

Growing together!

A small, solid green circular dot positioned to the left of the year "2023".

2023

Ilim Group is the largest manufacturer of pulp and paper products in Russia



Exports to 70 countries worldwide



17 000 employees



Over 8M Ha of leased timberlands



Production output of 3.6 million tons per year











1.7 million tons – exported to China



The Ilim Group consists of three largest pulp and paper mills: in Arkhangelsk (Koryazhma) and Irkutsk regions (Bratsk, Ust-Ilimsk), **two modern corrugated factories** in Leningrad (Kommunar) and Moscow (Dmitrov) regions and the Sibgiprobum **Engineering and design institute** in Irkutsk

Ilim Group assets

-  Head office in St. Petersburg
-  Office
-  Manufacturing facilities
-  Engineering and design institute
-  Omela coated paper (CFS)
-  Paperboard
-  Offset paper
-  Pulp
-  Corrugated packaging
-  Forest chemicals
-  White papers
-  Круглые лесоматериалы



Ilim Group's products

Market pulp

- Bleached softwood kraft pulp
- Bleached hardwood kraft pulp
- Unbleached softwood kraft pulp



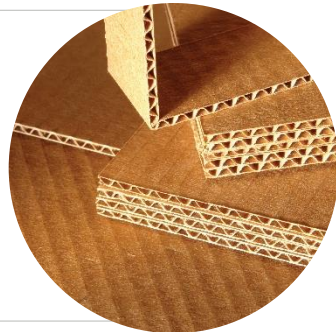
Packaging materials

- Kraftliner
- Nordliner
- Fluting
- Fully bleached liner
- Sack kraft paper
- One-side coated board
- Packaging paper



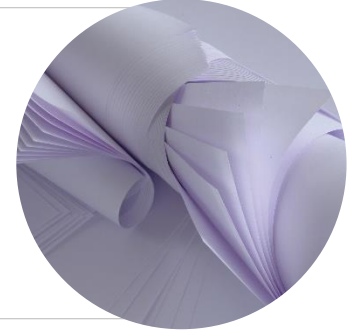
Corrugated packaging

- Corrugated box board
- Corrugated boxes and components
- Complex shape and design packaging
- Bulk packaging



White papers

- Omela coated paper (CFS)
- Offset paper
- Cut-size paper
- Wallpaper
- Paper for till rolls



