



Omsk Carbon  
Group

# Omsk Carbon Group Sustainability Report

2019





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## A Word from Our Board Chairman

The year 2019 was an anniversary year for Omsk Carbon Group marked by the Omsk plant's 75<sup>th</sup> anniversary and the Volgograd's plant 55<sup>th</sup> anniversary. Today we are one of the most dynamically growing private companies in Siberia, increasingly gaining our influence in the global industry and helping improve the quality of life for the communities where we have our presence.

Our aspirations in the sustainability area focus on continual improvement and keeping balance between operational excellence, social responsibility and environmental protection. Omsk Carbon Group has been successful in creating a unique organizational model ensuring the company's growth while maintaining risks at a controllable level.

### There are three key areas being Omsk Carbon Group's priorities:

- 1 Maintaining standards for environmental compliance, health and safety, social responsibility and corporate governance;
- 2 Complying with statutory requirements and adhering to our commitments
- 3 Developing and supporting our personnel

People play a primary part in Omsk Carbon Group's growth. Our people are a team of like-minded persons understanding and sharing common goals and willing to get new knowledge and skills. The company pays a great amount of attention to professional and personal advancement, successfully implements employee development and engagement programs. One of our core priorities is occupational health and safety. There were zero injuries recorded at Omsk Carbon Group's plants over a two-year period. Social policies and environmental protection are integral to ensuring effectiveness of the company's operations.

With more than 75 years of our presence in industry, we have accumulated serious competencies in the production and use of carbon black and have learned to attain mutual benefits in establishing commercial terms for our partners and build up a rapport with communities in the regions of our presence. As one of the leading carbon black manufacturers worldwide, we understand our important role in searching for new solutions, developing technology and creating products for the industry.

Omsk Carbon Group adheres to the UN Global Compact and its basic principles and takes into account the sustainability challenges currently posed to the global society such as respect for human rights, fighting against corruption, combating climate change, reducing environmental load, etc. Commitment to sustainability principles is crucial to Omsk Carbon Group's strategy for reinforcing its leadership in the global market.

**Valeriy KAPLUNAT,**  
Chairman of the Board of Directors, Omsk Carbon Group OOO



# About the Report

For the first time in its history, Omsk Carbon Group rolls out its sustainability report for the annual disclosure of non-financial corporate reporting. The report covers the Group's operations for 2019 and contains information about the existing units, including the Omsk and Volgograd production sites.

The report demonstrates Omsk Carbon Group's progress in the sustainability area and provides an overview of the company's financial performance, environmental impacts, social contributions to the presence regions, corporate governance and relations with stakeholders. The report details a number of matters related to the company's sustainability priorities in 2019. The financial information presented encompasses our entities' operations from the 2019 IFRS consolidated financial statements perspective.

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

The Group of Companies maintains an active dialog with all of its stakeholders, gathering feedback consistently. In a bid to comprehensively disclose Omsk Carbon Group's activities, the results of this engagement were used when preparing the report, generating the topics and deciding on the contents.

The facts contained in the report give a fair view for understanding the economic, environmental and societal impacts the Group had in 2019. The document to an equal extent discloses both positive and negative results of Omsk Carbon Group's operations without any intentional misrepresentation.

The report is prepared for a wide range of Omsk Carbon Group's stakeholders: employees, shareholders, residents of the presence regions, NGOs, the company's suppliers and customers (target audience) and posted on the company's website.

**We welcome feedback by all of our stakeholders regarding this report.**

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## Contact point for feedback:

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

(please 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:  
ООО «Омсктехуглерод»

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

The company's mailing and business address:  
17 Pushkin str., building 1, Omsk

The company's principal activities:

commercial-scale manufacture of various grades of carbon black and heat production;

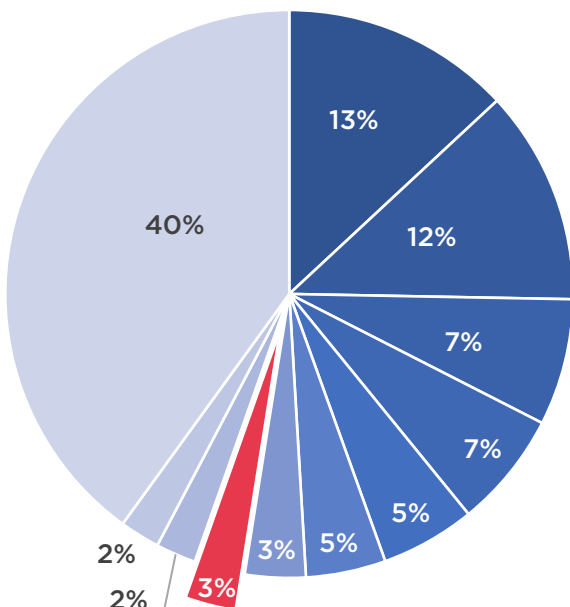
organizing and financing research programs in the development of petrochemical technologies;

developing and enhancing processes and organizing the commercial-scale manufacture of new types of petrochemical or other products.



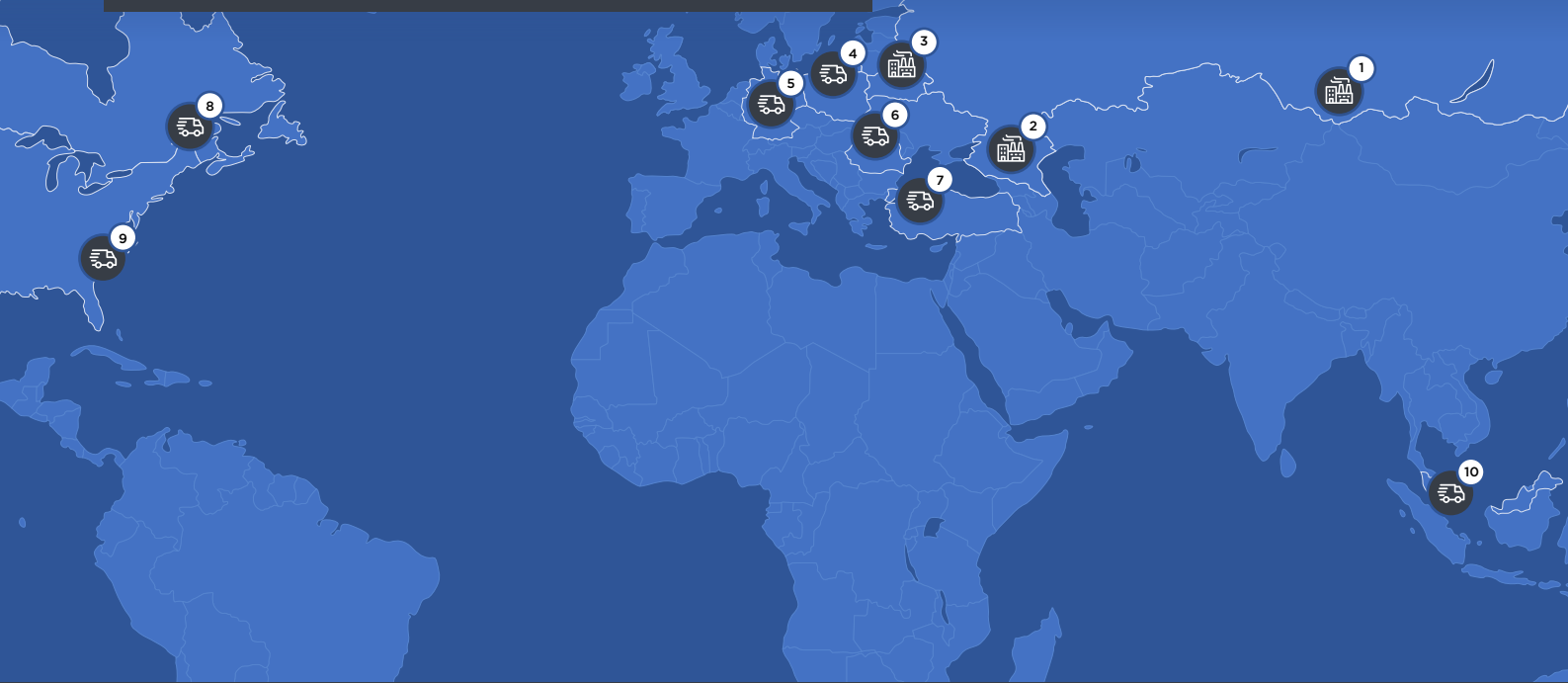
Omsk Carbon Group ranks among the top ten manufacturers of carbon black across the globe and is the largest manufacturer in Russia and the CIS.

