



# 2021

Annual Report  
on Sustainable  
Development







## About the Annual Report

The OMK Annual Report for 2020 includes the company's results for the reporting period from January 1, 2021 to December 31, 2021. Disclosure of information is based on the corporate policy «Disclosure of Information in OMK's Public Annual Report». The sustainability report covers the group's subsidiaries.

OMK's sustainable development performance is presented in accordance with GRI Standards (Core). The content of the report is also in line with the company's relevant UN Sustainable Development Goals.

The Corporate Social Responsibility Committee approved the OMK Annual Report for 2021 on April 18, 2022. The Chair of the Social Responsibility Committee (President Natalya Eremina) approved the disclosure of information in the annual report, including material topics.

The previous annual report (for 2020) was published on the company's website on May 1, 2021.

The perimeter of the OMK Group companies for disclosure in the 2021 annual report: JSC OMK, JSC BAZ, JSC VSW, JSC Trubodetal, JSC ChMP, JSC OMK-Market, JSC OMK Steel way", OMK-CES LLC, OMK-Tour LLC, MK OMK-EcoMetall LLC, Blaster+ LLC, Belenergomash-BZEM LLC.





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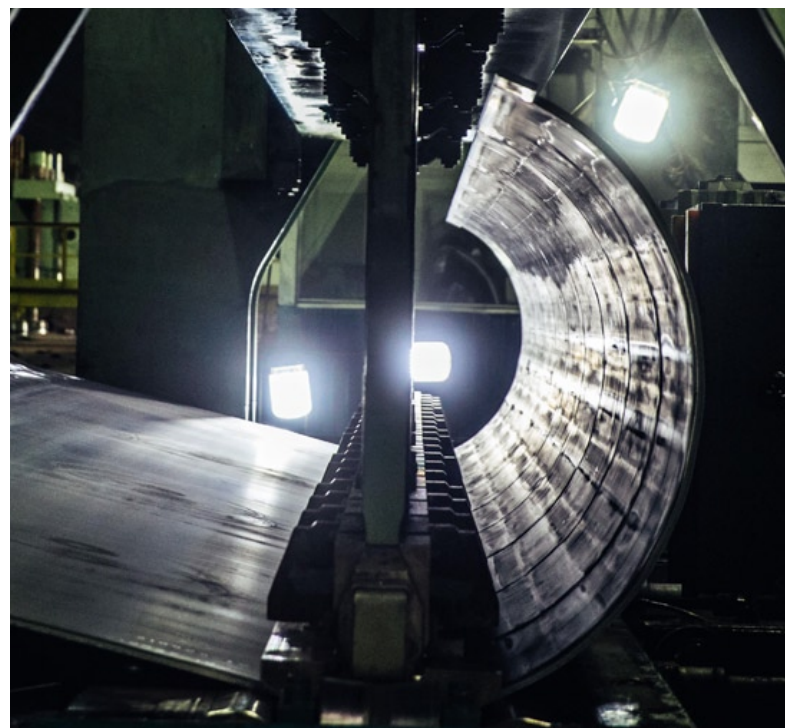
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«United Metallurgical Company»

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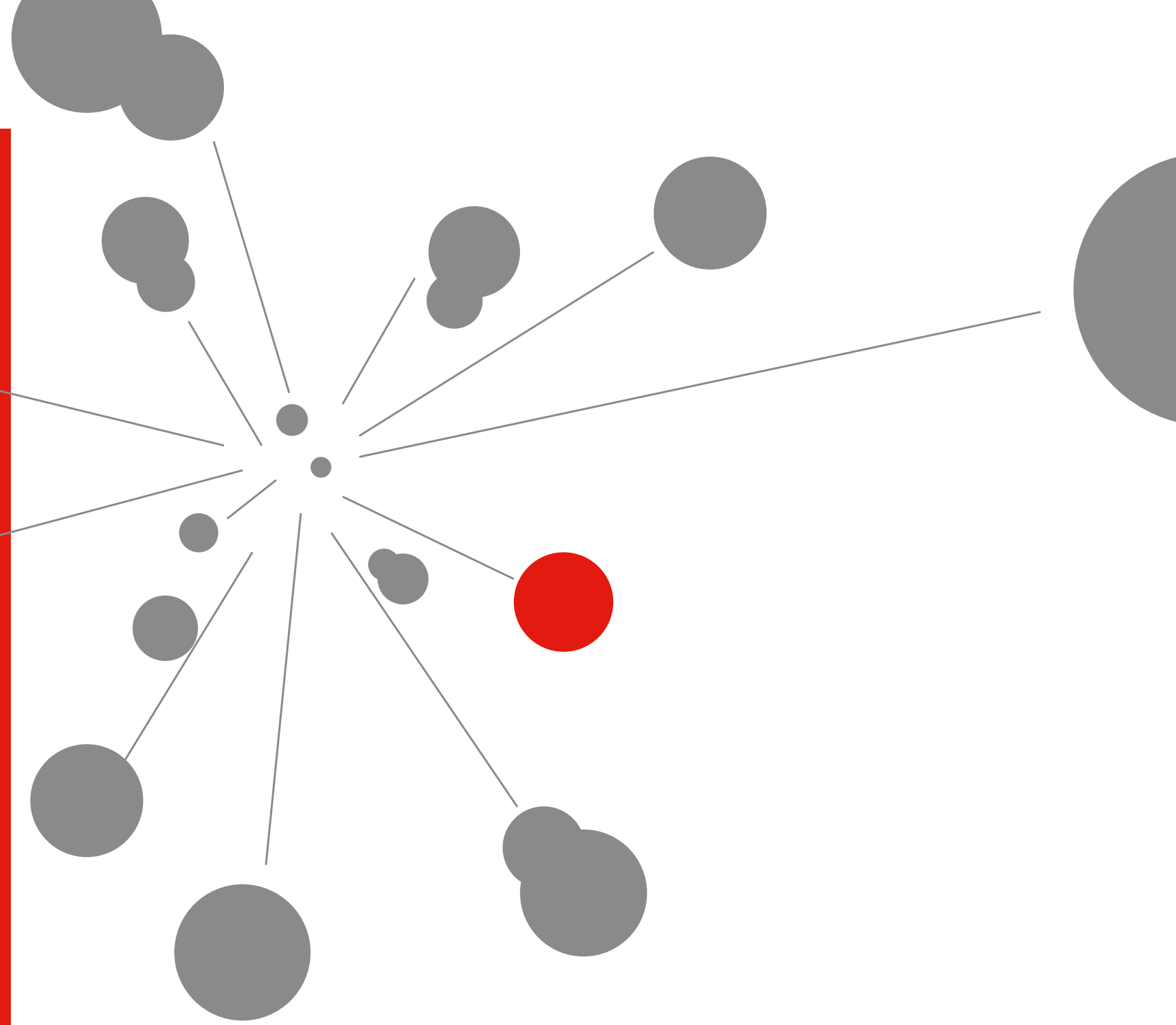
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# 1 Company

- Message from the Chief Executive Officer
- Strategy
- Investments
- Innovation
- Risk management





## Company Message from the Chief Executive Officer

Dear colleagues and partners,

I am delighted to present the 2021 Sustainable Development Report for the United Metallurgical Company.

Sustainable development has become one of the most hotly discussed topics on the global agenda in 2021. Following ESG principles has been an OMK priority for many years now. We understand our responsibility to our partners, our employees, and the residents of the regions where the company's plants are located.

In 2021, we finalised a number of corporate documents. The updated version of our corporate constitution includes new sustainable development goals, particularly in the field of diversity and inclusion, as well as in the fight against climate change. We have adopted a new anti-corruption policy. The company's partners can be confident that OMK's internal anti-corruption procedures comply with both current legal requirements and best practice.

In 2021, the company reaffirmed its status as a responsible employer and partner, and continued to implement systemic environmental protection and sustainable development programmes in the regions where we operate.

### **Caring about health and safety**

The lives and health of our employees are OMK's highest priority. During the COVID-19 pandemic, we continued to implement preventive measures, and set up vaccination points at all

of the company's plants. By the end of 2021, OMK's herd immunity stood at over 80%. I would like to thank my colleagues for their conscientious and responsible attitude towards themselves and their loved ones. The measures we have taken have allowed us to organise the work of our production facilities without disruption, enabling us to fulfil our customers' orders on time.

We are continuing to improve our culture of production safety. In 2021, we allocated over a billion roubles to occupational safety. We are implementing international best practices, ensuring safe working conditions for our employees, instilling in them an awareness of their own safety, not only in the workplace, but also at home. In 2021, we reduced our Lost Time Injury Frequency Rate (LTIFR) to 0.63, one of the lowest rates in the Russian metallurgy industry.

Unfortunately, for the first time in several years, we were unable to prevent fatal accidents, which occurred at our new business unit, OMK Steel Way. We have conducted a thorough investigation, and are taking the necessary steps to prevent similar incidents from happening in the future. We have created an expert network on industrial safety. As part of this network, we have put together a production safety committee under the chairmanship of OMK's Chief Executive Officer. We have changed our approaches to mentoring. We are replicating best practice in working with contractors throughout the company.



**Petr Trushin**  
Chair of the Board of Directors

«We are continuing to improve our culture of production safety. In 2021, we allocated over a billion roubles to occupational safety».



## Company Message from the Chief Executive Officer



### **Environmental protection**

The environment is one of the most important issues facing the world today. We are acutely aware of our responsibility. By reducing human impact on the environment, we create comfortable conditions for employees and residents of the regions where we operate. In 2021, we increased our investment in environmental protection by 16% to a total of RUB 1.27 billion. We are implementing environmental protection measures, increasing the share of production waste that is recycled, and making effective use of natural resources by using re-used and recycled water.

The experience of Vyksa plant was highly commended by the expert panel of the national Leader in Environmental Activities 2021 competition. The plant was recognised as the most environmentally responsible enterprise in the ferrous metallurgy sector.

We are continuing our efforts in this area. In 2022, we will present OMK's climate strategy, and will summarise the initial outcomes of the work carried out by the OMK environmental volunteer movement.

### **Local community development**

OMK takes a keen interest in the sustainable development of the regions where we operate, and in improving the quality of life for local people. Every year, we contribute to the improvement of cities and towns, and finance the construction of social and urban infrastructure: educational and sports institutions, cultural and health facilities. In 2021, we increased our financing

of social and charitable projects by almost 29%, to RUB 1.3 billion.

The OMK-Partnership grant competition has been rolled out to 28 regions across Russia. We have begun to create a system for assessing the socio-economic impact of the Start Your Own Business support programme for community entrepreneurs. The first estimates have shown a very worthwhile result, with the social return on investment standing at 4:1. This means that, for every rouble invested, the company generates approximately four roubles in terms of social value.

In 2021, the tenth Vyksa Festival (formerly known as Art Ovrag) was held in the Nizhny Novgorod region in partnership with the OMK-Uchastie charity fund. More than 16,000 guests visited the city over two summer weekends.

### **The future lies in partnership**

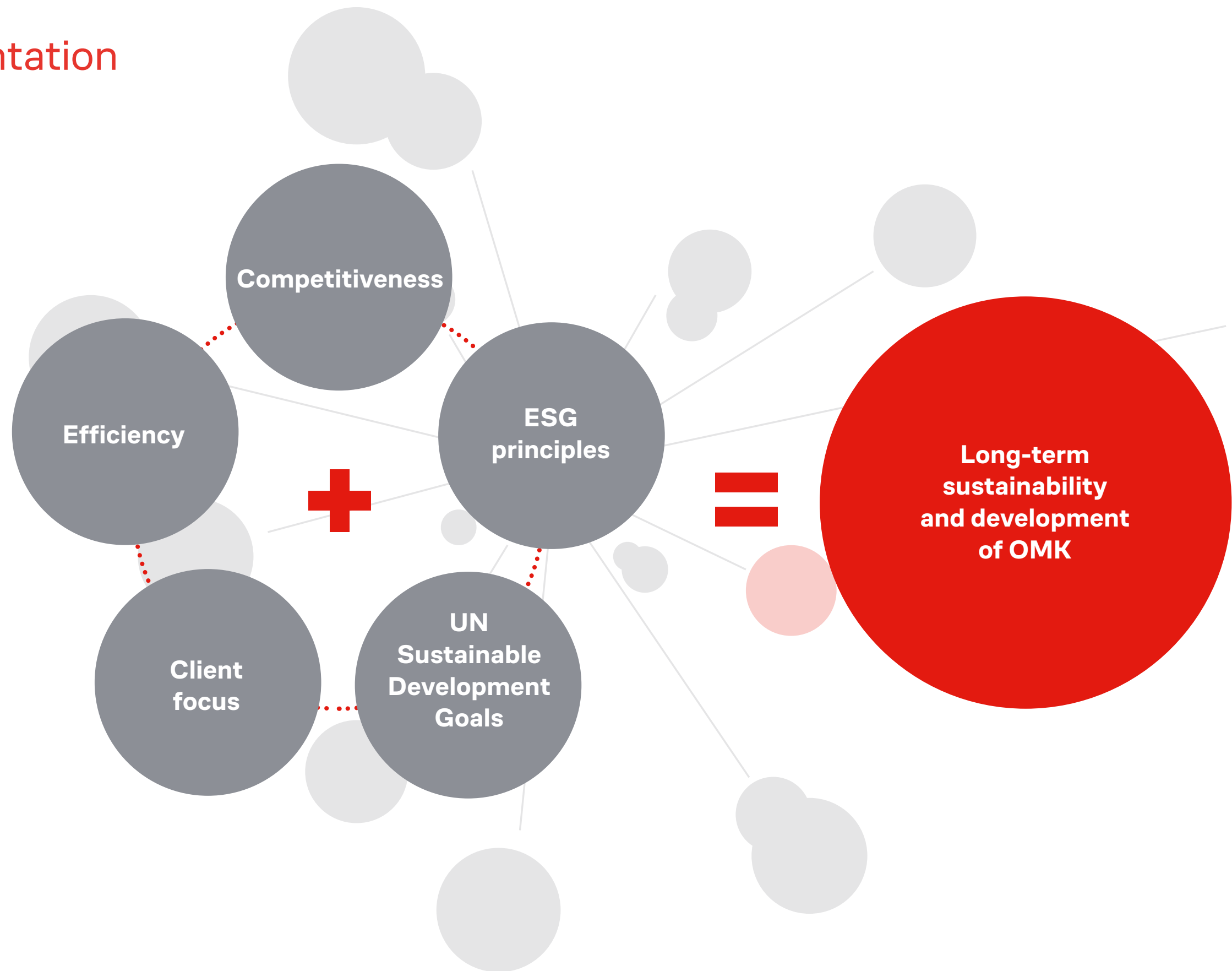
Our performance in 2021 has once again confirmed our commitment to our policy of compliance with sustainable development principles and goals. Today we are continuing to move forward. In particular, we are stepping up our support for employees, volunteers, and third-sector organisations, and we are continuing to implement environmental initiatives. I would like to thank our partners for your support!

«In 2021, we increased our financing of social and charitable projects by almost 29%, to RUB 1.3 billion».



# Company Strategy implementation

OMK's strategy is founded on increasing the efficiency of our business, developing new product types with high potential, improving customer service, implementing community and environmental projects, strengthening our production safety culture, and working to develop the regions where we operate. In 2021, fighting the consequences of the coronavirus pandemic continues to be a key element of our strategy.





# Company Strategy

## Improving quality of life in the regions

In implementing its strategy, OMK takes as its starting point the UN Sustainable Development Goals programme and Russia's national projects to 2030.

The company spends over RUB 1 billion on sponsorship and charitable activities each year.

Key areas for OMK relate to four of the UN's Sustainable Development Goals:



To develop the social environment in the regions, OMK is implementing systemic projects and supporting initiatives by employees, local residents, and NGOs with the OMK-Partnership grant competition and the Start Your Own Business social entrepreneurship development programme.

In 2021 OMK carried out an assessment of the Start Your Own Business programme using the social return on investment (SROI) method. Based on the results of the analysis, socio-economic outcomes with a total value of over RUB 144 million were achieved, with an economic impact of more than RUB 56 million. The programme's SROI was 4:1. For every rouble invested by OMK, the value of the social outcomes achieved was four roubles. Further information on our projects can be found in the Sustainable Development section.

OMK also supports other socio-cultural projects in the regions. In 2021, the company contributed RUB 412 million to fully reconstruct the historic Nizhny Novgorod marketplace. The renovated public space was unveiled as part of the celebrations of the city's 800th anniversary.





## Company Strategy

OMK is reducing its ecological impact and is making an important contribution to environmental conservation. This year, OMK's Belenergomash plant shut down an obsolete galvanising line, thereby reducing pollutant emissions. In Vyksa, agreement was reached with the Ministry of Ecology and Natural Resources of the Nizhny Novgorod Region and the administration of the city district on cooperation in the implementation of environmental initiatives.

OMK is working to create an environmental volunteer movement. The company encourages eco-volunteers to submit initiatives on cleaning up nature sites, planting forests, responsible use of natural resources, reducing waste generation, and sorted refuse collection. These initiatives may be implemented in partnership with non-profit organisations, local administrations, and other residents of cities and towns. In 2022 OMK will allocate more than RUB 14 million for the implementation of these projects.

Together with the OMK-Uchastie Charitable Foundation, the company is improving the quality of life in the monocities where OMK's plants operate. Pride of place among the projects is taken by the Vyksa | Art-Ovrag festival of contemporary culture, which is changing the face of the city with the active involvement of Vyksa's residents, including company employees. In 2021 the festival celebrated its tenth anniversary, which was held over two weekends, welcoming a total of 16,000 guests.



### Fighting the consequences of the coronavirus pandemic

Against the background of the pandemic, OMK has continued to support its employees, as well as the medical institutions and healthcare workers in the cities where the company's plants operate. Over the course of the second year of the pandemic, OMK implemented full-scale community programmes to support the most vulnerable groups in the population.

Employees at OMK's plants and offices continued to be provided with disinfectant and hygiene products, hand sanitiser and masks.

Air recirculators were installed, and the company's premises were disinfected on a regular basis. The company organised COVID-19 testing, and provided access to affordable antibody tests.

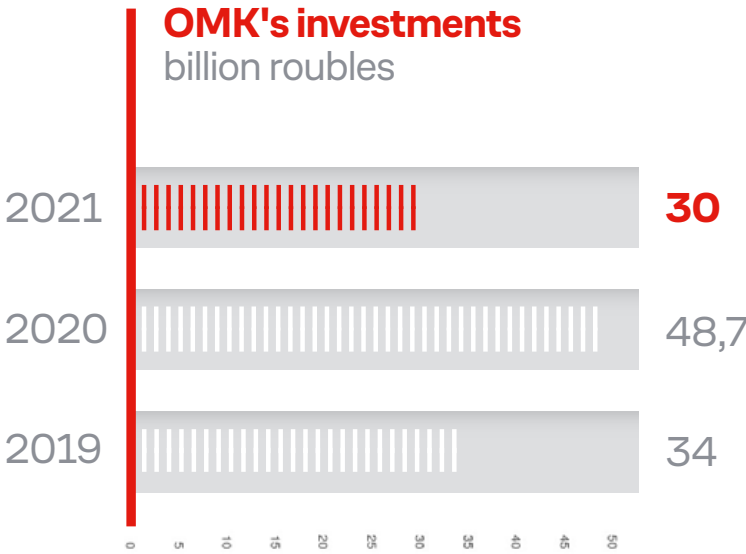
In 2021 OMK adopted a declaration on herd immunity. The company's employees were provided with affordable vaccinations and a safe space at work, and office-based specialists and employees were allowed to work remotely, as was the case in 2020. By the end of the year, the herd immunity rate among OMK's employees was 82%.



# Company Investments



**30**  
billion roubles  
  
Invested  
in 2021



**Over the course of the reporting period, the company completed the following projects**

- Modernisation of the Vyksa Steel Works Constant Casting Machine (CCM). This will improve the stability of the casting process and increase the production capacity of the continuous casting machine.
- A new rolled-sheet metal cutting machine at the Almeteyevsk Pipe Plant. This project has enabled us to cease purchasing metal strips from third parties and to optimise production costs.
- We set up a workshop for the application of protective coatings to the surface of rail wheels for high-speed rolling stock. This will meet the requirements of our customers for wheel coating.
- A testing rig for cyclic and kinematic trials of leaf-spring elements and a coordinate-measuring machine were put into service at OMK's spring production facility in Chusovoy. This equipment will make it possible to meet the requirements of international manufacturers, including Volvo, for testing spring products, and to expand the product range and increase sales.
- The first stage of the programme to set up production of bimetallic rolled products at the Vyksa Steel Works. OMK is now able to produce stainless steel coated sheets for the petrochemical, shipbuilding, and nuclear engineering industries.
- A machine for applying UV coatings to pipes and transport equipment has entered service in the pipe cutting section of the Vyksa Steel Works Pipe Shop No.5. This will enable us to meet our customers' requirements for the pipes supplied in terms of preservation coatings and protection in accordance with the requirements of the GOST R 53366-2009 and ISO 11960 2004 industry standards.





