbon Group's sites throughout FY2023.

Our sites have developed action plans for emergency preparedness and response and addressing any civil defense or emergency challenges, whether natural or man-made:

- Oil and petroleum product spills prevention and containment plans
- Hazardous production facilities accidents containment and recovery plans
- Action plans for the prevention and elimination of natural or man-made emergencies

At our plants, we established facility-based commissions for emergency prevention and containment, and fire safety. There are services contracts with emergency response teams to ensure continuous availability of a professional response team's efforts and resources for the containment of, and recovery from, emergencies associated with systems or equipment depressurizing, oil or petroleum products spills and emissions of harmful, explosive or hazardous substances at the production facility.

Omsk Carbon Group plants yearly hold emergency drills and exercises involving all working shifts during the year as scheduled.

Drill/exercise type	2023 г.
Emergency drills conducted as per accident containment and recovery plans for personnel preparedness for action in the event of an accident at hazardous production facilities	50
Training exercises completed for personnel preparedness for action in the event of an accident at hazardous production facilities	416
Fire safety drills (topic-based exercises) conducted	20
Comprehensive civil defense and emergency situation exercises completed	0
Special tactical training exercises on civil defense and emergency situations completed	2
Civil defense and emergency situation table top exercises completed	3



Environmental Protection

Environmental conservation for future generations is an integral part of Omsk Carbon Group's company culture and business principles. We seek to attain leadership in minimizing our environmental impacts and making environmentally friendly manufacturing possible.

Omsk Carbon Group's environmental management system is ISO 14001:2015 certified.

Improving environmental efficiency, which is assessed based on specific consumption of natural resources and emissions, is one of Omsk Carbon Group's primary goals.

Provided with all required environmental facilities, our plants meet modern-day environmental safety demands.

Effluents, including storm sewage, are rendered harmless at our local waste treatment plants, and tail gases generated in the manufacturing process are treated in waste heat boilers. Our sophisticated circulation water system many times reduces fresh river water used for manufacturing purposes.

To conduct environmental monitoring, we use both our internal quality assurance lab, which is accredited to monitor emissions, discharges and the environmental status within the sanitary protection areas, and third-party laboratories.



Our baseline environmental protection principles are:

Meeting requirements of the Russian and Belarusian laws and regulations issued by the federal, regional or local authorities, regarding environmental protection, OHS, product quality and safety as well as the requirements provided for by contracts with our customers, including specifications, and applicable to the company's operations.

Using natural resources sustainably, which involves:

💧 **reduced consumption of energy** (with primary energy resources including water and natural gas and secondary resources including electricity and thermal energy) and its efficient use at our plants by developing and implementing energy saving and energy efficiency programs

💧 **maintaining the maximum efficiency and environmental safety of the operating modes of power equipment affecting the environment** (boilers and water treatment equipment) by conducting timely process flow tests and making process flow diagrams (at least once every 3 years); communicating them to maintenance staff and overseeing compliance

💧 **ensuring accident-free operation of power equipment** (including hazardous production facilities) and uninterrupted utilities supply to the plants' operations and external consumers by observing industrial safety rules, including the organization of proper industrial control of hazardous production facilities and power generation systems, timely and quality maintenance and repairs of power equipment and training of maintenance staff, including accident-prevention and fire safety drills.

Environment protection and scheduled environmental action expenses

In FY2023, expenses for environmental protection and the fulfillment of scheduled environmental activities amounted to RUB 185,324 thousand.

The company's spending for environmental protection and the fulfillment of scheduled environmental activities increased 14.5% in FY2023 against FY2022.

Omsk Carbon Group also facilitates the development of its vendors by sharing expertise and overseeing their compliance with environmental requirements as part of contractual relations.

Industrial environmental control is in place at Omsk Carbon Group to ensure the making of environment protection efforts, promote environmental stewardship and secure compliance with statutory environmental requirements in the course of operations.

In FY2023, pursuant to a documented procedure for the control of compliance with statutory environmental requirements and fulfillment of environmental activities, we conducted environmental inspections across our business units as per environmental inspection schedules. A total of 204 inspections were completed.



Sustainable use of natural resources



Water discharge to surface bodies

The Volgograd site's wastewater goes to a sewer before entering treatment plants of Kaustik OAO engagedv under a water disposal contract. The design of our Mogilev site does not provide for discharging treated wastewater.

At Omsk Production Site, excessive treated water is carried away through an external intercepting sewer. The amount of effluents remained virtually at the same level in FY2023 as in FY2022 (up 0.7%).



Natural gas consumption

Natural gas is one of the key resources needed for Omsk Carbon Group's day-to-day operations; therefore, reduced natural gas consumption per tonne of carbon black is one more focal area for our environmental efforts.

Natural gas is basically used in our carbon black production technology and for the operation of WH boilers generating heat (heating water, producing steam). The overall 2023 gas consumption amounted to 313,061 thousand m3, 6.4% up from FY2022 due to our increased output.