## World's largest CB manufacturers, 2019



- 1. Cabot Corporation
- 2. Aditya Birla Group
- 3. Orion Engineered Carbons
- 4. Jiangxi Black Cat Carbon Black
- 5. Tokai Carbon
- 6. China Synthetic Rubber Corp.
- 7. Phillips Carbon Black Ltd.
- 8. Omsk Carbon Group
- 9. Longxing Chemical Group
- 10. Baohua Carbon Black
- Others

# Geographical Footprint



**1. Омск (Россия)**  
Головной офис,  
R&D центр, завод

**2. Волгоград (Россия)**  
Завод

**3. Могилев (Беларусь)**  
Завод

**4. Хочеца (Польша)**  
Склад

**5. Вальтроп (Германия)**  
Офис с логистическим  
центром и склад

**6. Галац (Румыния)**  
Офис с логистическим  
центром и склад

**7. Стамбул (Турция)**  
Офис с логистическим  
центром и склад

**8. Прескот (Канада)**  
Офис с логистическим  
центром и склад

**9. Бишопвиль (США)**  
Склад

**10. Сингапур**  
Офис со складом  
в Порт-Кланге  
(Малайзия)

Omsk Carbon Group cooperates with major international tire group of companies, manufacturers of mechanical rubber goods, plastics and other products containing carbon black. Products are supplied to 34 countries of the world in Eastern and Western Europe, North and South America, the CIS, Asia and the Middle East.

Quality control for received feedback and outgoing products is performed by our QA laboratories accredited by the Federal Accreditation Service (RusAccreditation) 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 aims to pursue intensive growth based on the expansion of the company's 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.

**The company's revenue for 2019 was RUB 27,388 million.**

# Products

Carbon black (CB) is a high-dispersity amorphous carbon 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.

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. Special high-purity grades are produced under the company's own OMCARB trademark.



## Tires

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



## MRG

Over 12% of the CB commodity grades are used for the production of MRGs. Applying OMCARB-series blacks leads to an up to 5% reduction in their cost.



## Plastics

Plastics account for more than 8% of the CB. Using P-type grades extends the service life of plastic pipes.



## Coatings, inks, toners

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



## Batteries and power sources

Approx. 2 % of the CB (OMCARB-series) are used in producing batteries or electrical cells. CB finds usage in meeting IT sector needs and devising new technologies for transportation.

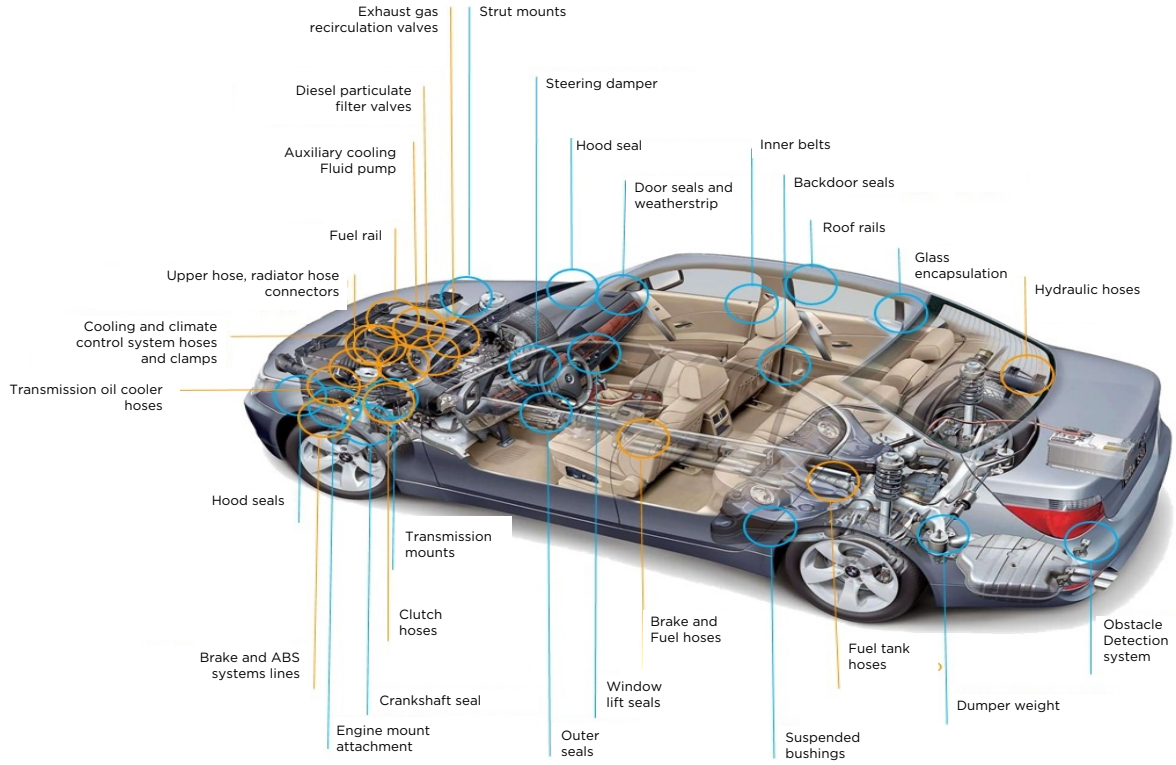


## Tableware and cutlery

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



# Example of Using CB in the Automotive Industry



## Undertread compound

N550, OMCARB CH85, OMCARB S820

## Cap ply

N234, N339, N220, N550

## Filler strip

N550, N660, N772, N774, N762, OMCARB S820, OMCARB S800

## Inner liner

N660, N772, N550, OMCARB S800, OMCARB S820

## Breaker

N326, N330, N375, N374

## Sidewall

N330, N550, N660, OMCARB CH85

## Chafer

N550, OMCARB S820

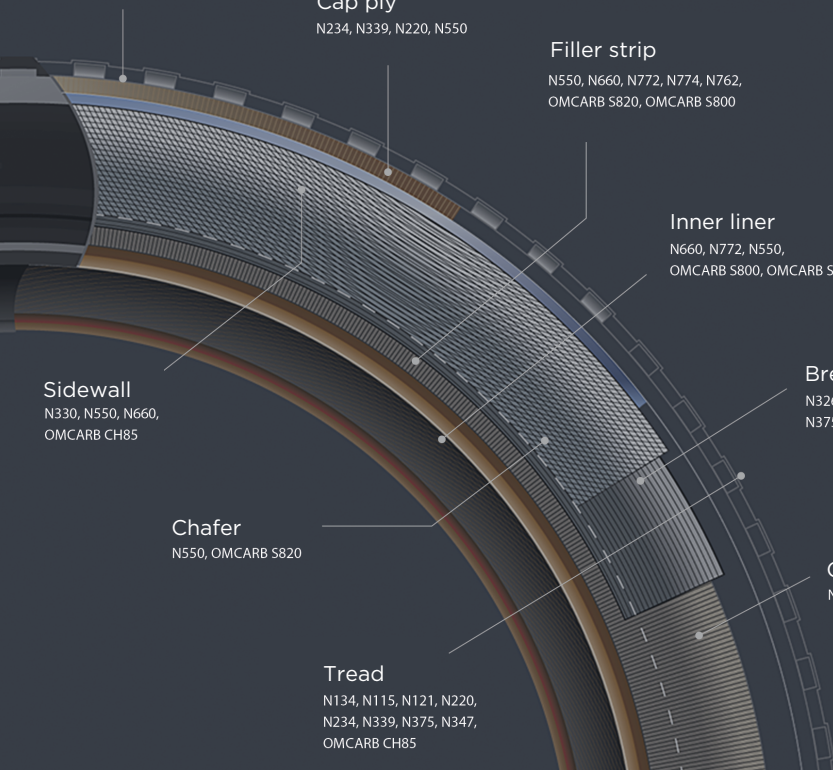
## Carcass

N550, N326, N330

## Tread

N134, N115, N121, N220, N234, N339, N375, N347, OMCARB CH85

# Example of Using CB in the Tire Industry





# Sustainable Development Strategy

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, which are addressed not only to governments, but also to other participants of the sustainable development process in the world: businesses, civil society and private persons.



Omsk Carbon Group understands the importance of the SGDs adopted by the UN General Assembly for tackling economic, environmental and social issues. As one of the world's leading carbon black manufacturers, the Group seeks to implement 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 society by integrating the principles into its business.

Omsk Carbon Group facilitates the achievement of the UN goals within its core operations and through the involvement in projects and initiatives aimed at protecting the environment in the presence regions, improving the quality of life and developing science, education and culture. The Group endorses the provisions of the UN Universal Declaration of Human Rights and respects civil, political, economic, social and cultural human rights.

# Omsk Carbon Group's key sustainability areas:

## For economic stability

- maintaining steady economic growth and creating a longstanding value.

## For employee wellbeing

- securing safe working conditions, a decent compensation package And professional growth opportunities.

## For environmental protection

- minimizing adverse impacts of its operations on the environment.

## For the development of local communities

- contributing to economic prosperity, social and cultural progress in the regions of presence.

## 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 Omsk Carbon Group's General Director.

Our HR and Legal Development Units as well as Industrial Safety and Security Departments are responsible for day-to-day management of sustainable development matters.

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

The Head of Industrial Safety Department along with the heads of OHS Divisions are responsible for the fulfillment of industrial safety, occupational health and safety and environmental control requirements.

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

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.



Sustainability management also occurs at the subdivisional level. The main task for our trade union committees is aligning employees' and the employer's interests in shaping and implementing our HR and social policies.