### Key ongoing investment projects in 2021

- Construction of a pipe-rolling production facility;
- A comprehensive programme to increase production of small- and medium-diameter pipes, including launching the manufacture of pipes with premium threaded connections and the construction of a threaded connection testing centre;
- Technical re-equipping of the section rolling mill and leaf spring production facility at the Chusovoy Steel Works;
- Technical re-equipping of the Chelyabinsk plant;
- Development of bimetallic and commercial sheet metal production;

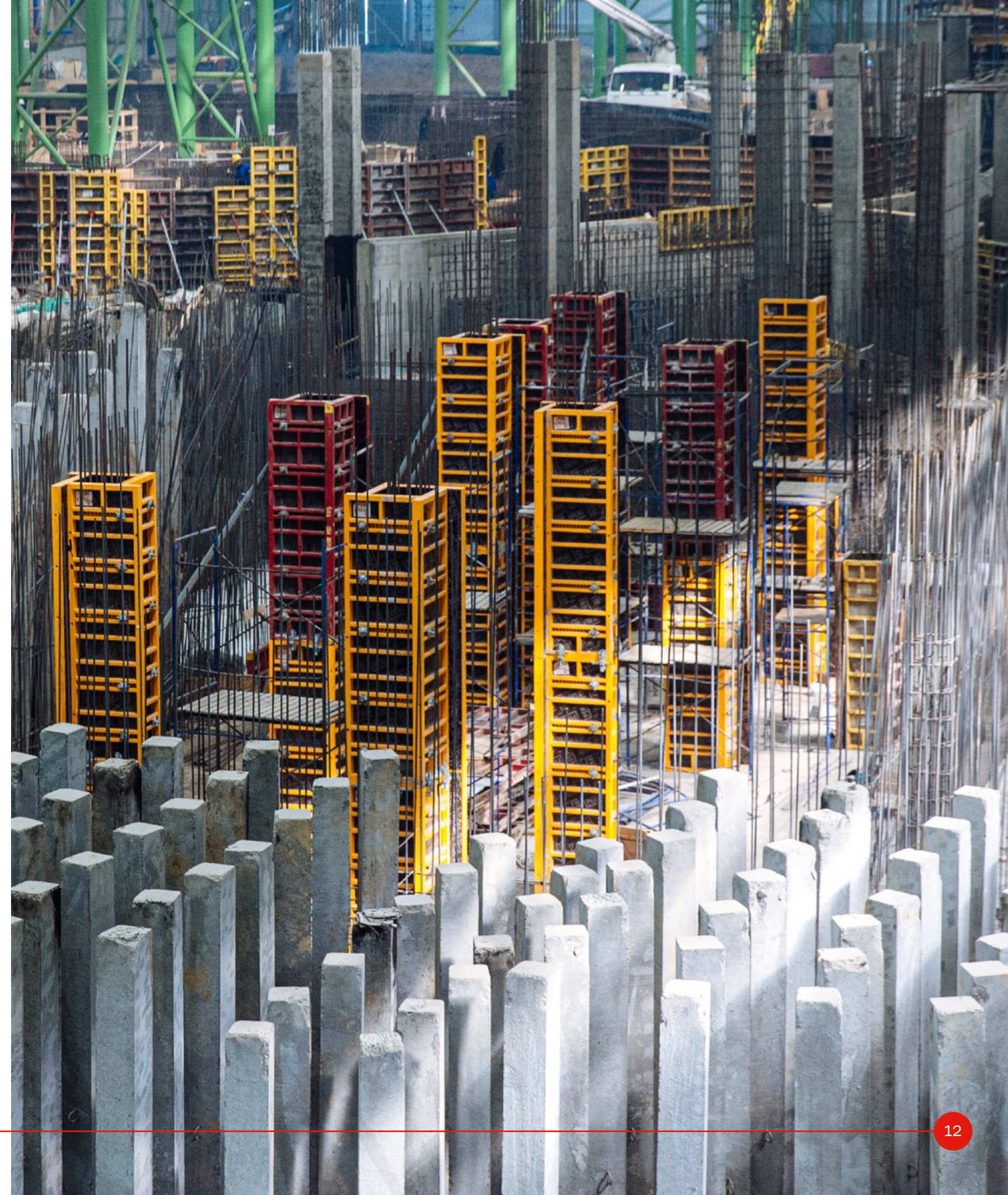
These projects will make it possible in the future for the company to produce seamless piping, casing pipes and oil and gas pipes, and casing pipes with premium threaded connections, to increase the production capacity of bimetallic sheet metal, and to test new types of threaded connections.





## Company Investments

- We are modernising the production and expanding the range of welded pipes for the fuel and energy industry;
- We are working to perfect pipes with premium connection types;
- We are constructing a new seamless pipe production facility to increase the production capacity of the Russian oil industry;
- We are updating and modernising our rail wheel production complex for the development of the freight and passenger transport sectors;
- We are updating our facilities manufacturing products for the nuclear industry for new nuclear power plants in Russia and worldwide;
- We are re-equipping our production facilities for pipeline fittings for the implementation of national development projects in the pipeline transport and energy sectors;
- We are improving the production of leaf springs for goods vehicles, as well as our customer service.





# Company Innovations

## Expenditure on scientific research and development million roubles

2021	135
2020	112
2019	168

## Number of rationalisation proposals logged and registered per year

2021	66,4
2020	39,3
2019	39,3

## Number of patents granted

2021	7
2020	13
2019	11

## Number of valid patents\*

2021	129
2020	128
2019	94

Six utility model patents expired in 2021.  
Of the 129 patents which remain in force, 121 are Russian patents and eight are international patents.



Expenditure on scientific research and development

**+ 17%**

135 million roubles



## Company Innovations

The ability to promptly meet the needs of the market with quality products is a key trend in the metallurgical industry today.

For OMK, innovations represent first and foremost the ability to respond to current and future customer needs with simple solutions, as well as the potential for the company to enter fundamentally new markets in Russia and internationally.

At OMK, we consider the development of innovations as:

- cooperation with leading scientific communities to ensure the quality, novelty, and simplicity of technological changes;
- a tool to develop lean manufacturing, enabling us to reduce the cost of our products;
- a mechanism to reduce resource consumption to support the health and well-being of the environment;
- an opportunity to ensure synergy between the companies that make up OMK.

OMK is developing its production in such a way as to ensure its strategic leadership in the Russian and global markets. The company adopts a flexible approach to innovation. Ideas for using new technologies in our production can be proposed by any employee or department, as well as by external parties: engineering and technology centres, equipment suppliers, research institutes, and universities.

In 2021 we completed the following projects to modernise our existing facilities

- we set up a workshop for the application of protective coatings to the surface of rail wheels for high-speed rolling stock
- we increased the metallurgical length of the CCM at our casting and rolling complex, resulting in an increase in the productivity of the Steel division's CCM

OMK has entered into an agreement with the Peter the Great St. Petersburg Polytechnic University, which is intended to foster cooperation in the development of new high-potential products in metallurgy and petrochemical and hydrogen-based technology, and to improve the technology of our existing production facilities.

Key implementations of our own innovations in 2021:

- The implementation and successful conducting of field tests on pipes measuring 1420x27.6 mm made of steel of strength class K65. These have proven to have increased deformation resistance and are intended for the construction of long-distance gas pipelines operating at increased pressure levels, including in regions with unstable subsoils and seismically active areas.
- The manufacture of an experimental batch of rail wheels for high-speed container wagons. This project is being implemented as part of the fulfilment of the objectives set by Decree No.204 of the President of the Russian Federation, dated 7 May 2018, to reduce container transit time across Russia to seven days.





# Company Risk Management

OMK's operations are associated with a wide range of risks. The company considers risk management to be one of the most important elements of strategic management and internal control. The main functional purpose of the risk management system is to ensure achievement of the company's strategic and operational goals, the continuity of its business, and the security of its assets.

Risk management is integrated into our existing planning and control systems. It is an integral part of our management system, covering all areas of our operations and all levels of the company's management. OMK regularly identifies, evaluates, and manages threats and opportunities, adapting its operations to mitigate the consequences of threats and to realise opportunities.

## Corporate documents:

1. The main risk management principles, goals, approaches, and methods are recorded in our risk management policy.
2. Risk maps are used to describe, evaluate, and rank risks in various areas of operations.
3. A single methodology is used to assess and rank risks when formulating and updating risk maps.

Our risk management policy obliges each of the company's employees and divisions, within the bounds of their competence, to identify possible risks which may impact the achievement of the goals of the divisions or of the company as a whole, to analyse risks, and to reduce the probability that they will occur and the potential negative impact on performance.

Responsibility for the timely updating of risk maps lies with the divisions, which are known as the risk owners. Compliance risks are reassessed at OMK with advice from the corporate compliance group.



## The main risk groups within the purview of OMK management are as follows:

1. Business risks
2. Compliance risks
3. Climate and environmental risks
4. Staff management risks
5. Threats to economic security
6. Other risks

## **Business risks**

This group at OMK is managed using an automated discrepancy accounting and analysis system.

The risk of failure to complete programmes to develop and improve new product types due to the deferment or cancellation of projects by the customer is significant. We assess the probability of risk realisation as high, based on the statistics for deferments and cancellations.

For investments at OMK, the risks associated with the commissioning of new production facilities as a result of priority investment projects being implemented later than planned are monitored. Sources of such risks can include a lengthy period to issue initial design data, failure to meet delivery deadlines, the absence of the counterparty's representatives at the commissioning of the facilities, or the lack of ready infrastructure for equipment commissioning.



# Company Risk Management

## Climate risks

OMK assesses the climate risks which may affect the company's operations and strategy.

### Risk sources:

- Climate change
- Transition to a low-carbon economy

### Risk categories:

- Physical risks (acute, chronic)
- Transition risks (regulatory, technical, market-based, reputational)

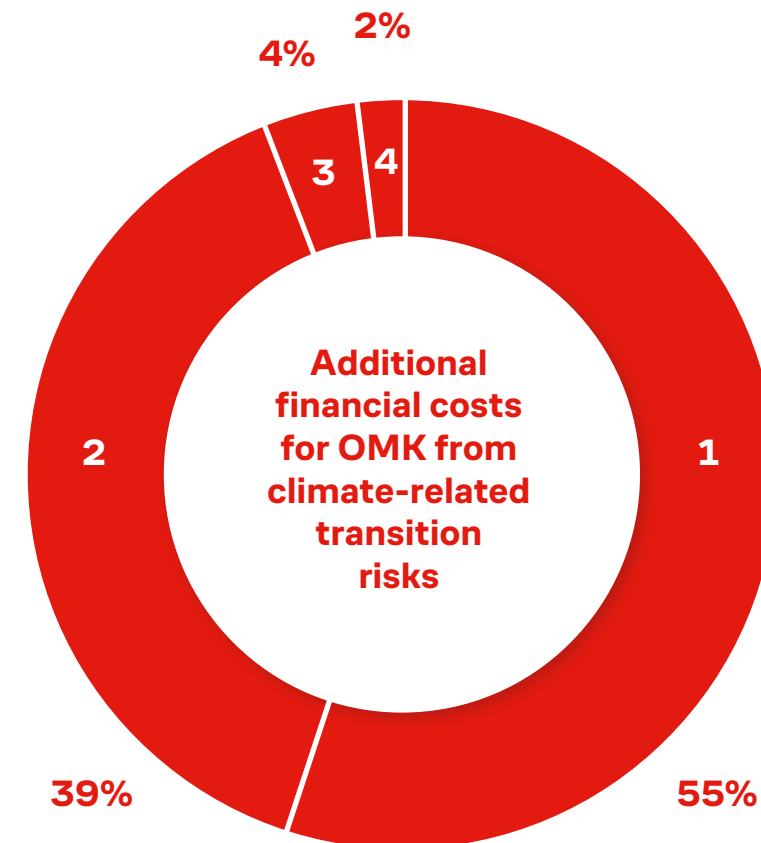
### Business impact:

- Supply chain disruption
- Reduced equipment productivity

A climate risk assessment has been carried out at the Vyksa Steel Works. The plant's operations may be affected by transition risks: a rise in the costs of energy resources and raw materials, as well as risks associated with the costs of the transition to carbon-free technologies (hydrogen technologies, DRI). Risks associated with cross-border carbon regulation are not critical for the plant, as its products are already the least carbon-intensive in the iron and steel industry in Russia and the EU.

Environment Product Declaration (EPD) – OMK's Vyksa Steel Works has entered into an agreement with a specialised organisation to produce EPD declarations for manufactured products: rail wheels, rolled sheet metal, and pipe products. EPD declarations have recently become a mandatory requirement for buyers and product sales in the EU.

### Transition risk – increases in energy and raw material prices



#### 1. Rising prices for energy resources and raw materials

Increase in the price of energy resources, iron ore (pellets), and scrap metal due to global decarbonisation trends and other factors

#### 2. Hydrogen-based technologies

Additional costs of switching to less carbon-intensive fuels, replacing natural gas with hydrogen in direct reduced iron (DRI) production and heating furnaces

#### 3. National regulation

Additional costs from caps on greenhouse gas emissions and product carbon intensity targets upon the introduction of national carbon regulation

#### 4. Introduction of cross-border carbon regulation

Additional financial burden: payment for greenhouse gas emissions.



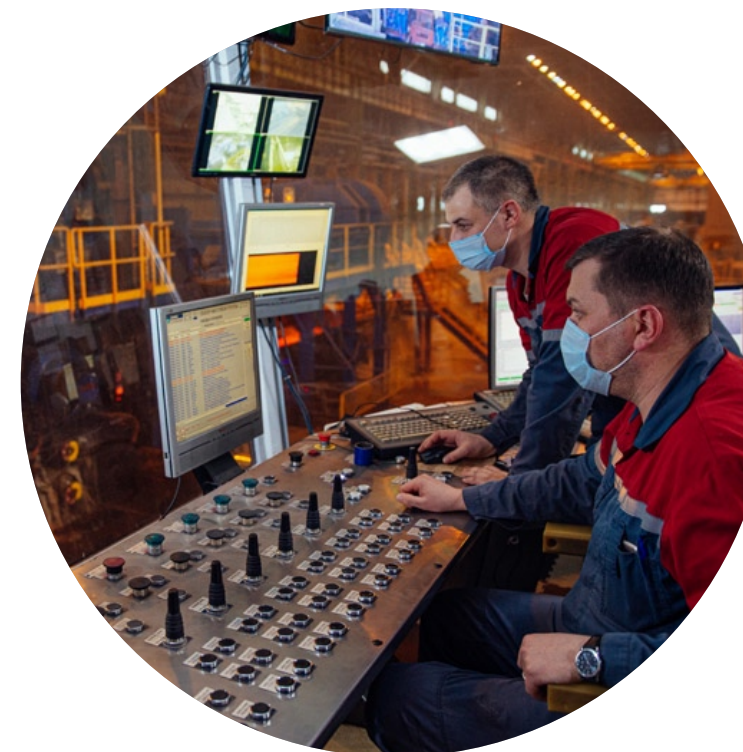
# Company Risk Management

## Environmental risks

Environmental risk management activities help to identify and update new risks, reduce the level of risk and eliminate risk and, as a consequence, reduce potential damage.

In 2021, waste management risks at OMK decreased by RUB 3 billion.

For critical risks, OMK's executive body and business units coordinate the investment programme, and the divisions responsible for programme delivery draw up plans to improve environmental efficiency and coordinate their plans with government agencies.



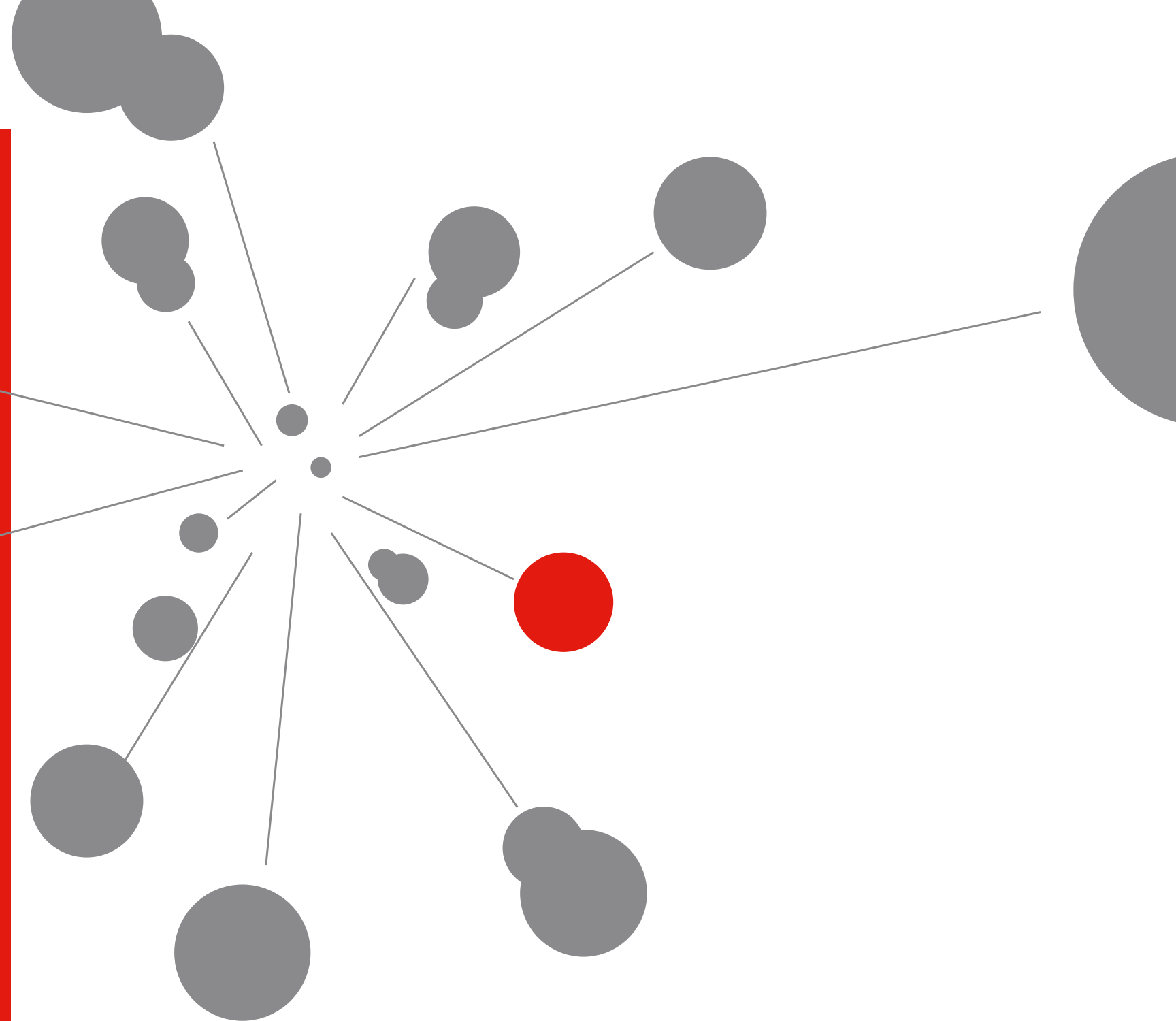
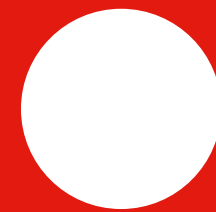
## Threats to economic security

Economic security management is carried out at OMK using a special threat map. In 2021, the company changed the format of the threat map. Its analytics now include an assessment of the relationship between threats and processes, a probability assessment of a threat being realised, and a cost estimate of the consequences. It is part of the management team's role to develop ways to minimise threats and their consequences.



## 2 Corporate governance

- Corporate governance structure
- Board of Directors
- Board of Directors' report
- Compliance system





## Corporate governance

### Corporate governance structure

The day-to-day operations of the group's main business entities (VSW JSC, Trubodetal JSC, CSW JSC, BVP JSC, Belenergomash-BZEM LLC, OMK Steel Way JSC) are managed by OMK JSC, the managing company, which functions as the sole executive body. The Russian company VSW LLC is the sole shareholder of OMK Group's main business entities (Trubodetal JSC, BVP JSC, CSW JSC, Belenergomash-BZEM LLC, OMK JSC).

Information on the company's ownership structure is provided in full to all counterparties upon request as part of the KYC procedure. There are no legal entities registered in offshore zones (as determined by the Ministry of Finance of the Russian Federation) within the structure of the business entities which make up the OMK Group.