Water consumption

Water is one of the essential resources in Omsk Carbon Group's day-to-day operations. Improved water efficiency and prevention of any associated accidents with environmental effects remain a priority in making our environment protection efforts.

At Omsk Carbon Group OOO, we basically use water to produce our carbon blacks, generate steam and cool down equipment. A closed-loop recirculation system is in operation at our facilities, with river water fed for replenishment.



Electricity generation and consumption

Resource	FY 2023 r.
Total electricity produced, kWh thousand	242 672
Total electricity consumed, kWh thousand	323 113

8,7%

FY2023 saw an 8.7 per cent increase in the total amount of electricity produced when compared to FY2022.

12,2%

The amount of electricity consumed rose by 12.2% as against FY2022 due to the increase in our output.

Electricity generated internally covered 75.1% of the needs of Omsk Carbon Group's facilities in FY2023.

18 MBt Electrical power is produced at our own co-generation plants in Omsk, Volgograd and Mogilev having the installed capacity of 18,000 kW each. The co-gens use steam-driven turbine plants which utilize the steam produced by combusting tail gas at waste-heat boilers. Utilizing the tail gas for power production, we give that waste, otherwise burnt, a second life.

6 174 357 m³

Total water consumption in FY2023

-0,4%

A negligible change against FY 2022

Omsk Carbon Group's facilities contain local waste treatment plants where physicochemical treatment of process and storm sewage occurs.

Our yearly routine includes cleaning collection ponds, maintaining water supply networks and equipment, and replacing filter media in water treatment filters.



Heat consumption

Omsk Carbon Group's sites are implementing their long-term energy saving and energy efficiency programs for specific types of our activities:

- heat generation in heating and industrial heating boiler houses
- transporting cold water and effluents
- electric power transmission

The programs contain targets for saving energy and improved energy efficiency and specific actions designed to achieve them. Quarterly program implementation reports are submitted to oversight authorities.

We record the amounts of energy used by our operations and external consumers, with the records being processed and compiled in monthly, quarterly and annual reports to be relied on for the analysis of energy utilized by the company and the consumers. Whenever any deviations from standards or limits are identified, corrective actions are taken, and instructions and notices are given.

Setting up efficient and safe modes for the combustion of boiler fuel and the utilization of tail gases in WHB furnaces during heat generation (heating water, producing steam) is underway. Specialized providers perform process flow tests for every boiler at least once every 3 years, resulting in the preparation of process flow diagrams being guidance for the boilers operation.

Our top priority measure to reduce energy consumption and GHG emissions involves operating at the Omsk, Volgograd and Mogilev sites own co-generation units with the installed capacity of 18,000 kW each, which partially cover the facilities' electric power needs. Tail gas is also used in heat exchange equipment for carbon black production lines and at a heating boiler house.



1 658 291 Гкал

The 2023 overall heat consumption

0%

Remained virtually at the same level as in FY2022

The slight increase (2.4%) is because of the temperatures being lower in Q1 2023 than in Q1 2022.

Waste Handling

One more priority area for Omsk Carbon Group is the implementation of action aimed to reduce the amount of waste released into the environment.

We handle our waste in line with the requirements of the RF and Belarus environmental laws and developed required waste generation standards and waste disposal limits. The Volgograd-based branch is a third-category facility in terms of negative environmental impact and as such is not obligated to draft waste generation standards or waste disposal limits.

Arrangements for the disposal of waste on the premises were made. A hazardous waste profile sheet is available for every waste type at Omsk Carbon Group OOO and its Volgograd branch. Waste profiling is not required for Omsk Carbon Mogilev IOOO in accordance with Belarusian law. All types of our facilities' waste are within the allowable annual generation limits.

Our group's entities have licenses for the transportation, treatment, disposal, neutralization and placement of I-IV hazard class waste, authorizing them to transport I-IV hazard class waste.



Waste generation

In FY2023, the amount of waste generated was 5,963 tonnes, 3.8% down from 2022.

Selling industrial waste

Resource	2023 г.
Ferrous scrap, mt	1 643,22
Non-ferrous scrap, mt	128,78
Total, mt	1 771,00
Waste paper, mt	18,52
PE pallets, mt	22,56
PE film, mt	215,73
FIBCs, mt	57,9
Oils, mt	8,2
Carbon black sweepings, mt	316,0

Collected selectively, waste can be sold to third-party entities licensed for the handling of hazardous waste for their further treatment and use as secondary materials. There are contracts concluded to transfer waste for disposal or repurposing.

In 2023, we sold 5,212 tonnes of waste (including ferrous scrap, non-ferrous scrap and carbon black sweepings).

The year marked a 17.2 per cent growth in the waste volumes we sold to third parties for further treatment and reuse.



Reusing refractory mortar breakage for the production of refractories

Refractory mortar breakage is disintegrated and reused for the production of refractory articles. The quantity of refractory mortar breakage reused in FY2023 was 36.22 mt, unchanged from the previous year.