On 26 December 2018, Omsk Carbon Group adopted its Collective Bargaining Agreement between the Employer and the Employees for 2019-2021 at an employees' general meeting (conference). The Volgograd-based branch adopted its Collective Bargaining Agreement for 2018-2020 at an employees' general meeting (conference) on 18 December 2017.

The Collective Bargaining Agreements establish the employer's obligations to collaborate in the OHS area and guarantee that our working conditions, compensation and benefits will be far above the minimum level provided by the applicable laws.

The Quality Assurance Unit coordinates Omsk Carbon Group's sustainability efforts and prepares an annual Sustainability Report for the Group of Companies.

# Omsk Carbon Group's contribution to the achievement of the Sustainable Development Goals

Sustainable development goals	Omsk Carbon Group's Contribution	Targets to be implemented	Accomplishments 2019
 <p><b>1 NO POVERTY</b></p>	<p>Ensure a decent standard of living and facilitate equal access to social aspects:</p> <ul style="list-style-type: none"> <li>- creating employment opportunities in presence regions;</li> <li>- social investment.</li> </ul>	1.1; 1.2; 1.4	<ul style="list-style-type: none"> <li>- 136 new jobs created;</li> <li>- Average monthly salary grew by 8.5%</li> <li>- A company employee's average monthly salary is 63% higher than the average monthly pay in the Omsk and Volgograd regions of presence;</li> <li>- Charity expenses increased by 64.9%.</li> </ul>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p>Ensure healthy lives and promote well-being for all at all ages:</p> <ul style="list-style-type: none"> <li>- securing high standards of medical services for employees;</li> <li>- supporting projects promoting a healthy lifestyle among employees, especially young professionals, and their family members.</li> </ul>	3.4; 3.8; 3.9	<ul style="list-style-type: none"> <li>- A contract for employees' statutory medical insurance concluded;</li> <li>- All employees were provided with scheduled checkups;</li> <li>- 484 employees improved their health at spa retreats and holiday centers;</li> <li>- 179 of our employees' children received packages to stay at summer recreation camps;</li> <li>- 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 Velo Omsk bicycle race; city, district or plant Olympics; outdoor teambuilding events.</li> </ul>

	<p>Ensure comprehensive and fair quality education and promote lifelong education:</p> <ul style="list-style-type: none"> <li>- providing training and skills upgrade opportunities to all employees;</li> <li>- involving educational institutions in employees' training and skills upgrades;</li> <li>- offering work experience internships to students;</li> <li>- teaching students at the Carbon Black Manufacturing Processes and Apparatuses industrial chairs.</li> </ul>	<p>4.3; 4.4; 4.7</p>	<ul style="list-style-type: none"> <li>- 781 employees trained;</li> <li>- Average number of training hours per employee - 21;</li> <li>- 98 students interned.</li> </ul>
	<p>Achieve gender equality and empower all women and girls:</p> <ul style="list-style-type: none"> <li>- providing equal social guarantees and creating equal opportunities for high performance and professional advancement for all employees regardless of the gender.</li> </ul>	<p>5.5</p>	<ul style="list-style-type: none"> <li>- Women made up 34% of our employees;</li> <li>- Women accounted for 45% of our senior management.</li> </ul>
	<p>Ensure the availability and sound use of water and sanitation:</p> <ul style="list-style-type: none"> <li>- reducing the consumption of freshwater, including surface water;</li> <li>- using water saving technologies;</li> <li>- minimizing impact on water bodies by ensuring the required condition of treatment plants and meeting the limits for treated waste water discharge.</li> </ul>	<p>6.3; 6.4; 6.6</p>	<ul style="list-style-type: none"> <li>- The consumption of water for drinking and household purposes reduced by 3,5%;</li> <li>- The amount of circulation water used for manufacturing remained unchanged.</li> </ul>

	<p>Ensure access to affordable, reliable, sustainable and modern energy:</p> <ul style="list-style-type: none"> <li>- reducing electricity consumption;</li> <li>- generating electrical power.</li> </ul>	<p>7.2; 7.3</p>	<ul style="list-style-type: none"> <li>- Total electricity purchased reduced by 15.8%;</li> <li>- Total electricity produced increased by 4.9% (172,765.094 thousand kWh).</li> </ul>
	<p>Promote inclusive and sustainable economic growth, employment and decent work for all:</p> <ul style="list-style-type: none"> <li>- paying taxes;</li> <li>- creating added value in the presence regions' economy by enhancing own production capacities;</li> <li>- ensuring the highest possible wages and benefits, and the best working conditions possible.</li> <li>- respecting and protecting labour rights and providing safe working conditions for all employees;</li> <li>- implementing policies that respect labour rights, including freedom of association and collective bargaining, non-discrimination and combatting workplace violence.</li> </ul>	<p>8.1; 8.2; 8.4; 8.5; 8.6; 8.8</p>	<ul style="list-style-type: none"> <li>- Aggregate taxes and customs duties paid increased by 16.9%;</li> <li>- Personnel expenses including insurance contributions grew by 14.1%;</li> <li>- There was an 8.5% increase in monthly average salaries in 2019.</li> </ul>
	<p>Build resilient infrastructure, promote sustainable industrialization and foster innovation:</p> <ul style="list-style-type: none"> <li>- investing in projects for the upgrading and development of production infrastructure in the regions of presence;</li> <li>- strengthening technological capabilities through investments in R&amp;D.</li> </ul>	<p>9.1; 9.2; 9.4; 9.5</p>	<ul style="list-style-type: none"> <li>- Investment projects financing grew by 5.6% and amounted to RUB 666,531 thousand.</li> </ul>

	<p>Ensure sustainable consumption and production patterns:</p> <ul style="list-style-type: none"> <li>- maintaining conformity of the existing environmental management system to international standards;</li> <li>- reducing the amount of industrial waste;</li> <li>- increasing amounts of waste recycled.</li> </ul>	<p>12.1; 12.2; 12.5</p>	<ul style="list-style-type: none"> <li>- Environmental management system recertified to the ISO 14001:2015 standard;</li> <li>- Investment in environmental protection increased by 3.6%;</li> <li>- Waste generated in 2019 reduced by 3.7%;</li> <li>- Waste sold to external parties for recycling increased by 11.4%;</li> <li>- Waste treated for reuse increased by 24.1%.</li> </ul>
	<p>Take urgent action to combat climate change and its impacts:</p> <ul style="list-style-type: none"> <li>- reducing carbon dioxide emissions (CO<sub>2</sub>) by consuming less energy and improving efficiency.</li> </ul>	<p>13.3</p>	<ul style="list-style-type: none"> <li>- Implementing steps designed to improve the energy efficiency of boilerhouse equipment resulted in a 6% higher energy efficiency.</li> </ul>
	<p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss:</p> <ul style="list-style-type: none"> <li>- reclaiming disturbed land and landscaping;</li> <li>- social and environmental campaigns conducted together with municipal authorities.</li> </ul>	<p>15.1</p>	<ul style="list-style-type: none"> <li>- As part of landscaping projects, 4,265 nursery plants and 230,812 flower seedlings planted, 2382 m<sup>2</sup> of flower gardens decorated.</li> </ul>




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:

- 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

- Rigorous compliance with the principles of our Social Policies. No contraventions of applicable laws 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: 3,701 suppliers and contractors screened; selecting contractor entities through bidding procedures; assessing their activities for corruption-related risks;
- No contracts terminated or non-renewed by our business partners due to any identified corruption-related violations or any legal proceedings initiated against the company or its employees for being involved in contravention of anti-corruption laws;
- The company is socially and legally proactive in identifying and preventing its contractors' corruption schemes;
- In 2019 several legal actions initiated at the request of the company resulted in uncovering and combating mala-fide vendors' corruptive schemes.

	<p>Revitalize the global partnership for sustainable development:</p> <ul style="list-style-type: none"><li>- maintaining effective partnerships between governmental entities, between public and private sectors and between civil society organizations.</li></ul>	17.17	<ul style="list-style-type: none"><li>- Agreement entered into with the Omsk Region's Ministry of Natural Resources and Environment until 2024, setting out the terms for citizens' control of manufacturing processes at industrial sites and the procedure for interaction with the Ministry's Environmental Monitoring Center;</li><li>- Agreement dd. 30 December 2019 entered into between the RF's Ministry of Natural Resources and Environment, the Federal Supervisory Natural Resources Management Service (Rosprirodnadzor), the Omsk Region's Government and Omsk Carbon Group OOO as part of implementing a comprehensive plan for reducing pollutant emissions in Omsk;</li><li>- Supplying heat to Omsk's two microdistricts – Moskovka and 40 let Oktyabrya;</li><li>- A regional award received for second place in the competition "Employer of the Year in the Central Administrative District of Omsk" in the category "Developing talent";</li><li>- Omsk Carbon Group OOO ranks among the top 10 taxpayers in the Omsk Region;</li><li>- Volgograd Branch ranks among the top 10 taxpayers in the Volgograd Region;</li><li>- According to the magazine Expert, Omsk Carbon Group OOO ranked as the 86<sup>th</sup> largest exporter with export totaling \$279.1 million among Russia's 200 major exporters based on the 2018 results (assessment occurred in 2019).</li></ul>
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# Involvement in International, National and Regional Sustainability Initiatives

The UN Global Compact is a voluntary international 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 participating in the Global Compact, Omsk Carbon Group extensively supports the idea behind it, strives to rely on the ten fundamental principles in its operations and endorses the UN sustainable development goals.

