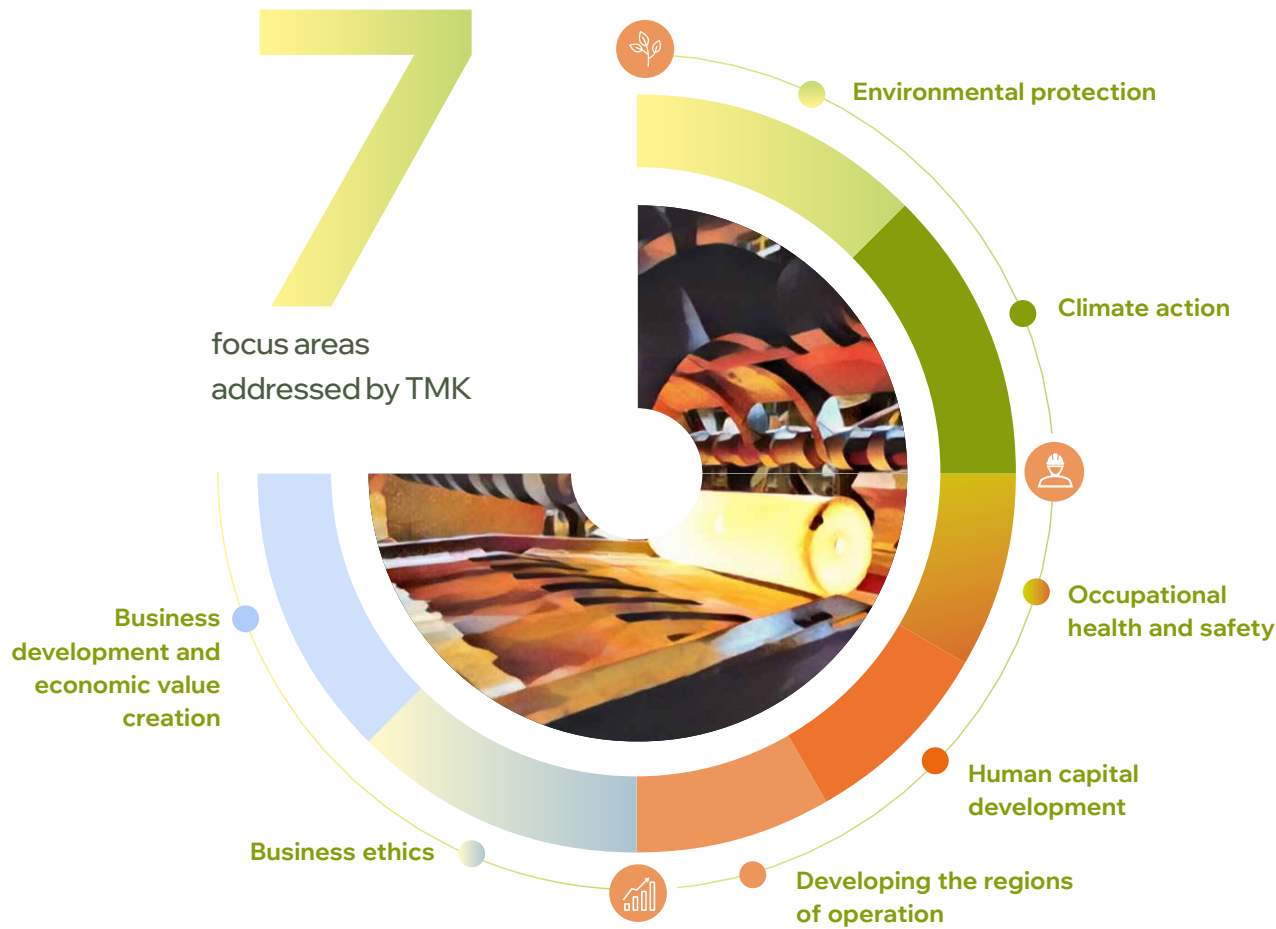




# TMK's Sustainability Performance in 2022



# TMK's strategic sustainability focus areas and priority UN SDGs



TMK aligns its sustainability efforts with the global agenda, specifically targeting the UN Sustainable Development Goals (SDGs). We have identified nine UN SDGs as top priorities for TMK to support.