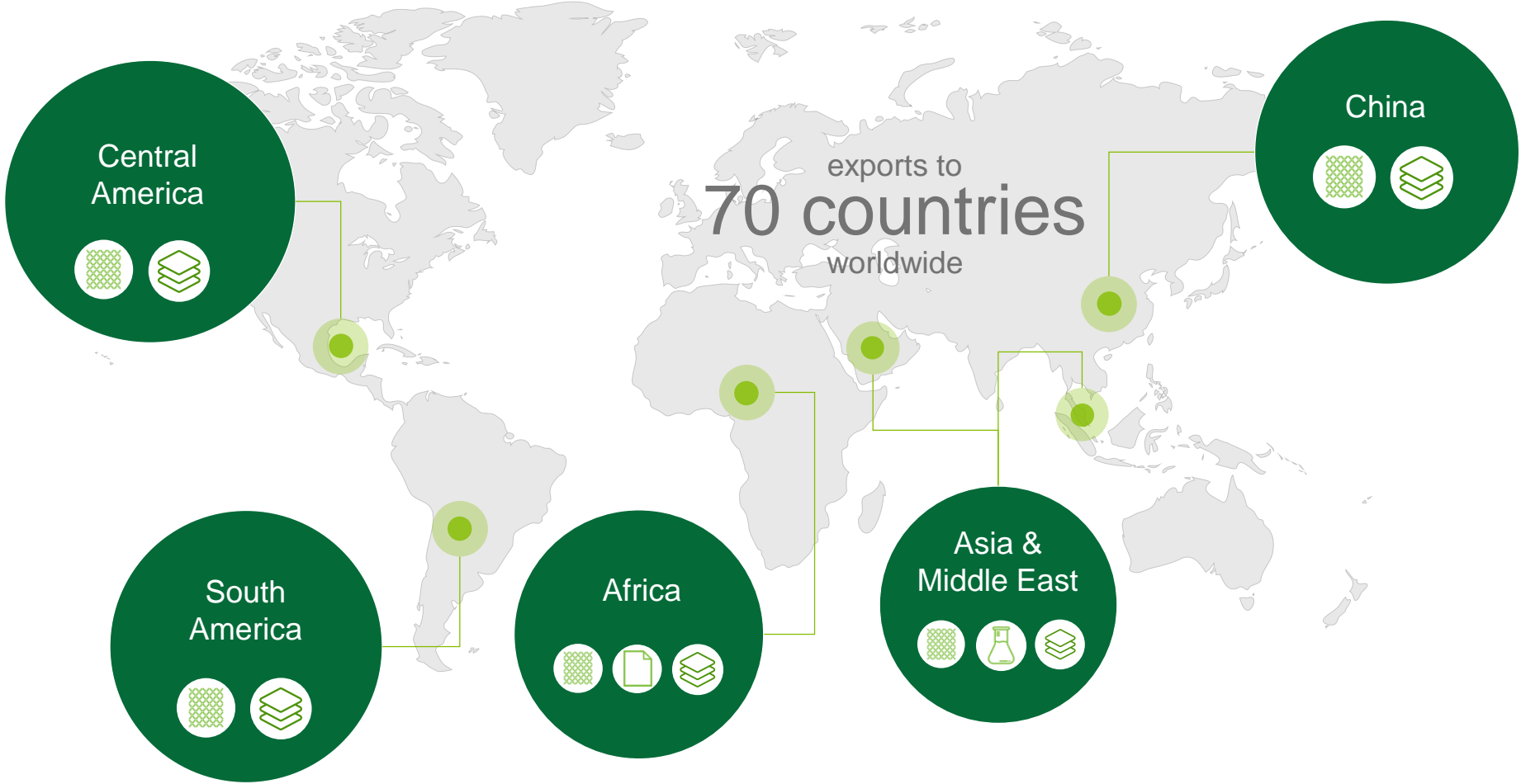
Wood Chemicals

- Tall oil rosin
- Tall oil fatty acids
- Distilled tall oil
- Lightweight tall oil
- Purified sulfated turpentine



Export destinations

-  Packaging materials
-  Pulp
-  Corrugated packaging
-  Forest chemicals
-  White papers



Koryazhma Mill



Capacity

1.3 million tons of products per year

About 50% of the products manufactured at the Koryazhma Mill are sold domestically. The rest is exported to Latin America, Asia and Middle East.

► Products

- kraftliner
- fluting
- offset printing paper
- office paper
- coated paper
- sack kraft paper, packaging paper
- wallpaper
- bleached hardwood kraft pulp
- unbleached softwood kraft pulp
- wood chemicals



Bratsk Mill



Capacity

1.3 million tons of products per year

Key sales markets for the Bratsk Mill products: China (up to 80% of total export volumes) and Southeast Asia.

▶ Products

- bleached softwood and hardwood kraft pulp
- kraftliner
- wood chemicals



Ust-Ilimsk Mill



Capacity

900 thousand tons of products per year

The Ust-Ilimsk Mill exports up to 90% of its bleached pulp output to Asia.

▶ Products

- bleached softwood and hardwood kraft pulp unbleached softwood
- kraft pulp
- wood chemicals



Corrugated box plants of Ilim Group