Areas	Principles	
Human rights	1 principle	Businesses should support and respect the protection of internationally proclaimed human rights
	2 principle	Businesses should make sure that they are not complicit in human rights abuses.
Labour	3 principle	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
	4 principle	Businesses should uphold the elimination of all forms of forced and compulsory labour
	5 principle	Businesses should uphold the effective abolition of child labour
	6 principle	Businesses should uphold the elimination of discrimination in respect of employment and occupation
Environment	7 principle	Businesses should support a precautionary approach to environmental challenges
	8 principle	Businesses should undertake initiatives to promote greater environmental responsibility
	9 principle	Businesses should encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	10 principle	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 integrating them into its system of internal regulations governing the operation of the company's core business processes.

Omsk Carbon Group sets high value on responsible business management. The Group adheres to, and shares, the principles of fundamental international declarations and conventions on human rights, labour, anti-corruption and the environment, including:

 <p>The UN Universal Declaration of Human Rights;</p>	 <p>The UN Declaration on the Environment and Development;</p>	 <p>The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;</p>
 <p>ILO's Freedom of Association and Protection of the Right to Organise Convention No. 87;</p>	 <p>ILO's Right to Organise and Collective Bargaining Convention No. 98;</p>	 <p>ILO's Convention concerning Discrimination in Respect of Employment and Occupation No. 111.</p>

The principles of those international documents are set forth in our internal regulations and integrated into the corporate business processes.

Omsk Carbon Group also facilitates the achievement of the UN's goals by supporting and participating in 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 \$95 trillion collaborate with the project. In 2016, CDP launched its new scoring methodology, 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.

**C level**

-  
Based on the 2018 results, in 2019 Omsk Carbon Group reached a yet again higher score - C level - compared with the previous year.



Omsk Carbon Group's integrated management system is certified to the ISO 9001:2015, ISO 14001:2015 и ISO 45001:2018 international standards. In 2019, Omsk Carbon Group's occupational health and safety management system was recertified to ISO 45001:2018 superseding OHSAS 18001:2007.



As a consumer of coke-chemical products, Omsk Carbon Group OOO holds membership of the TK 395 standardization technical committee "Coke and Coke-Chemical Products". As part of the technical committee's meetings, Omsk Carbon Group participates in developing the "Coke and Coke-Chemical Products" Technical Regulations as well as standards and specifications for the manufacture of coke-chemical products.



In an effort to minimize its environmental impacts, Omsk Carbon Group strongly supports "green office" principles. The project's essence is meeting voluntary commitments to improve the environment of office premises. Participating in the project is a real contribution to reduced energy consumption and decreased GHG emissions.

**A number of the "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;
- using an electronic document management system, which reduces paper consumption;
- purchasing printing paper with eco labeling;
- implementing energy efficient equipment;
- making use of metering devices, water flow and heat consumption regulators;
- separate collection and accumulation of waste.



Omsk Carbon Group annually takes part in "Green Spring", a nation-wide environmental cleanup organized by the Green Russia environmental social movement.



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



As one of the largest Russian exporters, in 2010 Omsk Carbon Group registered its products 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 the use of alternative methods for the assessment of the hazardous properties of substances.



Правительство  
Омской области

There is the existing Agreement with the Omsk Region’s Ministry of Natural Resources and Environment until 2024, setting out the terms for citizens’ control of manufacturing processes at productions sites and the procedure for interaction with the Environmental Monitoring and Prompt Response Center.



There is existing Agreement dd. 30 December 2019 No. ДК-13-23СОД/88/СР-15-з entered into between the RF’s Ministry of Natural Resources and Environment, Rosprirodnadzor, the Omsk Region’s Government and Omsk Carbon Group ООО as part of implementing the comprehensive plan for reducing pollutant emissions in Omsk.

# Shareholder Engagement

As part of sustainable development, Omsk Carbon Group attaches particular importance to building up fair relations with its partners to mutual benefit, striving to accommodate the stakeholders' interests and concerns in all business processes, comply with Russia laws, fulfill contractual obligations and protect and respect human rights.

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, the Group seeks to obtain feedback from both internal and external stakeholders.



## 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; and
- The mass media.

An open dialogue with stakeholders is crucial to the achievement of high performance and strategic goals, improvement of business efficiency and risk management. To maintain such a dialogue, Omsk Carbon Group uses a number of communication channels depending on the modalities of engaging with a particular stakeholder group.

For our internal stakeholders, the most in-demand communication channels are Zavodskie Vesti, a corporate newsletter, and meetings with management, at which the company's managers tell employees about operational results and development plans.

Omsk Carbon Group is committed to an open, fair and multilateral dialogue with all of its audiences. An overview of the company, its products and sustainable development, contact and hotline details are available at Omsk Carbon Group's website, including in the English language: [omskcarbongroup.com](http://omskcarbongroup.com), [en.omskcarbongroup.com](http://en.omskcarbongroup.com). News are posted in the "Newsroom" section, consisting of the "Company news", "Events" and "Publications" subsections.

In 2019, Omsk Carbon Group continued to develop and employ the VKontakte social network service: [vk.com/omskcarbongroup](https://vk.com/omskcarbongroup).

## The aims of presence at this communication site:

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



# Managing Sustainability Risks

As a by-product of the company's success and growth, risk management policies are in place at Omsk Carbon Group. Our business readily accepts new ideas, projects, business models and innovation, which increases its complexity and risk exposure. By developing a "risk-oriented" culture inside it, the Group seeks to use risk management to accomplish its strategic and operational goals, make the right management decisions and protect its people, assets, earnings and the environment. Risk management responsibility is allocated among all levels of the organizational structure, with the lead taken by senior management, who show permanent dedication to risk management. Ensuring the company's growth while mitigating its risks is a key to long-standing success.

**With external and internal factors in mind, Omsk Carbon Group in planning its operations makes decisions on risk management efforts:**

- to secure the achievement of anticipated results;
- to prevent or minimize unwanted consequences;
- to achieve improvement.

**Listed below are a portion of the known risks the Group is currently exposed to:**

- customer relationships risks;
- logistics 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); and
- IT security risks.

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There may be other risks so far not known or appearing insignificant which could adversely affect Omsk Carbon Group's operations or financial performance going forward. The risk management policies are, therefore, applied on an ongoing, rather than ad hoc, basis.

# Human Rights

In the human rights area, Omsk Carbon Group relies on the applicable Russian legislation and international requirements described in the UN Global Compact. The Group has developed a package of internal documents containing the ethical standards and fair business practices which all employees should observe.

## The 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; and
- seeks to avoid harm to the residents of the presence areas by its operations.

The company guarantees no discrimination based on any grounds unrelated to performance. Child and forced labour are strictly prohibited across all its units. Omsk Carbon Group requires its suppliers to observe the same ethical principles. The company annually conducts an assessment of human rights risks.

In accordance with the Code of Conduct of Omsk Carbon Group OOO, the Group's principal company, compliance with business conduct rules and ethical standards constitutes an important part of the corporate governance system. Integrity and honesty in performing job duties as well as the observance of business ethics regulations are required from all staff.

At Omsk Carbon Group OOO, labour relations are governed by the requirements of the RF's Labour Code. To effectively ensure respect for rights, the company consistently handles feedback and requests by employees, law enforcement authorities, the trade union and the Federal Labour and Employment Service.



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

Omsk Carbon Group implements personnel development and support programs, promoting its employees' rights to social security, education, family welfare, housing, creative freedom, involvement in cultural life, etc. Drafts of documents governing social or labour relations are subject to approval by in-house counsel.

Omsk Carbon Group OOO 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.

The company organizes training to enhance personnel's knowledge in the human rights area. Human rights requirements are included in a number of training programs and internal regulations that all employees must know. Employees also undergo the relevant training as part of the "Onboarding School" course.

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## Hotline

In order to gain feedback, including on human rights matters, Omsk Carbon Group uses a variety of communication channels: telephone (hotline), email, Russian Post. We review any reports, wishes or questions, whether public or anonymous, regardless of the applicant's status. Labour dispute commissions were established to resolve labour-related issues (there was one application in 2019).

You can reach out to us in any form convenient to you, but there are useful recommendations which, if complied with, speed up the consideration process. For instance, a violence report should contain: last name and initials, preferred communication method (mailing address, telephone, email) and as many details of the alleged violation as possible.