Harmful (Pollutant) Substances Emissions and Discharges

Neither the Omsk Production Site (being a second-category facility in terms of negative environmental impact) nor the Volgograd Production Site (third-category facility) is required, under the Russian legislation, to hold an emission permit. Second-category facilities are required to submit an environmental impact declaration in respect of their emissions into the atmospheric air.

Third- and fourth-category facilities are allowed to produce air emissions without having to obtain a comprehensive environmental permit or complete a declaration. Omsk Carbon Mogilev IOOO holds a permit for harmful (pollutant) substances with the emission quota of 913.294 mt/year. To prevent the yearly quota for the Mogilev site from being exceeded and keep emissions as low as possible, all plants within Omsk Carbon Group conduct preventive overhauls for process equipment. In a bid to reduce dust emissions, we maintain an effective system of dust control equipment by carefully observing the required filter operating parameters and replacing filter bags. With a view to decreasing air emissions, our storage facilities for hydrocarbon feedstock have dedicated apparatuses installed for each and every tank. Our motor vehicles are being replaced by Euro 5 petrol cars to reduce CO₂ emissions, and Euro-5 compliant fuel is used for filling.

In order to monitor the air condition on the border of the sanitary protection areas of the Omsk, Volgograd and Mogilev sites, QA labs conduct daily tests. The technical competence of the laboratories as part of ISO/IEC 17025 accreditation was determined by RusAccreditation. Accreditation Certificate for the Laboratory of Omsk Carbon Group OOO No. ROSS RU.0001.511240. Accreditation Certificate for the Laboratory of Volgograd Branch No. ROSS RU.0001.512283. Omsk Carbon Mogilev's laboratory was accredited by the Belarusian Government-Run Accreditation Center, Accreditation Certificate No. BY/112 2.5341.

8 229 Over the course of 2023, Omsk Carbon Group OOO, its Volgograd branch and Omsk Carbon Mogilev IOOO performed a total of 8,229 tests of the air on the borders of their respective sanitary protection areas.
No pollutants exceeded the maximum allowable concentrations.

Omsk Carbon Group OOO discharges its effluents into a water body based on a permit. The facilities are provided with a recirculation system. Process water is fed to the local treatment plant and reappears at production lines. Excessive treated water, if any, is discharged into the River of Irtysh.

We monitor our water resources to ascertain whether the quality of inflow meets the relevant requirements and understand the water effects of our operations. We have also established routine testing for pollutants and microorganisms in effluents with a view to identifying and addressing any reasons for the deterioration of their quality in a timely fashion. Neither our Volgograd branch nor Omsk Carbon Mogilev discharges effluents into water bodies.



Emissions of pollutants

The actual emissions of pollutants by Omsk Carbon Group OOO, its Volgograd branch and Omsk Carbon Mogilev IOOO for the year 2023 were within the allowed limits.

One of the priorities pursued by Omsk Carbon Group OOO, its Volgograd-based branch and Omsk Carbon Mogilev IOOO is the implementation of measures designed to maintain emission levels within the allowable limits. At our production facilities in Omsk, Volgograd and Mogilev, we developed draft regulations on maximum permissible air emissions, had them approved and brought them into effect. All of the facilities' harmful (pollutant) substances emissions are within the allowable concentrations as required by the applicable regulations.

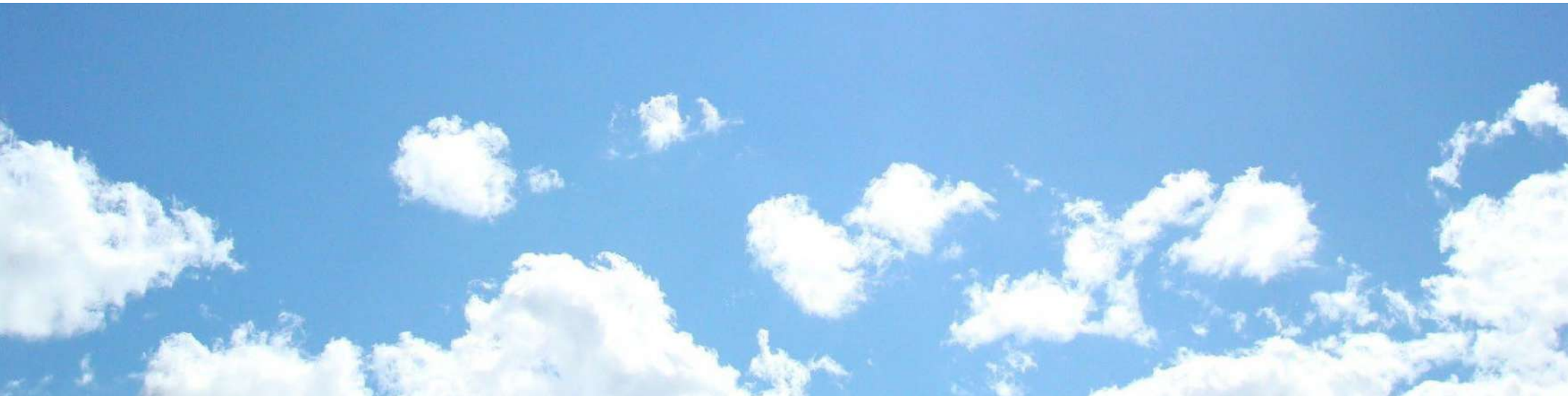
In order to reduce dust emissions, filter bags are continuously replaced in collection, aspiration and exhaust bag systems, which is critical to the effective operation of gas and dust removal equipment. To decrease its air emissions, the Feedstock Preparation Shop of Omsk Carbon Group OOO is equipped with a hydrocarbon recovery unit. Leakproof feedstock discharge systems are in operation across our production sites, averting any emissions of pollutants into the air.

