



TMK's sustainability performance in 2025



Approaching the 25-year milestone

Over its 25-year history, TMK has made significant progress on sustainability, implementing modern governance practices, reducing its environmental and climate impacts through asset modernization, delivering cross-cutting social and charitable projects, and rolling out best practices in employee training and HR management.



From: 2000s

To: 2026

2 operating regions

Enterprises in 9 operating regions

Warehouse facilities across 14 Russian regions

Open-hearth operations

Advanced green EAF steelmaking

>1,000 employees in 2002

>51,000 TMK employees at the end of 2025

Enterprise-based training

TMK2U Corporate University offering 900+ training programs

1 R&D center in 2007

3 R&D centers
In-house research facilities and full-scale testing capabilities

Targeted charitable projects supporting regional development

Plant-level community support initiatives and cross-cutting projects under the auspices of the Sinara Charitable Foundation

Sustainability Strategy

TMK's Sustainability Strategy focus areas



Since 2022, TMK has had a 2027 Sustainability Strategy in place. The Strategy was updated in 2025 based on the achieved results.

TMK's Sustainability Strategy covers

7 focus areas

20 objectives

38 KPIs

9 priority UN SDGs



5 priority national development goals of the Russian Federation






- ★ Preservation of the population, strengthening health and improving the well-being of people, supporting families
- ★ Self-fulfilment of each person, unlocking their talents, and educating a patriotic and socially responsible person
- ★ Comfortable and safe living environment
- ★ Ecological well-being
- ★ Stable and dynamic economy

Awards and achievements

Ratings and rankings

- ☆☆☆ ESG rating by NRA: AAA.esg, maximum level of ESG agenda integration into the company's operations and ESG compliance
- ☆☆☆ NRA's ESG Ranking: Group 1, companies with advanced sustainability practices
- ☆☆☆ ESG index by NCR and RBC: Level 2, above average
- ☆☆☆ Best Employers Ranking by Forbes: Gold
- ☆☆☆ Donors Forum's Corporate Philanthropy Leaders rating: Category A (best practice)
- ☆☆☆ RSPP's Anti-Corruption Rating: Class AAA, a very high level of anti-corruption compliance
- ☆☆☆ AK&M R&D development ranking: the highest level of R&D development

Competitions and awards

- 
 Our Contribution national awards: TMK was granted the status of a Partner of National Projects for its contribution to the implementation of the Healthcare, Education, and Tourism and Hospitality Industry national projects
- 
 ECOTECH-LEADER national awards: winner in the Biodiversity Conservation category for an integrated water and biodiversity management system in the Azov–Black Sea basin
- 
 Flagships of Business: Dynamics, Sustainability, and Responsibility: winner in the Progress in Human Resources Development and High-Tech Project categories
- 
 Champions of Good Deeds all-Russian competition of employee volunteering projects: 2nd place in the Humanitarian Aid category for the GivingTuesday project
- 
 Corporate Philanthropy Leaders competition of social programs: 2nd place in the Best Program Contributing to the UN SDGs on Health and Well-Being and 3rd place in the Best Corporate Community Investment Program in the Sustainability and Business Strategy Context category

Environmental protection

2025 highlights

RUB **4.5** bln
environmental expenditures, including

RUB **566** mln
in green investments

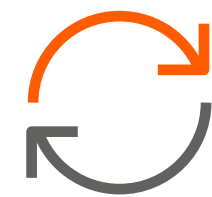
88 %
share of waste recycled and treated
in total weight of waste generated

38 %
reduction in emissions
of hazardous air pollutants

Best practices



Most of TMK enterprises operate an environmental management system certified to ISO 14001:2015. In 2025, following an external audit, the environmental management system of PAO TMK, as well as those of the Oilfield Services Division's companies, including TMK NGS-Buzuluk, TMK NGS-Nizhnevartovsk, and TMK Pipe Service, received conformity certificates.



TMK plants are working to convert production waste into by-products that are either reused in own operations or transferred to third parties for reuse.



CHTPZ participates in the Clean Air federal project, which aims to reduce air pollutant emissions. In 2025, gas cleaning equipment at CHTPZ was upgraded and sand and coal storage facilities were decommissioned as part of the project. Since the launch of the Clean Air project, CHTPZ has achieved a cumulative reduction of 180.4 tonnes in pollutant emissions, representing 97.4% of the target.



SinTZ is carrying out a large-scale upgrade of water supply infrastructure in its pipe rolling shop. The new wastewater treatment facility under construction will be a key element of the closed-loop water treatment system. The facility will treat up to 1,400 m³ of water per hour. Once commissioned, it will significantly reduce the load on industrial wastewater treatment facilities, boost reused water by 20%, and reduce wastewater discharge.