## Corporate governance

### Corporate governance structure

OMK JSC and all of the Group's companies are non-public companies. At the same time, the corporate governance system is built on the basic principles of the Corporate Governance Code, including unswerving compliance with the following principles and recommendations of the Code:

- The shareholder is provided with reliable and efficient methods of accounting for their rights to stocks and shares, and also with the ability to freely and easily dispose of their stocks and shares.
- The Company Secretary effectively interacts with the shareholder on an ongoing basis, and coordinates the company's actions to protect the rights and interests of the shareholder.
- OMK's operations are sufficiently transparent for the shareholder and the stakeholders.
- The level of remuneration paid by the company is sufficient to attract, motivate, and retain employees with the skills and qualifications necessary for the company.
- The remuneration system for members of the company's executive bodies and other key executives links remuneration to the company's performance and the executives' personal contribution to achieving said performance.
- To enable a systematic, independent assessment of the reliability and efficacy of the risk management and internal control system and corporate governance practices, the company conducts an internal audit.
- OMK discloses complete, relevant, and reliable information about its operations to allow the shareholder and counterparties to make informed decisions.
- OMK Group companies provide information and documents at the request of the shareholder in accordance with the principles of equal and unhindered access.
- Actions which significantly affect or may affect the share capital structure and financial health of the company and, accordingly, the financial position of the shareholder, are significant corporate actions carried out on fair terms which ensure that the rights and interests of the shareholder and other stakeholders are observed.
- The company has a procedure for carrying out significant corporate actions which enables the shareholder to receive complete information on these actions in a timely manner, provides them with the opportunity to influence the performance of these actions, and guarantees that their rights are observed and adequately protected when the actions are carried out.





## Corporate governance

### Corporate governance structure

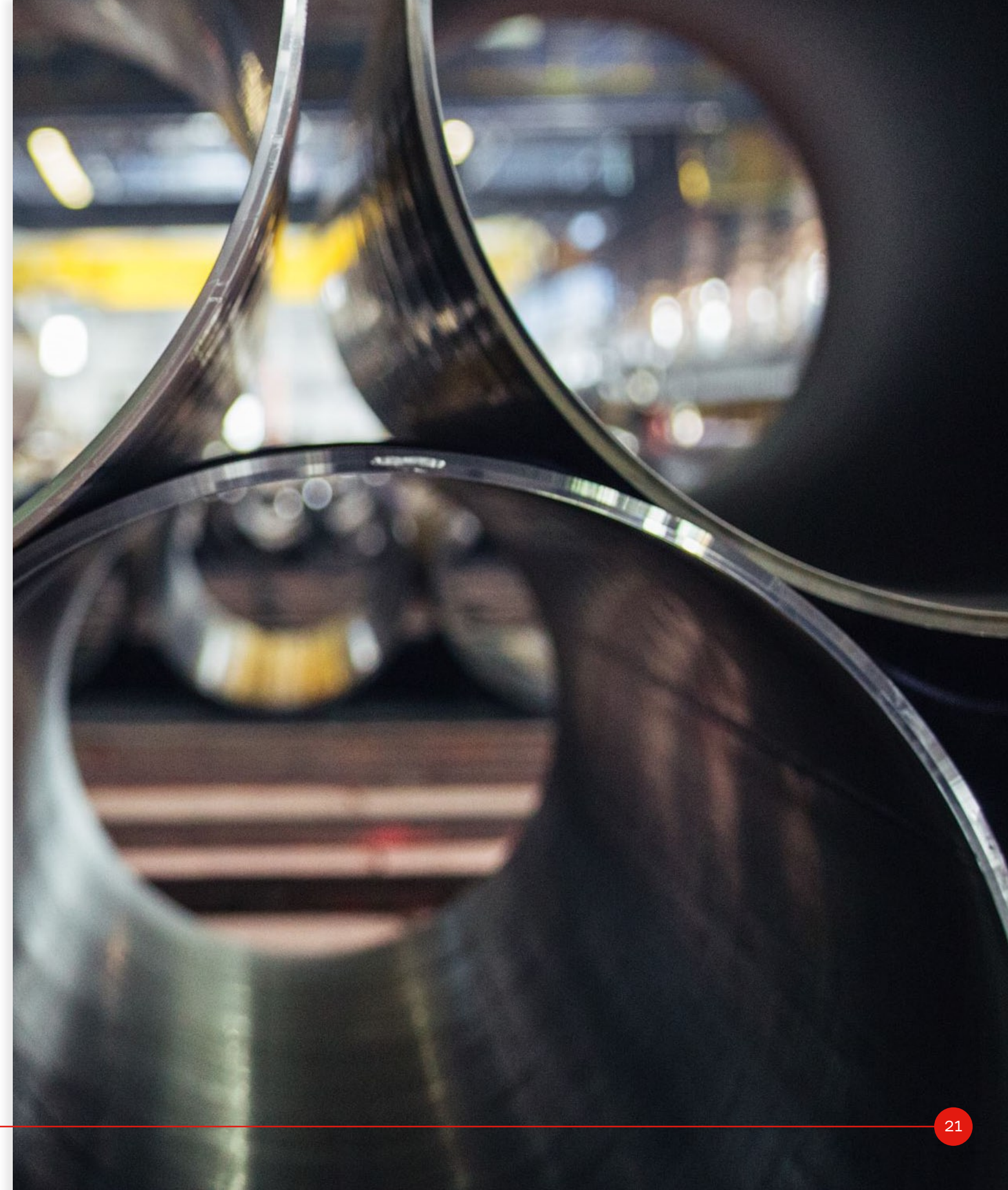
Most of the Group's companies have only one shareholder. For Trubodetal JSC, CSW JSC, Belenergomash-BZEM LLC, and a number of other companies, the sole shareholder is VSW JSC. For this reason, there is no requirement to have provisions for a shareholder or participant AGM (this is necessary only for VSW JSC).

The companies above, along with OMK Steel Way JSC, have, by agreement, transferred the powers of the sole executive body to the managing company, OMK JSC, the sole shareholder of which is also VSW JSC.

To effectively manage the companies, in 2021 OMK JSC had a Board of Directors and (until 8 February 2021) a Management Board. In February 2021, the company underwent some structural changes. These changes constitute a logical continuation of the development of OMK's sectoral business model. They are designed to improve the quality of management, and to ensure the company's growth in terms of efficiency and customer focus.

In accordance with the updated company charter, the corporate governance bodies of OMK JSC are the sole shareholder, the Board of Directors, and the CEO (sole executive body). Issues within the competence of the disbanded Management Board (the collective executive body) have been distributed between the Board of Directors and the CEO.

The procedure for the activities and remuneration of members of the Board of Directors is determined by the regulation governing the Board of Directors. The Board of Directors is experienced in conducting an external assessment of its own activities, a self-assessment is conducted annually. Decisions made at meetings of the Board of Directors are provided to stakeholders upon request or as required by law.





## Corporate governance The Board of Directors

The OMK Board of Directors is made up of five experienced executives. The Board's composition was approved by the sole shareholder on 12 October 2021. All of the Board's executives have been serving in management positions for many years, possess a wide range of knowledge and skills, are well versed in the specifics of the metallurgy industry, and demonstrate excellent leadership qualities.

At the same time, since OMK is a non-public company, the individual composition of the Board of Directors is determined at the discretion of the sole shareholder, without the need to take into account requirements established by laws or other legislative acts as to the quantitative composition or procedure for forming and holding meetings of the collegiate management body. The Chair is elected by majority vote of the members of the Board of Directors. The Chair manages the activities of the Board of Directors and ensures that they are effective, approves the schedule and agenda of meetings, establishes and analyses working procedures, and also performs a number of other functions.

The activities of the Board of Directors are regulated by legislation, the company charter, the regulation on the OMK Board of Directors, and other internal documents (local regulations) which define the remit, term of office, procedure for the formation and functioning of the Board of Directors, the duties, responsibilities, and rights of its members, and the procedure for terminating their authority.

The Board of Directors manages the company's operations and oversees its executive bodies. In the execution of its duties, it is guided by the regulatory legislative acts of the Russian Federation, the company charter, the regulation on the Board of Directors, and other internal corporate documents. Meetings of the Board of Directors are held as often as is necessary, but at least once every eight weeks.

The company has taken measures to avoid conflicts of interest in the supreme management body. In 2021, there was no conflict of interest among members of OMK's Board of Directors.

Key performance indicators have been established for members of the Board of Directors:

- To improve the company's financial performance
- To ensure the business's sustainable development and a balanced approach to investment projects.
- To increase safety in the workplace.
- To minimise the company's impact on the environment.



**Anatoly Sedykh**

Chair of the Board of Directors

Anatoly Sedykh has held leadership positions in the company since 1999. Initially, he headed OMK's Vyksa plant and led it out of crisis. Over the years, he held the positions of President and Chairman of the Board in the company.

Anatoly Sedykh was born in 1964 and graduated from the Moscow Institute of Steel and Alloys (Ph.D. in Economics).

He began his career as an economist at the Central Research Institute of Ferrous Metallurgy.



## Corporate governance The Board of Directors



**Petr Trushin**

Chief Executive Officer

He joined the OMK Board of Directors in July 2019. Since October 2021, Petr Trushin has become CEO of the company.

He joined the company in 2008 as the Head of Business Consulting. From February 2017 to June 2019, he was a member of the OMK Management Board.

Trushin has also held management positions in company divisions that conduct internal audits and improve the efficiency of business processes. Prior to joining OMK, he worked at SUEK and PwC.

Petr Trushin was born in 1982. He graduated from the Higher School of Economics in Moscow with a degree in Management.



**Natalya Eremina**

President

She was appointed President of OMK in February 2021.

Natalya Eremina joined OMK as the Head of the Controlling Department in 2001. In 2004, she was appointed Director for Corporate Finance and Investor Relations. April 2006 - January 2016 - Vice President of OMK. From February 2016 to July 2017 - Deputy Chair of the Management Board, from July 2017 to February 2021 - Chair of the Board.

She previously worked at Metallinvestbank as Head of the Interbank Credit Department, Head of the Lending Division, and Deputy Chair of the Management Board.

Natalya Eremina was born in 1971 and graduated from the Department of Mechanics and Mathematics at Lomonosov Moscow State University.



**Dmitry Chernyshev**

Head of the Asset Development and Investment Department

He has worked for the company since 2002, as Project Manager and First Deputy CEO of Almeteyevsk plant and Director for Strategic Development of Vyksa plant.

From November 2007 to January 2016 - Vice President and Head of Research and Strategy.

From 1996 to 2001, he held different positions in the business development divisions of various Russian industrial companies.

Dmitry Chernyshev was born in 1974 and graduated from Lomonosov Moscow State University and the Academy of National Economy under the Government of the Russian Federation with a degree in Strategic Management.



**Anastasia Poletaeva**

Lawyer at the Moscow Lawyers Board

From 1998 to 2007, Anastasia Poletaeva worked at OMK as a Lawyer, Head of Department, Chief Legal Officer, and Corporate Governance Director.

She served on various boards of directors of OMK companies, including Chusovoy Metallurgical Works, Almeteyevsk Pipe Plant, Vyksa Steel Works, and Trubodetal.

Member of the Independent Directors Association.

From July 2007 – Lawyer at Asnis and Partners legal office.

Anastasia Poletaeva was born in 1972. She graduated from the International Law Institute under the Ministry of Justice of the Russian Federation and completed a Master's programme at Moscow State University's Faculty of Law.



# Corporate governance The Board of Directors

## Board meetings

OMK held 80 meetings of the Board of Directors in 2021. The majority were held in absentia. Board meetings were also held using electronic means of communication, as well as in the format of offline face-to-face meetings with Board executives attending in person. The main subjects discussed by the Board of Directors over the course of the reporting year were issues related to the formation and activities of executive bodies, budget approval, project work, charity-related issues, the reorganisation and dissolution of OMK companies, and other corporate actions involving stocks and shares.

## Committees

The Board of Directors may from time to time create temporary or permanent committees to review and deliberate the most important issues within its remit. Issues lying within the remit of a committee are submitted to meetings of the Board of Directors together with a preliminary conclusion. Committee members and chairs are elected by a majority vote by the Board of Directors.

In 2021, an audit committee functioned under the aegis of the OMK Board of Directors. The audit committee's principal objective is to assist in assessing the performance of OMK's corporate governance, risk management, and internal control systems, as well as the performance of its information technology, and of the safety and structure of its operational processes.

The committee's composition is approved by the Board of Directors. Company employees and external consultants may be brought in to contribute to the committee's work. The permanent members of the audit committee include the Chair of the Board of Directors, the company President, and the Head of the Economics and Finance Department.

Committee meetings are convened on the initiative of the chair, the committee members, the chair of the company's audit commission, or the Head of the Internal Audit Service.

OMK has also set up a number of committees under the aegis of the sole executive body or other company officers whose remit includes addressing various issues relating to the company's operations.

## Company Secretary

OMK has established the position of a Company Secretary. The Company Secretary is involved in developing and, if necessary, revising the company's corporate governance policy, and in ensuring compliance with the policy and analysing relevant operational practices, and ensures that the company complies with the requirements of Russian legislation, the charter, and internal documents. The Company Secretary ensures that channels for exchanging information between management bodies operate effectively, is responsible for the disclosure of information in accordance with the relevant legislation, and performs a number of other functions.



**Svetlana Obolenskaya**  
Company Secretary

Svetlana Obolenskaya has worked at OMK since 2000, and has been Company Secretary since 2007.

She has been elected to and has served on the Boards of Directors of several OMK companies (CSW JSC, APP JSC, OMK JSC), and has also served as Chair of the Board of Directors of Trubodetal JSC. Before joining OMK, she worked at the Moscow Region Property Fund.

Svetlana Obolenskaya was born in 1970. She graduated from the Kutafin Moscow State Law University with a degree in jurisprudence (specialising in civil law), and also underwent professional retraining at the Higher School of Economics, completing the Company Secretary – Corporate Governance Specialist programme.



## Corporate governance **Compliance**

OMK ensures that the company's operations comply with the requirements of current legislation, with regulatory requirements, and with the principles of ethical business conduct



### **OMK's key areas for development of the compliance function are as follows:**

- Competition compliance;
- Tax compliance;
- Anti-corruption compliance and the observance of ethical standards;
- Compliance in the field of trade and economic sanctions;
- Industry regulatory compliance

The latter area includes:

- Compliance relating to the provision of state support measures;
- Compliance relating to personal data security;
- Compliance relating to environmental safety;
- Compliance relating to combatting money laundering and terrorist financing;
- Compliance relating to the observance of the rights of third parties to the results of intellectual activity.

Functional support for the system is provided by the Compliance Group, which includes the Chief Compliance Manager and compliance officers for each compliance area. The purpose and working principles of the compliance function, along with the activities of the Compliance Group, are regulated by the compliance policy, the Compliance Group statute, and policies for each compliance area.

### **Competition compliance**

The objectives of OMK's competition policy are:

- to ensure that the company's operations comply with the requirements of the competition legislation of the Russian Federation and/or other jurisdictions in which it operates and /or plans to operate;
- to establish among employees and managers a uniform understanding of the measures, rules, and procedures aimed at ensuring compliance with the requirements of competition legislation;
- to prevent and/or minimise the risk that OMK and its employees may violate competition legislation.

The principal guidelines established by OMK's competition policy relate to the following aspects of the company's operations:

- dominant market position;
- cooperation with competitors;
- participation in business associations;
- unfair competition;
- cooperation with counterparties;
- cooperation with government bodies;
- participation in public procurement tenders.

In 2021, the company ratified a set of regulations on OMK's compliance with competition law.

A competition compliance audit of OMK's main business units was carried out. Based on the results of the audits, procedures were developed to minimise the risks identified, and a roadmap was established.

Provisions on the need to comply with competition law were included in the company constitution and in employment contracts.



# Corporate governance Compliance

## Tax compliance

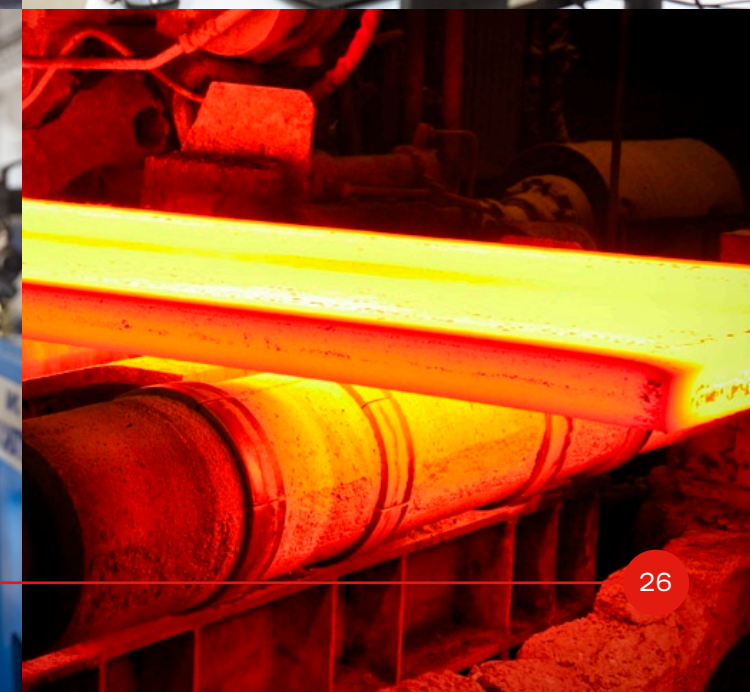
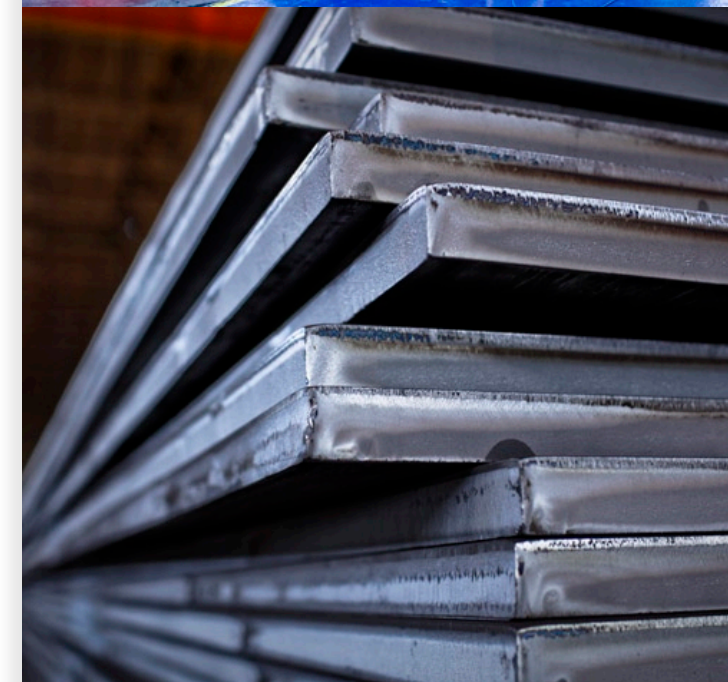
In the field of taxation, the focus is on minimising risks when working with counterparties:

- the risk of working with unreliable counterparties;
- the risk of a lack of documents confirming incurred expenses;
- the risks associated with the economic justification of expenses related to investment agreements.

In 2021, OMK:

- developed and tested a list of reliability indicators using the Globas automated counterparty verification system;
- verified counterparties on a regular basis to assess tax risks;
- developed a set of tax compliance rules for counterparty verification procedures;
- collated lists of documents requested from counterparties in accordance with the requirements of the Russian Ministry of Finance;
- approved orders to determine document storage locations and control over the availability of documents confirming expenses incurred and the economic justification for each business transaction.

The measures implemented, along with those being carried out in preparation for the company's transition to tax monitoring in 2023, significantly reduce the likelihood of tax-related risks.





# Corporate governance Compliance

## Anti-corruption compliance

OMK conducted a stress test of the anti-corruption system.

The scope of corruption prevention measures was assessed, taking into account six measures in particular:

- familiarisation with the anti-corruption policy;
- familiarisation with the company constitution;
- familiarisation with the declaration on corporate ethics;
- provision of online anti-corruption training;
- declaration of gifts received;
- receipt of newsletters.

The stress test's scope included managers of different levels within the business functions carrying the most potential risk, as well as a selection of executives – a total of 33 people. It involved analysing documents and data from information systems. Employees were not informed that they were participating in a stress test, and the results were presented to the management in anonymous form. It was found that the coverage of anti-corruption measures was 70% (100% was taken as being all the measures in place for all employees selected for the stress test).

The Compliance Group considers the level achieved to be satisfactory, and will ensure that it is maintained into the future.

An updated version of OMK's anti-corruption policy has been adopted.