Capacity

282 million m² per year

Ilim has **two corrugated box plants** in Russia located in the Leningrad (Kommunar) and Moscow (Dmitrov) Oblasts. Box business development in the domestic market is a priority for Ilim Group.

▶ Products

- transportation packaging
- corrugated trays
- retail packaging
- packaging for mailed items and e-commerce

The plants produce more than **5.5 thousand of product items.**



Engineering and design institute



More than 100

engineering and design orders placed over the last 5 years

Ilim's engineering and design institute provides integrated engineering and design solutions for **construction, rebuild and retrofit** of facilities in the relevant industries.

► JSC Sibgiprobum

Sibgiprobum offers research and development and engineering and design services for the forestry, wood processing, and pulp and paper industries.

- **80% of orders** come from the companies working in the P&P and wood chemical industries



Key focus areas of Ilim Group strategy



Strategy in Asia

- New Kraftlinerboard mill
- Upgrade of the facilities in Bratsk and Ust-Ilimsk



Strategy in Russia

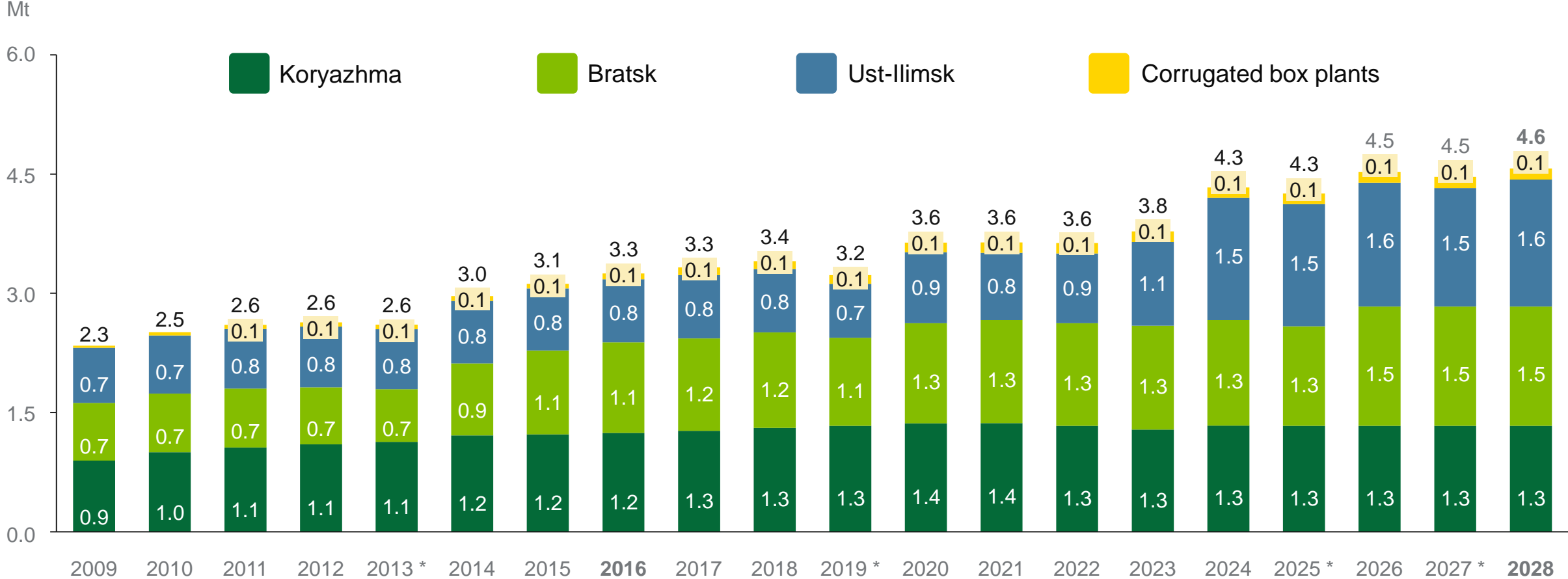
- Conversion of white papers to packaging
- Product quality improvement