### There are three points of contact for providing feedback:

- Regarding combating fraud and corruption, preventing unlawful actions. Phone +7 (3812) 91-01-41 , e-mail: [andrey.nadtochiy@omskcarbon.com](mailto:andrey.nadtochiy@omskcarbon.com) , mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).
- Regarding environmental and OHS matters. Phone +7 (3812) 91-04-27 , e-mail: [aleksey.kundaev@omskcarbon.com](mailto:aleksey.kundaev@omskcarbon.com) , mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).
- Regarding HR management matters. Phone +7 (3812) 91-05-16 , e-mail: [marina.miller@omskcarbon.com](mailto:marina.miller@omskcarbon.com) , mailing address: 17/1 Pushkin str., Omsk, 644024, Russian Federation (with the "for hotline" mark).



## People and HR Policies



Omsk Carbon Group treasures its employees and seeks to make sure its incentive system fully unleashes every staff member's potential. We have taken a comprehensive approach to creating favourable and competitive working conditions, training and development, shaping the corporate culture and implementing the social policies.

In its business, the Group is guided by the principles of respect towards people and ensuring equal rights and opportunities. Any discrimination in hiring, promoting or providing benefits is not tolerated at Omsk Carbon Group. 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:

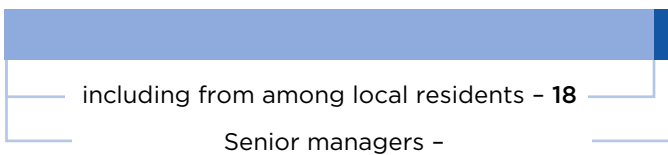
- conformity to Russian and international standards for the respect, support and promotion of human rights;
- meeting the needs for highly skilled personnel for coping with day-to-day or strategic objectives.

## Staff composition

Personnel	2019
<b>Total employees</b>	<b>2426</b>
Men	1895
Women	840 (34%)
including those with disabilities	14
<b>Total senior managers</b>	<b>19</b>
Men	10
Women	9 (45%)

Omsk Carbon Group encourages 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



**95%**  
Percentage of local senior managers

### Personnel gender and age structure

Age	Under 18 years of age	18-30 years of age	31-50 years of age	Over 50 years of age
Total	No	436	1363	519
Men	No	327	867	318
Women	No	109	496	201

In 2019, staff turnover was 8.7%, a 5.4% decrease year-on-year.

# Engagement

Omsk Carbon Group puts emphasis on employee engagement, including both financial and nonfinancial incentives. A competitive level of compensation (at or above the market average values) is one of such incentives. Skills, capabilities, credentials and experience are what matters when it comes to hiring, determining the amount of pay or promoting. Gender, age or ethnic background are 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.

The year 2019 saw an 8.4% increase in the average monthly salary against 2018. On the average, the salary paid to an employee of Omsk Carbon Group OOO was 63% higher than the average salary in the regions of presence (Omsk and Volgograd Regions).

The collective bargaining agreements provide for Omsk Carbon Group's core principles and approaches in the social welfare area. A benefits package is available to all of the company's employees. It includes both statutory benefits and fringe benefits as per the bargaining agreements. All of Omsk Carbon Group's employees can benefit from monetary and nonmonetary incentives whose amounts exceed what is required by employment laws. Such incentives include vacation bonuses, annual performance-based bonuses, partial reimbursement of 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.

The growth in employee recreation expenses was 0.3% in 2019.

Social welfare benefits, RUB million	2019
Social expenses, including: <ul style="list-style-type: none"> <li>- vacation bonus;</li> <li>- production site anniversary bonus;</li> <li>- partial meal allowances; and</li> <li>- social expenses, including financial aid under the Collective Bargaining Agreement</li> </ul>	99,065
Employee recreation expenses, RUB million.	
Expenses for employee health improvement and entertainment, including: <ul style="list-style-type: none"> <li>- expenses for health resort vouchers;</li> <li>- expenses for children's health camp vouchers;</li> <li>- expenses for health recreation events.</li> </ul>	4,25

# Personnel Development and Training



To develop its employees' potential, Omsk Carbon Group implements training and development programs, works out targeted programs for workers, specialists and management and ensures continuous in-house professional learning throughout its employees' professional lives.

## 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.

Employees comprising the talent pool are trained using special programs.

No. of employees trained	2019
Total	781
Management and specialists	254
Workers	508
Talent pool	19

The average number of training hours per employee was 21

# Collaboration with Educational Institutions



Young people regard Omsk Carbon Group as a reputable employer thanks to its competitive pay, steady jobs, professional and career opportunities, 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 the interaction with which is one of Omsk Carbon Group's focal areas. In 2019, the industrial chairs Carbon Black Manufacturing Processes and Apparatuses were established at Omsk and Volgograd State Technical Universities.

The Group's plants regularly conduct targeted tours for students. The plants' representatives participate in preview days held by educational institutions, job fairs, presentations and panel discussions on graduates' employment.

## Organizing internships for students

Arranging for work experience or research internships for students of universities and vocational schools (as listed below) in the presence regions has become a tradition for Omsk Carbon Group. Doing so enables us to attract young talent to Omsk Carbon Group's companies.

- 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.

## Youth Policy



Working with young employees is an essential part of Omsk Carbon Group's HR policies designed to attract youth and facilitate their successful and efficient orientation and self-actualization. These include getting to know the company, which is organized by our HR Division via a new employee training course. A new employee's line manager is responsible for onboarding. Developing the concept of guidance plays a vital part of the system for working with young professionals as this ensures continuity in professional experience, best production practices and the corporate culture.

Working with young workers and specialists, up to 30 years of age	2019
No. of young employees	437
Percentage of young employees of headcount, %	19
No. of young specialists	22
Young employees hired	76
No. of students interned	98

# Social Policies



**The Social Policies, approved by the General Director on 25 June 2015, are in place at Omsk Carbon Group OOO. Its 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.

**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 an annual basis;
- Higher payments, reduced working days and additional leave entitlement for abnormal working conditions;
- Professional health checkups;
- No labour by children or persons under 18 years of age;
- No discrimination on any grounds when hiring, promoting or supplying benefits;
- Observing OHS rules and regulations;
- Promoting work-life balance; and
- 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 Omsk Carbon Group's plants;
- A one-time holiday bonus;
- A one-time bonus based on annual performance;
- Organizing sports events, participating in cross-sectoral competitions;
- 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 health camp vouchers; and
- Additional days off for employees on their special occasions.

## 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 the Group's Social Policies is entering into long-term bargaining agreements with the plants' trade unions. The trade union organizations align employees' and the employer's interests when shaping and implementing the HR and Social Policies.

The Collective Bargaining Agreement between the Employer and the Employees of Omsk Carbon Group OOO for 2019-2021 (adopted at an employees' general meeting on 26 December 2018) and the Collective Bargaining Agreement of the Volgograd Branch of Omsk Carbon Group OOO for 2018-2020 (dd. 18 December 2017) are currently in effect at Omsk Carbon Group OOO and its Volgograd-based branch.

These documents fix the employer's commitment to collaboration in the OHS field and creation of favourable and safe conditions for employees and guarantee improved compensation, benefits and prosperity.

To make the co-work effective, senior management regularly holds meetings with the trade unions' representatives. No conflicts, collective labour disputes or violations of human rights to the freedom of association or collective bargaining were recorded in 2019.

Training is provided for newcomers as part of onboarding seminars.







# 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 a matter of priority for Omsk Carbon Group. The company’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 for the long term.

**Omsk Carbon Group’s strategic objective is maintaining a 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 works safely. Every employee annually takes a test to check the knowledge of working instructions or 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:

- A Hazards and Risks List has been developed;
- OHS agreements have been entered into between the employer and employees represented by the shop-floor trade unions.

Omsk Carbon Group budgets and utilizes substantial amounts for its OHS activities.

Expenses for OHS activities, RUB thousand	2019
<ul style="list-style-type: none"> <li>- Expenses for OHS activities, including:</li> <li>- PPE expenses;</li> <li>- Special meals: milk, etc.;</li> <li>- Health maintenance;</li> <li>- Statutory workplace assessment of labor conditions;</li> <li>- Purchasing legal, regulatory or standard process documentation, safety signs, posters, etc.;</li> <li>- Occupational injury and disease insurance; and</li> <li>- Liability insurance for businesses operating hazardous production facilities.</li> </ul>	47 826

2019 saw a 8.2%. increase in the expenses for occupational health and safety.

Expenses for industrial safety activities, RUB thousand	2019
Expenses for industrial safety activities, including: <ul style="list-style-type: none"> <li>- Expenses for a contract on a sanitation and epidemiological survey;</li> <li>- Expenses for a contract with emergency rescue teams;</li> <li>- Fire safety expenses;</li> <li>- Training expenses; and</li> <li>- Industrial safety expert review.</li> </ul>	84 625

The industrial safety expenses increased by 11,5% in comparison with 2018.

## Workplace injury prevention

To accomplish its strategic zero frequency rate goal, Omsk Carbon Group provides its employees with briefings, training and knowledge assessments on safe working practices.

### Briefing types:

- introductory briefing;
- initial briefing (at workplace);
- refresher briefing;
- off-schedule briefing;
- targeted briefing.

