



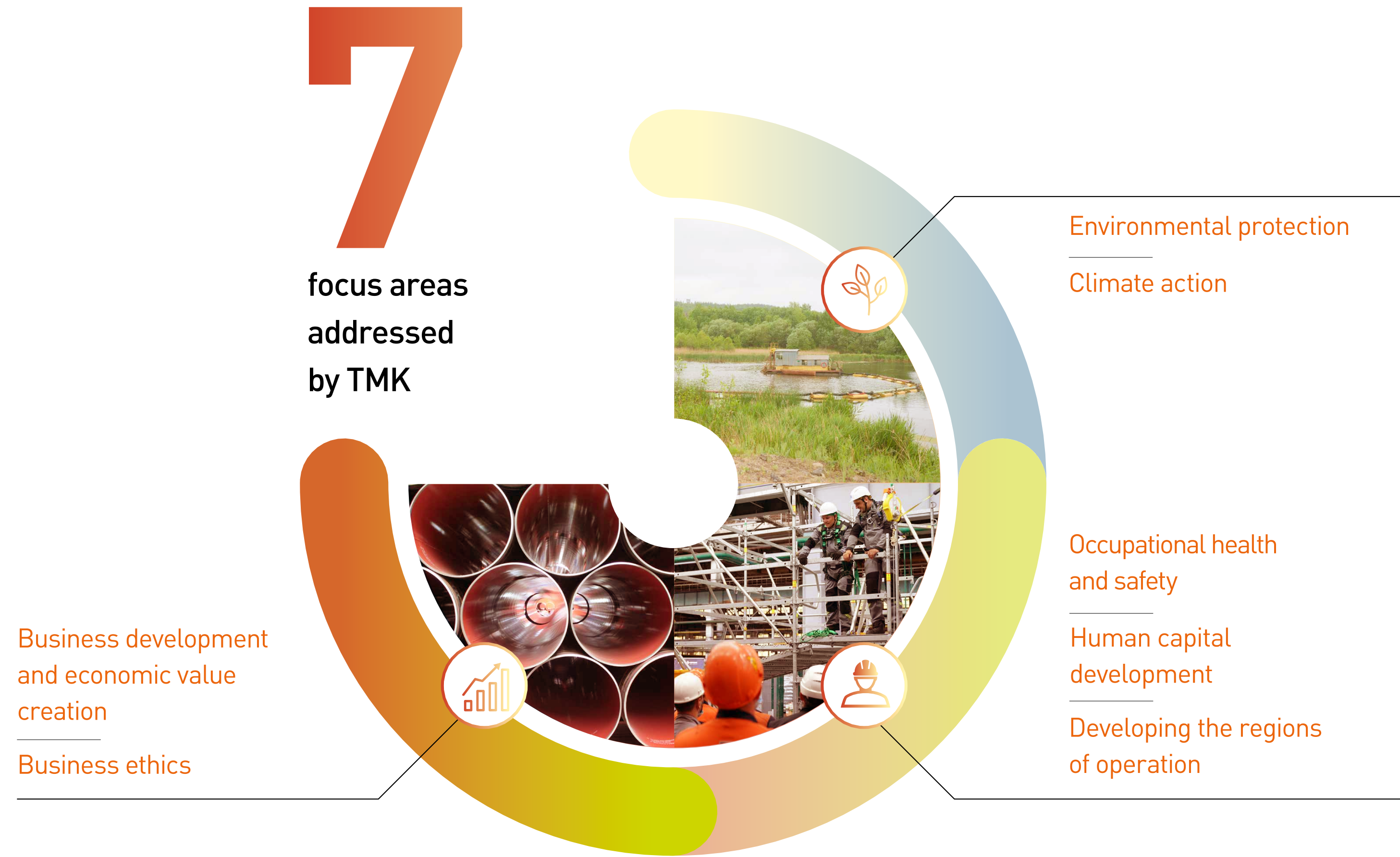
OVER 20 YEARS
OF SUSTAINABILITY

www.tmk-group.com

TMK'S SUSTAINABILITY PERFORMANCE IN 2021



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 priority UN SDGs, to which TMK is contributing.