- The procedure for evaluating gifts received has been clarified to increase the transparency of our requirements and for the greater convenience of our employees.
- Exceptions to the prohibition on receiving cash gifts have been set out. For example, it is now explicitly permitted to receive tickets for events with an indication of the price, if the main purpose of attending the event is for the employee to engage in discussions with the representatives of the counterparty.
- A procedure has also been set out for returning gifts received by employees which do not meet anti-corruption requirements. The gifts must be returned independently or handed over to the Compliance Group to organise the return.
- The Company has committed to its obligation to report to law enforcement agencies any cases of corrupt activities and other offences of which it becomes aware.
- Analysis of corruption-related risks will be a mandatory part of the due diligence procedure for mergers and acquisitions.
- During drafting of the updated version of OMK's Anti-Corruption Policy, the recommendations of the Russian Ministry of Labour, the Compliance Group's own work, and the opinion of the Organisation of Corporate Lawyers of Russia expert community were taken into account.
- Our counterparties can be confident that OMK's internal anti-corruption procedures comply with both legal requirements and best practice.

No corruption-related incidents were recorded during the reporting period.





## Corporate governance **Compliance**

### **Compliance relating to the provision of state support measures**

To avoid non-fulfilment of obligations arising from subsidies and tax benefits, or violation of the terms of agreements associated with the provision of state support measures, including special investment contracts, OMK's Compliance Group and Directorate for Government Relations carry out the following work:

- verification of the fulfilment of obligations under concluded investment agreements (or preparation for verification);
- participation in the preparation of the necessary financial reporting documentation relating to agreements on the provision of state support measures;
- cooperation with government bodies to improve and fine-tune the regulatory framework and to resolve systemic issues in the implementation of support measures.

### **Compliance relating to personal data security**

OMK complies fully with the requirements relating to the security of personal data. Over the reporting period the company has:

- approved company-wide regulations relating to personal data processing and protection, as well as local regulations for the group's main plants;
- made regular adjustments to local regulations relating to personal data security which are already in place in the light of changes to the regulatory framework and the company's own information infrastructure;
- conducted a full risk reassessment in the light of changes to the legislation.





## Corporate governance **Compliance**

### **Compliance relating to environmental safety**

OMK is reviewing shortcomings in its environmental risk management system and the lack of a systematic approach to environmental risk management in ongoing projects.

Over the reporting period, OMK has developed a methodology to allocate responsibility for managing environmental risks, has reassessed risks, and has continued the practice of assigning environmental goals to senior managers as part of their overall annual targets. The company keeps a unified register of identified violations. A list of typical violations has been produced, and is being worked through so that such violations may be prevented in the future.

### **Compliance relating to the observance of the rights of third parties to the results of intellectual activity**

OMK is reviewing the risk of illegal use of the results of intellectual activity, including software tools owned by third parties.

Over the reporting period, OMK has distributed information leaflets on how to prevent violations in the use of intellectual property, and has also held training events on copyright and commercially sensitive information .

### **Compliance relating to combatting money laundering and terrorist financing**

OMK has minimised the risks associated with the absence of an internal control system to combat money laundering and terrorist financing.

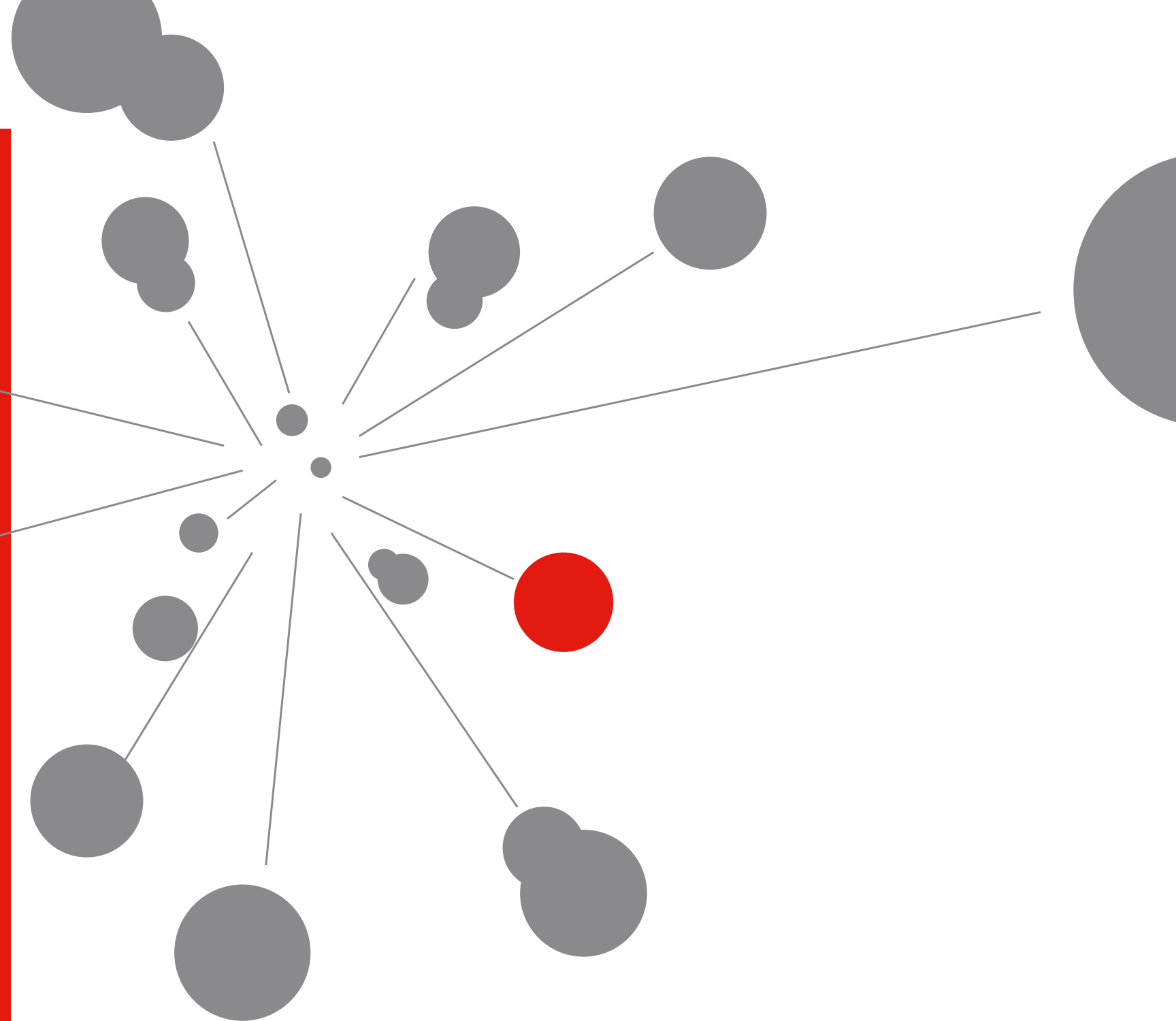
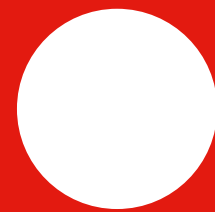
An internal control system has been introduced and the relevant regulations adopted. An officer responsible for ensuring compliance with the requirements for combatting money laundering and terrorist financing has been appointed. A training course has been created and adopted, and the company is carrying out employee training.





### 3 Sustainable development

- Sustainable development practices
- Sustainable development management system
- Strategic priorities
- Contribution to UN Sustainability Goals
- Stakeholders
- HR management
- Production safety
- Environmental safety
- Energy saving programmes
- Procurement
- Quality management
- Social projects
- Charity





## Sustainable development Sustainable development practices

Adherence to ESG principles is a key component of OMK business strategy. The company allocates an impressive amount of social investments (over 1.3 billion rubles in 2021) annually. We expand programmes for personnel, social support for employees and regions of presence. We actively expand the career opportunities for women, analyse existing opportunities and problems of career growth, and offer various formats of self-realisation.

In the field of external socially significant initiatives, the focus of the company is shifting from local initiatives to the implementation of system programs to solve socially significant problems in the regions of presence. The priority is to develop the climate agenda, environmental initiatives and the volunteer movement. A separate environmental category was added to the Start Your Own Business program and the OMK-Partnerstvo (Partnership) grant competition.

OMK supports the OMK-Partnerstvo grant competition to continue implementing socially beneficial initiatives in the regions. In 2021, the competition was scaled up taking into account the regions where the OMK Steel Way depots and the Belgorod plant, new assets of the company, are located.

In addition, OMK has begun developing a system for evaluating the socio-economic impact of the Start Your Own Business programme. The first estimates showed a very worthy result. The social return on investment amounted to 4:1, for each ruble invested, the company generates about four rubles of social values (for more details, see the Social Projects section of this report). In the near future, OMK will adjust its priorities in the regional development programmes and focus on investing in culture and domestic tourism.

We plan to update the policy of managing external social programs and social policy, and develop a comprehensive system for monitoring and evaluating the effectiveness of social investments.





## Sustainable development Sustainable development practices

The company adheres to the UN Global Compact and the Social Charter of Russian Business, the Declaration of Fundamental Rights and Principles in the World of Labour of the International Labour Organisation, and the Declaration on Environment and Development. OMK supports the Anti-Corruption Charter of Russian Business, the principles of the Declaration of Human Rights, and other international and national initiatives. OMK also follows the precautionary principle adopted by the UN Conference on Environment and Development.





# Sustainable development Sustainable development practices

## Achievements 2021

- Category «A» - rating «Leaders of corporate charity»
- Group A - index of the Russian Union of Industrialists and Entrepreneurs «Vector of sustainable development», OMK is among the 30 leading Russian companies
- Group «B+» - index «Responsibility and openness». OMK is among 12 leading companies
- 14th place in the Social ESG block - the ranking of Russian leaders in the field of sustainable development Raex-Europe
- Prize in the «Team of Heroes» nomination - the «Heroes to be!» project for successful practices in the field of corporate volunteering
- Diploma in the development of a women's leadership program among government and commercial organisations in the «Leader of Change» nomination

OMK is among the Russian leaders in sustainable development in the RAEX-Europe ranking and the ESG indices of the Russian Union of Industrialists and Entrepreneurs and the Moscow Exchange.

## RAEX-Europe

OMK is regularly represented in the ESG ranking of Russian companies by RAEX Europe.

The participants are evaluated in three areas:

- environmental responsibility (Environment)
- social investment (Social)
- disclosure of information about the corporate management (Governance).

In the final list of 2021, published on December 15, 2021, the company made it to the top 50, at the 47th place. At the same time, OMK ranked 14th in terms of Social.

## RUIE ESG indices

In 2021, the company strengthened its position among the leaders of the eighth edition of the Russian Union of Industrialists and Entrepreneurs indices in the field of sustainable development, corporate responsibility and reporting.



In the Sustainability Vector Index, OMK is listed among the 30 leading Russian companies in the top “A” group. It includes enterprises that demonstrate positive dynamics of socio-economic and environmental performance indicators, a systematic approach to management in the field of sustainable development.

According to the Responsibility and Openness Index, OMK is among the 12 leading companies in the “B+” group. Companies included in the index stand out for the high quality of disclosure of information on sustainable development in public corporate reporting. In 2020, OMK was represented in the generalised «B» group.



In the UN Sustainable Development Goals integration rating, OMK has moved up two points compared to the 2020 assessment. The company has chosen nine of the UN Sustainable Development Goals. We adhere to them when implementing our strategy in the field of corporate social responsibility. Since the beginning of the coronavirus pandemic, OMK has paid special attention to SDG 3: Health and Wellbeing.

OMK took 11th place in the Our Contribution ranking among large businesses and received the status of a partner of the national projects. The study was conducted by experts from the RUIE, Delovaya Rossiya, the Donor Forum, the Association of Russian Managers and KPMG.

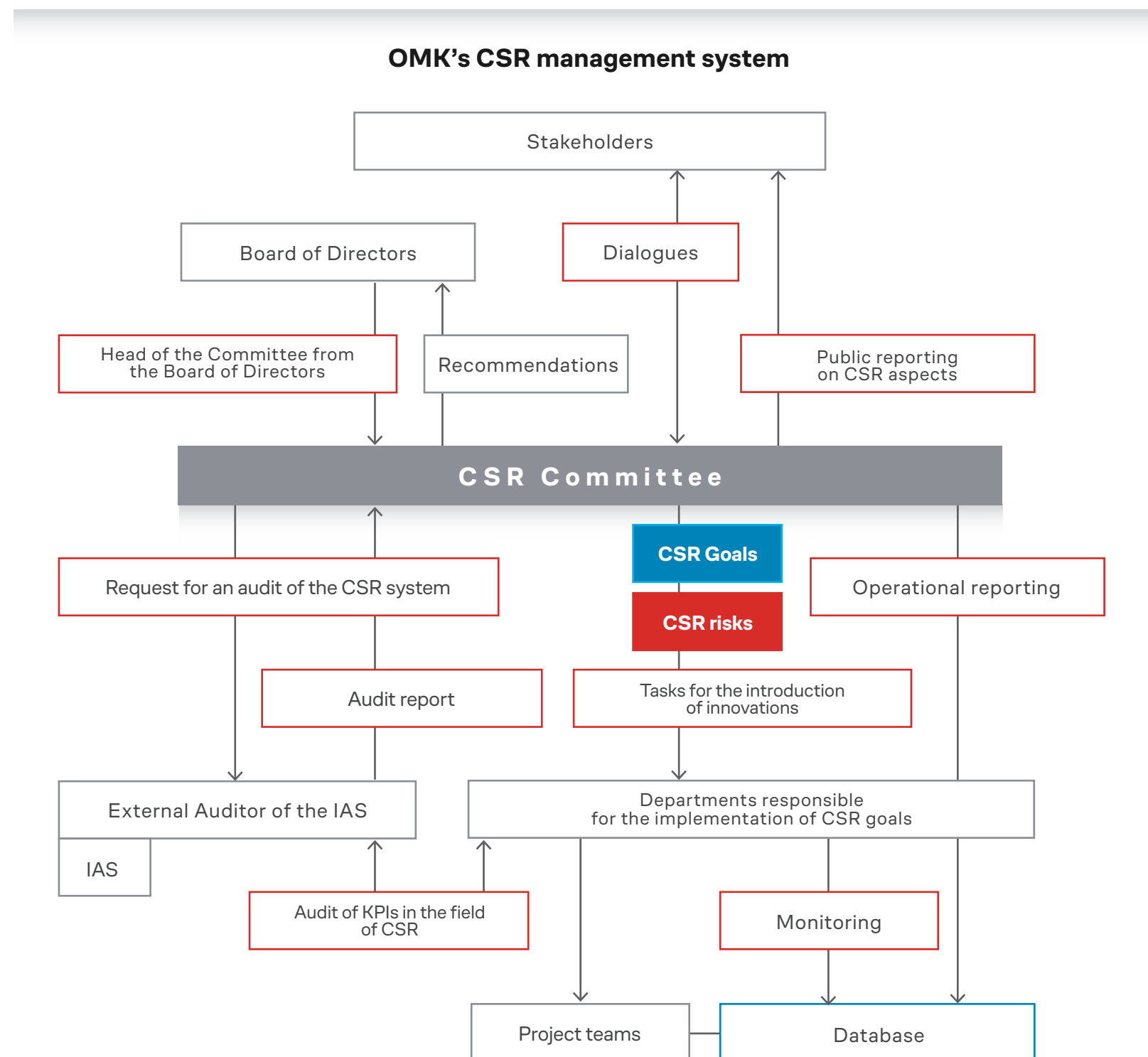


## Sustainable development Sustainable development management system

A special committee under the company's president plays a major role in OMK's sustainable development management system. The committee coordinates actions of departments and management bodies to implement the CSR policy. It consists of heads of key departments responsible for achieving CSR goals and involved experts. This allows to effectively control the achievement of goals and quickly respond to crisis situations.

The basis of the activity of the CSR management system is goals and risks registers. After they are approved by the committee, they are built into the corporate strategic planning system and become part of the integrated management system. These goals are taken into account in the goal-setting system, risks are inserted in the system of accounting and analysis of inconsistencies.

In addition, the committee ensures that stakeholders are informed about the results of activities in the field of sustainable development. The committee maintains a database of social, environmental and economic indicators. These indicators are used for the public annual report and responses to our partners' inquiries. If necessary, the committee entrusts the audit of individual indicators to the internal audit service or an external auditor.





# Sustainable development Sustainable development management system



## Sustainable development management annual cycle

### 1 Meeting of the committee on sustainable development

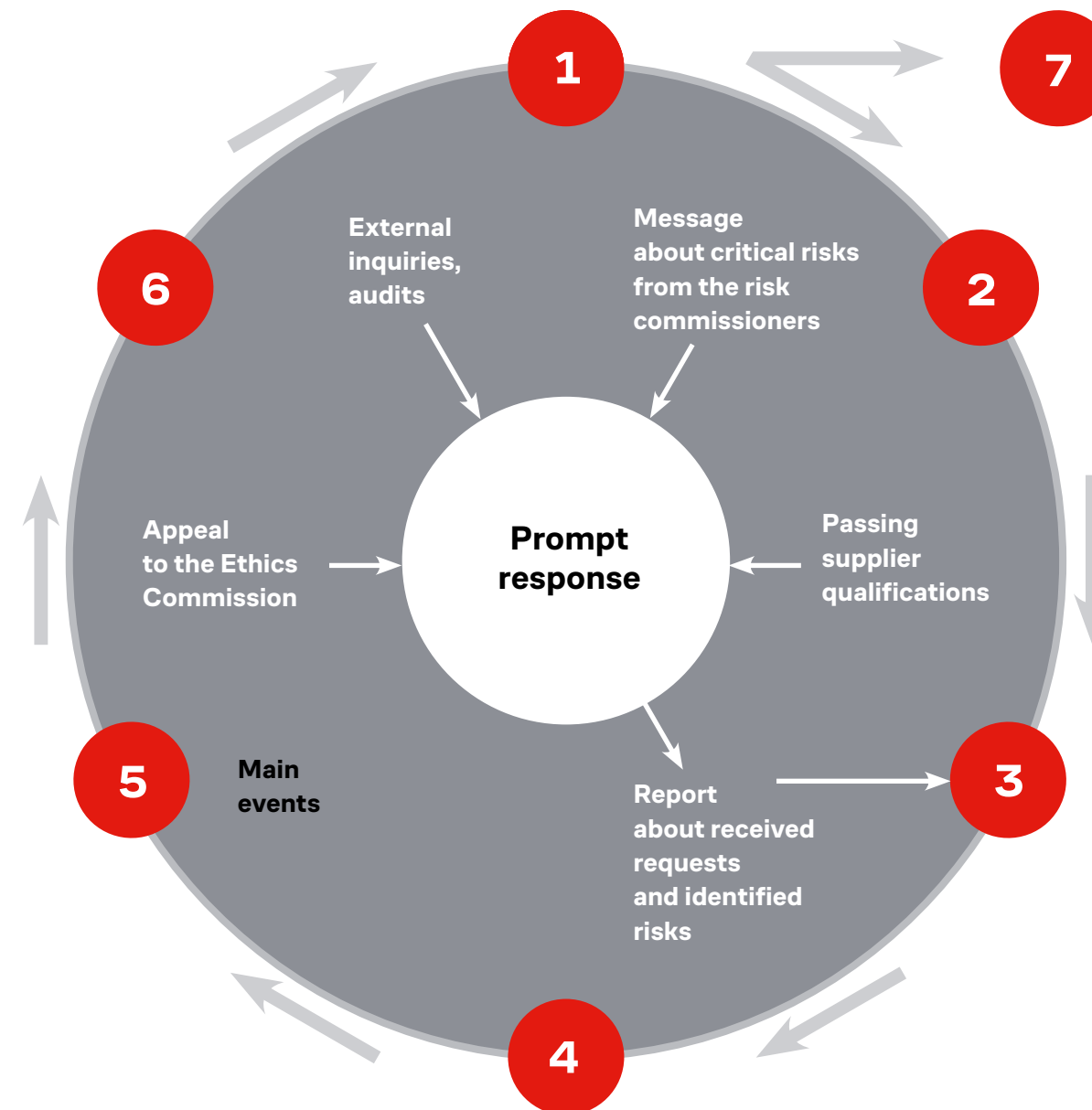
- Approval of the annual report
- Review of an updated sustainable development policy
- Approval of the plan of dialogues with stakeholders

### 2 Work of departments to achieve sustainable development goals, filling in the database

### 3 Meeting of the committee on sustainable development (extraordinary)

- Responding to new demands and risks

### 4 Dialogues with stakeholders



### 5 Sustainability committee meeting

- Setting goals for the next period
- Update of the risk map
- Assignment for finalising the sustainable development policy
- Assignment for the audit of individual KPIs

### 6 Collection of information from responsible departments. Preparation of the annual report. Audit of individual KPIs.

### 7 Publication of the annual report.



# Sustainable development Strategic priorities

## Priority areas for sustainable development

### Sustainable development management system's evolution

- Economic activities and corporate governance in a transparent, honest and fair environment, in good faith and in full compliance with competition rules.
- Employees participate in development and implementation of strategies, policies and operational plans.