No initial or refresher briefing is conducted for certain categories of employees in accordance with Resolution by the RF Ministry of Labour and Social Development dd. 13 January 2003 No. 1/29 "On Approval of the Procedure for Occupational Safety Training and Knowledge Assessment of Occupational Safety Requirements for Corporate Employees".

### Training types:

- theoretical instruction;
- hands-on training (for employees exposed to harmful or hazardous working conditions).

### Knowledge assessment types:

- 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	2019
No. of managers and specialists certified in industrial safety	405
No. of workers trained and certified based on the results of targeted safe operation courses*	234
No. of managers, specialists and workers trained and certified in basics of fire safety	208
No. of managers and specialists trained and certified in occupational safety	338
<b>Total:</b>	<b>1005</b>

\* 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; and
- safe operation rules for hazardous facilities.

## Occupational injury and disease information

Indicator	2019
No. of employees injured due to workplace accidents with one working day or more lost <i>Of which:</i> <i>Women</i> <i>Persons under 18 years of age</i>	No - -
No. of fatalities <i>Of which:</i> <i>Women</i> <i>Persons under 18 years of age</i>	- - -
No. of workdays lost by casualties with disability for one working day or more whose temporary disability discontinued in the reporting year	-
No. of casualties with partial disability transferred from their main job to another job for one working day or more as required by a medical assessment report <i>Of which women</i>	- -
No. of persons with an occupational disease first identified	-

**Both 2019 and 2018 were an absolute success in terms of achieving Omsk Carbon Group's strategic objective - maintaining a zero injury frequency rate.**

### Injury Severity Rate ISR

(number of lost workdays/ number of accidents)

**0 в 2019 г**

### Accident Frequency Rate AFR

(number of accidents\*1000/ average number of staff)

**0 в 2019 г**

With a view to preventing workplace injuries, we conduct comprehensive surveys of working and industrial safety conditions as well as audits of the fulfillment of statutory OHS requirements. In 2019, in-process inspections were conducted in the company's 31 units on schedule.

Compliance with statutory or other OHS requirements is assessed on the basis of Omsk Carbon Group's List of Statutory and Other Occupational Health and Safety Requirements. The audits focus on irregularities in maintaining documentation, units' sanitation conditions, the completeness or correctness of using PPE, etc.

# 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 consequences.

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

Omsk Carbon Group's hazardous production facilities are identified and recorded in the national register. No accidents, emergencies, incidents, fires or ignition were recorded in 2019 at Omsk Carbon Group OOO.

## **Omsk Carbon Group OOO has developed action plans for emergency preparedness 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;
- Civil defense plans;
- Action plans for the prevention or containment of natural or man-made emergencies;
- Plans for enhancing the protection of potentially hazardous facilities of Omsk Carbon Group OOO.

## **At our plants, we established:**

- Facility-based commissions for emergency prevention and containment and fire safety;
- Facility-based evacuation commissions for organizing evacuation;
- Non-professional emergency response teams for the containment and elimination of natural or man-made emergencies.

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 OOO yearly holds emergency drills and exercises involving all working shifts during the year as scheduled.**

Drill/exercise type	2019
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	14
Training exercises completed for personnel preparedness for action in the event of an accident at hazardous production facilities	304
Fire safety drills (topic-based exercises) conducted	14
Comprehensive civil defense and emergency situation exercises completed	2
Special tactical training exercises on civil defense and emergency situations completed	2
Civil defense and emergency situation table top exercises completed	1



### Completed in 2019:

- Comprehensive exercises “Action by management, the Emergency Commission and the Industrial Safety Division, the Omsk Production Site’s personnel of Omsk Carbon Group OOO, an emergency response team of Dnepr OOO, Fire and Salvage Unit No. 9 and Russian Unified Emergency Rescue Service staff in the event of an emergency within the product and raw material storage facility of Shop No. 4 (Tank No. 3)”. 249 persons and 12 pieces of equipment involved, of which: the Omsk Production Site of Omsk Carbon Group OOO – 215 persons and 7 pieces of equipment; third-party resources – 34 persons and 5 pieces of equipment. The exercises involved ongoing interaction with a working group of the Emergency Commission and the Industrial Safety Division in Omsk.
- Comprehensive table top exercises “Action by the Branch’s personnel in the event of a chlorine contamination threat resulting from an accident at KAUSTIK AO with the engagement of efforts and resources of professional teams of the Field Office of The Ministry of Emergency Management for the Volgograd Region”.
- Comprehensive exercises “Action by the Emergency Commission and the Industrial Safety Division, the Branch’s personnel and a professional emergency response team during elimination of the maximum petroleum product spill within the tank farm of the Volgograd Branch of Omsk Carbon Group OOO (depressurizing of a tank (5000 m<sup>3</sup>) and a petroleum product spill beyond the dike), performance of emergency response and other urgent works to contain and eliminate the petroleum product spill”. The exercises involved efforts and resources as per an oil spill containment and recovery plan.



# Commitment to Environmental Responsibility

## 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. Provided with all required environmental facilities, the Group's plants meet modern-day environmental safety requirements.

Our environmental efficiency is assessed based on specific consumption of natural resources and emissions. Effluents, including storm sewage, are rendered harmless at our local waste treatment plants, and tail gases produced are treated in waste heat boilers. Our sophisticated circulation water system many times reduces fresh river water used in the operations.

Our quality control lab accredited to monitor emissions, discharges and the environmental status within the area of sanitary protection is responsible for environmental monitoring.

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

### The sustainable use of natural resources involves:

- Reduced consumption of 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 operation modes of power equipment affecting the environment 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' units and external consumers by observing industrial safety rules, including the organization of proper operation 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 expenses

### Environment protection expenses amounted to RUB 1,261,400.

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. The Group's plants have industrial environmental control in place, with the relevant action taken as per a documented procedure and an approved schedule in 31 units of Omsk Carbon Group OOO during 2019.

# Sustainable use of natural resources

## Water consumption

Water is one of the essential resources in Omsk Carbon Group's day-to-day operations. As part of its environmental efforts, one of the Group's priorities is improved water efficiency and prevention of any associated accidents with environmental effects.

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

Resources consumed	2019
Drinking water, m3	566 143
Process water, m3	4 419 089
Circulating water, m3	721 240

**In 2019, Omsk Carbon Group OOO reduced its drinking water consumption by 3.5%.**

Omsk Carbon Group's facilities contain local waste treatment plants where physicochemical treatment of process and storm sewage occurs. The company seeks to save its water. Annual routine includes cleaning collection ponds, maintaining water supply networks and equipment and replacing filter media in water treatment filters.

**Omsk Carbon Group's strategic objective is reducing its gross water discharge to surface bodies to 0.0063 million m3 by 2024.**

**In the year 2019, gross water discharge to surface-level bodies was 0.007 million m3.**

## Natural gas consumption

Reduced natural gas consumption is one more focal area for Omsk Carbon Group's environmental efforts. Natural gas is basically used in our carbon black production technology and for the operation of WH boilers generating heat.

**In 2019, the company's overall gas consumption was 169,442.197 m3, 1.6% down from 2018.**



## Electricity generation and consumption

Resource	2019
Total electricity produced, kWh thousand	172 765,094
Total electricity purchased, kWh thousand	87 213,013
Total electricity consumed, kWh thousand	259 978,107

**2019 marked a 15.8% decrease in the total electricity purchased on account of the larger amounts of energy produced.**

## Heat consumption

**In 2019, total heat consumed was 1,420,246.6 Gcal**

Omsk Carbon Group OOO is implementing its long-term energy saving and energy efficiency programs for specific types of operations:

- heat generation in boiler houses;
- transporting cold water and effluents;
- electric power transmission.

The programs contain targets and relevant actions. Quarterly programs implementation reports are submitted to oversight authorities.

We record the amounts of energy used by the company's units and external consumers, with the records processed and compiled in monthly, quarterly and annual reports to be relied on for the analysis of energy used 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 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.

Omsk Carbon Group's top priority action to reduce energy consumption and GHG emissions involves operating at the Omsk and Volgograd plants own co-generation units with the respective installed capacities of 18,000 thousand kW and 18,000 thousand kW, which cover 65% of the facilities' electric power needs. Electricity is produced by steam-driven turbine plants using the steam generated by tail gas WHBs. In addition, tail gas is used in heat exchange equipment for carbon black production lines and for a heating boiler house.

## Handling waste and emissions

Omsk Carbon Group OOO is aware of the importance of measures aimed to reduce the amount of waste released into the environment. The company handles its waste in line with the requirements of the RF environmental laws. The company's Draft Waste Generation and Disposal Regulations were approved by the Department of Rosprirodnadzor for the Siberian Federal Okrug and are in effect. Waste Generation Standards and Waste Disposal Limits No. 062-18 dd. 10 February 2016 were issued. The company developed arrangements for the disposal of waste on its premises. Omsk Carbon Group generates waste of 57 titles, with a hazardous waste profile sheet available for each of them. All types of the company's waste are within the allowable annual generation standards as per the Draft Waste Generation and Disposal Regulations. Omsk Carbon Group OOO has License No. 055-00135 dd. 28 June 2016 for the transportation, treatment, disposal, neutralization and placement of I-IV hazard class waste.