Awards and achievements



COMPANY RATINGS

ACRA

Level ESG-5, category ESG-C of the ESG Rating

NRA

Leader (“advanced level”) in the ESG ranking of Russian Industrial Companies

NCR

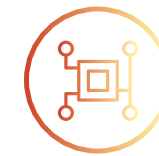
ESG Index of Russian Business Category 2 – above average



BUSINESS ETHICS AND ANTI-CORRUPTION

RSPP

TMK’s anti-corruption system ranked the highest (Class A1) in 2022 Anti-corruption Ranking of Russian Business



DIGITALIZATION

10TH COMNEWS AWARDS 2021

The Steelmaker’s Digital Assistant project became the winner in the Best Solution for the Digital Economy Using Artificial Intelligence category

GLOBAL CIO

TMK won the Project of the Year competition with its project to set up cloud-based workstations for remote employees

BEST CORPORATE MEDIA 2021 ALL-RUSSIAN COMPETITION

The Code of Ethics on the Shop Floor interactive video course became the winner in the B2P: Intra-Corporate Media / Corporate Film category



EMPLOYEES AND SOCIETY

FORBES

The Gold category of Russia’s Best Employers Ranking

RANDSTAD И ANCOR

TMK ranked among the metals industry’s top 5 employers

DONORS FORUM. CORPORATE PHILANTHROPY LEADERS RANKING

TMK was included in Group A – Best Practice in philanthropy

STEELCHALLENGE CHAMPIONSHIP

Fourth place in the global online steelmakers’ championship



ENVIRONMENT

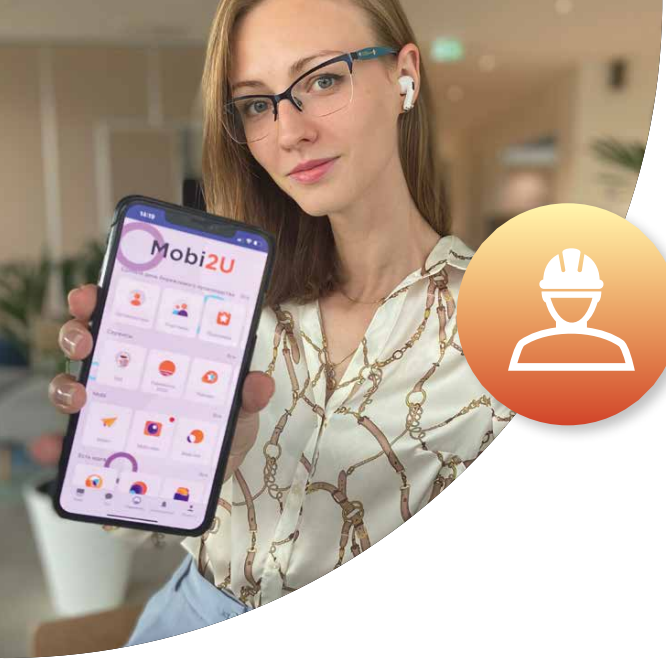
FORBES

No. 13 among 30 most environmentally friendly companies in Russia
No. 1 among steelmakers

ECOTECH-LEADER 2022

The AQA project implemented at PNTZ and CHTPZ became the winner in the Construction and Operation of Treatment Facilities category





Care for employees

2021 HIGHLIGHTS

53.4
thousand people

headcount (up 46.3% y-o-y due to the acquisition of new assets)

12.4%

employee turnover

> 2
RUB bln

expenses on social support for employees

ACHIEVEMENTS

- ✓ In 2021, 17 thousand people joined TMK following the acquisition of new assets.
- ✓ TMK leverages annual talent development events, the SOTA2U corporate HR platform, and corporate media to ensure the seamless integration of new employees.
- ✓ TMK implements multiple social programs: offers benefits and allowances, organizes recreation, runs cultural events, and provides financial assistance.