### Environmental safety

- Reducing the negative impact of production on ecological systems, including air, land resources, landscapes, biodiversity, water bodies.
- Implementation of the best achievable technologies to improve environmental efficiency and reduce the resource intensity of production cycles.
- Reducing greenhouse gas emissions.

### Human rights

- Protection of human rights in matters of equality, solidarity, civil and political rights, social, economic and cultural rights.
- Unacceptability of any form of discrimination, forced labor.
- Production safety.
- Development of interaction between employees based on corporate values.
- Freedom of association and participation in trade unions.
- Work conditions favour development of employees' personal qualities and professionalism.
- Equal opportunities for all employees.
- Fair monetary compensation to employees based on merit and experience.

### Regional development

- Assistance in ensuring a high quality of life and socio-economic development of communities in regions where OMK operates.
- Transparency of information relevant to local communities, including material topics, using various forms of dialogue and consultations through the relevant OMK structural divisions.
- Encouragement of charitable volunteer initiatives of employees and non-profit organisations.





# Sustainable development Strategic priorities



## Accounting for consumer needs

- Respect for consumer rights to purchase and use products that do not harm health and environmental systems.
- Free access to complete information about the properties of the offered products.

## Child care

- OMK, contractors and suppliers refuse to use labour of persons under the legal age (child labour).

## Expansion of interaction with stakeholders

- Involvement of stakeholders in the decision-making process, including issues of the international sustainable development agenda.
- Development of transparency and accountability based on international standards of corporate information disclosure.

## Building secure supply chains

- Development of responsible business practices among supply chain participants.
- Facilitating responsible supply chains and informing consumers about the impact of OMK's production on society and the environment.

## Anti-corruption

- Zero tolerance for bribery, collusion and other manifestations of corruption.
- Systematic anti-corruption efforts as part of the compliance system development.





## Sustainable development Strategic priorities

### OMK corporate social responsibility priorities

### Performance indicators 2021

#### Management system

Compliance with laws, regulations, and OMK's corporate constitution is a constant endeavour and duty of the company's employees.

The compliance group's activities are regulated by the "Regulations on the compliance group" adopted in 2019 and policies in different areas.

Participants combine activities in the field of compliance with the main employment.

OMK conducts economic activities and builds corporate governance in a transparent, honest and fair environment, in good faith and in full compliance with competition rules.

The corporate governance system is based on the basic principles of the Corporate Governance Code. The company consistently complies with the Code's principles and recommendations.

Development of the management system in accordance with the best international practices.

The sustainable development management system's basis is the goals and risks registers.

Employees participate in development and implementation of strategies, policies and operational plans aimed at preventing and overcoming any decision or behaviour that may lead to direct or indirect damage to employees, material, financial and intangible resources of the company and communities in regions where OMK operates.

Employees are involved in development and implementation of relevant strategies, policies and operational plans.





# Sustainable development Strategic priorities



OMK corporate social responsibility priorities	Performance indicators 2021	OMK corporate social responsibility priorities	Performance indicators 2021
<u>Interaction with stakeholders</u>  Stakeholders are involved in the decision-making process, including matters of the international sustainable development agenda.	The committee on sustainable development communicates to stakeholders about the results in the field of sustainable development.	<u>Human rights</u>  Protecting human rights in matters of equality, solidarity, civil and political rights, social, economic and cultural rights and the right of future generations to self-determination, peace, development and a clean environment.	Diploma in the development of a women's leadership program among government and commercial organisations in the «Leader of Change» nomination.
Development of transparency and accountability based on international standards for corporate information disclosure.	Group «B+» - RUIE index «Responsibility and openness». OMK was among the 12 leading companies.	Unacceptability of any form of discrimination, forced labor.	Ethics committees of the parent company and plants considered all 17 applications received during the year.
<u>Anti-corruption practices</u>  Zero tolerance for bribery, collusion and corruption.	We conducted a stress test of documents and data of information systems, which established the coverage of corruption prevention at 70%.	Production and environmental safety.	The number of accidents and incidents at hazardous production facilities - 0. FIFR - 0.06. LTIFR - 0.63. The indicator of occupational diseases - 2.77.
<u>Client relations</u>  Respect for the rights of consumers to purchase and use products that do not harm their health and ecological systems. Free access to complete information about the properties of the products offered.	Share of products with complaints from consumers in 2021: Vyksa plant - 0.032%. Almetyevsk plant - 0.322%. Blagoveshchensky plant - 1.22%. Belgorod plant - 0.07%. Chusovoy plant - 0.15% (rolled products), 0.1% (spring products).	Development of interaction between employees based on corporate values.	The ratio of appeals to the commission on labour disputes to the number of decisions in favour of employees (decisions in pre-trial order) is 23/10.
		Fair monetary compensation to employees based on merit and experience.	Correlation between wages at OMK facilities and the regional labour markets.



# Sustainable development Strategic priorities

OMK corporate social responsibility priorities	Performance indicators 2021
Employees have rights to take part in associations and trade unions.	<p>Associations of employees operate at all plants of the company and are provided with everything necessary.</p> <p>At the plants in Vyksa, Chusovoy and Chelyabinsk, the primary trade union organisations of the Mining and Metallurgical Trade Union of Russia continue to work. In Blagoveshchensk, it is the Russian Trade Union of Industrial Employees («Rosprofprom»). In Almeteyevsk, it's the Trade Union of the Agro-Industrial Complex Employees («Profagro»). In the OMK Steel Way, it's the Trade Union Organisation of the Train Car Repair Companies of the Russian Trade Union of Railway Employees and Transport Builders («Dorprofzhel»).</p>
Work conditions favour development of employees' personal qualities and professionalism.	<p>The average involvement level in the company is 56%.</p>
Equal opportunities for all employees, in full compliance with applicable legal and contractual provisions.	<p>The collective agreement establishes rules for wages, work and rest hours, a list of benefits and guarantees, norms and rules for labour protection, directions for working with youth and other rights and guarantees of employees and guarantees for the activities of the trade union organisations. OMK complies with labour laws and 100% of the organisation's employees are covered by written labour contracts.</p>







# Sustainable development Strategic priorities

OMK corporate social responsibility priorities	Performance indicators 2021
<u>Supply chains</u>  All contracts with suppliers and contractors are concluded with appendices containing guidelines in the field of working conditions, health and safety, the use of child and forced labour, requirements for compliance with legislation in the field of labour protection, production and fire safety, and environmental protection.	The share of contracts with annexes on aspects of sustainable development is 0.92.
<u>Child care</u>  OMK, contractors and suppliers of the company do not use the labor of persons under the legal age (child labor), do not tolerate harassment of employees and use of any form of forced labor.	Cases of child labour and forced labour have not been identified.

OMK corporate social responsibility priorities	Performance indicators 2021
<u>Development of regions where OMK operates</u>  Assistance in ensuring a high quality of life and socio-economic development of communities in the regions of presence.	Group «A» - index of the RUIE «Vector of sustainable development». OMK is among the 30 leading Russian companies
Transparency of information relevant to local communities, including material topics, using various forms of continuous dialogue and consultations through the relevant structural divisions of OMK.	Group «B+» - RUIE index «Responsibility and openness». OMK was among the 12 leading companies.
Encouragement of charitable volunteer initiatives.	Category «A» - rating of «Leaders of corporate charity».



# Sustainable development

## Contribution to the UN Sustainable Development Goals

OMK strives to make the maximum contribution to the United Nations' Sustainable Development Goals (SDGs). Corporate experts analysed the specifics of the company's business and the markets in which it operates, and selected a number of priority goals for the company in the field of corporate social responsibility.

### Economy



Directions	OMK projects	2021 results
<ul style="list-style-type: none"><li>Improving operational efficiency, developing production systems, reducing production and non-production losses.</li><li>Sustainable economic development of the regions where OMK operates.</li><li>Lean production methods implementation.</li><li>Improving the efficiency of investment policy, capital investments.</li><li>Development of the energy resources management system.</li></ul>	<ul style="list-style-type: none"><li>Production system development programme.</li><li>Production and equipment modernisation.</li><li>Energy saving and energy efficiency improvement programme.</li><li>Implementation of the requirements of the international standard ISO 50001:2011 «Energy Management System».</li><li>Critical equipment reliability improvement programme.</li><li>Development of digital technologies in production, logistics, enterprise management, etc.</li></ul>	<ul style="list-style-type: none"><li>Growth of production indicators for tubular products, wide sheet, railway wheels, depot and overhaul of cars.</li><li>The effect of increasing labour productivity is estimated at around 600 million rubles.</li></ul>



# Sustainable development

## Contribution to the UN Sustainable Development Goals



### Social sphere



Directions	OMK projects	2021 results
<ul style="list-style-type: none"><li>Improving the quality of life in the regions where OMK operates.</li><li>Ensuring the health of employees.</li><li>Employees development and training.</li><li>Development of a constructive social dialogue with employees at all levels.</li></ul>	<ul style="list-style-type: none"><li>Integration of the principles of responsible management into the management system, including taking into account stakeholders' opinions in decision-making.</li><li>A set of documents and policies in the field of CSR and management of external social programs, regulations on sponsorship and charitable activities.</li><li>Charitable projects with leading Russian museums and theatres in the field of fine, theatrical and musical art.</li><li>Start Your Own Business social entrepreneurship support programme.</li><li>Programme to support the non-profit sector, state and municipal institutions OMK-Partnerstvo.</li><li>Youth policy, healthcare, culture and sports programmes.</li><li>Programmes for occupational safety and health protection of workers.</li><li>Programmes in the field of education, comprehensive support for specialised educational institutions, development of joint programs to improve the level of education of company employees.</li><li>Formation and maintenance of target groups of personnel.</li><li>The OMK Social Council is a platform for dialogue between the management and trade unions.</li><li>Annual employee engagement survey.</li></ul>	<ul style="list-style-type: none"><li>The company's social investments exceeded 1.3 billion rubles.</li><li>The company allocated 922 million rubles to support employees.</li><li>OMK supported 37 social entrepreneurial projects and created 40 jobs in the regions where it operates.</li><li>The company financed 154 social projects within the OMK-Partnerstvo grant competition.</li><li>On average, OMK had 24 hours of training per employee.</li><li>The qualification of employees was 90%.</li><li>The annual engagement survey to receive feedback and implement changes covered 22,500 employees.</li><li>Five plants - Vyksa, Almet'yevsk, Blagoveshchensk, Chusovoy, Chelyabinsk - adopted new collective agreements.</li><li>OMK reduced the Lost Time Injury Frequency Rate (LTIFR) to 0.63.</li></ul>

The company's social investments exceeded 1.3 billion rubles.



# Sustainable development

## Contribution to the UN Sustainable Development Goals



### Ecology



Directions	OMK projects	2021 results
<ul style="list-style-type: none"><li>Improving the efficiency of resource use.</li><li>Wider use of clean and environmentally friendly technologies.</li><li>Restoration of disturbed lands, bringing them into a condition suitable for subsequent use.</li><li>Reduction of environmental impact.</li></ul>	<ul style="list-style-type: none"><li>Company’s production safety policy.</li><li>Management programme in the field of production safety and environmental protection at plants.</li><li>Special environmental projects for development of the regions where OMK operates.</li></ul>	<ul style="list-style-type: none"><li>OMK allocated 1.27 billion rubles for environmental protection.</li><li>The company has begun developing a new climate strategy.</li><li>OMK enterprises in Vyksa, Chelyabinsk, Blagoveshchensk, Chusovoy, Almetьевsk, Belgorod have international environmental certificates.</li><li>OMK operates a system for the selective collection of production and consumer waste.</li><li>We create our own environmental movement.</li><li>Reduction of vanadium oxide, hydrogen sulphide and carbon monoxide emissions.</li><li>Reduction of the first class waste volumes.</li></ul>

OMK allocated 1.27 billion rubles for environmental protection.



## Sustainable development Stakeholders

In 2021, as before, OMK interacted with key stakeholders. The company adheres to the principles of regularity, constructiveness, effectiveness, builds transparent communications, and strives to prevent and resolve problematic issues in the shortest possible time and most effectively. Work with stakeholders creates the basis for OMK's long-term sustainable development.

When working with stakeholders, the company is guided by the provisions of international standards and relies on a number of corporate documents, including the corporate constitution, code of ethics, anti-corruption policy, CSR policy, etc., published on the OMK official website.

The OMK stakeholders map is regularly reviewed and updated. No significant changes were made in 2021.

### Stakeholders map

#### **Employees**

Corporate portal, official website, OMK Territory newspaper, OMK Komanda (Team) digital magazine, internal newsletters, strategic sessions, meetings, surveys and engagement research, OMK-Partnerstvo grant competition, announcements and posters in offices and at production sites and other forms of interaction.

#### **Residents of the regions where OMK operates**

Meetings and hearings, festivals and city holidays, corporate social media accounts, the OMK-Partnerstvo grant competition, and the Start Your Own Business social entrepreneurship development programme.

#### **Clients, partners, suppliers**

Forums, sessions and industry conferences to exchange experience and improve interaction, work with claims, client newsletters and a corporate website containing all the necessary information in the public domain.

#### **State authorities**

A constructive dialogue with representatives of federal, regional, and local authorities.

#### **Credit organisations**

Providing all necessary reporting, transparent information about the company's activities on the official website and in corporate accounts on social networks.

#### **Press**

Public information about the company's activities on the official website and corporate accounts on social networks, distribution of press releases, preparation of special projects, participation in industry and thematic conferences.

#### **Public organizations**

Work with NGOs, volunteer organizations and movements both in current activities and within the framework of special projects, the OMK-Partnerstvo grant competition and the Start Your Own Business social entrepreneurship development programme.





# Sustainable development **HR management**



Over the reporting period, OMK's HR departments focused on countering the coronavirus pandemic and ensuring that the company's plants were properly staffed as production volumes increased.

We provided the plants with the required numbers of employees to allow the timely execution of all orders. The company achieved a herd immunity level of 81% and 65% of employees have been vaccinated.

To recruit for our production divisions, we mastered new tools from scratch, such as attracting qualified employees on a rotational basis, and recruiting staff from other countries. Additional tools were also used: making employees more flexible (by developing second and third trades), asking people to work on their days off, secondment, and encouraging early return to work from maternity leave.



HR specialists improved recruitment practices and employee development, headcount management, engagement, payroll and social benefits, and organisational design. We continued to increase workforce productivity at the Vyksa plant. Freed-up employees were sent to new production facilities under construction.

Certain work functions (production safety, procurement, business system development) were scaled down at the managing company as they were considered to be sufficiently mature at OMK plants. The Vyksa plant was given the role of a corporate competency centre. It sets out rules and policies, develops IT system architecture, conducts audits, offers consulting, and implements development programmes. Some functions were created at the Vyksa plant by centralised services and centres of expertise (legal, corporate communications, information technology). Some functions and centres of expertise that operated both in the managing company and at the Vyksa Steel Works (logistics, supply chain management, economics, personnel management) have been merged to eliminate duplication and increase efficiency.

**Family support costs** million roubles

	2019	2020	2021
Vyksa	26,9	26,9	27,0
Chusovoy	2,3	2,0	2,3



## Sustainable development **HR management**



### Working during the COVID-19 pandemic

When the pandemic began and employees were urgently transferred to remote work, the company's management team set us the task of reorganising processes, providing mental health support, and creating new rules for interaction. After all, everything works a little differently when working remotely. The company organised a cross-functional integrated programme, OMK-Dom (OMK-Home), which responded to the new challenges.

OMK was one of the first companies in the industry to introduce remote and hybrid work schedules for office employees. This was done, among other things, to reduce the risk of infectious diseases by reducing the amount of personal contact. OMK has reorganised its office spaces to allow for safe distancing.

Since then, OMK's office staff in Moscow have been able to choose their own work schedule based on production tasks, personal circumstances and preferences. The company provided employees adopting remote and hybrid work formats with compact office and communications equipment. At the same time, 100% office working was preserved for those who wanted it. Those wishing to visit the office could pre-book any convenient space for themselves and their teams using the company's website or a special mobile app.



According to regular pulse surveys, employees welcome the opportunity to work remotely. It allows them to manage their schedule flexibly, save on travel time, which is especially important for those who live in large cities, and use the extra time to study under the company's corporate university programmes, for example. This approach enables the company to significantly increase individual and team efficiency.

In June 2021, OMK embarked on a systematic effort to create a safe working space. The company adopted a declaration of herd immunity. We agreed that the company and employees would accept mutual responsibility in the fight against coronavirus and would jointly fulfil their obligations, setting a goal of reaching a 70% herd immunity level by September 2021. The goal was ambitious: in early summer 2021, no more than 20% of employees had immunity against COVID-19.

At the OMK plants, vaccinations were organised for everyone who wanted them, along with a large-scale information campaign so that employees could obtain reliable information about vaccines and the disease itself. Special events were also organised, with contributions from top doctors and scientists via live online meetings.

OMK's plants and partner enterprises are the backbone of the domestic economy, so failures in the group's overall work were unthinkable. Additionally, all employees were provided with the necessary personal protective equipment (masks, gloves, hand sanitiser), which also helped to minimise the spread of the virus.

At the end of December 2021, the average herd immunity at OMK was over 80%. More than 26,000 OMK employees were protected from the coronavirus.

High rates of herd immunity were demonstrated at the Vyksa plant (91%), the Blagoveshchensk plant (91%), and the managing company (88%). Among the most protected are OMK-Market and a branch of the OMK Vyksa plant in Almetьевsk, where 99% of employees have immunity.





# Sustainable development **HR management**

## Employees

Total employees by plant at year end

	2019	2020	2021
Vyksa	14 322	14 741	14742
Chelyabinsk	1 671	1 649	1491
Blagoveshchensk	1 719	1 425	1152
Chusovoy	2 413	2 570	2684
Almetyevsk	752	728	543
Belgorod	-	3797	3670
OMK Steel Way	-	5829	6035
Total	23 167	32953	31970

Employees by gender and category at year end

	2019	2020	2021
up to 25 years (inclusive)	1870	2294	2303
from 26 to 30 years	2903	3606	3190
from 31 to 40 years	8511	11592	11095
from 41 to 50 years	6048	9238	9274
from 51 to 55 years	1963	2920	2983
over 55 years	1872	3303	3125
working pensioners	2117	2762	2882



Employees by gender and category at year end

	2019	2020	2021
men	14986	21871	21206
women	8181	11082	10764
Senior managers			
men	57	75	58
woman	11	13	11
Heads of functional divisions			
men	1393	1935	1723
woman	375	475	362
Specialists			
men	2455	3348	3131
woman	3092	4155	4079
Office staff			
men	40	165	40
woman	140	237	125
Manual workers			
men	11041	16348	16265
woman	4563	6202	6176





# Sustainable development **HR management**

## Employee development

### Corporate university

OMK operates its own corporate university, established in 2018. It is an educational centre which offers effective training programmes to help the company’s employees develop their skills.

The OMK corporate university oversees all of the company's educational processes, and is becoming an internal integrator and conduit of innovation. One of its main tasks is to standardise the quality of external and internal employee development programmes, based on the company's corporate culture and values.

In 2020, OMK launched a project to construct a new building for the corporate university in Vyksa. It will be located next to the company's largest plant. The building is scheduled to be commissioned in the near future. Before its launch, employee training and development will continue to take place at the training centre’s existing premises.

In 2021, the company began to create a community of internal functional coaches and improve their teaching skills. We developed a coaching competencies model, a system, and an assessment procedure. Profiles are created depending on the complexity of the training. A level-by-level development programme has also been devised.

The annual employee performance evaluation process was transferred to the learning and development portal. Following the expansion of its functionality, the portal was renamed as the Growth Point. As part of our participation in national projects, a corporate advanced training centre compliant with WorldSkills standards was established at the training centre in Chusovoy.

### Training and development programmes

The corporate development programmes are divided into conventional areas:

- adaptive;
- skills development and talent pool;
- functional development programmes;
- programmes designed for specific business needs;
- team development activities (non-training formats).

In 2021, training and development programmes were delivered in person and online in accordance with health regulations. Online, active use was made of platforms such as Zoom, Webinar.ru, Teams, Miro, and GroupMap. Employees had access to an electronic corporate library containing large numbers of business, self-development, and fiction books.