Discharges of pollutants

In FY2023, the pollutants actually discharged by Omsk Carbon Group OOO were within the established limit. The Volgograd-based branch and Omsk Carbon Mogilev discharge no effluents into water bodies.

For Omsk Carbon Group OOO, the implementation of measures aimed at maintaining the discharge level within the allowable limit is a matter of top priority. We developed draft regulations on maximum permissible discharges of substances and microorganisms into water bodies, had them approved and brought them into effect. A permit for the discharge of pollutants was issued on the basis of the draft. All discharges of pollutants in effluents are within the allowable concentrations as per the approved draft regulations.

We monitor the condition of our water resources to ascertain compliance of the quality of inflow with applicable requirements and generally understand the water effects of our operations. We perform testing of effluent outflows from our operations as part of our industrial control practices. Both our internal QA lab and external laboratories conduct quality testing for the effluents. Our laboratory in Omsk is accredited for technical competence as per the ISO/IEC 17025 requirements.



Product Lifecycle Assessment



As any other industry, carbon black manufacturing is on track toward a dramatic reduction in GHG emissions by 2030 and achieving net zero carbon emissions by 2050. Omsk Carbon Group sells products that ensure safety, environmental protection and other sustainability strengths for our customers. We are developers of innovative specialty grades of carbon black improving the quality of our customers' products thanks to their properties prolonging service lives, creating savings and optimizing efficient use of resources. Omsk Carbon Group seeks to expand our involvement in a circular economy, developing capabilities to use waste or byproducts as feed-stocks. Oil and coke-chemical feedstock used as raw materials for carbon black are by-products of the petrochemical and coke-chemical industries, respectively. Using such feedstock, we give a new life to the waste otherwise having a limited use as a boiler fuel.

As a responsible manufacturer, Omsk Carbon Group realizes its responsibility to share full information about the health effects, safety and environmental aspects of our products. To this end, we have developed our Material Safety Data Sheets which are available in our customers' languages.

Our approach to sustainability involves the evaluation of our products' environmental impacts from cradle to gate, i.e. starting from feedstock transportation through the end of service life. We strive to trace and reduce our carbon footprint at every of the following stages.

Omsk Carbon Group takes ownership of the feedstock transportation phase. We purchase as much of our feedstocks as possible from local suppliers, reducing our CO₂ emissions. During the production phase, raw materials are transformed into our final product – carbon black. This stage involves the greatest contribution into our overall carbon footprint while at the same time providing us with the greatest opportunities to decrease it. Tail gas generated at the group's plants is burned in waste heat boilers to form steam. In turn, steam is transformed into electricity. We utilize the electricity produced for our own operations and sell any excesses. We make use of varied packaging options to deliver our carbon blacks to customers such as small bags, big bags or bulk transportation in hopper rail cars. Our customers use carbon black for the production of countless items, from tires to cables and from inks to food packaging. End-of-life tires are recycled by pyrolysis. Pyrolysis-generated raw materials are again used in the production of carbon black. This cycle is representative of Omsk Carbon Group's commitment to circularity.



Protecting Biodiversity

Omsk Carbon Group has no operations in protected areas or areas of high biodiversity value. However, we are aware of potential effects of the carbon black manufacturing process on biodiversity in the geographies where we operate.

Therefore, Omsk Carbon Group seeks to promote the culture of careful attitude to nature and biodiversity among its employees and build the skills required for environmental project management and effective interaction with local communities.

Our group's companies place high emphasis on the conservation of natural ecosystems exposed in the course of manufacturing operations. We at regular intervals monitor background environmental conditions on the borders of the sanitary protection areas and assess the impact of our operations on those conditions. The monitoring results demonstrate that our facilities have no substantial direct or indirect impact on the biodiversity of the natural complex. For instance, average pollutant concentrations on the border of a sanitary protection area within which our manufacturing occurs do not exceed 50% of the upper limit of the safe level.



Landscaping

Moreover, in an effort to conserve biodiversity, the group's companies have long been engaged in landscaping not only at the premises of our facilities, but also within wider presence areas.