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>6</b> CLEAN WATER AND SANITATION</p>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>



# Awards and achievements



## RATING PERFORMANCE

### **NRA**

A leader ("advanced level") in the ESG ranking of Russian Industrial Companies

### **ACRA**

ESG-5 level within the ESG-C category (the highest level) of the ESG Rating

### **EXPERT**

3rd position in the Top 100 Sustainability Ranking of Russian Companies

### **RBC/NCR**

Category 2 (above average) in the ESG Index of Russian Business

### **FORBES**

The Gold category of Russia's Best Employers Ranking 2022

### **RSPP**

Class A1 – the highest level of anti-corruption efforts and the lowest corruption risks – in the Anti-corruption Ranking of Russian Business

### **DONORS FORUM**

Top category (A+) in the Corporate Philanthropy Leaders ranking



## COMPETITIONS AND AWARDS

### **LEADERS OF RUSSIAN BUSINESS: DYNAMICS AND RESPONSIBILITY 2022 NATIONAL COMPETITION HELD BY THE RUSSIAN UNION OF INDUSTRIALISTS AND ENTREPRENEURS (RSPP)**

- The Digital Steelmaking project became the winner in the Digital Transformation Project category
- Energy- and resource-saving projects at VTZ, PNTZ, and CHTPZ became winners in the Energy Efficiency Project category
- Projects of TMK2U Corporate University became winners in the Progress in Human Resources Development category

### **COMPANY OF THE FUTURE AWARD**

TMK was named the winner in the Talent Pool category for the development of TMK2U Corporate University

### **ECOTECH-LEADER 2022**

The AQA project became the winner in the Construction and Operation of Treatment Facilities category

### **BEST CORPORATE MEDIA IN RUSSIA 2023**

The video on electric steelmaking was named the winner in the ESG Video, Social Responsibility, and Sustainability category



# Environmental stewardship

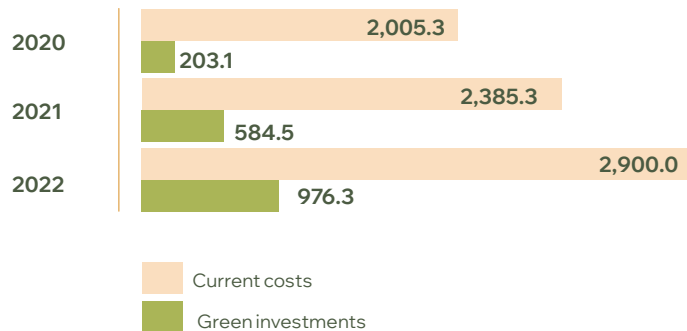


## 2022 HIGHLIGHTS

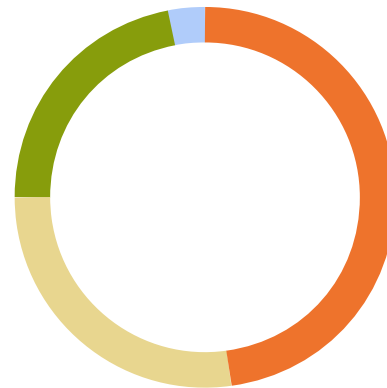
# 3.9

RUB bln —  
environmental  
protection  
expenditures

### TOTAL ENVIRONMENTAL EXPENDITURES OF TMK GROUP ENTERPRISES, RUB MLN



### BREAKDOWN OF TMK'S OPERATING EXPENSES ON ENVIRONMENTAL PROTECTION BY FOCUS AREA



- 48% Wastewater collection and treatment
- 27% Waste management and land protection
- 22% Air quality improvement
- 3% Other (noise, biodiversity, and radiation safety)

### WATER USE AND DISCHARGE

TMK Group's **total water withdrawal** amounted to 40,288.3 thousand m<sup>3</sup>, with 22,684.5 thousand m<sup>3</sup> taken from natural water bodies.