TMK enterprises carry out initiatives to restore various fish species. Since 2019, TAGMET has been implementing the Sturgeon Project: at the plant's request, fish farms in the Rostov region annually rear sturgeon fry for release into water bodies in the Azov-Black Sea Basin. In 2025, more than 28 thousand sturgeon fry were released, bringing the total since the project launch to more than 170 thousand.

Climate action

2025 highlights

37.1 mln GJ
total energy consumption

2.8 mln tonnes
of CO₂ equivalent
Scope 1 and 2 GHG emissions

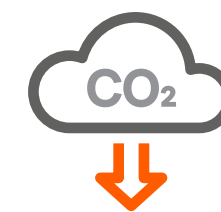
0.8 mln tonnes
of CO₂ equivalent
per tonne of steel
GHG emissions intensity

0.07 GJ per 1,000 ₺
of value added
energy intensity of production

Best practices



In 2025, TMK developed a corporate methodology for estimating Scope 3 GHG emissions, enabling the Company to measure emissions across all three scopes for the first time. Scope 3 emissions for 2024 totaled 16.8 mln tonnes of CO₂ equivalent. Upstream emissions were the largest category, accounting for 74%. Downstream GHG emissions accounted for 26% of total Scope 3 emissions. The relatively low share of downstream emissions is due to TMK products being shipped directly to end consumers.



VTZ and Bauman Moscow State Technical University's Innovation Technology Center are implementing a carbon farm project at VTZ's industrial waste landfill. In 2025, TMK developed technical design documentation for the Carbon Farm climate project. The project has been validated and verified; work is underway to register the project and issue carbon credits.



TMK implements greening initiatives at its enterprises and regions of operation. In 2025, under TMK's Green Initiative corporate program, the Company planted over 40 thousand saplings and more than 1.5 thousand mature trees and shrubs.



Since 2019, TMK has been implementing a large-scale lighting upgrade program at its plants. Replacing gas-discharge lamps, including mercury lamps, with LEDs has reduced electricity consumption by 146,023.5 MWh while also improving working conditions for our people.



Since 2024, VTZ has operated a small-scale solar power plant, which supplies electricity to the building housing the plant's environmental function, part of the lighting system at the landfill site, and a modular facility for separate waste collection. The switch to solar power at these facilities has reduced electricity consumption by 70%.

Occupational health and safety

2025 highlights

RUB **1.9** bln
OHS spending

0.53
LTIFR among employees

0.84
TRIFR among employees

0.12
rate of high-consequence work-related injuries

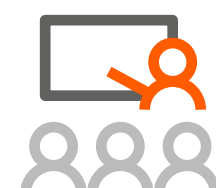
Best practices



Since 2016, TMK has held an annual Safety Day bringing together employees of Company enterprises and contractors. A series of events held as part of Safety Day helps identify best practices across enterprises, facilitate experience sharing between plants, and gather feedback on the current state of OHS.



Since 2024, PNTZ has been implementing the Workplace Safety Culture project, which pilots new approaches to workforce engagement and evaluates the effectiveness of organizational initiatives and behavioral safety audits. The project will be scaled across other sites at a later stage.



Alongside mandatory OHS training, TMK also provides additional training courses, workshops, webinars, and e-learning programs. These training products are developed and regularly updated by OHS specialists supported by TMK2U Corporate University. In 2025, employees recorded over 15 thousand training completions in this area.



VTZ employs unique training formats, including an escape room and VR simulators for OHS training and knowledge assessment.



PNTZ has a Volunteer Rescuer movement in place, whose participants are trained to provide first aid and detect potential emergencies.



VTZ, TAGMET, STZ, SinTZ, PNTZ, and CHTPZ are running a large-scale cardiovascular disease prevention program, which focuses on five key areas: medical care, healthy eating, physical activity and fitness, health resort treatment, and awareness-raising.

Human capital development

2025 highlights

54.5 thousand employees
average headcount

13.9 %
employee turnover

43 years
average age of employees

> 80 %
employees covered by training programs

Best practices



TMK enterprises have an incentive program for key operational staff. The program covers highly skilled employees across all categories who have unique competencies critical to the enterprises and provides for monthly allowances and annual bonuses.



TMK implements various initiatives to promote blue-collar and engineering careers among young people. TMK enterprises have established career guidance programs with schools, colleges, and universities, under which the Company upgrades classrooms at sponsored schools and universities, while TMK specialists hold themed lessons and tours.



Since 2022, TMK has participated in the Professionalitet federal project, which has established education and production clusters for the metals industry in five Russian regions. Training is provided across 12 fields of study. In 2025, the first Professionalitet cohort graduated, with more than 100 graduates employed by the Company. More than 2,700 students continue to pursue training in high-demand professions under the project.