Omsk Carbon Group is a regular participant of the so-called "green" community cleanup events. Our companies annually undertake landscaping works on the surrounding areas and invest in the purchase of seedlings. During FY2023, our employees planted 120 trees of various species. Over the course of 2023, we also decorated 2,520 m² of flower gardens.



Supply Chain Management

Omsk Carbon Group is committed to ensuring the compliance of its purchasing with all applicable statutory requirements and the principles of respect for ethical standards, human rights and environmental responsibility we have adopted.

Omsk Carbon Group's purchasing principles

Transparency and partner relations

The policy of openness, transparency, reinforcing confidence and respect towards suppliers.

Efficiency

Conducting procurement procedures using the most efficient methods with minimum costs and without compromising quality.

Openness and equal treatment

Any Russian or international company can freely compete to become our supplier as long as it fulfills all our requirements of safety, reliability and compliance.

Minimizing inventory levels

Streamlining production and procurement processes to minimize inventory levels, with the absolute priority being process safety and continuity.

As a major consumer of goods and services, Omsk Carbon Group can contribute to the mitigation of social and economic risks within the supply chain. Omsk Carbon Group seeks to cooperate with suppliers committed to sustainable development principles.

To implement sustainability principles, our suppliers subscribe to Omsk Carbon Group's Supplier Code, and the requirements to meet environmental, labour and anticorruption laws (anticorruption clauses) are incorporated into our supply contracts. 52% of our suppliers are signatories to Omsk Carbon Group's Supplier Code.

Omsk Carbon Group rates its suppliers on the yearly basis. The criteria to be assessed include the conformity of their environmental management systems to ISO 14001 requirements and the conformity of their OHS management systems to ISO 45001. Having no certified management system affects the supplier's ranking and may lead to a lower category being assigned.

In selecting suppliers, we prefer those who have certified their environmental and OHS management systems for conformity to the ISO 14001 requirements and the ISO 45001 requirements, respectively.

Supplier sustainability scoring occurs using a self-assessment method. Suppliers are evaluated based on Omsk Carbon Group's environmental, OHS, human rights and ethics requirements, including in the course of supplier audits.



Omsk Carbon Group's strategic objective is 100% of our suppliers meeting our sustainability requirements by 2028.

To assess our suppliers' sustainability efforts, we sent out Omsk Carbon Group's supplier CSR self-assessment questionnaires containing our requirements in areas such as the environment, occupational health and safety, human rights and business ethics. 52% of our suppliers have signed the questionnaires thus confirming their compliance. During supplier audits, we also evaluate whether our sustainability demands are fulfilled.

Engagement with Local Communities

Omsk Carbon Group is developing a meaningful collaboration with local communities to facilitate socioeconomic development, create a friendly environment for its operations and preserve cultural traditions and the environment in the regions of presence.

The engagement with the presence regions' representatives includes signing cooperation agreements.

We co-work with local communities in the following areas:

- furthering economic growth
- creating new jobs
- investment in developing, expanding, upgrading and modernizing production facilities
- tax matters
- environmental protection
- implementing social responsibility or charity projects

Being a major taxpayer in the presence regions, Omsk Carbon Group procures their fiscal stability, which enables a balanced national socioeconomic policy. In FY2023, the company's aggregate taxes and customs duties paid rose by a factor of 2.5 versus FY2022.

Charity

Social responsibility towards both society at large and individuals is of high priority for Omsk Carbon Group. The company focuses on charitable activities and sponsorship, and promotes culture, science, education, sports and healthy lifestyle through a variety of campaigns.

Veterans and people with disabilities are always within the zone of our special attention. We have long been interacting with the Russian Orthodox Church and other confessions in an effort to revitalize spiritual values and religious traditions in Russia.

Over 20 years ago, Omsk Carbon Group OOO took Omsk Orphanage No. 3 for children with disabilities under patronage. The company cannot remain indifferent to those kids, providing monthly aid to them and the establishment. Our employees every year give Christmas gifts to the students of Adaptive Educational Orphanage No. 5 for differently abled children and children without parental care. Omsk employees also supply aid to animals of the "Drug" charity.

Omsk Carbon Group's Volgograd employees render support to the House of Charity's dwellers and orphanage children. Responsive to their needs, Volgograd site staff have been aiding these social establishments since 2017. They bring medical supplies, personal hygiene items, household chemicals, shoes and clothing to those in difficult straits to address their basic necessities.

Omsk Carbon Mogilev IOOO has joined "Rejoicing the Cockles of Children's Hearts", a regional charity marathon involving a wide array of campaigns for children's wellbeing. Our Mogilev employees are providing support to multiple children families living in Voskhod agrotown and Mirniy settlement within the Mogilev District and are participating in the "Path of Kindness" charitable campaign for little patients of the Mogilev Regional Children's Hospital.