## Employees by education at year end

	2019	2020	2021
Higher vocational: <ul style="list-style-type: none"><li>• manual workers</li><li>• specialists, office workers, support staff</li><li>• managers</li></ul>	2353 3549 2011	2968 4928 2939	3146 4964 2893
Two degrees: <ul style="list-style-type: none"><li>• manual workers</li><li>• specialists, office workers, support staff</li><li>• managers</li></ul>	59 354 303	74 450 394	91 431 406
Academic level	44	48	46
Secondary vocational education, primary vocational education: <ul style="list-style-type: none"><li>• manual workers</li><li>• specialists, office workers, support staff</li><li>• managers</li></ul>	10462 826 291	12047 953 348	14639 1012 449
Secondary (complete) general education, basic general education (incomplete secondary)	2915	7804	3893



# Sustainable development **HR management**



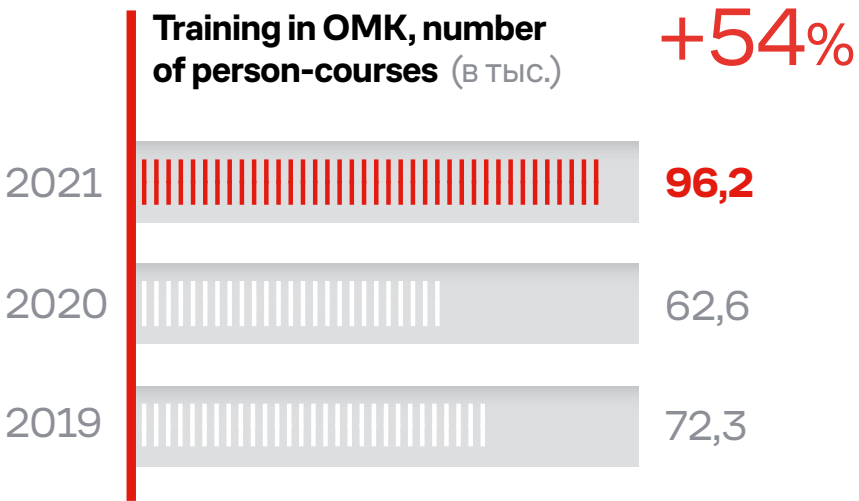
## Adaptation programs

The Welcome to OMK onboarding programmes for new employees are delivered in person and online. When they take up their role, new leaders receive educational support in the form of events: a New Leaders seminar and a Basic Management Skills training session, while for higher-level managers there is the Leader's New Role. Managing Managers programme.

- At Vyksa, the number of employee-courses has increased due to the following factors:
- the introduction of a new corporate training: Production System Academy (6,000 employee-courses);
  - the introduction of distance learning tools, which made it possible to return training to the required volume, despite the limitations of health regulations;
  - the customisation of training programmes to meet current business needs.

At Blagoveshchensk, mass training in basic fire safety and prevention, electrical safety, and in the professions supervised by Rostekhnadzor has been delivered for manual workers, and manual workers, office personnel, and specialists have been certified in industrial safety.

At Almetyevsk, fewer employee-courses have been delivered due to a decrease in the number of personnel.



Man-hours spent on courses by employee type

		2019	2020	2021
Vyksa	<b>Total</b>	48218	28852	47180
	Managers	5413	2276	3 209
	Specialists	4676	3760	5 070
	Office and manual workers	38129	22816	38901
Chelyabinsk	<b>Total</b>	6744	5514	5383
	Managers	926	303	858
	Specialists	2182	2011	994
	Office and manual workers	3636	3200	3531
Blagoveshchensk	<b>Total</b>	3830	2823	8532
	Managers	386	392	1376
	Specialists	312	304	1160
	Office and manual workers	3132	2823	5996
Chusovoy	<b>Total</b>	12383	5001	3218
	Managers	1456	1374	732
	Specialists	2360	1950	639
	Office and manual workers	8567	1741	1847
Almetyevsk	<b>Total</b>	1159	932	796
	Managers	264	218	167
	Specialists	167	123	129
	Office and manual workers	728	591	500
Belgorod	<b>Total</b>	—	48860	24140
	Managers	—	—	6120
	Specialists	—	16800	3100
	Office and manual workers	—	32060	14920
OMK Steel Way	<b>Total</b>	—	3469	6953
	Managers	—	689	1214
	Specialists	—	200	595
	Office and manual workers	—	2580	5144



# Sustainable development **HR management**

## Competency model

The corporate competency model is based on OMK values and consists of general corporate and managerial competencies. The set of managerial competencies depends on the category of the position: the higher the level, the higher the requirements.

All training and development programmes are linked to the competency model. OMK has developed an interactive competency guide that helps to create individual development tracks for employees in accordance with the competency model.

## Employee evaluation

To assess employees, the current competency model is used: during selection, to underpin employee rotation decisions, and to create development programmes. Each competency is evaluated on a five-point scale, showing how the level of skill demonstrated meets the company's requirements.

During the reporting year, the concept of assessing potential which OMK uses to evaluate senior managers was approved. The concept was used to evaluate 140 managers. It is also used during input assessment when hiring managers. An evaluation of high-potential employees was also launched. There were 219 candidates at the beginning. Following the evaluation, 62 finalists remained, who will be invited to the third stage of the in-person evaluation. We assessed the functional competencies of 133 employees in the Sales Department.

## Competence development programs and the personnel reserve

OMK continues to expand the competency development programmes planned for individual development plans. The Leadership Pipeline course, created in 2020, has been designed as a system of regular training sessions for managers at different levels. The course includes critically important points, achievement of which, for example, transforms a first-level leader into a second-level leader. As they move up to a new level of management, employees must be able to cope with larger tasks and effectively apply managerial competencies.

To implement the concept, OMK is devising a system of step-by-step manager development. Development programmes are available to each category of managers to help them climb the career ladder, step by step. Together, these programmes constitute a unified training system for OMK employees.

The first step of the system is the Basic Management Skills training, programmes which form part of individual development plans, as well as the OMK Leaders open competitive selection project launched this year.

The finalists who successfully passed all stages of the selection were offered development programmes for new generation leaders in line with the level of their position and their proven potential.

There were only two requirements for participants: to be working in the company and to have a higher education. As a result, 1,500 employees took part in the first stage of selection, a quarter of whom reached the final.

The unique Functional Competencies of a Leader corporate programme, which was first held for senior managers in 2020, was relaunched in 2021. The new stream included middle managers, which will ensure the continuity and consistency of the management tools used in daily working practice.

The programme was finalised on the basis of the recommendations developed by the participants in the first stream. This sets the programme significantly apart from others (both internal and external), as OMK continues to develop a new and effective management culture.

The talent pool development programmes created as part of the Leadership Pipeline, such as the Fundamentals of Leadership and the Energy of Leadership, have demonstrated their effectiveness and will continue to be delivered in 2021. Graduates of the programmes receive career assignments.

To develop the managerial competencies of high-potential employees in the new OMK Steel Way business unit, we developed and implemented the Management Practice programme. It incorporated entry and exit assessments and five learning modules.



We developed the Competency Guide, an interactive section of the Growth Point portal, where employees can learn about the competency model adopted by the company, including functional competencies and the development tools available.

The corporate competency planning and development processes were implemented on the WebTutor Growth Point platform. In 2022, we plan to transition to this performance management system (setting and assessing goals and competencies).



## Sustainable development **HR management**

### Average number of training hours per employee hours

	2019	2020	2021
OMK	20,3	27,6	23,8
Vyksa	42,2	22,1	18,8
Chelyabinsk	17,8	14,5	54
Blagoveshchensk	10,4	10,3	8
Chusovoy	3,1	2,72	1,8
Almetyevsk	36,8	43,1	29,7
Belgorod	11,6	28,2	20
OMK Steel Way	—	72	34,7

At Vyksa, total training hours fell due to the tailoring of training programmes to meet the actual needs of the business, including optimisation of training periods through remote self-learning by staff.

At Almetyevsk, training hours declined due to the termination of the educational activities licence from 1 June to 31 October as a result of the reorganisation of the Almetyevsk Plant when it merged with the Vyksa plant.

### Employee qualification level %

	2019	2020	2021
OMK	87	87	90
Vyksa	92	92	91
Chelyabinsk	80	80	86
Blagoveshchensk	82	58	82
Chusovoy	88	90	90
Almetyevsk	81	83	86
Belgorod	—	—	—
OMK Steel Way	—	81	81

The staff qualification level exceeds the target indicator (80%), which indicates a high level of employee training as part of education for mandatory qualifications and advanced training to meet the needs of production operations. This indicator was not measured at the Belgorod plant.





# Sustainable development **HR management**

## Cooperation with universities

The volume of cooperation with educational institutions in 2021 amounted to RUB 91.8 million, which exceeds the volume reached during the previous year (RUB 84.7 million) due to the inclusion of new business units in the statistics.

OMK's work with specialised educational institutions is based on the following documents:

- P.20-422.5 Organisation of the process of interaction with educational institutions and education departments.
- P.20-422.6 Organisation of internships for pupils and students, internships for teachers of special disciplines and masters of industrial training of educational organisations in the divisions of the Vyksa plant.
- P.20-421.3 Implementation of the Start - Vyksa Plant programme.

Key areas of cooperation between OMK and universities and colleges:

- the development, approval, and amendment of a long-term strategic development plan for an educational institution;
- the development of joint training programmes for students;
- assistance in strengthening the material, technical, laboratory and educational base of the educational institution;
- the organisation of industrial and pre-graduation practice for students, visits to the plants;
- the participation of company representatives in scientific and practical conferences, interactive seminars, round tables;
- the participation of company representatives in the state examination board;
- the drafting of a proposal for the training of the necessary specialists and requirements for graduates;
- advice provided to students on issues of self-presentation, careers guidance and available vacancies;
- assistance with graduate recruitment;
- the participation of company representatives in career days and job fairs.



**Volume of cooperation with educational institutions** million roubles

	2019	2020	2021
OMK	40,3	84,7	91,8
Vyksa	40,3	48,4	54,8
Chusovoy	—	0,7	0,7
Blagoveshchensk	0	0	0
Chusovoy	0,3	0,3	0,2
Almetyevsk	0	0	0,1
OMK Steel Way	0	26,0	35,5
Belgorod	—	9,3	0,5



# Sustainable development **HR management**

## Core educational institutions of OMK

### Vyksa Facility Educational Partners

- A. A. Kozersky Vyksa College of Metallurgy, including Vyksa Industrial Technical College and Navashino Polytechnic College
- Kulebaki College of Metallurgy
- R.E. Alekseev Nizhny Novgorod State Technical University
- Nizhny Novgorod State University of Architecture and Construction
- A.G. and N.G. Stoletov Vladimir State University
- Murom Institute of the Vladimir State University
- N.I. Lobachevsky Nizhny Novgorod State University
- N.E. Bauman Moscow State Technical University
- NITU MISiS
- NITU MISiS (Stary Oskol Campus)
- NITU MISiS (Vyksa Campus)
- Ivanovo State Institute of Power Engineering
- Perm National Research Polytechnic University
- Mordovia State Technical University
- St. Petersburg Mining University

### OMK's Educational Partners

- NITU MISiS
- Russian Presidential Academy of National Economy and Public Administration
- N.E. Bauman Moscow State Technical University

### Chusovoy Facility Educational Partners

- Boris Yeltsin Urals Federal University
- Perm National Research Polytechnic University, Lysva Campus
- Chusovoy Industrial College
- Lysva Polytechnic College

### Educational Partners of OMK Steel Way

- First Polytechnic Institute
- NTC «Promdiagnostics»
- Ural Centre for Vocational Training,
- Russian University of Transport (MIIT),
- Ural State Transport University
- Ural Certification Centre,
- Izhevsk State Technical University named after M.T. Kalashnikov.

### Chelyabinsk Facility Educational Partners

- DPO «Credo»
- DPO «Profi-Plus»
- DPO «Specialist»
- CPS «Welding and control»
- NTC «Control and diagnostics»
- Ural Certification Centre
- NITU MISiS
- Techservice LLC
- South Ural State University
- Chelyabinsk State University
- Medical institute
- IntechPB LLC
- Training centre «Ascon-Ural»
- Research Institute «Management»
- Ecomarket LLC
- DPO «Pronap-Cert»

### Almetyevsk Facility Educational Partners

- Almetyevsk Professional College
- Almetyevsk State Petroleum Institute
- Andrey N. Tupolev Kazan National Research and Technology University, Almetyevsk Campus
- Quantorium Technopark

	2019	2020	2021
Young specialists	1628	1293	1951
Young professionals hired after graduation	316	230	231

### Blagoveshchensk Facility Educational Partners

- Ufa State Petroleum Technical University
- Blagoveshchensk Multi-Disciplinary Professional College

### Belgorod Facility Educational Partners

- V.G. Shukhov Belgorod State University of Technology
- Tomsk Polytechnic University
- South Western State University
- Belgorod Industrial College
- Belgorod Engineering College
- Belgorod Construction College
- Belgorod Mechanical Technology College
- Shebekino College of Industry and Transportation



## Sustainable development HR management

### Recruitment

OMK uses advanced technologies to source and attract specialists, based on global best practice. The company guarantees equal opportunities for all job seekers and complies with all Russian labour laws.

In 2021, the Vyksa plant investment project, a pipe rolling shop, was in the active construction and staff recruitment phase.

There was an increase in demand in the divisions as production volumes increased. Recruitment was carried out by the recruiters themselves, mainly from specialists on the regional labour market and through the redistribution of internal employees freed up as a result of projects to increase productivity. For 2022, hiring demand is projected at the level of 2,000 jobs.

OMK personnel search and selection technologies are being constantly augmented with new elements. The recruitment process in 2021 was fully automated using the Potok recruitment automation platform. We implemented remote candidate selection and evaluation through the VCV information system. We implemented online group interviewing and group assessment centres for front offices geographically dispersed across

different cities in Russia. During the pandemic, the company introduced the creation of remote jobs, not tied to the company's locations, including the search, selection, and onboarding of new employees. This trend will continue to grow in the future.

OMK fills the bulk of the jobs created as part of the implementation of investment projects from internal sources. Optimisation, production modernisation, technological automation, and advanced training are the main tools that make it possible to recruit for new positions.

As part of projects to increase workforce productivity, the total share of employee redeployment to other positions is approximately 80%. In addition, OMK makes extensive use of internal transfer tools for periods when the workload of production facilities is reduced. This helps us to make effective use of our employees thanks to appropriate competencies and staff mobility. From the external market, the company hires unique specialists who have mastered new technologies, construction specialists, and skilled workers.





## Sustainable development **HR management**

In 2021, we introduced a new recruitment tool: training for a new profession from scratch. The Vyksa plant arranged training to enable women to learn to be metallurgical crane operators and defect detectors. We developed programmes to recruit personnel by training Vyksa residents to become welders, diesel locomotive assistant drivers, and control post operators.

In the context of a sharp increase in production volumes and a shortage of personnel at the Vyksa Steel Works (as a result of under-staffing and increased sick-leave rates, including due to coronavirus), we provided additional staffing tools, including making employees more flexible, overtime, secondments, recruitment of staff freed up as a result of optimisation, and encouraging an early return to work from maternity leave.

From scratch, we introduced the recruitment of qualified personnel on a rotational basis, and recruited staff from other countries. We worked out value propositions for all target recruitment audiences for the Vyksa Steel Works (local, non-resident, and foreign). We implemented a full action plan to promote our employer brand.

### OMK's candidate selection approaches

1. **Basic** (traditional) recruiting: candidate search, candidate selection based on the outcomes of interviews, testing, etc. as well as verification of references.
2. **Executive** or «special» candidate search. The technology is designed to look for rare professionals or managers.

- a) **Headhunting.** The search approach centres around precision recruiting of a certain candidate.
- b) **Management selection.** Attracting the most successful managers from a specific business segment.
- c) **Sourcing (talent search).** Search for and selection of specific subject-matter experts that have knowledge of desired technologies.
3. **Screening** or candidate selection based on requirements. It is based on contrasting manager requests and candidate resumes available from an agency's database. This activity implies looking at a large number of candidates.
4. **Networking.** Improving the standing of the company as a preferred place to work and creating an outside pool of candidates by enhancing company recognition and loyalty. It is closely related to the notion of HR marketing but unlike it is designed to hire from a network.
5. **Preliminaring.** Hiring promising young professionals, students, and graduates through on-the-job training and internships. These will become the company's passport to success in the future. This approach is being used to effect by HR personnel as part of the industrial tourism project in Vyksa, Chusovoy and Belgorod.

OMK facilities collaborate with a number of top universities in Russia which gives the company an edge in having access to the most promising young professionals.

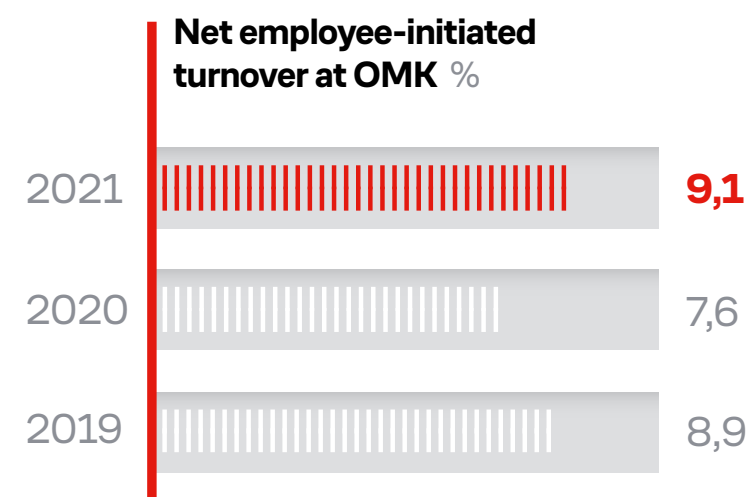




## Sustainable development **HR management**

### HR analytics

In 2021, OMK created a dashboard of key HR indicators based on the Tableau visualisation platform. The company has increased its competencies in creating dashboards in the personnel service.



### Staff turnover distribution %

	2019	2020	2021
Vyksa	5,6	8,6	8,1
Chelyabinsk	7,7	5,9	9,2
Blagoveshchensk	9,5	11,7	14,2
Chusovoy	5,3	5,6	5,5
Almetyevsk	17,4	8,6	5,9
Belgorod	—	4,5	7,5
OMK Steel Way	—	—	5,5
Managing company	8,2	8,1	13,7







### The TOP-2 project

In 2021, the Vyksa plant completed the TOP-2 (Total Optimisation of Production - 2) project to increase workforce productivity. All of the project's goals were fully achieved.

The project was launched in December 2018 to increase productivity at Vyksa by 20% and to free up 2,100 full-time equivalents (FTEs) from internal resources. This helped us to avoid compensating for natural attrition of personnel and to staff new capacities with experienced employees.

In total, 50 navigators from Vyksa, Almetyevsk, Chelyabinsk and Chusovoy passed through the TOP-2 working group. Navigators are employees who propose and successfully implement initiatives. They are prepared to change themselves and to change projects. Engaged people with an active attitude were chosen for this role. Sixty percent of them were leaders or members of small working groups, and almost the same number taught on corporate training courses. The project team worked through a number of different ideas with the divisions. The activities implemented

and the pool of developments have created a platform for the ongoing transformation of working processes. It will allow us to abandon routine operations and to gradually automate most of these processes.

For example, the swarf-grinding equipment for the wheel-rolling shop's old metal-cutting complex, purchased as part of the TOP-2 project, made it possible to optimise the vacancies for CNC machine operators and to reduce labour costs associated with the removal of metal waste. Since the swarf is crushed into smaller fractions, it now takes up less space in the containers, which as a result need to be changed 2.5 times less frequently.

The competence centre for advanced technologies has taken over the project's digital aspect. Computer vision, industrial robotisation, and automation are now the most promising areas. The plant has already had positive experience in this sphere, with around 40 systems operating in the wheel and pipe production facilities.

Digital assistants help to identify defects in pipes and sheets, to measure the geometric parameters of products, to increase their traceability, and to replace manual labour in positioning objects.

In the Vyksa plant finished product shipment area, a machine vision system determines the status of pipe production. Mobile cameras recognise markings and transmit data to the operator's computer.

Substandard products are highlighted in red on the screen. According to the test results, recognition accuracy of 99.7% was achieved.

By the end of the project, a potential saving of 2,246 FTEs had been extracted, including the optimisation of demand at new production facilities by 136 FTEs. Workforce productivity increased by more than 10% (this is the minimum figure for average production loadings; for low loadings, the figure will exceed 20%).

A total of 841 employees were redeployed to open vacancies, including new positions at production facilities under construction.

In addition, in the second half of 2021, when the workload of individual production facilities increased significantly, the programme's participants helped the divisions to cover the shortfall in personnel and to fulfil orders on time.





## Sustainable development **HR management**

### Incentive programmes

OMK's employee incentive programmes are based on the principles of legality, transparency, timeliness, significance, and adequacy. The company operates time-based and piecework-based remuneration bonuses. The salary structure incorporates fixed and variable aspects.

The fixed part includes payments that reflect the qualifications of the staff (salary, tariff, piecework rates), payments for working conditions (adverse working conditions, day and night work, northern allowances, etc.), as well as other payments (professional skills, foremanship, multiple roles, flexibility). In determining the fixed part, the company fulfils the requirements for compliance with the minimum wage at the federal level and the requirements of industry agreements, for example, the Mining and Metallurgy Union.

The variable part includes regular bonuses and one-time bonuses. Regular bonuses are cyclical and are awarded monthly, quarterly, and annually. Regular bonuses are awarded according to legitimate rules. The total amount of expected remuneration, depending on the achievement of KPIs, is based on these bonuses.

