

Environmental, Health and Safety Policy

1.0 OBJECTIVE

- 1.1 The Environmental, Health and Safety Policy of ILIM Group (hereinafter, the **Company**) shall be the main regulation for ensuring environmental protection, labor safety and health of the Company's employees.
- 1.2 The Objective of the Environmental, Health and Safety Policy is to determine the Company's principles regarding ensuring the environment protection, labor safety and health of all the employees and fire protection system. Implementation of the above principles should facilitate establishment of labor safety culture at entities and increase environmental culture of the production process.
- 1.3 Neither of the provisions herein regarding environmental health and safety protection shall contradict current Laws of the Russian Federation.

2.0 SCOPE

- 2.1 This Policy shall apply to all structural subdivisions of the Company, its branches, representative offices and remote structural units (ROPs).
- 2.2 This Policy is recommended for adoption by all legal entities owned directly or indirectly by the Company and controlled by the Company (hereinafter, the Subsidiaries). This Policy shall be applied to Subsidiaries once it has been approved by the management bodies of the Subsidiaries as an internal company document.

3.0 POLICY

OJSC Ilim Group is the largest company manufacturing pulp, paper and packaging materials for the Russian and international markets.

By providing the emerging Russian market with high-quality domestic paper and packaging and utilizing the renewable forest resources efficiently, the Company in its activity is guided by the following principles of EHS management:

3.1 Principles for management of the labor protection, industrial, fire protection and environmental safety are as follows:

- priority of protection of the employees' life and health;
- prevention of fatal and severe accidents or accidents involving several employees;
- the Company's responsibility for the life and health of any person staying on the Company's premises;
- managerial decision-making based on professional and environmental risk assessment;
- Improvement of the employees' competence in the area of labor protection;
- responsibility of each employee for ensuring occupational safety and health and life protection;
- involvement and participation of the Company's employees in establishment of positive occupational safety and its integration into the corporate culture;
- development and implementation of the programs contributing to safety improvement;

- motivation of the employees for safe work;
- strict compliance with the safety requirements by the employees ;
- Fire protection of the employees' life and health, as well as the Company's assets;
- setting general requirements to fire protection applicable to all assets (products), including facilities, buildings and constructions;
- ensuring fire protection of assets during design work, construction, overhaul, reconstruction, technical rearmament, changing operational purposes, maintenance, utilization and liquidation of the Company's objects;
- Establishment and maintaining the high level of the fire safety system, including the system for fire prevention, fire fighting system, complex of technical events to secure fire safety;
- improvement of the procedure for timely submission of correct information concerning the labor protection and industrial safety issues related to the Company's operations, to relevant governmental authorities and the Company's top management.
- operation of the Company's facilities on the basis of the presumption of potential environmental hazard entails personal and collective responsibility for actions and results in the area of environmental safety for the Company's employees.

3.2. Environment protection principles:

The Company's interests in the area of environment protection lie in saving natural resources and amelioration of the environment, including:

- creation of new value-added products, namely white papers and corrugated boxes, upgrade of the Company's existing pulp and paper mills, is inseparable from continuous reduction of an adverse environmental impact, decrease in the use of hazardous and noxious substances in production, improvement of the living and working conditions of the Company's employees;
- openness, honesty and reliability in cooperation with all the parties interested in the Company's environmental activities and internal control over compliance with the environmental requirements established by the Company, as well as Russian laws and regulations and other documents governing environmental issues and enhancing environmental efficiency of the Company's operations;
- implementation of the projects that facilitate energy saving and improve power consumption efficiency by application of the best technologies available, including the projects on burning of secondary fuel and reduction of greenhouse gas emissions that are the priority projects for the Company for the period till 2012;
- multi-level environmental education of the Company's employees, support of research, development and designing works and implementation of their results in daily business operations form a basis for correct environmental decision-making in accordance with the values, laws and professional rules of conduct, policies and procedures of the Company;

3.3. Responsibilities of the Company's top management:

- responsibility for creation and maintaining a proper level of environment protection and safe working conditions for all employees;
- responsibility for procurement of all resources required for Policy implementation;
- compensation paid to employees for the damage caused by an industrial accident;
- improvement of the health safety and environment protection management system.
- responsibility for revision of the Policy.

4.0 PROCEDURES

- 4.1 The Policy shall be a part of the environment, health and safety management system. Description of the system is provided in the Guidelines for Labor Protection and

Industrial Safety Management System and the Guidelines for Environment Protection.

5.0 REVISION PROCEDURE

5.1 The Policy shall be revised at the initiative of the Company's top management.

6.0 CONTACTS

6.1 EHS Directorate, Chief Manufacturing and Investment Office in the Company's Head Office.

7.0 REFERENCES TO INTERNAL REGULATIONS

7.1 Code of Business Ethics

7.2 Guidelines for Labour Protection and Industrial Safety Management System (to be developed in 1 Q 2009).

7.3 Guidelines for Environment Protection (to be developed in 1 Q 2009).

Deputy CEO

John Rankin, Managing Director Manufacturing and Investment