CASE STUDIES

- TMK has in place a proprietary mobile app, Mobi2U, where Company employees can read news, communicate, share their knowledge, and propose innovations. About 33 thousand people are active users of the app.
- To promote networking, TMK Group enterprises run the Bring a Friend recruitment program: an employee receives a bonus for each candidate hired on their recommendation.
- The Company has in place the Regulations on TMK Group's Management Talent Pool, which define the talent pool building processes, including evaluation procedures, training, and realization of potential of the pool members. 90% of managers appointed at the Company in 2021 were selected from the talent pool.





Occupational health and safety



2021 HIGHLIGHTS

0.44

Lost Time Injury Frequency Rate (LTIFR)

1.4

RUB bln

OHS expenses in 2021

85%

percentage of employees covered by the certified OHS management system



ACHIEVEMENTS

- ✓ TMK annually participates in the international Steel Safety Day. The Steel Safety Day placed a special focus on the occupational health and industrial safety digital projects in place at TMK facilities.
- ✓ TMK is rolling out the Mobile Audit digital control tool based on the OTPB. Online system.
- ✓ TMK was actively supporting local communities and healthcare facilities to prevent COVID-19.



CASE STUDIES

- TMK keeps records of accidents among its contractors. Four accidents involving contractor employees occurred in 2021. In line with best practices, the Company plans to keep records of all injuries, including no-lost-time injuries, suffered by Group employees as well as contractor employees.
- Medical aid posts operate around the clock at production enterprises. Medical aid posts at five enterprises – TAGMET, SinTZ, VTZ, STZ, and OMZ – have electronic medical examination systems.
- The VHI program is available virtually at all TMK Group enterprises, offering traditional medical services alongside modern telemedicine and remote diagnostics and consulting.
- CHTPZ successfully operates a continuous improvement engine collecting suggestions from employees on improving safety processes. In 2021, CHTPZ employees submitted 1,563 suggestions to improve working conditions and workplace safety, 533 of which were implemented. Starting from 2022, this system has been rolled out to all large enterprises within TMK Group.
- VTZ opened a Steel Safety Room, leveraging projectors with sound to create an immersive experience. New employees and guests of VTZ can feel being part of the production process before actually visiting the plant shops.





Training and development

2021 HIGHLIGHTS

302.6
RUB mln

training costs

240

programs have been developed by TMK2U Corporate University (since 2017)