One-time bonuses are a one-off payment for achieving a certain result beyond the scope of regular activities. A one-time bonus is paid for participation in and achievement of the goals of project-based activities, and for implementation

of improvement initiatives aimed at extracting and obtaining actual effects. This is an additional tool to reward employees for outstanding results.

In 2021, a project was implemented in individual business units at the company to assess positions for manual workers, office staff, and specialists. As a result, a target salary structure for each category and the allowable salary range for each seniority level were established.

Wages were also reviewed during the reporting year:

- for manual workers, office staff, and specialists, taking into account the remuneration policy and income in relation to the median and acceptable range for each grade;
- for workers as a single increase in the fixed part of the salary and the introduction of additional bonus tools designed to increase workforce productivity.

We plan to implement a system for assessing positions at all our plants and to create corporate rules for determining the level of remuneration for a position and other aspects of personnel management (training, talent pool, benefits, etc.). We will then introduce rules for determining the level of remuneration of an employee within a grade, taking into account effectiveness and a competency assessment.



### Non-monetary incentive programmes

The current non-monetary incentive programmes at OMK are aimed at recognising the merits and importance of employees, and at creating a single close-knit team of like-minded people who share the company's values. The non-monetary incentive motivation system incorporates programmes to incentivise employees through state, departmental, regional, municipal, and corporate awards, as well as awards from OMK plants.

In 2021, OMK's employees received 106 departmental awards, 35 regional awards, 45 municipal awards, and 193 corporate awards, including awards named after Ivan and Andrey Batashev, the WorldSkills Professional competition awards, and corporate awards for the best functional managers and specialists. Plant awards (CEO commendations and certificates of merit) were awarded to 894 employees.

To provide additional incentives for employees in the sales, procurement and logistics functions, we continued to implement the Way of the Strong non-monetary incentive programme. Its goals are to motivate staff to achieve the company's strategic goals and increase workforce productivity, recognise merit, develop an attractive employer brand and effectively retain employees. In total, the programme had 91 categories, for which awards were held on a quarterly and annual basis.





# Sustainable development HR management

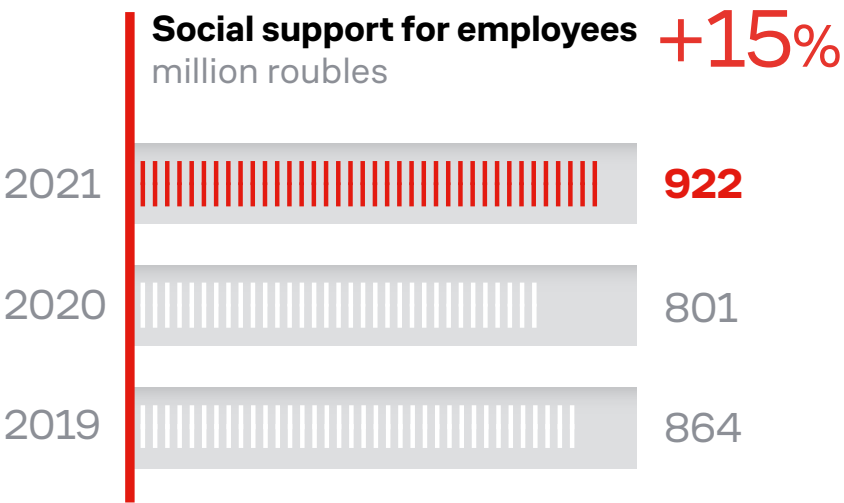
## Social benefits package

OMK is a socially responsible company. When putting together our social benefits package, significant attention is paid to employee wellbeing. The social benefits package includes financial assistance, benefits and meal allowances, additional paid and unpaid leave, medical support (medical insurance and vouchers for health treatment), New Year gifts for employees' children, and so on.

During the reporting period, the approach to working with the veterans' organisation was updated. The priority is now active long life, which is supported through more opportunities for communication between veteran factory workers. These include various meetings, excursions, sporting events, creative clubs, and volunteer activities. The company is maintaining its financial support for veterans at the same level.

## Private pension plans

In 2021, 2,865 employees participated in the non-state pension provision programme, and over 1,400 people participated in the state pension co-financing programme. Pensions under non-state pension provision amounted to RUB 17.5 million roubles.



## Social support areas million roubles

	2019	2020	2021
Direct social payments to employees (benefits, aid, severance pay, social leave, etc.)	267	280	371
Healthcare benefits (supplemental medical insurance, clinic costs)	265	269	261
Private pension plans	73	26	14
Health resort and rehabilitation treatment for employees and families	51	12	38
Meals	111	58	168
Miscellaneous	97	156	69



# Sustainable development **HR management**

## Employee engagement

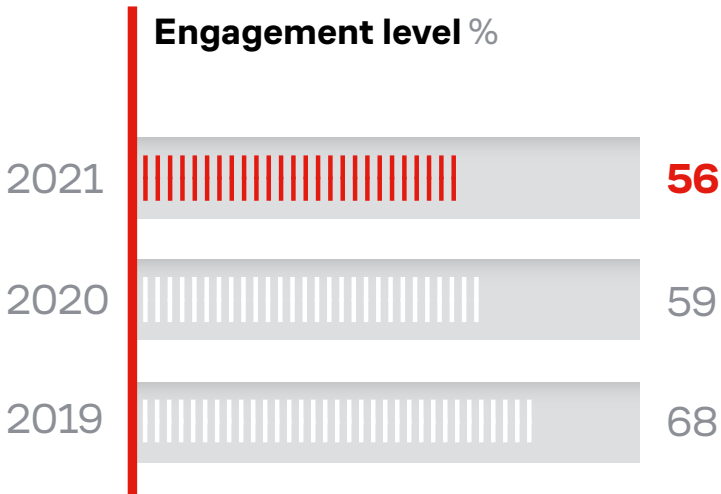
The company regularly conducts sociological surveys of its employees, which allow every member of staff to express their views on various aspects of their work and to inform management about any existing problems and suggestions. The results are then analysed, corrective actions are developed, and employees are informed of the decisions taken.

The largest event of the year is the annual OMK Dialogue employee engagement study, which was held in July 2021. It covered 22,485 respondents. Due to health regulations, the survey was conducted completely online. Even so, the participation rate at the Vyksa and Chelyabinsk plants, for example, reached a record 90%.

The OMK employee engagement indicator is generally stable. At the same time, business units with a high level of engagement (the Vyksa plant, the managing company) showed a significant decrease associated with the transformation processes within the company. People reacted negatively to changes in the organisational structure, and to discrepancies in wage expectations. The vaccination campaign also had a negative impact on engagement.

Conversely, in the business units which had relatively recently become part of the company (OMK Steel Way, the Belgorod plant and the Blagoveshchensk plant), there was a significant increase in engagement, indicating the success of their integration processes.

For the next cycle of engagement management, the company is setting a goal for managers to apply regular management practices. In particular, up to 40% of managers' time is allocated to managing people. The company will continue to use practices that have had a positive impact on employee engagement, such as social partnerships, ethics committees, pulse surveys, the use of corporate media to inform employees, involvement in the presentation of ideas, competency training, functional conferences, Basic Management Skills training for managers and shift meetings.



OMK's engagement level by plant %

	2019	2020	2021
Vyksa	79	77	63
Chelyabinsk	59	62	63
Blagoveshchensk	39	35	54
Chusovoy	55	47	49
Almetyevsk	56	61	54
Belgorod	-	45	48
OMK Steel Way	-	28	37
Managing company	66	78	55



**Employee rights**

Employees can submit complaints to the labour dispute commission regarding the award of bonuses and the application of disciplinary sanctions. Explanatory work is carried out with respect to any violations identified. Most disputes are settled out of court. In 2021, employees submitted claims to the court for reinstatement, compensation for non-pecuniary damage in connection with industrial accidents, occupational diseases, suspension from work, the cancellation of a disciplinary sanction, and other requirements. To resolve disputes, the company holds meetings and training events for managers.

**Ethics committees**

The company's ethics committees reviewed all 17 issues which came in over the course of the year. In general, employees were complaining about inappropriate behaviour by their managers. The measures taken by the ethics committees helped to correct the shortcomings and restore team relations.

More than half of all the issues (nine) were sent by OMK Steel Way employees: as it becomes a part of OMK, the company is undergoing a change in corporate culture, and a new tool, a hotline, is being used to identify and correct the contradictions which have accumulated.

**Resolved labour disputes**

	2019	2020	2021
Filings with labour dispute commission / rulings in employees' favour (pre-trial)	23\8	21\12	23\10
Labour disputes (appeals by employees to the labour dispute commission regarding violations of their labour rights, reports to the employer, to the court)	44	45	52
Employee filings with the government labour inspectorate and prosecutor's offices	12	4	8

	2019	2020	2021
OMK	41	31	28
Vyksa	23	14	8
Chelyabinsk	5	8	10
Blagoveshchensk	7	2	1
Chusovoy	6	1	4
Almetyevsk	0	0	0
Belgorod	—	1	0
OMK Steel Way	—	6	5
Managing company	0	0	0



# Sustainable development **HR management**

## Collective agreement

A collective agreement is a legal act regulating social and labour relations. The collective agreement establishes rules for wages, work and rest hours, a list of benefits and guarantees, occupational safety standards and rules, guidelines for working with young people, and other rights and guarantees for employees, including guarantees regarding union activities.

OMK complies with labour legislation. All employees at the company's plants are covered by written employment contracts. The contracts do not contain conditions which either restrict the rights of employees or reduce the level of guarantees for employees in comparison with labour law standards.

In 2021, negotiations to conclude collective agreements took place at five plants: Vyksa, Almetyevsk, Blagoveshchensk, Chusovoy, and Chelyabinsk. The new versions came into force on 1 January 2022.

## Unions

OMK supports the right of employees to form unions. Primary union organisations of the Mining and Metallurgical Union operate at the Vyksa, Chusovoy, and Chelyabinsk plants. At Blagoveshchensk, it is the Russian Industrial Workers' Union (Rosprofprom). At the Almetyevsk plant, the Agroindustrial Workers' Union (Profagro) operates. For OMK Steel Way, it is the Railway Workers and Transport Builders' Union (Dorprofzhel). At the Belgorod plant, employees are represented by the Labour Collective Council.

The decision to join a union is entirely up to the employee. Upon receipt of a corresponding application from an employee, the company transfers his membership fees to the chosen union on a monthly basis.

## Social partnership

Social partnership is based on the principles agreed by the parties, which makes it possible to ensure that the interests of employees and the employer are taken into account in the dialogue.

The partnership is built on three levels:

- A social council of the plants' HR directors, trade union leaders, and representatives of senior management. This is a platform for discussing social partnership and systemic issues.
- Social dialogue at the plant level, which brings together trade union chairs, managing directors, and HR directors.
- Ongoing interaction on the shop floor.

On 24 June 2021, a meeting of the OMK Social Council was held. The main topic was countering the coronavirus infection and boosting herd immunity. The parties discussed cooperation to achieve the goal: 70% herd immunity by September 1 (achieved). This was necessary to protect employee health and to ensure the stability of the company.





## Sustainable development **Production safety**

In the area of workforce safety, OMK faces the following challenges and targets:

- To optimise and implement a vertically integrated production safety management system covering current activities and long-term development projects.
- To transition to a risk-based approach in all areas of production operations. To nurture a culture of production safety with the continuous improvement of the management system.
- To develop an automated safety management system.
- To ensure that employees work in optimal and acceptable working conditions (based on the results of a special assessment of working conditions), and to reduce compensation costs for harmful working conditions.
- To ensure that equipment is in good working condition and operating within safe limits.
- To contribute to the development of a regulatory framework for industrial safety.
- To organise staff training which fosters safety awareness, taking into account a target to have at least 80% of the workforce trained within three years.



### Development of production safety system

In 2021, the company introduced the «Procedure for organising internal investigations and recording incidents» standard. This standard is part of our systematic work to achieve our strategic targets on workforce safety. The document sets out uniform requirements for conducting internal investigations, and for the notification, reporting, and recording of industrial accidents. The company has also automated the process for logging, investigating, and recording incidents in the automated security management system.

	2019	2020	2021 target	<b>2021</b>	2022 target
Accidents and incidents at hazardous production facilities	0	0	0	0	0
Fatal Injury Frequency Rate (FIFR)*	0	0	0	0,06	0
Lost Time Injury Frequency Rate (LTIFR)**	0,72	0,79	0,64	0,63	0,71
Occupational disease rate***	3,5	2,95	—	2,77	—

\* FIFR is the number of accident-related deaths divided by the total number of working hours of the entire workforce, multiplied by 1 million.

\*\* LTIFR is N divided by H and multiplied by 1 million, where N is the number of incidents recorded at the workplace over the reporting period which have resulted in the loss of working capacity for one or more working days, and H is the total number of man-hours for the period.

\*\*\* the number of confirmed cases of disease multiplied by 10,000 and divided by the average headcount for the year.

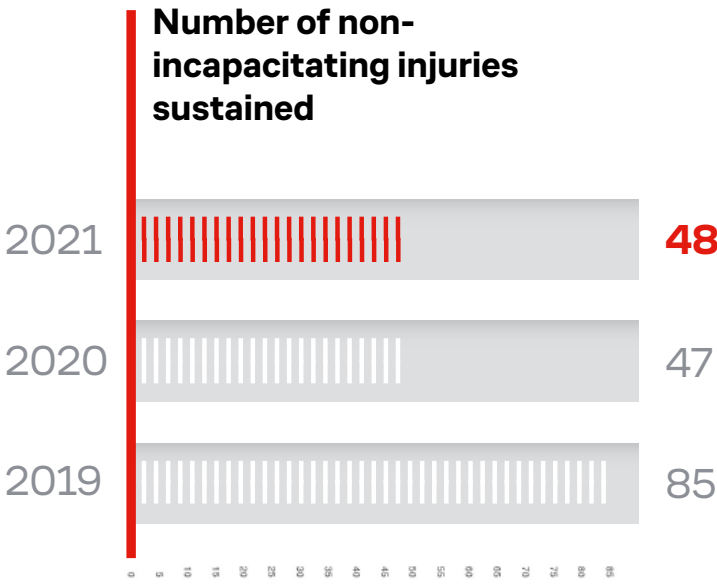
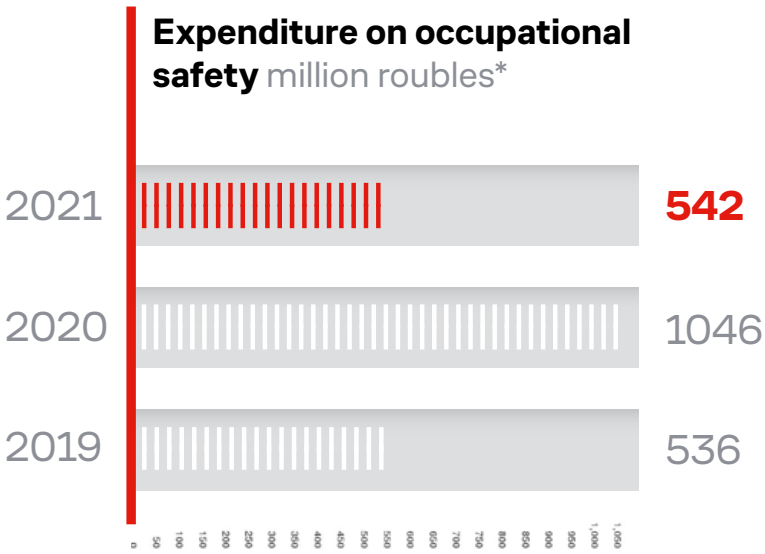




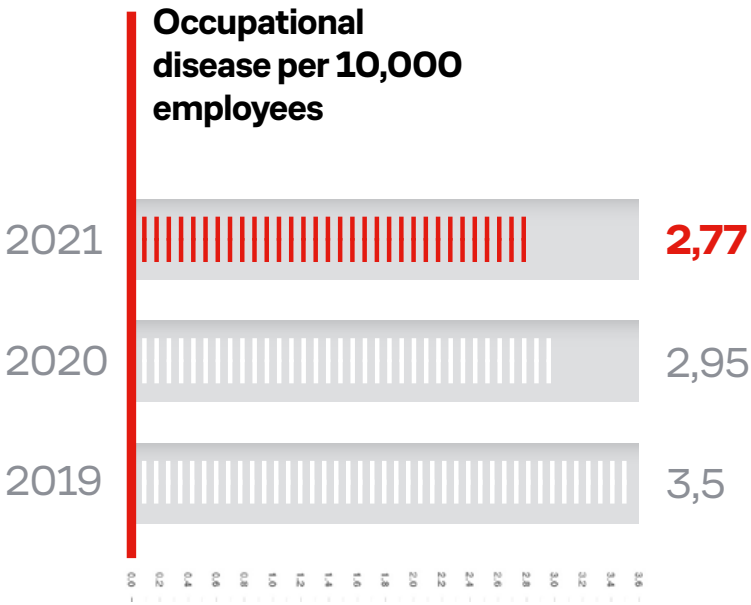
# Sustainable development Production safety

International certification (safety, working conditions, technologies) and external assessments of the industrial safety and occupational safety system

Vyksa	ISO 45001:2018
Chelyabinsk	ISO 45001:2018
Blagoveshchensk	ISO 45001:2018
Chusovoy	ISO 45001:2018
Almetyevsk	ISO 45001:2018
Belgorod	ISO 45001:2018
OMK Steel Way	None
Managing company	None



\* In 2019, only expenditure under the Occupational Safety item line was consolidated. Since 2020, expenditure has been disclosed for all areas of production safety, with the exception of environmental safety.



## Number of industrial injuries sustained

	2019	2020	2021
Vyksa	8	14	8
Chelyabinsk	4	1	4
Blagoveshchensk	4	2	2
Chusovoy	3	2	2
Almetyevsk	4	3	1
Belgorod	—	3	5
OMK Steel Way	—	11	11
OMK managing company	0	0	0
Number of fatal injuries sustained	0	0	3*

\* In 2021, there were three fatal accidents at OMK Steel Way, a relatively new business unit within the company. Employee awareness of production safety issues is currently being developed there.



# Sustainable development **Production safety**

## Occupational health and safety training programmes

To promote a culture of safety, a series of seminars was organised for employees at various OMK divisions in 2021.

Seminar	Target audience	Duration
Effective safety management practices for office staff, specialists, and manual workers including conducting a safe conduct audit	Office staff, specialists, manual workers, assistants, talent pool	16 hours (2 work shifts)
Promoting safety awareness among workers	Manual workers	8 hours (1 work shift)
Internal incident investigation	Office staff, specialists, manual workers involved in incident investigations	8 hours (1 work shift)
Production process safety	Office staff, specialists, manual workers involved in the use, maintenance, and repair of critical equipment. Seminar involving employees responsible for production safety	4 hours (half a work shift)
Defensive driving	Company drivers and office staff, specialists and manual workers using their own or company vehicles to carry out work duties	8 hours (theory) 1 hour (practical)
Providing first aid to accident victims in the workplace	Office staff, specialists, and manual workers	16 hours





# Sustainable development **Production safety**

## Ensuring visitor safety

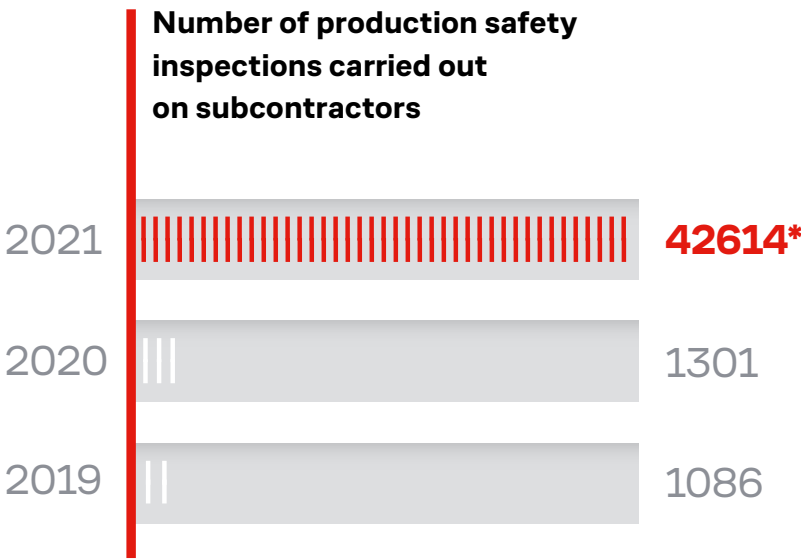
A mandatory introductory briefing has been put together for visitors to our production facilities, with information about all dangerous and hazardous factors, and about the rules of safe conduct on the factory floor. Every visitor is provided with personal protective equipment and is escorted by a member of staff.