## Waste generation

Waste class	2019
I class hazard waste, mt	1,004
II class hazard waste, mt	0,450
III class hazard waste, mt	1548,635
IV class hazard waste, mt	1255,900
V class hazard waste, mt	11871,200
Total, mt	14679,219

The company decreased the amount of waste generated by 3.7% in 2019.

## Industrial waste sales

Collected selectively, waste can be sold to third-party licensed entities for their further treatment and recycling. There are contracts concluded to transfer waste for disposal or recycling. 2019 marked an 11.4% growth in the waste volumes we sold to third parties for recycling.

Waste selling	2019
Waste sold, including: -Ferrous scrap, mt -Non-ferrous scrap, mt -Carbon black sweepings, mt	1 597,2

For industrial waste abatement, the company reuses part of its waste. Non-conformity products are re-processed, which reduces waste released into the environment. Reuse examples include refractory mortar, which is disintegrated and reused for the production of refractory articles. In 2019, 169.897 mt of refractory mortar was reused. A growth in waste treated for reuse was 24.1%.

## Harmful (pollutant) substances emissions and discharges

Maintaining emissions within the permissible levels is yet another important area of Omsk Carbon Group's plants activities.

Omsk Carbon Group OOO has a Permit for Harmful (Pollutant) Substances Emissions dd. 10 January 2017 No. 1/2017 with the emission quota of 5,648.806 mt per year. The Volgograd Branch of Omsk Carbon Group OOO holds a Permit for Harmful (Pollutant) Substances Emissions dd. 22 February 2017 No. 2186 with the emission quota of 5,088.535 mt per year.

**Omsk Carbon Group's strategic objective is maintaining the level of pollutant emissions within 4,500 mt per year by 2024.**

To prevent the annual quota from being exceeded and keep emissions as low as possible, the plants conduct preventive overhauls for process equipment. In order to reduce dust emissions, filter bags are continuously replaced in recovery and aspiration systems, which is critical to the effective operation of gas and dust removal equipment. With a view to decreasing its air emissions, the Feedstock Preparation Shop is equipped with a hydrocarbon recovery unit and a hermetic feedstock discharge system. The company's motor vehicles are being replaced by Euro 5 petrol cars to reduce CO<sub>2</sub> emissions.

## The atmosphere

The Omsk plant's Draft Regulations on Maximum Permissible Emissions were approved by the Department of Rosprirodnadzor for the Siberian Federal Okrug and are in effect (Order No. 3 dd. 10 January 2017). Volgograd Branch's Draft Regulations on Maximum Permissible Emissions were approved by the Department of Rosprirodnadzor for the Volgograd Region (Order No. 194 dd. 22 February 2017). All of the facilities' harmful (pollutant) substances emissions are within the allowable concentrations as required by the Regulations.

The actual emissions of pollutants by Omsk Carbon Group OOO and its Volgograd Branch in 2019 were 43% of the emission limit.

In order to monitor the air condition on the border of the sanitary protection area of the Omsk plant and the Volgograd-based branch, quality control 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.

In 2019, Omsk Carbon Group OOO and its Volgograd Branch performed 3,945 tests of the air on the border of the sanitary protection areas. No pollutants exceeded the maximum allowable concentrations.

## Water

Omsk Carbon Group OOO discharges its effluents into a surface water body on grounds of Pollutant Substances Discharge Permit No. 11/2018 dd. 10 May 2018, issued by the Field Office of Rosprirodnadzor for the Omsk Region. Approved draft regulations for permissible discharges of substances and microorganisms into water bodies are in place at the company. The facilities are provided with a recirculation system. Process water is fed to the local treatment plant and re-appears at production lines. Excessive treated water is discharged into the River of Irtysh where necessary. All pollutants discharged are within the allowable concentration. In 2019, the pollutants actually discharged by Omsk Carbon Group OOO into water bodies made up 8.7% of the discharge limit. The Volgograd-based branch discharges no effluents into water bodies. The company's accredited lab monitors water resources to ascertain whether the quality of inflow meets the relevant requirements, address any reasons for the deterioration of effluents quality and generally understand the water effects of Omsk Carbon Group's operations.

## Protecting biodiversity

Omsk Carbon Group has no operations in protected areas or areas of high biodiversity value, which, however, does not rule out any potential effects of the carbon black manufacturing process on biodiversity in the areas where the Group carries on its business.

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.

Omsk Carbon Group at regular intervals monitors background environmental conditions on the borders of the sanitary protection areas and assesses the impact of its operations on those conditions. The monitoring results show that our operations have no substantial impact on the biodiversity of the natural complex. For instance, average pollutant concentrations on the border of an area of sanitary protection within which manufacturing is conducted do not exceed 50% of the upper limit of the safe level.

Moreover, in an effort to conserve biodiversity, Omsk Carbon Group OOO has been long engaged in landscaping not only at the company premises, but also within the Oktyabrsky District of Omsk.

Planted	2019
Flower seedlings, pcs.	230 812
Nursery plants, pcs.	4 265
Decorated	
Flower gardens, m2	2382





# Promotion of Economic and Social Development

## Supply chain management

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

### Omsk Carbon Group’s purchasing principles:

#### Transparency and partner relations.

-  
The policy of openness, reinforcing confidence and respect for 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 Omsk Carbon Group’s supplier as long as it fulfills the requirements of safety, reliability and legality.

#### 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 is able to contribute to the mitigation of social and economic risks within the supply change. The Group seeks to cooperate with suppliers committed to sustainable development principles. To that end, the company incorporated the requirements to meet environmental, labour and anticorruption laws into its supply contracts.

Omsk Carbon Group annually rates its suppliers. 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 OHSAS 18001 / ISO 45001. No certified management system leads to a lower supplier category. What is more, the company prefers suppliers who have certified their environmental or OHS management systems when entering into contracts. Supplier sustainability scoring occurs using a self-assessment method. Suppliers are evaluated based on the Group’s environmental, OHS, human rights and ethics requirements, including in the course of an audit.

**Omsk Carbon Group’s strategic objective is 100% of its suppliers meeting the company’s sustainability requirements by 2024.**

## Managing corruption risks

Omsk Carbon Group has taken a systemic approach to identifying, assessing and managing corruption-related risks and focuses its attention on assessment of the existing controls and procedures within the areas and business processes that are particularly exposed to such risks. These basically include purchasing, payments, charity, sponsorship, business gifts, entertainment expenses, interaction with public authorities, due diligence and contract approval.

Striving to meet the highest business ethical standards, the Group uses substantial efforts to maintain the reputation of a transparent, fair and responsible company, has zero tolerance to any forms of fraud, corruption or bribery at all organizational levels and seeks to prevent them.

Any alleged unlawful acts are thoroughly investigated. The Head of Security Department is in charge of anti-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 when 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;
- conducting 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 all of the listed unlawful acts.

To ensure full compliance with all applicable laws and regulations, Omsk Carbon Group has developed a package of internal documents governing fair and ethical conduct, the ban on discrimination and corruptive activities, business conduct and staff members' internal and external communication:

- Anti-Fraud and Corruption Policies;
- Ecologically Responsible Purchasing Policies; and
- Code of Conduct.

All of the company's employees become familiar with the documents at the time of hiring or whenever a document is revised and amended. In 2019, the anti-corruption hotline continued its work. The Group encourages whistleblowing and guarantees confidentiality and non-retaliation. Every report is investigated. None of the three reports submitted during the reporting period bore out.

In 2019, we completed due diligence in respect of 3,701 potential 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 mala-fide potential vendors whose business reputation (practices) is not fair or open. In addition, the Group evaluates the current status of its 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. Omsk Carbon Group highly appreciates its 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) are openly considered with the involvement of representatives of the 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 nearly any complexity via our Tender Board. Every bidder submits documents evidencing the availability of its HR resources, materials and technology as well as its expertise in completing similar works.

To prevent and suppress any attempts of Omsk Carbon Group personnel's involvement in corruption schemes, 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.

In 2019, several legal proceedings initiated at the request of the company ended up in revealing and destroying bad suppliers' corruptive schemes.

## Engagement with local communities

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

**The engagement 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 refurbishing production facilities;
- tax matters;
- environmental protection; and
- 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. The company paid RUB 1,429 million in federal, regional and local taxes, fees, duties and social security contributions.

## Charity



Omsk Carbon Group is a socially responsibly business for both society at large and individuals, focusing on charitable activities and sponsorship and promoting culture, science, education, sports and healthy lifestyle through a variety of campaigns. Veterans and people with disabilities are also within the zone of special attention. The Group engages 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. In 2019, headed by Sergey Losev, Omsk Production Site Director, our employees held a New Year celebration for the children and presented them with gifts.

Charity expenses breakdown, RUB million	2019
Charity expenses, including: <ul style="list-style-type: none"> <li>- Education, research;</li> <li>- Supporting veterans, the disabled and those in need;</li> <li>- Charitable organizations and NGOs;</li> <li>- Orphanages;</li> <li>- Preschool institutions;</li> <li>- Spiritual heritage revival;</li> <li>- Other.</li> </ul>	6,88

The 2019 charity expenses grew by 64.9%.