17th

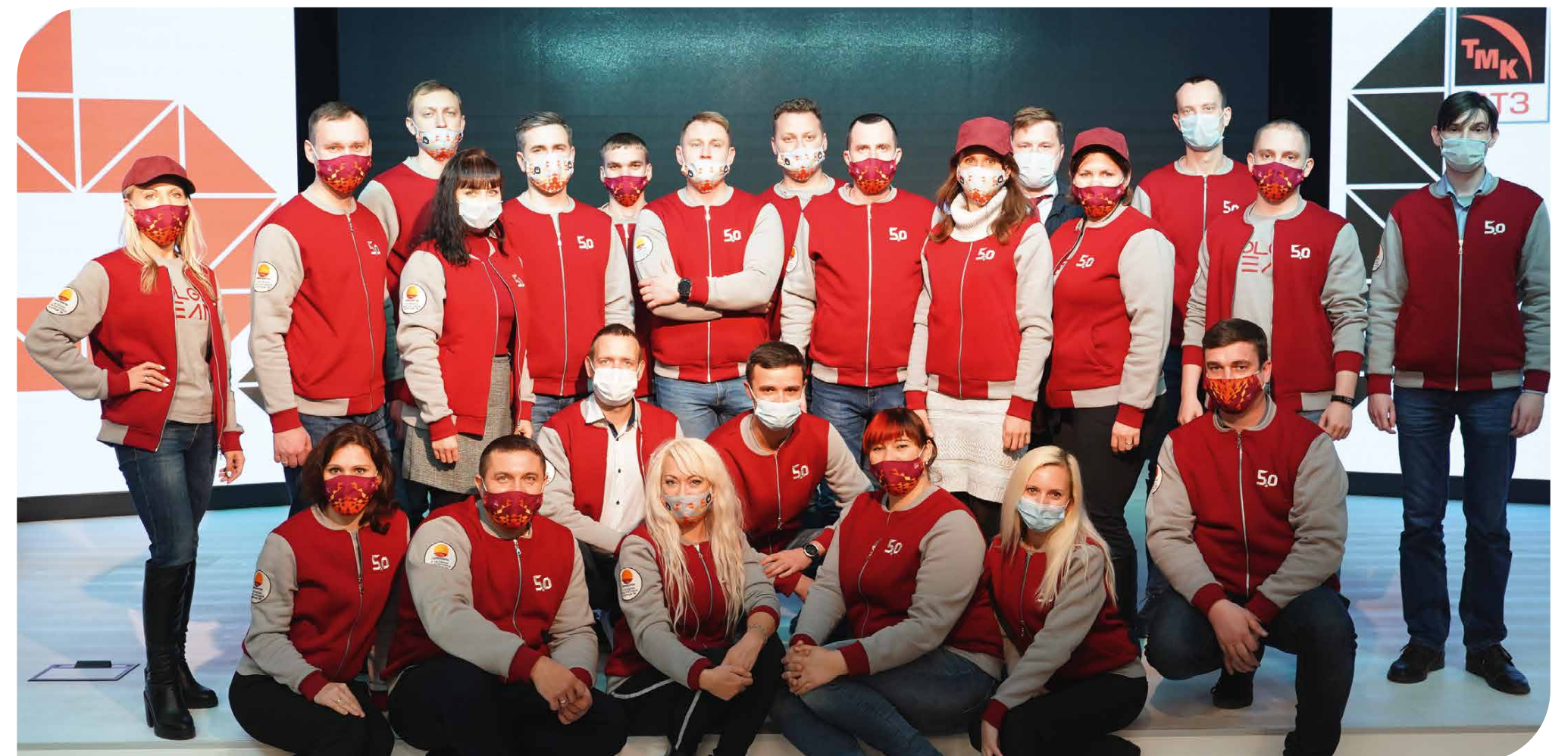
Horizons forum was held in 2021

ACHIEVEMENTS

- ✓ Since 2017, TMK2U Corporate University has been offering all employees opportunities to develop professional competencies and get continuous training in various areas.
- ✓ TMK enterprises run programs for sponsored schools and colleges in line with the Company-wide methodology developed by TMK2U and participate in such projects as Sirius, Tochka Opory (Foothold), and Professional Internship 2.0. In 2021, the number of participants in TMK Group's career guidance program increased to 781 people, up 28% y-o-y.

CASE STUDIES

- Since 2004, TMK has been holding the annual Horizons corporate forum to foster a uniform enabling environment across the Company. Prior to the forum, each enterprise organizes its local Youth Technology and Application Conference to select the best projects for presentation at the Horizons.
- TMK Group companies cooperate with the country's leading higher education institutions, including to recruit young talent.





Ethics and human rights



2021 HIGHLIGHTS



ACHIEVEMENTS



CASE STUDIES

> 22
thousand TMK
employees

completed the Code of Ethics on the Shop Floor interactive course

0

incidents of corruption

0

incidents of discrimination

- ✓ TMK approved its Sustainability Policy, setting forth the Company's principles around human rights.
- ✓ TMK has a successfully operating hotline in place. In 2021, the hotline received 5,692 reports. All reports were addressed.
- ✓ The Company delivered 58 face-to-face trainings on compliance risk detection, assessment, and management, with 3,094 employees trained in compliance matters.

- TMK vets transactions with counterparties for possible conflicts of interest within the ownership structure of counterparties and assesses potential risks. 8,816 suppliers were vetted in 2021. Anti-corruption clauses were included in contracts with counterparties.
- TMK has included human rights risks in its 2022 risk map to ensure objective evaluation of human rights processes and prevent conflicts.
- TMK runs programs at its enterprises to support women in the workforce (including competitions for "female professions").