Charity expenses	FY2023
Charity spending, including: <ul style="list-style-type: none"> • Education, research • Supporting veterans, the disabled and people with severe needs • Charitable organizations and NGOs • Orphanages • Preschool institutions • Spiritual heritage revival • Other 	8 168

Managing Corruption Risks

Omsk Carbon Group has taken a systemic approach to identifying, assessing and managing corruption-related risks.

We focus our attention on assessment of the existing controls and procedures within the areas and business processes that are particularly exposed to corruption risks. These basically include purchasing, payments, sales, charity, sponsorship, business gifts, entertainment expenses, interaction with public authorities, due diligence and contract approval.

Adherence to the highest business ethics standards forms an integral part of Omsk Carbon Group's corporate principles. We use substantial efforts to maintain the reputation of a transparent, fair and responsible company. To this end, Omsk Carbon Group promotes zero tolerance to any forms of corruption or bribery and applies a systemic approach to the prevention of misconduct and the taking of appropriate corrective action.

Omsk Carbon Group places a strong focus on the promotion of ethical behaviour and the prevention of fraud, corruption and bribery at all organizational levels. All reports of alleged corruption, bribery or unlawful acts are thoroughly investigated.

The Head of our Security Department is in charge of combatting fraud and corruption.

Omsk Carbon Group has developed its anticorruption system, including a number of steps to combat corruption at all corporate regulation levels:

- applying the due diligence principle in selecting contracting parties, incorporating anticorruption clauses into contracts
- checking all of the existing and newly hired employees for affiliation with third-party businesses and conflicts of interest
- running an anonymous hotline to report fraud, corruption or other irregularities
- undertaking internal investigations and holding perpetrators liable

An important element of Omsk Carbon Group's steps to prevent corruption, fraud and bribery is keeping employees and vendors permanently informed on the need to prevent unlawful misconduct, bribery and corruption.

To ensure full compliance with all applicable laws and regulations, we have drafted a package of internal documents governing fair and ethical conduct, the ban on discrimination and corruptive activities, business conduct norms and the rules for staff members' internal and external communication.



Our essential documents regulating such matters:

Anti-Fraud and Corruption Policies

Ecologically Responsible Purchasing Policies

Code of Conduct

In addition to the policies and the code, there is a wide array of anti-corruption mechanisms (as described below) integrated at Omsk Carbon Group.

Raising employees' awareness means that all of our employees become familiar with the anti-corruption documents at the time of hiring or whenever a document is revised or amended.

In FY2023, our anti-corruption hotline continued its work.

No reports were received within the reporting period. Omsk Carbon Group encourages whistleblowing, guarantees confidentiality and non-retaliation and undertakes to investigate every report.

Over the course of 2023, we completed due diligence screening in respect of 6,127 suppliers and contractors. Our due diligence involves the assessment of financial performance, claims from business partners (where exist) and tax compliance. Such an approach helps us avoid dealing with badfaith potential vendors whose business reputation (practices) is not fair or open. In addition to due diligence procedures for companies intending to become our business partners, we trace and evaluate the current status of our existing business partners in terms of sound business practices. Partner relationships discontinue if the supplier fails to meet its tax liabilities or defaults on its obligations under a supply contract with third-party purchasers. Omsk Carbon Group highly appreciates our partners' fair practices and integrity.



As part of identifying, combating and preventing corruption, key matters related to the approval of potential vendors (suppliers or contractors) and the determination of payment procedures for services or goods supplied are openly considered with the involvement of representatives of the business units concerned using the 1C Dokumentooborot software, which provides a discussion opportunity and rules out any covert, unfounded or unfair decisions. We select our contractors for performing works of practically any complexity via our Tender Board. Every bidder submits documents required by our internal regulations that evidence the availability of its HR resources, materials and technology as well as its expertise in performing similar works.

Certain works are also performed in respect of our branch's staff members. For the purposes of combatting corruption, staff members are required to report to the employer and law enforcement authorities any instances where they were approached by any persons to induce a corruption offence.

No contracts were terminated or non-renewed with our business partners due to any identified corruption-related violations during the reporting period. There were also no legal proceedings initiated against us or our employees based on alleged involvement in contravention of anti-corruption laws.

Our company is socially and legally proactive in identifying and preventing suppliers' corruption schemes or attempts to involve our staff in such corruption schemes.

Defining Report Content

In preparing this 2023 Report, we have relied on the Global Reporting Initiative (GRI) standards for sustainability reporting as a guidance and used applicable GRI reporting elements. The report reflects Omsk Carbon Group's contribution to achieving the UN sustainable development goals and implementing the UN Global Compact principles.

Omsk Carbon Group maintains an active dialog with all of its stakeholders, gathering feedback consistently. In preparing this Report, we made use of the results of our regular interaction with stake-holders, including for such purposes as the determination of considerable topics. The contents of the Report were based on the considerable topics identified, providing disclosures on the whole range of Omsk Carbon Group's impacts and meeting the interests of all our stakeholders.