Since 2004, TMK has held the Horizons annual corporate forum, centered around the Youth Scientific and Technical Conference. The forum fosters the exchange of ideas and best practices, engages young people in social initiatives, and identifies innovative solutions for production upgrades. The total economic impact delivered by projects proposed at Horizons over the forum's more than 20-year history exceeds RUB 80 billion.



TMK holds the Games of Masters open corporate professional skills championship every year. Competitions are held at training facilities and on shop floors, at dedicated workstations featuring real equipment and training simulators that fully replicate the production process. In 2025, nearly 600 employees competed across 22 skills.

Developing the regions of operation

2025 highlights

9

TMK Group's key regions of operation

RUB 2.1 bln

social investments, with

43 %

allocated to infrastructure projects

> 1 thousand people

participated in employee volunteering projects

> 52 thousand tourists

visited TMK's production enterprises

Best practices



TMK implements long-term social-impact projects across all focus areas of social support, tailored to the needs of local communities within its footprint. The key beneficiary groups include local residents, non-profits, hospitals, and educational, cultural, and sports institutions.



Cross-cutting projects in TMK's regions of operation are implemented by the Sinara Charitable Foundation. Key project areas include healthcare, education, culture, sports, and charitable support for NGOs, non-profits, and healthcare institutions.



Since 2022, TMK has operated an Employee Volunteer Center with more than 2,300 participants. Each year, the Employee Volunteer Center holds a wide range of Company-wide events and campaigns, including the From Heart to Heart! blood donation program, the GivingTuesday charitable campaign, the Great Ural Trail and Cleaning Heroes environmental initiatives, as well as the Lessons of Kindness children's project.



TMK enterprises help enhance the tourist appeal of their host cities. In 2025, about two thousand tours were held at TMK production sites and corporate museums. At STZ, PNTZ, and SinTZ, industrial tourism routes include visits to corporate museums and production sites. In museums, tourists learn about the history of the plants, while in the production shops, they explore steel and pipe production technologies. At VTZ and CHTPZ, visitors can experience the cutting-edge production facilities, seamlessly integrated with industrial design elements in the shop interiors. At STZ, visitors have a unique opportunity to see a historic 19th-century blast furnace.

Business ethics

2025 highlights

Class AAA

in RSPP's Anti-Corruption Rating of Russian Business

Zero

cases of breach of confidentiality or unlawful leak of personal data of customers and employees

> 17 thousand employees

completed training on anti-corruption and ethical business conduct

Best practices



TMK has the Compliance Risk Management Committee at the level of the Corporate Center and enterprise-level subcommittees monitoring and assessing these risks annually. In 2025, the annual risk assessment covered 100% of our enterprises, with no corruption risks identified.



In 2025, the Compliance Risk Management Committee and subcommittees reviewed 19 potential conflict of interest cases, of which five were found to involve actual conflicts of interest and were successfully resolved.



TMK operates a hotline designed to receive concerns about a wide range of matters related to the Company's operations. It is available to both internal and external stakeholders.



TMK employees receive regular training in ethics and compliance. A total of 11 specialized courses are now available in digital format. In 2025, a mini-test on the knowledge of anti-corruption behavior basics was launched. During the month it was available on the corporate portal, 1,430 employees took it.

Sustainable development management

2025 highlights

> 32 thousand employees

completed a training course on the Sustainability Strategy

15

key suppliers screened using sustainability criteria

98 %

proportion of spending on Russian suppliers

24 %

proportion of spending on local suppliers

4.6 out of 5

overall customer satisfaction score

Best practices



TMK has been preparing sustainability reports since 2022. The 2025 Report, the Company's fifth non-financial report, has been prepared in accordance with GRI standards, with reference to SASB guidelines and TCFD recommendations. In addition, we have reported in reference to the Russian Government's Business Public Capital Standard.



TMK's sustainability risks are grouped into a separate risk map. These include environmental risks, social risks, and governance risks. Risk data sheets have been prepared for all risks, including assessments and mitigation measures.



Since 2023, TMK has assessed its key suppliers annually against sustainability criteria using its own methodology. In 2025, the survey covered a total of 15 key TMK suppliers. The assessment results showed that most suppliers had a medium or high level of maturity in their sustainability practices.



Since 2017, TMK has operated its electronic trading platform (ETP), which improves the transparency of procurement procedures, automates routine operations, and enables advanced analytics. The ETP is used for both centralized and decentralized procurement.



TMK operates a Corporate Management System (CMS), which enables the Company to maintain high product quality in line with standards, successfully pass relevant certifications, and meet customer requirements. The CMS complies with ISO 9001:2015 Quality management systems. Enterprises conduct annual internal audits of the system to confirm its effectiveness and identify areas for improvement.



Contacts:

Sustainability function

ESG@tmk-group.com

40 Pokrovka St.,
Bld. 2a, Moscow,
101000, Russia