Contribution to regional development



2021 HIGHLIGHTS

2.2

RUB bln

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

512

RUB mln

investments in infrastructure projects



ACHIEVEMENTS

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

KEY FOCUS AREAS OF ACTIVE PROJECTS:

- Healthcare and medicine
- Education and training
- Culture and arts
- Sports and healthy lifestyles
- Environment
- Support for local communities
- Implementation of infrastructure projects

PROJECTS AND PROGRAMS OF THE SINARA CHARITABLE FOUNDATION

- Tochka Opory (Foothold)
- The Managers League
- Stop Coronavirus!
- Pain-Free Children's Hospital
- ABC of the Theatre
- Little Curator of Big Art
- Art Platform
- Big Music for Little Hearts
- #DenisWillWalk
- Walk to Work



PROPRIETARY PROGRAMS OF ENTERPRISES

- Support for the Sambek Heights cultural and historical project and the Music for the Soul project (TAGMET)
- Participation in, and support for, the City of Firsts environmental movement (PNTZ)
- Awarding of Ya.P. Osadchy scholarships (CHTPZ)
- Revamp of the Severskaya Domna museum complex (STZ)
- Construction of the Metallurg sports and recreation center (VTZ)
- Support for the Sinara hockey and soccer teams (SinTZ)





Environmental stewardship

2021 HIGHLIGHTS

ACHIEVEMENTS

CASE STUDIES

~3
RUB bln
total environmental protection expenditures of TMK Group (including RUB 584.5 million invested in green technologies)

96%
water recycling ratio

686.4
thousand tonnes
volume of reclaimed products and their packaging materials

90%
share of waste recycled (reused or utilized)

- ✓ In 2021, TMK decommissioned 447 pieces of electrical equipment containing PCBs.
- ✓ TAGMET was granted an integrated environmental permit valid for seven years.
- ✓ In 2021, the Company sent 1,092.6 thousand tonnes of waste for reuse or utilization, up 138% y-o-y. The growth was driven by the implementation of a program to increase waste recycling and by the Company's expansion.

- VTZ commissioned the ECO HOUSE TMK administration and laboratory complex. ECO HOUSE TMK boasts state-of-the-art equipment that facilitates monitoring and analysis of various environment elements: ambient air, natural water, fresh and waste water, and workplace air.
- Under the Clean Air federal project, CHTPZ commissioned a gas-cleaning unit to clean the air of suspended particles, dust, and gases.
- STZ and PNTZ commissioned ladle dryers, eliminating emissions of Hazard Class 1 pollutants.
- VTZ has its own advanced waste disposal facility using encapsulation technology for TMK Group waste. Continuous monitoring of ambient air, soil, and groundwater confirms that the landfill has no negative environmental impact.





Energy consumption and climate change



2021 HIGHLIGHTS



ACHIEVEMENTS



CASE STUDIES

47,088,697

GJ

total energy consumption

0.72

tonnes of CO₂ equivalent per tonne of steel

specific GHG emissions (down 5.3% y-o-y)

3,572,800

tonnes of CO₂ equivalent

gross GHG emissions (Scope 1 and 2)

- ✓ In 2021, the Company began emissions accounting in accordance with the GHG Protocol.
- ✓ TMK actively pursues initiatives to reduce energy consumption. In 2021, these initiatives reduced energy consumption by more than 416.2 thousand GJ.

- TAGMET conducted organizational and technical measures at its hot rolling facility, as a result natural gas usage reduced by 890 thousand m³, consequently reducing the carbon footprint by 1,420 tonnes of CO₂ equivalent.
- STZ is implementing initiatives to reduce GHG emissions, which are expected to decrease emissions by 31 thousand tonnes of CO₂ equivalent between 2021 and 2023.
- SinTZ is implementing a project to upgrade lighting in its main production shops: obsolete lighting systems will be replaced with modern energy-saving LED lights.





SUSTAINABILITY FUNCTION

ESG@tmk-group.com
40 Pokrovka St., Bld. 2a,
Moscow, 101000, Russia