The scope of the Report gives a fair view for understanding the economic, environmental and societal impacts Omsk Carbon Group had in the reporting period and has no intentional omissions. The Report to an equal extent discloses both positive and negative results of our operations without any intentional misrepresentation.

The terminology used in the Report is comprehensible to a broad range of stakeholders and sufficient to form an objective view.

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
102-15	Key impacts, risks, and opportunities	Sustainable Development Sustainable Development Priority Omsk Carbon Group's Contribution to the Achievement of the Sustainable Development Goals Managing Sustainability Risks Human Rights People Occupational Health and Safety Preventing incidents or accidents and emergency response Environmental Protection Supply Chain Management Engagement with Local Communities Managing Corruption Risks	9-10 10 11-14 24 25-26 30-35 39-41 42-43 44-50 54 55-56 57-58
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Managing Corruption Risks	57-58
102-17	Mechanisms for advice about ethics	Managing Corruption Risks	57-58
GOVERNANCE			
102-21	Consulting stakeholders on economic, environmental, and social topics about ethics	Stakeholder Engagement	19-22
102-30	Risk management	Managing Sustainability Risks	24
102-35	Remuneration policies	People	30-35
102-36	Process for determining remuneration	People	30-35
102-37	Stakeholders' involvement in remuneration	People Working with Trade Unions	30-35 36-38
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Stakeholder Engagement	21-22
102-41	Collective bargaining agreements	Working with Trade Unions	36-38
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	19-22

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
102-43	Approach to stakeholder engagement	Stakeholder Engagement	19-22
102-44	Key topics and concerns raised	Managing Sustainability Risks	24
REPORTING PRACTICE (GENERAL)			
102-45	Entities included in the consolidated financial statements	About the Report	2
102-46	Defining report content and topic boundaries	About the Report	2
102-47	List of material topics	About the Report	2
102-48	Restatements of information	No restatements of information were used during the reporting period	
102-49	Changes in reporting	No changes in reporting were made	
102-50	Reporting period	About the Report	2
102-51	Date of most recent report	About the Report	2
102-52	Reporting cycle	About the Report	2
102-53	Contact point for questions regarding the report	About the Report	2
102-54	GRI Claim of reporting in accordance with the GRI Standards	About the Report	2
REPORTING PRACTICE (CORRESPONDENCE INDEX)			
102-55	GRI Content index	About the Report	2
REPORTING PRACTICE (ASSURANCE)			
102-56	External assurance	No external assurance was provided	

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
103 MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	About the Report	2
103-2	The management approach and its components	Sustainability Management Sustainable Development Omsk Carbon Group's Contribution to the Achievement of the Sustainable Development Goals	8 9-10 11-14
201 ECONOMIC PERFORMANCE			
201-3	Defined benefit plan obligations and other retirement plans	People Working with Trade Unions	29-35 36-38
201-4	Financial assistance received from government	In 2023, the company obtained no financial assistance from governmental authorities	
202 MARKET PRESENCE			
103	Management approach	People	30-35
202-1	Ratios of entry-level wage to local minimum wage	People	30-35
202-2	Proportion of senior management hired from the local community	People	30-35
203 INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	Omsk Carbon Group's Contribution to the Achievement of the Sustainable Development Goals Engagement with Local Communities	11-14 55-56
203-2	Significant indirect economic impacts	Omsk Carbon Group's Contribution to the Achievement of the Sustainable Development Goals Engagement with Local Communities	11-14 55-56
204 PROCUREMENT PRACTICES			
103	Management approach	Supply Chain Management	54
204-1	Proportion of spending on local suppliers	Supply Chain Management	54

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
205 ANTI-CORRUPTION			
103	Management approach and norms of behaviour	Managing Corruption Risks	57-58
205-1	Operations assessed for risks related to corruption behaviour	Managing Corruption Risks	57-58
205-2	Communication and training about anti-corruption policies and procedures	Managing Corruption Risks	57-58
205-3	Confirmed incidents of corruption and actions taken	No confirmed instances of corruption were recorded in FY2023	
206 ANTI-COMPETITIVE BEHAVIOUR			
103	Management approach	Managing Corruption Risks	57-58
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Managing Corruption Risks	57-58
ENVIRONMENTAL			
301 MATERIALS			
103	Management approach	Environmental Protection	44-50
301-3	Reclaimed products and their packaging materials	Environmental Protection	44-50
302 ENERGY			
103	Management approach	Environmental Protection	44-50
302-1	Energy consumption within the organization	Environmental Protection	44-50
302-2	Energy consumption outside of the organization	Environmental Protection	44-50
302-3	Energy intensity	Environmental Protection	44-50
302-4	Reduction of energy consumption	Environmental Protection	44-50