Long-term business sustainability

- Automation and digitalization of key processes
- Sustainable forest management
- Product innovations
- Reduce the environmental footprint

Production volume **doubled** over 19 years

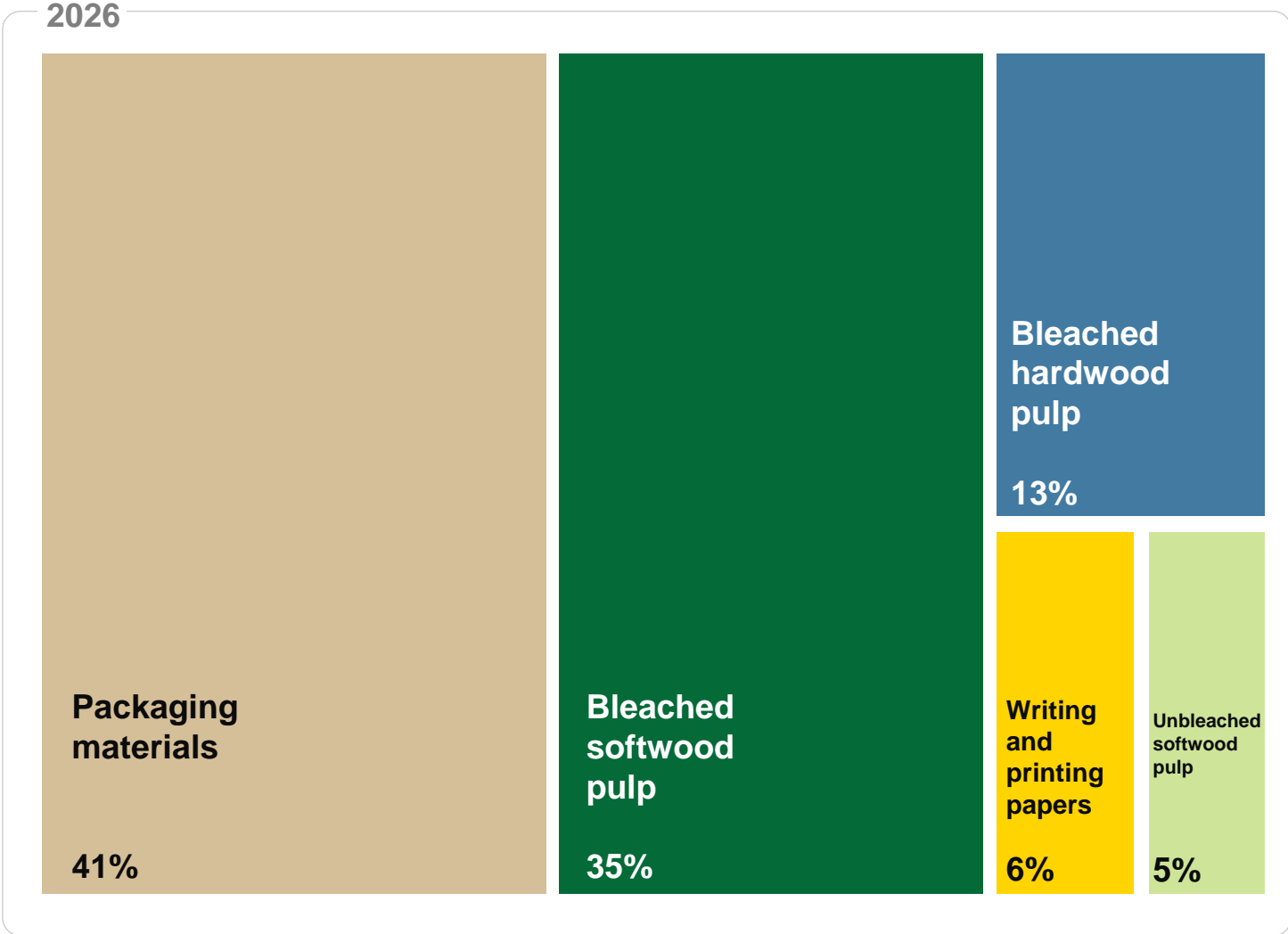
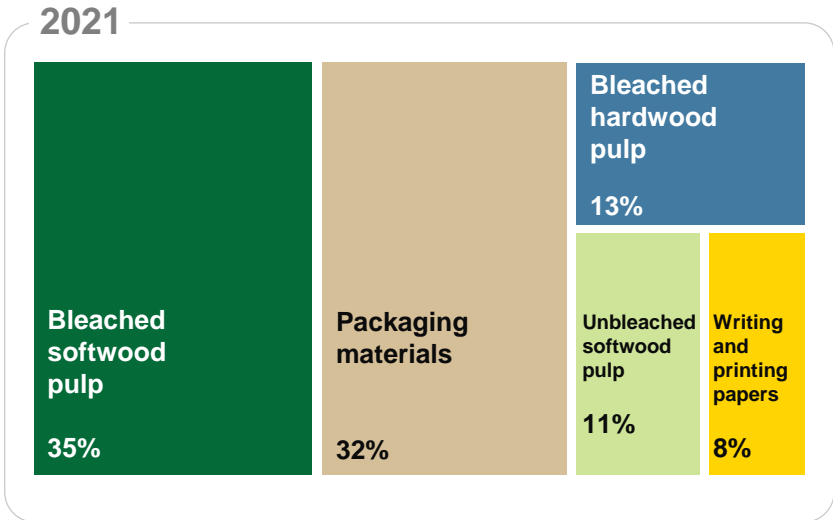
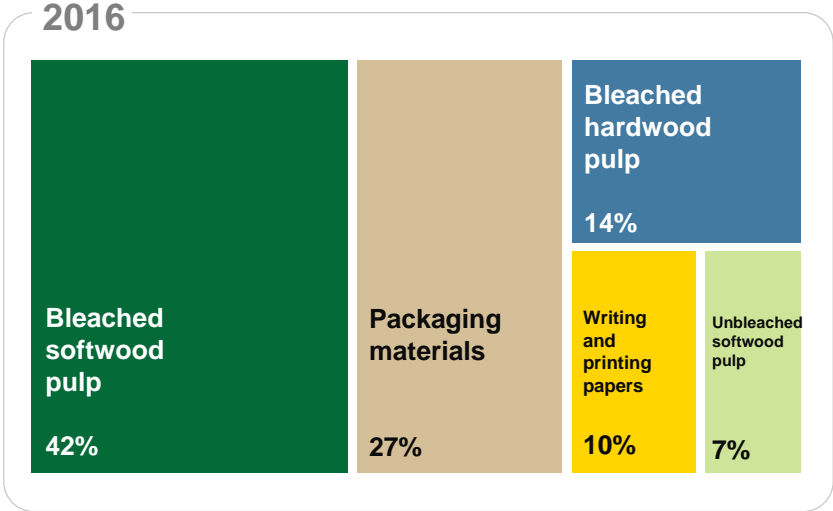