# GRI Correspondence Table

GRI Indicator	GRI Indicator Description	Report Section and/or Comments, References to Other Sources	Report page
UNIVERSAL REPORTING ELEMENTS			
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	About the Company	3-5
102-2	Activities, brands, products, and services	About the Company	3-5
102-3	Location of headquarters	About the Company	3-5
102-4	Location of operations	About the Company	3-5
102-5	Ownership and legal form	About the Company	3-5
102-6	Markets served	About the Company	3-5
102-7	Scale of the organization	About the Company	3-5
102-8	Information on employees and other workers	Personnel	21-27
102-9	Supply chain	Supply chain management	42
102-10	Significant changes to the organization and its supply chain	No significant changes occurred in 2019.	
102-11	Precautionary principle or approach	Managing Sustainability Risks	19
		Supply chain management	42
		Managing corruption risks	42-44
102-12	External initiatives	Involvement in International, National and Regional Sustainability Initiatives	14-15
102-13	Membership of associations	Involvement in International, National and Regional Sustainability Initiatives	15-16



STRATEGY			
102-14	Statement from senior decision-maker	A Word from Our Board Chairman	1
102-15	Key impacts, risks, and opportunities	Sustainable Development Strategy	7
		Managing Sustainability Risks	8
		Omsk Carbon Group's contribution to the achievement of the Sustainable Development Goals	9-13
		Human Rights	20
		People and HR Policies	22-29
		Occupational Health and Safety	30-33
		Preventing Incidents or Accidents and Emergency Response	33-35
		Environmental protection	36-41
		Supply chain management	42
Engagement with local communities	44-45		
Managing corruption risks	42-44		
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Managing corruption risks	42-44
102-17	Mechanisms for advice about ethics	Managing corruption risks	42-44
GOVERNANCE			
102-21	Consulting stakeholders on economic, environmental, and social topics	Shareholder Engagement	17-18
102-30	Effectiveness of risk management processes	Managing Sustainability Risks	19
102-35	Remuneration policies	Personnel	22-27
102-36	Process for determining remuneration	Personnel	22-27
102-37	Stakeholders' involvement in remuneration	Personnel Working with trade unions	22-27 29



STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Shareholder Engagement	17-18
102-41	Collective bargaining agreements	Working with trade unions	29
102-42	Identifying and selecting stakeholders	Shareholder Engagement	17-18
102-43	Approach to stakeholder engagement	Shareholder Engagement	17-18
102-44	Key topics and concerns raised	Managing Sustainability Risks	8
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	Переформулировки информации в отчётном периоде не применялись	
102-49	Changes in reporting	Изменения в предоставлении отчетности не вносились	
102-50	Reporting period	About the Report	61-62
102-51	Date of most recent report	About the Report	61-62
102-52	Reporting cycle	About the Report	61-62
102-53	Contact point for questions regarding the report	About the Report	61-62
102-54	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.	
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	About the Report Sustainability Management Omsk Carbon Group's contribution to the achievement of the Sustainable Development Goals	8 9-13
201 ECONOMIC PERFORMANCE			
201-3	Defined benefit plan obligations and other retirement plans	Personnel Working with trade unions	22-27 29
201-4	Financial assistance received from government	In 2019, the company obtained no financial assistance from governmental authorities	
202 MARKET PRESENCE			
103	Management approach	Personnel	22-27
202-1	Ratios of entry-level wage to local minimum wage	Personnel	22-27
202-2	Proportion of senior management hired from the local community	Personnel	22-27

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	9-13 61-62
203-2	Significant indirect economic impacts	Omsk Carbon Group's contribution to the achievement of the Sustainable Development Goals Engagement with local communities	13-17 44-45
204 PROCUREMENT PRACTICES			
103	Management approach	Managing corruption risks	42
204-1	Operations assessed for risks related to corruption	Managing corruption risks	42
205 ANTI-CORRUPTION			
103	Management approach	Managing corruption risks	42-44
205-1	Operations assessed for risks related to corruption	Managing corruption risks	42-44
205-2	Communication and training about anti-corruption policies and procedures	Managing corruption risks	42-44
205-3	Confirmed incidents of corruption and actions taken	No confirmed instances of corruption were recorded in 2019.	
206 ANTI-COMPETITIVE BEHAVIOUR			
103	Management approach	Managing corruption risks	42-44
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Managing corruption risks	42-44
ENVIRONMENTAL			
301 MATERIALS			
103	Management approach	Environmental protection	36-41
301-3	Reclaimed products and their packaging materials	Environmental protection	36-41



302 ENERGY			
103	Management approach	Environmental protection	36-41
302-1	Energy consumption within the organization	Environmental protection	36-41
302-2	Energy consumption outside of the organization	Environmental protection	36-41
302-3	Energy intensity	Environmental protection	36-41
302-4	Reduction of energy consumption	Environmental protection	36-41
302-5	Reductions in energy requirements of products and services	Environmental protection	36-41
303 WATER			
103	Management approach	Environmental protection	36-41
303-1	Water withdrawal by source	Environmental protection	36-41
303-2	Water sources significantly affected by withdrawal of water	Environmental protection	36-41
303-3	Water recycled and reused	Environmental protection	36-41
304 BIODIVERSITY			
103	Management approach	Protecting biodiversity	40-41
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting biodiversity	40-41
304-2	Significant impacts of activities, products, and services on biodiversity	Protecting biodiversity	40-41
304-3	Habitats protected or restored	Protecting biodiversity	40-41
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protecting biodiversity	40-41



305 EMISSIONS			
103	Management approach	Environmental protection	36-41
305-1	Direct (Scope 1) GHG emissions	Environmental protection	36-41
305-5	Reduction of GHG emissions	Environmental protection	36-41
305-6	Emissions of ozone-depleting substances (ODS)	Environmental protection	36-41
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Environmental protection	36-41
306 EFFLUENTS AND WASTE			
103	Management approach	Environmental protection	36-41
306-1	Water discharge by quality and destination	Environmental protection	36-41
306-2	Waste by type and disposal method	Environmental protection	36-41
306-4	Transport of hazardous waste	Environmental protection	36-41
306-5	Water bodies affected by water discharges and/or runoff	Environmental protection	36-41
307 ENVIRONMENTAL COMPLIANCE			
103	Management approach	Environmental protection	36-41
307-1	Non-compliance with environmental laws and regulations	Environmental protection	36-41
SOCIAL			
401 EMPLOYMENT			
103	Management approach	Personnel	22-27
401-1	Total number and rate of employee turnover during the reporting period, by age group, gender and region	Personnel	23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Personnel	22-27



402 LABOUR/MANAGEMENT RELATIONS			
103	Management approach	Personnel	22-27
402-1	Minimum notice period regarding operational changes	In accordance with the Labour Code of the Russian Federation as amended, federal laws or other regulations containing rules of labour law, agreements and employment contracts	
403 OCCUPATIONAL HEALTH AND SAFETY			
103	Management approach	Occupational Health and Safety	30-33
403-1	Workers representation in formal joint management—worker health and safety committees	Occupational Health and Safety	30-33
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	30-33
403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety	30-33
403-4	Health and safety topics covered in formal agreements with trade unions	Working with trade unions Occupational Health and Safety	29 30-33
404 TRAINING AND EDUCATION			
103	Management approach	Personnel	22-27
404-1	Average hours of training per year per employee	Personnel	22-27
404-2	Programs for upgrading employee skills and transition assistance programs	Personnel	22-27
404-3	Percentage of employees receiving regular performance and career development reviews	Personnel	22-27



405 DIVERSITY AND EQUAL OPPORTUNITY			
103	Management approach	Personnel	22-27
405-1	Diversity of governance bodies and employees by gender, age, minorities and other diversity indicators	Personnel	22-27
405-2			
405-2	Ratio of basic salary and remuneration of women to men	Personnel	22-27
406 NON-DISCRIMINATION			
103	Management approach	Human Rights Personnel	20-21 22-27
406-1	Incidents of discrimination and corrective actions taken	Human Rights Personnel	20-21 22-27
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.	
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 in 2019.	
413 LOCAL COMMUNITIES			
103	Management approach	Engagement with local communities	44-45
413-1	Operations with local community engagement, impact assessments, and development programs	Engagement with local communities	44-45
413-2	Operations with significant actual and potential negative impacts on local communities	In 2019, there were no operations with significant actual or potential impacts on local communities.	
414 SUPPLIER SOCIAL ASSESSMENT			
103	Management approach	Supply chain management	42
414-1	Percentage of new suppliers that were screened using social criteria	Supply chain management	42
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	In 2019, there were no instances of non-compliance with statutory or voluntary code requirements concerning the health and safety impacts of products or services.	
417 MARKETING AND LABELING			
417-2	Incidents of non-compliance concerning product and service information and labeling, by type of consequences	In 2019, there were no instances of non-compliance with regulatory or voluntary code requirements concerning product or service information or labeling.	