**Water from surface sources** accounts for 42% of the Company's total water withdrawal.

**Water discharge decreased 9%** y-o-y due to organizational measures and the operation of AQA facilities.

96% – **water recycling** and reuse ratio.

**To upgrade water use systems, water treatment facilities were commissioned in 2020: AQA Genesis at PNTZ and AQA Crystal at CHTPZ. A new green facility, AQA Balance, is being constructed at CHTPZ and is slated for commissioning in 2023.**



# Environmental stewardship



## 2022 HIGHLIGHTS

### POLLUTANT EMISSIONS

Pollutant emissions were up 15% y-o-y in 2022 to 21.5 thousand tonnes, driven by higher output.

CHTPZ is a participant of the Clean Air federal project, which aims to improve the environmental situation and halve air emissions in major industrial centers by 2030.

### WASTE

1,050.5 thousand tonnes of industrial and consumption waste was generated.

In 2022, 485.5 thousand tonnes of waste was reused, a fivefold increase y-o-y driven by specific measures taken at VTZ, PNTZ, and CHTPZ.

TMK enterprises treat their waste for further use in production or construction:

- Metallurgical scrap is sorted out of slag and sent back to the process line as raw material for steelmaking
- The remaining waste is sent to companies engaged in road construction or used to remediate sites and waste storage facilities

### PROTECTION OF BIODIVERSITY AND ECOSYSTEMS

TMK enterprises do not make any significant direct or indirect impact on biodiversity. The Company does not have operational sites in, or adjacent to, protected areas or areas of high biodiversity value.

In 2022, TAGMET joined efforts with the Russian Federal Research Institute of Fisheries and Oceanography to monitor the state of plankton (phyto-, zoo-, and ichthyoplankton) within the ecosystem of the Taganrog Bay's Andreyeva Bight in the Sea of Azov.

PNTZ partnered with the Visim State Biosphere Nature Reserve to support the peregrine falcon population.

### TMK'S CONTRIBUTION TO THE SAVE THE FOREST CAMPAIGN

5 Russian regions

>100 TMK volunteers

>3 million trees planted with TMK's support

In 2022, TMK Group participated in the Save the Forest all-Russian campaign as a regional partner



# Energy consumption and climate change

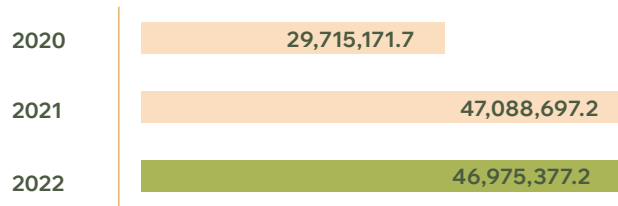


## 2022 HIGHLIGHTS

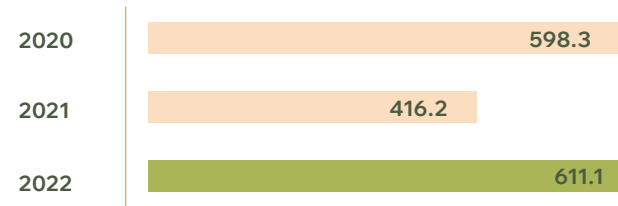


## OUR PRACTICES

### TOTAL ENERGY CONSUMPTION, GJ



### REDUCTIONS IN ENERGY CONSUMPTION ACHIEVED AS A RESULT OF EFFICIENCY INITIATIVES, THOUSAND GJ



**Direct gross CO<sub>2</sub> emissions** increased 4% due to higher output, while **specific CO<sub>2</sub> emissions** decreased 5% and indirect CO<sub>2</sub> emissions fell, too, as a result of energy efficiency initiatives.