* Upgrade-related downtime

Product portfolio transformation



Product mix, %



Ilim Group key investment projects - Ust-Ilimsk



Line 1 Retrofit

- Increase annual pulp output by 100 thousand tons
- Improve reliability



CAPEX exceeding **\$100M**



Big Ust-Ilimsk

- Increase annual output of paperboard and other packaging materials by 630 thousand tons
- Gain leadership in the packaging market in China



CAPEX exceeding **\$1.3Bn**



Line 2 Retrofit

- Increase annual pulp output by 50 thousand tons
- Reduce the environmental footprint



CAPEX exceeding **\$100M**

Ilim Group key investment projects - Bratsk



KLB Line Rebuild

- Increase market board output by 110 thousand tons per year
- Improve the KLB quality up to the world-class level
- Improve the KLB line reliability



CAPEX exceeding **\$120M**



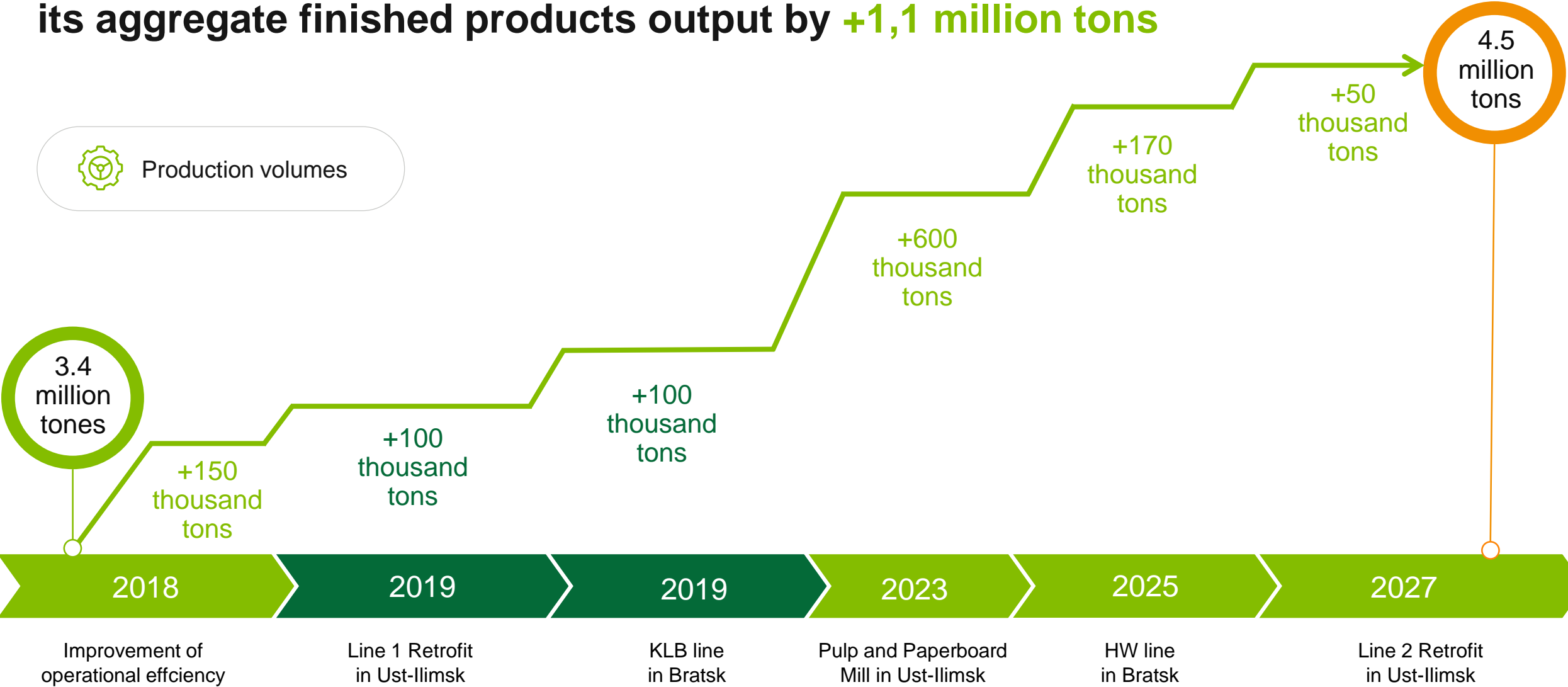
HW Line Rebuild

- Increase bleached HW pulp production output by 170 thousand tons per year
- Reduce the environmental footprint



CAPEX exceeding **\$150M**


Implementation of the investment program will allow Ilim to increase its aggregate finished products output by **+1,1 million tons**



