

INTEGRATED BUSINESS MODEL

Assets

Within our integrated business model, we have identified five key assets which encompass our operating facilities, activities and impacts as a company:

Natural

5.5 Bt
of coal reserves

- Water, air, soil

Financial

- Optimal capital structure

Human

32,124
employees

- Skills and experience

Operational

14 open pits

12 mines

10 washing plants and processing facilities

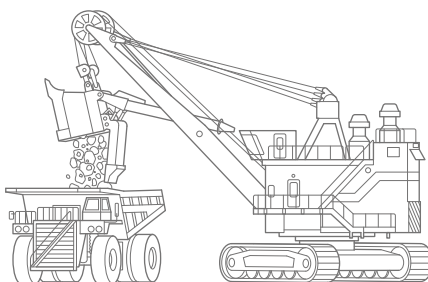
- Our own research and development institute in Kuzbass
- 3 port facilities where SUEK Group is one of the major shareholders
- Extensive international trade network

Social and relationships

- Open engagement with stakeholders

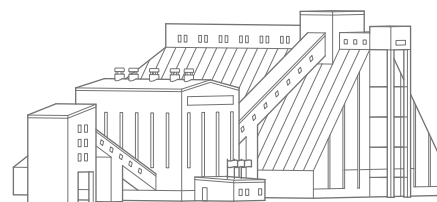
How we create value

We create value in a number of ways within four key areas of activity:



Mining

Our cost-efficient mining delivers a sustainable supply of high-quality thermal coal. Using open-pit and underground mines, we produce brown and hard coal. By investing in regular upgrades of our production units, SUEK is able to maintain a leading position within its sector.



Washing and processing

Washing plants and processing facilities adjacent to our mines and open pits improve the quality of our coal. Washing reduces ash, increases heat content and ultimately improves the coal's market value. The coal is also crushed and screened so that it can precisely meet customers' size specifications without altering quality.

Sustainability factors

Coal exploration

We constantly explore new coal deposits to replenish our resources and build our business for the future.

Efficiency increase

Investment in modern mining equipment and operational improvements deliver increased productivity and cost efficiency.

Product development

Our R&D team looks at ways to increase the quality of our coal while also developing coal products for use in a wide range of industries.

Corporate governance

We are committed to high standards of corporate governance in line with international good practice.

By exercising control over the whole business cycle and economies of scale, we are able to ensure efficiency and cost savings across our entire operations and sustain our leading industry position.

FOR MORE INFORMATION ON HOW WE OPERATE VISIT OUR WEBSITE WWW.SUEK.COM



Delivering value to stakeholders

Through our focus on operational efficiency, cost control and corporate responsibility, we deliver value to a wide range of stakeholders, including:

Shareholders and financial stakeholders

- We deliver sustainable capital returns

Employees

- SUEK offers competitive remuneration and benefits at all levels
- We provide stimulating and challenging career development opportunities

Customers

- We are able to assure a quality product
- Our coal is delivered on time and to order

Suppliers and business partners

- The Group has established long-term, mutually beneficial relationships

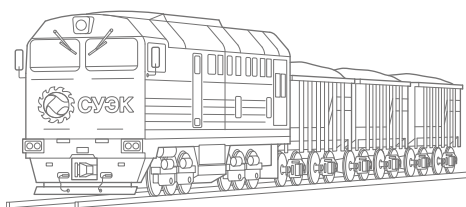
Local communities

- SUEK is committed to improving personal wellbeing through social projects in the regions where the Group operates
- Environmental programmes help to counter the impact of our mining operations

State bodies

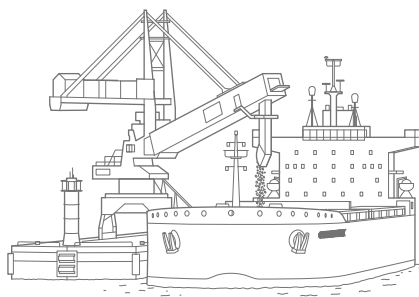
- SUEK provides a significant tax contribution to municipal, regional and federal budgets
- SUEK is a valuable source of cross-industry expertise

READ MORE ABOUT OUR ENGAGEMENT WITH STAKEHOLDERS ON PAGES 64-65.



Logistics

The favourable location of our assets, with good access to key transport infrastructure, enables SUEK to reliably and cost-efficiently supply the major markets of Russia, Europe and Asia-Pacific.



Sales

SUEK's extensive sales network ensures reliable coal supplies to customers in 37 countries. Our established offices in all key markets help mitigate business risk and allow us to sell products in local currency. More than 80% of our international sales are direct to end users.

Stakeholder engagement

We engage actively with all our stakeholders, ensuring we remain focused on creating value for them.

Health, safety and environmental protection

Our priority is to minimise safety and environmental risks at each stage of the operational cycle.

Personnel development

By investing in our people we not only increase the skill levels and job satisfaction of SUEK employees but also improve the Group's operational efficiency.

Risk management

Proactive management of internal and external risks at every stage of our business cycle helps us meet strategic targets and secure long-term growth.