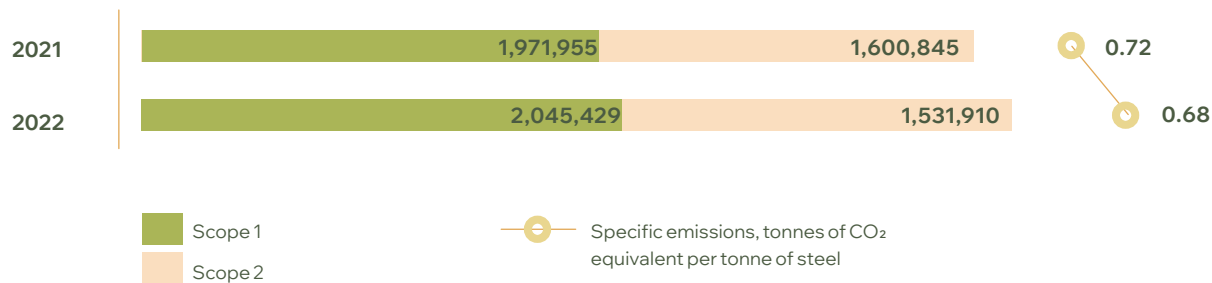
**Energy audits conducted at TMK Group pipe plants** (VTZ, PNTZ, STZ, SinTZ, TAGMET, and CHTPZ) in 2022 led to the development and approval of the Energy Efficiency Program for 2023–2027.

**Centers of excellence** for climate impact mitigation were established at VTZ, PNTZ, SinTZ, STZ, TAGMET, and CHTPZ.

TMK launched a **new range of pipes for hydrogen energy**, Sputnik H and Sputnik C, to provide customers with optimal decarbonization solutions.

A **climate project to create a carbon farm** was launched at VTZ to slash GHG emissions and safeguard the environment in Volzhsky and in the Volgograd Region.

### GHG EMISSIONS, TONNES OF CO<sub>2</sub> EQUIVALENT





# Occupational health and safety



## 2022 HIGHLIGHTS



## OUR PRACTICES

**35** injuries (including 3 fatalities)

**0.42** Lost Time Injury Frequency Rate (LTIFR)

**0.04** Fatal Accident Rate (FAR)

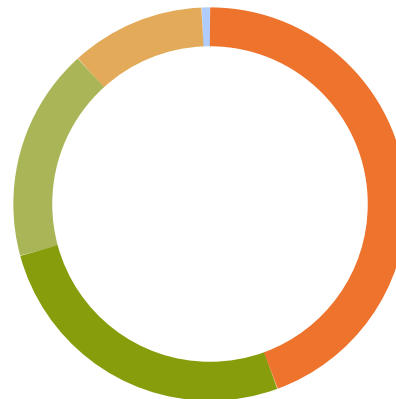
**0.12** the rate of high-consequence work-related injuries

**0.69** Total Recordable Injury Frequency Rate (TRIFR)

**4** Work-related ill health cases

**1.8** RUB bln — TMK's OHS expenses

### BREAKDOWN OF TMK'S EXPENDITURES ON OCCUPATIONAL HEALTH AND SAFETY



- 44% Safety workwear and footwear, PPE
- 26% Implementation of organizational measures
- 18% Implementation of hygiene protocols
- 11% Implementation of technological and technical measures
- 1% Employee training in occupational health

All TMK Group pipe plants are certified to ISO 45001:2018 Occupational health and safety management systems.

The Company holds an annual Steel Safety Day, bringing together TMK and contractor employees. In 2022, 90% of employees attended the event.

TMK has in place a digital control tool, the Mobile Audit module based on the OTPB.Online system.

Medical aid posts at production enterprises operate around the clock. STZ, VTZ, and TAGMET have their own polyclinics.

TMK's Best OHS Organization is a corporate competition held by TMK on an annual basis. In 2022, VTZ was named the competition winner.



# Care for employees



## 2022 HIGHLIGHTS

### HEADCOUNT AS AT YEAR-END, THOUSAND PEOPLE



### EMPLOYEE TURNOVER, %

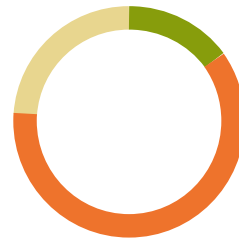


### BREAKDOWN OF EMPLOYEES BY GENDER



35% women  
65% men

### BREAKDOWN OF EMPLOYEES BY AGE



15% under 30 years old  
61% 30-50 years old  
24% over 50 years old



## OUR PRACTICES

**TMK implements multiple social programs:** offers benefits and allowances, organizes recreation, runs cultural events, and provides financial assistance to employees and their families.