Completed projects

Ilim Group in China



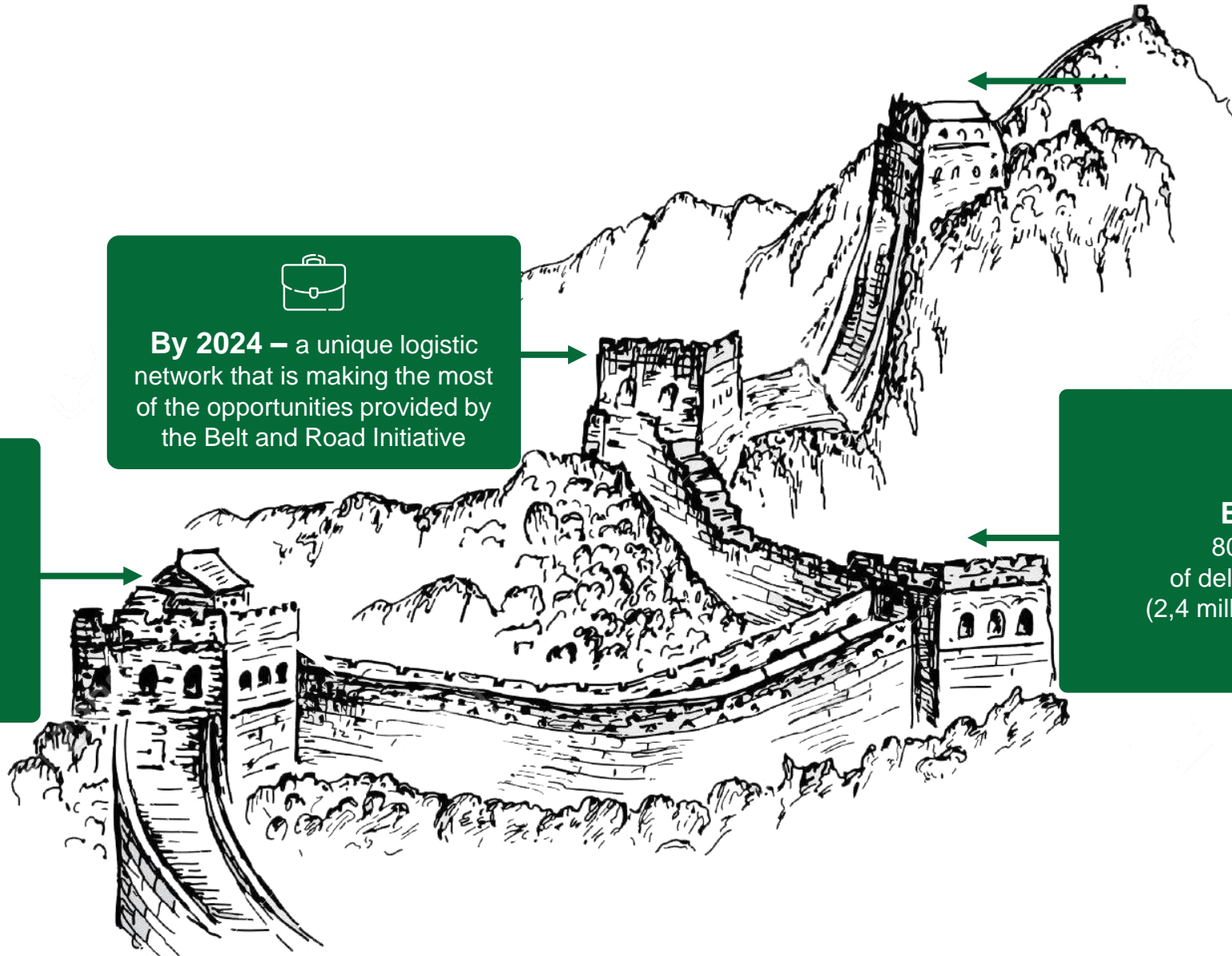

27 years
of Ilim presence in the
Chinese market


**500 plants
in 20 regions
of the country**
Consume Ilim`s products




China is a strategic market of Ilim

Ilim Group in China



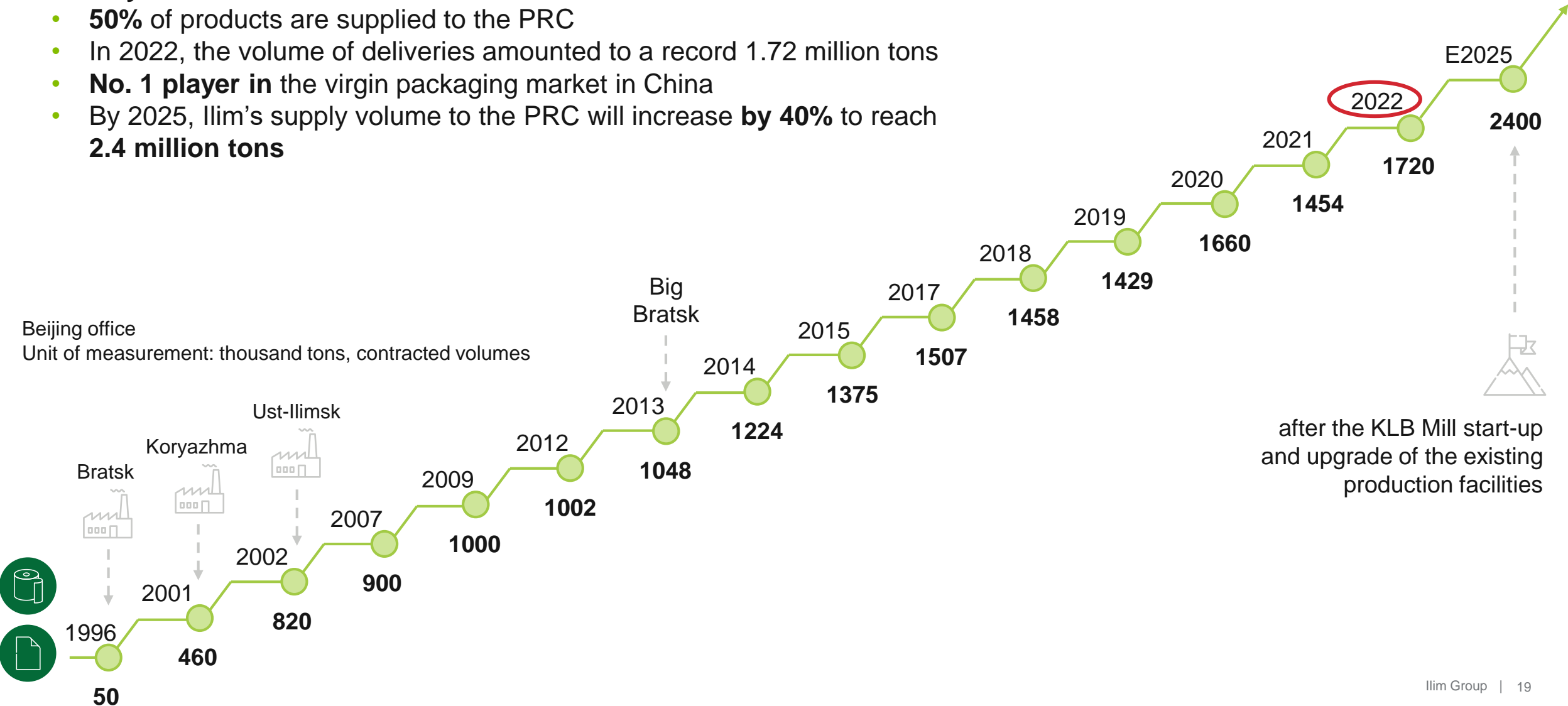

No. 1 player
in the virgin packaging
market in China


By 2024 – a unique logistic
network that is making the most
of the opportunities provided by
the Belt and Road Initiative