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
302-5	Reductions in energy requirements of products and services	Environmental Protection	44-50
303 WATER			
103	Management approach	Environmental Protection	44-50
303-1	Water withdrawal by source	Environmental Protection	44-50
303-2	Water sources significantly affected by withdrawal of water	Environmental Protection	44-50
303-3	Water recycled and reused	Environmental Protection	44-50
304 BIODIVERSITY			
103	Management approach	Protecting Biodiversity	52-53
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting Biodiversity	52-53
304-2	Significant impacts of activities, products, and services on biodiversity	Protecting Biodiversity	52-53
304-3	Habitats protected or restored	Protecting Biodiversity	52-53
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protecting Biodiversity	52-53

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
305 EMISSIONS			
103	Management approach	Environmental Protection	44-50
305-1	Direct (Scope 1) GHG emissions	Environmental Protection	44-50
305-5	Reduction of GHG emissions	Environmental Protection	44-50
305-6	Emissions of ozone-depleting substances (ODS)	Environmental Protection	44-50
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environmental Protection	44-50
306 EFFLUENTS AND WASTE			
103	Management approach	Environmental Protection	44-50
306-1	Water discharge by quality and destination	Environmental Protection	44-50
306-2	Waste by type and disposal method	Environmental Protection	44-50
306-4	Transport of hazardous waste	Environmental Protection	44-50
306-5	Water bodies affected by water discharges and/or runoff	Environmental Protection	44-50
307 ENVIRONMENTAL COMPLIANCE			
103	Management approach	Environmental Protection	44-50
307-1	Non-compliance with environmental laws and regulations	Environmental Protection	44-50

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
SOCIAL			
401 EMPLOYMENT			
103	Management approach	People	30-35
401-1	Total number and rate of employee turnover during the reporting period, by age group, gender and region	People	30-35
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People	30-35
402 LABOUR/MANAGEMENT RELATIONS			
103	Management approach	Occupational Health and Safety	30-35
402-1	Minimum notice period regarding operational changes	In accordance with the Labour Code of the Russian Federation, the Labour Code of the Republic of Belarus, federal laws or other regulations containing rules of labour law, agreements and employment contracts	
402 LABOUR/MANAGEMENT RELATIONS			
103	Management approach	Occupational Health and Safety	39-41
403-1	Workers representation in formal joint management —worker health and safety committees	Occupational Health and Safety	39-41
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	39-41
403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety	39-41
403-4	Health and safety topics covered in formal agreements with trade unions	Working with Trade Unions Occupational Health and Safety	36-38 39-41

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
404 TRAINING AND EDUCATION			
103	Management approach	People	30-35
404-1	Average hours of training per year per employee	People	30-35
404-2	Programs for upgrading employee skills and transition assistance programs	People	30-35
404-3	Percentage of employees receiving regular performance and career development reviews	People	30-35
405 DIVERSITY AND EQUAL OPPORTUNITY			
103	Management approach	People	30-35
405-1	Diversity of governance bodies and employees by gender, age, minorities and other diversity indicators	People	30-35
405-2	Ratio of basic salary and remuneration of women to men	People	30-35
406 NON-DISCRIMINATION			
103	Management approach	Human Rights People	25-26 30-35
406-1	Incidents of discrimination and corrective actions taken	Human Rights People	25-26 30-35
407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The company has no operations in which the right to freedom of association and collective bargaining may be exposed to significant risks.	

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
408 CHILD LABOUR			
408-1	Operations and suppliers at significant risk for incidents of child labour	The company has no operations at risk for incidents of child labour	
409 FORCED OR COMPULSORY LABOUR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour and measures taken to eliminate forced or compulsory labour	The company has no operations at risk for incidents of forced or compulsory labour.	
410 SECURITY PRACTICES			
410-1	Security personnel trained in human rights policies or procedures	100%	
411 RIGHTS OF INDIGENOUS PEOPLES			
411-1	Incidents of violations involving rights of indigenous peoples	No violations involving rights of indigenous peoples were recorded during	
413 LOCAL COMMUNITIES			
103	Management approach	Engagement with Local Communities	55-56
413-1	Operations with local community engagement, impact assessments, and development programs	Engagement with Local Communities	55-56
413-2	Operations with significant actual and potential negative impacts on local communities	In 2023, there were no operations with significant actual or potential negative impacts on local communities.	

GRI Correspondence Table

Appendix 1

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
414 SUPPLIER SOCIAL ASSESSMENT			
103	Management approach	Supply Chain Management	54
414-1	Percentage of new suppliers that were screened using social criteria	Supply Chain Management	54
415 PUBLIC POLICY			
415-1	Political contributions by country and recipient/beneficiary	The company makes no contributions to political parties or organizations or their representatives and is not involved in politics.	
416 CUSTOMER HEALTH AND SAFETY			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services, by type of consequences	Throughout 2023, there were no instances of non-compliance with statutory or voluntary code requirements concerning the health and safety impacts of products or services.	
415 PUBLIC POLICY			
417-2	Incidents of non-compliance concerning product and service information and labeling, by type of consequences	Throughout 2023, there were no instances of non-compliance with regulatory or voluntary code requirements concerning product or service information or labeling.	