**A global employee engagement survey is conducted annually.** In 2022, TMK's group-wide engagement was up 7 p.p. y-o-y.

TMK uses its proprietary SOTA2U corporate HR platform, the Mobi2U mobile application, and various corporate media to foster employee **engagement and development.**

**To foster succession, ensure sustainability of technologies and competencies, improve HR security, and drive Company development,** a management talent pool has been created: over 70% of managers appointed at the Company are selected from the talent pool.





# Training and development



## 2022 HIGHLIGHTS

>600

RUB mln — TMK Group employee training and development costs

>2.5

mln hours — total employee training time

>60,000

people — audience of the SOTA2U corporate HR platform

>2,500

employees registered in digital libraries



## OUR PRACTICES

TMK takes a systematic approach to employee training and capability building, providing employees with the best opportunities for upskilling and career advancement. TMK2U Corporate University plays a key role in the development of TMK Group employees.

TMK is involved in the Professionalitet federal project focused on providing intensive training for students to meet the needs of industrial companies, prioritizing practical training. TMK has helped to set up metals industry education and production clusters in five Russian regions.

TMK collaborates with key educational institutions in the regions where it operates to attract young talent, implements joint projects, and supports science.

TMK2U is the organizer of two landmark Company-wide events: the Horizons international forum and the Master Games vocational skills competition.

### TMK2U ACHIEVEMENTS OVER 5 YEARS

560

training programs

700

in-person and online events

>70 %

of employees covered with training annually

80

corporate business coaches

>1,000

employees of partner companies trained at TMK2U Corporate University





# Contribution to regional development



## 2022 HIGHLIGHTS



## OUR PRACTICES

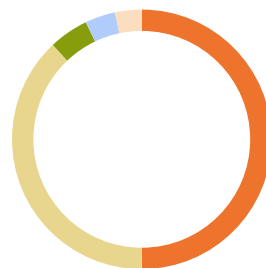
# 2.1

RUB bln — expenses on support for local communities (including philanthropy and sponsorship)

# 323

RUB mln — investments in infrastructure projects

### BREAKDOWN OF TMK GROUP'S CHARITABLE AND SPONSORSHIP EXPENDITURES



- 50% Sports
- 38% Local community development
- 5% Culture and arts
- 4% Education and training
- 3% Healthcare and medicine

TMK runs its charitable projects via the corporate **Sinara Charitable Foundation** and through the programs of its enterprises in their respective regions of operation.

**TMK Group enterprises** are involved in initiatives focused on promoting culture and arts, education and training, sports and healthy lifestyles.

**To benefit the regions where they operate, enterprises are engaged in** projects to renovate publicly important areas and preserve the historical and cultural heritage of local cities while creating a comfortable environment for local residents.

The **Employee Volunteer Center** run by the Sinara Charitable Foundation was launched in 2022.



The grant competition of the Sinara Charitable Foundation won third place in the Donors Forum's Corporate Philanthropy Leaders competition for the Best Program Fostering Sustainability with Grant Competitions.





# Ethics and human rights



## 2022 HIGHLIGHTS



## OUR PRACTICES

0

incidents of corruption

0

incidents of discrimination

>40

thousand employees trained in corporate ethics and compliance

>23

thousand TMK employees completed the TMK Group's Code of Ethics interactive course

902

reports were received by TMK's hotline; all reports were addressed

76

compliance risk incidents were investigated

In 2022, human rights risks were added to the risk map, enabling more effective assessment and prevention of relevant situations.

TMK and individual Group enterprises include provisions of the Counterparty Management Policy in their contracts with suppliers.

TMK implements special initiatives to support women, including professional skills competitions for "female professions", women's councils putting a spotlight on family values and healthy lifestyles, etc.

Most of TMK enterprises have trade unions. Members of trade unions are involved in resolving labor issues together with plant management.

TMK'S ANTI-CORRUPTION POLICY AND COUNTERPARTY MANAGEMENT POLICY WERE APPROVED



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