By 2025 –
80% increase
of deliveries to China
(2,4 million tons per year)

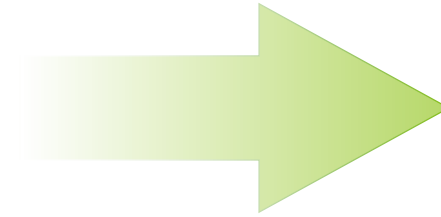
Ilim Group in China

- **27 years** in the P&P Chinese market
- **50%** of products are supplied to the PRC
- In 2022, the volume of deliveries amounted to a record 1.72 million tons
- **No. 1 player** in the virgin packaging market in China
- By 2025, Ilim's supply volume to the PRC will increase **by 40%** to reach **2.4 million tons**





Ilim`s digital strategy


ILIM in digitalization



Data-driven ILIM


 Main business processes for functions and cross-functional (end-to-end) processes were automated


 Pilots for modeling and decision-making support system were implemented


 An IT basis for Shared Services Centers is formed


 Reliable IT infrastructure is rolled out




 Day-to-day decisions algorithms

 Data based decisions

 Smart Office environment

 Unmanned flexible production (Light-off factory)

 Cross-functional (end-to-end) BPs automation

Key IT Strategy projects

-  Paperless records management
-  Automation of end-to-end business processes
-  Shared Service Centers for business functions
-  Common interface
-  Development of data visualization tools
-  Data-based decision-making systems
-  Use of digital twins for processes and facilities
-  Integration of corporate accounting and logistics systems with government systems
-  Digital measuring facilities and processing of measurements
-  Case-based planning process
-  Integrated planning
-  Common digital environment for contractor relations
-  100% employee access to self-services



Reforestation




Ilim uses ball-rooted planting stock




It helps to improve the quality of reforestation due to higher survival of planted seedlings




Every year Ilim plants **6.5 million** seedlings and **4 tons** of pine and spruce tree seeds

Reforestation



Ilim Group has become the first company in Russia to adopt an **intensive forest management and reforestation model**



The forest plots of **7 million hectares** leased by Ilim Group are certified according to Forest Stewardship Council®¹, as well as the Company annually confirms compliance with international voluntary forest certification systems.



Every year Ilim reforestation efforts cover **50 thousand ha**

* FSC (FSC-C129100, FSC-C129102, FSC-C129099)

Environmental policy



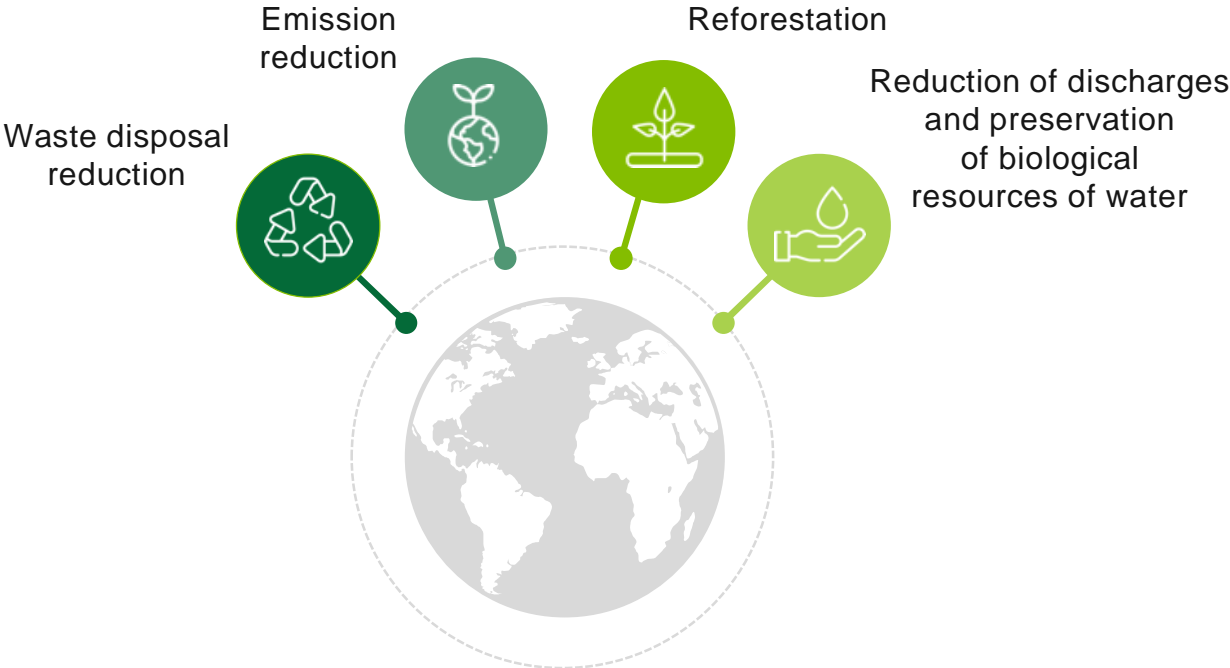
Ilim Group builds its business strategy through application of state-of-the-art technology, rational use of natural resources, and mitigation of environmental, industrial and fire risks at all production stages



Over **RUB 55.1 billion** were allocated for environmental projects and BAT implementation over five years (2018 – 2022)



Upgrade of production facilities and implementation of the best available technologies



24 hour environmental control



WATER

100% industrial wastewater undergoes three treatment stages



AIR

85% of emissions are captured and treated at our own facilities



LAND

74% of generated waste is disposed of or utilized internally to generate energy

Monitoring and laboratory control is in place to check:

- Wastewater
- Natural water (surface and ground water)
- Soil
- Air at production facilities and at the boundary of the protection zone
- Exposure to physical factors at production facilities
- Operation of the equipment for air emissions treatment



About **390 000 tests** are made annually as part of the industrial environmental control

Ilim Group HR Policy



Ilim Group has more than
17 000 employees



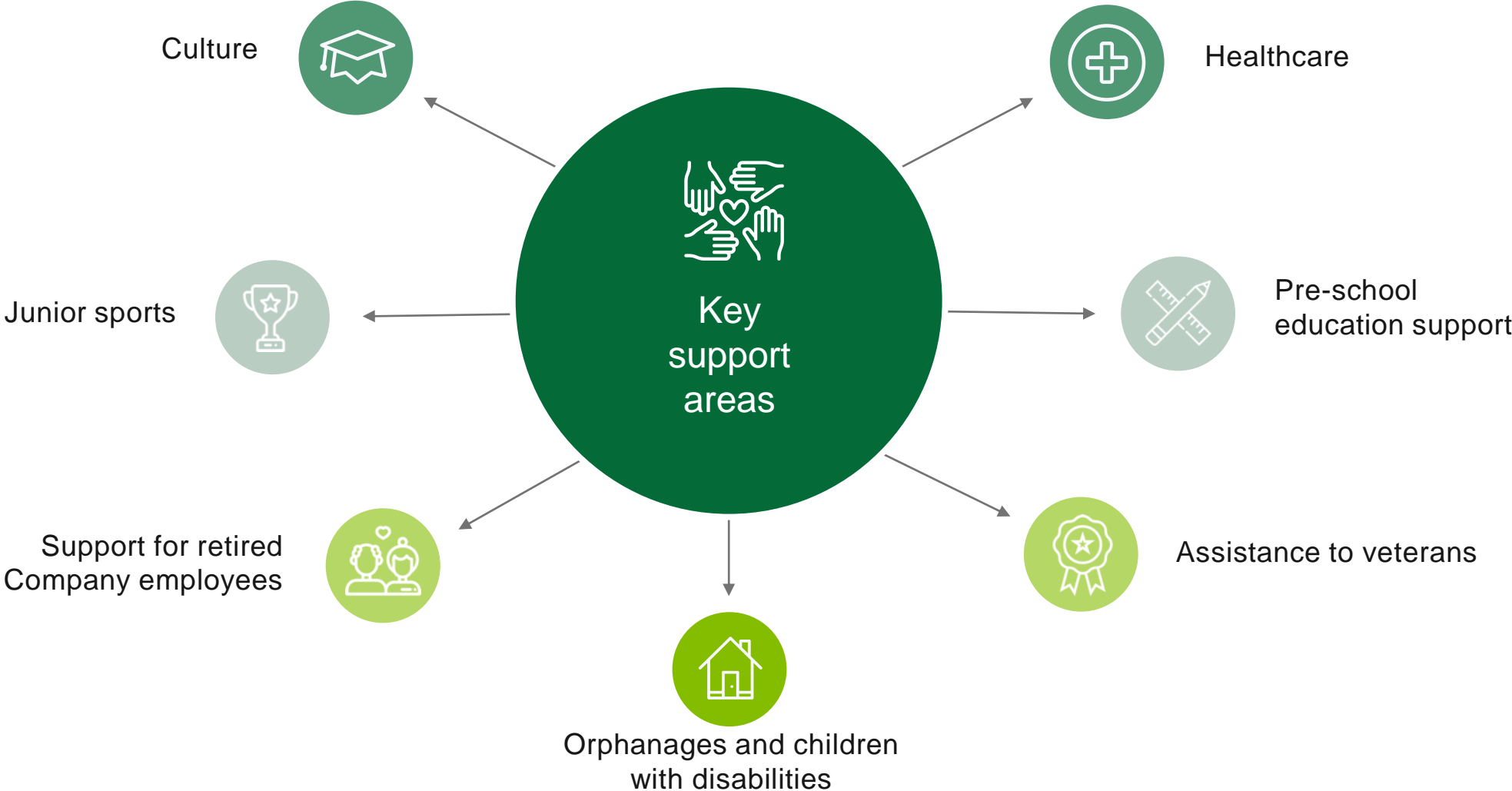
- Over **70% of employees** holding key positions have worked in the Company for **over 10 years**, including 37% of them who have worked for **over 20 years**
- **17% of employees** have received prestigious **awards** (industry-specific awards, honorary titles)
- **Comfortable working** conditions: safety, stability, compensations and benefits system



Ilim Group is included in the Forbes rating of the largest companies in Russia


Social responsibility of Ilim Group

Ilim Group creates favorable social environment in the regions where it operates





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