## Emergency preparedness

All OMK plants have a defined reporting procedure and notification protocol for possible emergencies for all their business units. A procedure has been established to train employees in dealing with accidents. Regular training sessions are conducted.

## Minimising risks to production safety

OMK has put together an expert network on production safety. As part of this network, a production safety committee has been created, which is chaired by the company's CEO. The committee convened seven times over the course of 2021. During the meetings, best practice in the field of production safety, lessons learned, and the results of inspections by state control bodies are presented.



\* The sharp increase is due to the creation of a supervisory service focusing on subcontractor development. An additional contributing factor is the growth in the number of subcontractors on site.

The creation of the expert network has changed our approach to mentoring. We provide mentoring for line management of OMK business units as part of our involvement in accident investigations, selective safety audits, and development and training programmes. Over the course of 2021 safety awareness training sessions were conducted for the management and staff of OMK Steel Way (759 employees completed the training).



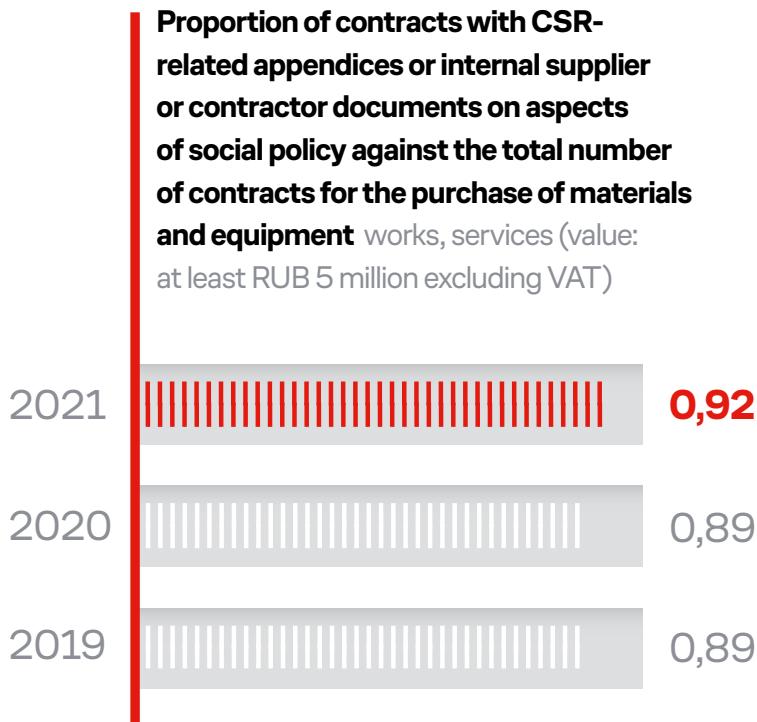


# Sustainable development Production safety

## Cooperation with subcontractors

The corporate standard «Management of Subcontractors in the Areas of Occupational, Environmental, and Fire Safety» applies to all OMK plants. A mandatory appendix to the agreement on compliance with production safety requirements (legislative and corporate) is signed with all subcontractors. Production safety selection criteria have been added to the qualification and selection process applying to suppliers and subcontractors.

To improve the efficiency of the training process and to check that the subcontractors' employees possessed the necessary knowledge and competencies before being allowed to carry out their work duties, the Vyksa Steel Works procured a hardware and software system for testing subcontractors. An online school was developed for the subcontractors' employees, with 12 terminals installed for face-to-face testing, and data integrated between the testing system and the Permit to Work module in the automated control and safety system.



Our CSR policy carries over to our counterparties. We include requirements in the contracts concluded or request that counterparties declare their commitment to the principles of sustainable development when passing the qualification and attestation assessment procedure.

The significant increase in the number of inspections of our subcontractors' production safety performance is the result of our creation of a supervising service. The role of the service is to improve the safety culture among our subcontractors using mentoring tools, training sessions, sharing of best practice, and joint safety audits with our subcontractors' management teams.

## Special assessment of jobs headcount

	2019	2020	2021
Vyksa	8474	4783	1365
Chelyabinsk	341	1166	678
Blagoveshchensk	71	554	954
Chusovoy	81	1087	328
Almetyevsk	45	474	39
Belgorod	—	1482	725
OMK Steel Way	—	216	304
OMK managing company	0	4	4
Total	9012	9766	4397*

\* This decrease is due to a change in legislation and a comprehensive reassessment of working conditions five years ago – 100% of headcount. The figure was reassessed in 2020.



## Sustainable development **Environmental Safety**



OMK seeks to reduce the anthropogenic burden on the environment. The company carries out environmental protection measures, increases the share of recycled production waste, efficiently uses natural resources by involving reused and recycled water in circulation. The company's production sites are located outside protected natural areas.

### International certification

Vyksa	ISO 14001:2015
Chelyabinsk	ISO 14001:2015
Blagoveshchensk	ISO14001:2015 (Certificate №:19.1332.026 from 01.08.2019 to 18.10.2022)
Chusovoy	ISO 14001:2015
Almetyevsk	ISO 14001:2015
Belgorod	ISO 14001:2015
OMK Steel Way	None
Management company OMK	None

	2019	2020	2021 target	2021	2022 target
Integrated metric for three principal environmental impact factors****	1,09	0,91	1,0	1,04*	1,04
Total atmospheric emissions, ktons	3,1	7,4	8,2	8,0**	8,0
Total effluent discharged into bodies of water, ktons	3,1	2,0	3,3	3,4***	3,4
Total weight of waste generated, ktons	615,6	569,5	742,3	626,7	626,7

\* A slight increase is due to an increase in production volumes at the Chusovoy plant and an increase in the volume of fresh technical water consumption by rolling mill 550 and the ferroalloy shop (productions operate on co-current).

\*\* Growth is due to a production volume increase at the Vyksa plant.

\*\*\* Production volumes increased at the Vyksa and Chusovoy plants.

\*\*\*\* The integral indicator includes the following estimates: - air emissions, wastewater discharges into water bodies and waste disposal = (((gross emissions of the reporting period, tons / gross emissions of the previous period, tons) + (gross emissions of pollutants for the reporting period, tons / gross pollutant discharges for the previous period, tons) + (gross waste disposal for the reporting period, tons / gross waste disposal for the previous period, tons)) / 3) \* coefficient taking into account the degree of change in production volumes.





# Sustainable development Environmental Safety

## Main objectives of environmental policy

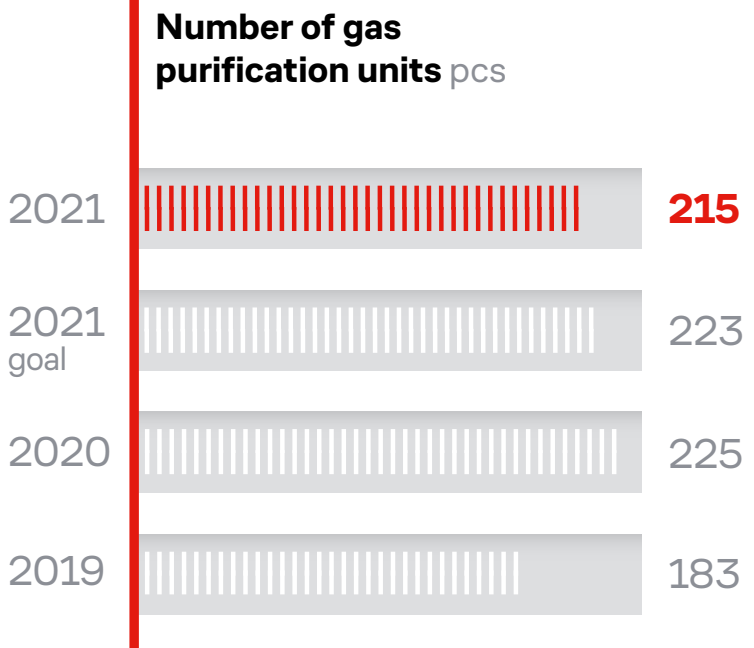
The company has adopted a production safety policy that stipulates that OMK ensures compliance with the laws of the Russian Federation, focuses on international standards and best practices in the field of production safety, and strives to integrate them into all business processes.

The company creates conditions for the safe work of personnel and contractors and constantly improves environmental safety.

The life and health of employees, environmental protection are the highest values of OMK.

## Priority projects to reduce the anthropogenic load on the environment:

- Vyksa - exclusion of industrial wastewater discharges into water bodies;
- Chusovoy - reduction of discharges into the Chusovaya river for 2020-2026, reduction of pollutant emissions into the atmospheric air for 2020-2026;
- Blagoveshchensk - technical re-equipment of steel shop No. 3 (installation of an induction furnace with a gas cleaning system), modernisation of the circulating water supply system (reduction of water consumption by 1,231 cubic meters and electricity consumption by 868,251 kWh).



The decrease is due to the liquidation of aspiration systems at the molding and powder sections, as well as at the stage for the production of props.

## Separate waste collection

OMK has implemented and successfully operates a system for the selective collection of production and consumption waste. Places of temporary accumulation of waste comply with legal requirements. In the new assets, we plan to gradually introduce an integrated system for separate waste collection and increase the share of recyclable waste.

## Emission of specific pollutants into the atmosphere t/year

	2019	2020	2021 target	2021	2022 target
Solid	513,5	741,7	804,2	1221,1*	1221,1
Dust and suspended	271,6	433,6	455,3	801,5	801,5
Sulfur dioxide SO2	67,0	359,8	388,3	441,6	441,6
Carbon monoxide CO	1514,0	4825,0	5524,8	4778,5	4778,5
Nitrogen oxides Nox	670,7	686,2	926,4	1028,5	1028,5
V2O5 (hazard class 1)	3,4	3,0	3,4	2,5	2,5
Hydrogen sulfide H2S	0,1	0,1	0,1	0,03	0,03

\*The increase in specific pollutants is associated with the commissioning of new facilities and the construction of a pipe rolling shop.



# Sustainable development Environmental Safety

## Greenhouse gas emissions (in CO2 equivalent)

	2019	2020	2021
Direct total (Scope 1), thousand tons*	519,7	511,6	799,0
Direct specific per ton of products, t/t	0,01	0,01	0,07
Indirect (Scope 2), ktons	279,4	268,6	625,3
Indirect (Scope 3), ktons	0	0	0
Total greenhouse gases (in CO2 equivalent), ktons**	799,0	780,3	1 424,3
Specific GHG emissions per ton of product, t/t***	0,02	0,01	0,12
Specific GHG emissions per ton of steel (from steel smelting stages), t/t	0,24	0,24	0,3
Ozone-depleting substances subject to state regulation, kg/year****	1,0	1,0	1,0

\* The calculation was made in accordance with the guidelines and guidelines for the quantitative determination of greenhouse gas emissions by organisations engaged in economic and other activities in the Russian Federation, approved. Order No. 300 of June 30, 2015 of the Ministry of Natural Resources of the Russian Federation.  
Calculation of indicators for the plants in Vyksa and Chusovoy was carried out according to the KPMG methodology.  
\*\* Calculated in accordance with KPMG recommendations.  
\*\*\* The increase in specific indicators is due to a change in the calculation methodology (the calculation was made in accordance with KPMG recommendations).  
\*\*\*\* The Chusovoy plant uses ODS from the list approved by government decree dated March 24, 2014. No. 228. Inventory of equipment containing ozone-depleting substances at the plants in Vyksa, Blagoveshchensk, OMK Steel Way, OMK Market was not carried out. At the Chelyabinsk, Almetyevsk, Belgorod plants, ODS from the list were not detected.





# Sustainable development Environmental Safety

The total amount of water withdrawn for production needs thousand m3

	2019	2020	2021 target	2021	2022 target
Total	6058,9	5249,6	5733,6	6170,3	6170,3
Surface water	4277,3	3185,3	3353,7	4229,3	4229,3
Ground water	1523,3	1609,1	1862,4	1580,5	1580,5
Waste water from another organisation	159,2	109,9	162,0	105,4	105,4
Municipal and other water systems	99,1	345,3	355,5	255,1	255,1

The increase in water consumption in 2021 is due to an increase in the consumption of fresh technical water for production needs by the rolling mill 550 and the ferroalloy shop (an increase in the volume of rolling and ferroalloy production), the commissioning of new equipment in the metalworking shop (mill 200/4).

The total amount of water withdrawn for household needs thousand m3

	2019	2020	2021 target	2021	2022 target
Total	2396,4	2457,7	3114,8	2100,2	2100,2
Abstraction from surface water bodies	0,0	0,0	0,0	0	0
Fence from underground sources	1904,0	1633,7	2311,0	1329,5	1329,5
From central water supply systems and third-party	492,4	824,0	803,7	770,7	770,7

The decrease in the amount of water withdrawn for household needs is associated with a decrease in production at the Blagoveshchensk, Belgorod and Chelyabinsk plants.





# Sustainable development Environmental Safety

Water disposal thousand m3

	2019	2020	2021 target	2021	2022 target
Total	5122,2	4402,3	5212,8	5760,5	5760,5
Discharge into surface water bodies, including:	3141,5	2037,1	2364,7	3243,7	3243,7
Industrial and storm water in municipal water disposal systems	52,3	486,1	484,9	333,7	333,7
Household in municipal systems of sewerage	1928,4	1879,1	2363,2	2183,2	2183,2

The increase in the total volume of wastewater disposal is associated with an increase in the volume of make-up water from the circulating water supply cycle associated with the changeover of the equipment of the rolling mill 370 due to changes in the rolled product mix at the Chusovoy plant. In 2021, Chusovoy increased the consumption of fresh service water by rolling mill 550 and the ferroalloy shop due to an increase in the volume of rolling and ferroalloy production. At the Vyksa plant, wastewater disposal has increased in proportion to the increase in production volumes.

Applied waste water treatment methods

	2019	2020	2021 target	2021	2022 target
	Mechanical, Physical and Chemical, Flotation	Mechanical, Physical and Chemical, Flotation	Mechanical, Physical and Chemical, Flotation	Mechanical, Physical and Chemical, Flotation	Mechanical, Physical and Chemical, Flotation
The volume of circulating water supply, thousand cubic metres m	353478,0	299939,5	353478,0	332934,4	332935,4
Share of water in the closed cycle, %	99,3	99,5	99,3	98,2	98,2

The increase in circulating water is associated with an increase in output.





# Sustainable development **Environmental Safety**

## Total mass of waste

	2019	2020	2021 target	2021	2022 target
<b>Total, ktons</b>	615,6	569,5	742,3	609,2	626,8
1st class, t	19,2	7,5	9,2	6,0*	6,0
2nd class, t	7,0	301,4	318,2	733,0**	733,0
3rd class, ktons	2,6	4,4	6,0	3,7	3,7
4th class, ktons	131,0	125,5	144,0	122,7***	140,3
5th class, ktons	482,0	439,3	579,8	482,1	482,1

\*The decrease is due to a decrease in the use of mercury-containing lamps and the transition of lighting to LED lamps.

\*\*The increase is due to the release of galvanising baths at the Belgorod plant.

\*\*\*The increase is due to the increase in production volumes in Vyksa and Chusovoy.

OMK enterprises do not import or export hazardous waste and do not transport waste internationally

## Waste disposal and use

	2019	2020	2021 target	2021	2022 target
Waste converted into by-products, ktons	22,5	22,5	22,5	22,5	22,5
By-products sold, ktons	695,9	695,9	695,9	695,9	695,9
Sales amount, million rubles	129,4	129,4	129,4	129,4	129,4
Total waste disposed, ktons	446,1	446,1	446,1	446,1	446,1
including own forces, ktons	486,5	486,5	486,5	486,5	486,5
Total neutralised, ktons	91,6	91,6	91,6	91,6	91,6
including own forces, ktons	26,5	26,5	26,5	26,5	26,5
Total placed, ktons	75,9	75,9	75,9	75,9	75,9
Recycling, %	89,3	89,3	89,3	89,3	89,3

\* Chusovoy - disposal of accumulated waste slag. Due to the unstable market for products from the processing (utilisation) of waste blast-furnace slag.

\*\*Decrease due to the exclusion of the transfer of part of the ChMK waste for disposal in the environment since May 2020 (after which the entire amount of ChMK was sent for disposal) and a decrease in production volumes at the Blagoveshchensk, Belgorod and Chelyabinsk plants.





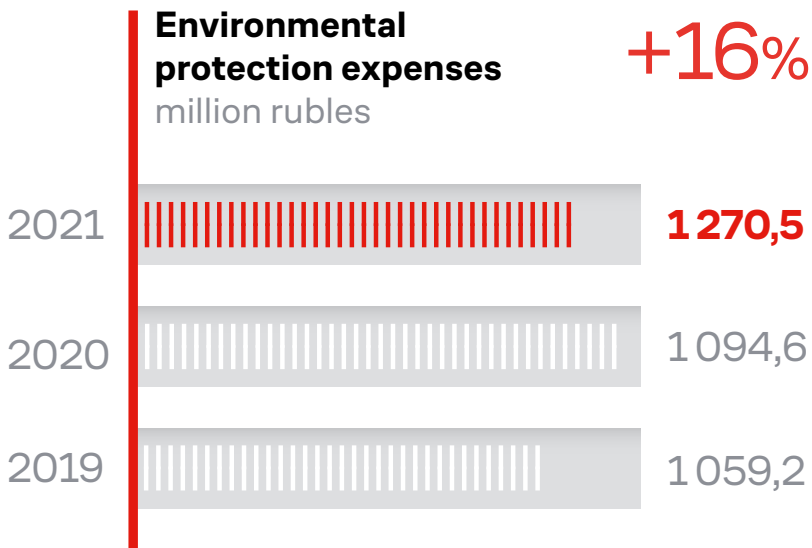
# Sustainable development Environmental Safety

Environmental protection expenses million rubles

	2019	2020	2021 target	2021	2022 target
Current expenses	637,3	593,7	844,6	924,9	924,9
Expenses for major repairs of fixed assets of environmental protection, including:	54,3	52,4	90,6	32,7	32,7
Payment for environmental protection services	367,7	448,5	598,8	312,9	312,9

Area of disturbed lands ha

	2019	2020	2021 target	2021	2022 target
Total disturbed lands	111,3	92,6	92,6	80,6	80,6
Area of reclaimed land	0,0	0,0	1,2	1,2	0





# Sustainable development **Environmental Safety**

## Climate strategy

OMK started developing a new climate strategy in 2021. It includes five priority areas.

**1** OMK will use metal with a low carbon footprint as a raw material for the production of rolled products, pipes and wheels. Its source for us will be the green steel billet of Ecolant (the complex is being built in the Nizhny Novgorod region), the carbon footprint of which, due to the technologies used will be up to three times lower than other manufacturers. From it, OMK will produce the entire range of steel products for the fuel and energy complex and transport.

**2** OMK plans to invest in the development of low-carbon steel production technologies, improve the energy efficiency of process equipment and use secondary energy resources.

**3** The company is planning a partial transition to energy with a low carbon footprint, which will help reduce the carbon intensity of steel produced in electric arc furnaces.

**4** OMK is going to buy offsets. This is the purchase of carbon units on the free market to offset greenhouse gas emissions from existing industries.

**5** The company plans to participate as an industrial partner in regional projects for the creation of carbon polygons, special sites for studying the absorption of carbon dioxide by different types of landscapes. In December 2021, OMK agreed to such a project in the Nizhny Novgorod Region.







# Sustainable development Energy efficiency programmes

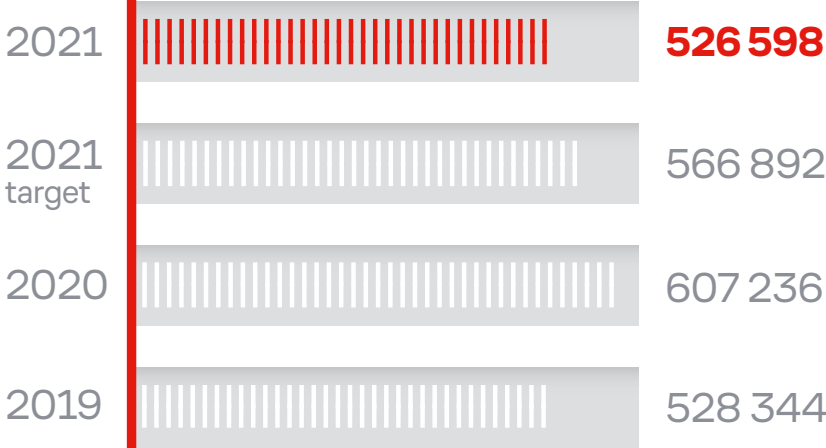
The energy saving and energy efficiency improvement programme consists of changing the power supply scheme of the Vyksa plant:

- refusal to use steam for non-technological needs with the closure of steam boilers;
- reconstruction of hot water supply production;
- change in the technology of production of air separation products, use of the potential of the oxygen station of the casting and rolling complex with the cessation of oxygen production at the oxygen station;
- optimization of the current activities of departments;
- changing the technology of laminar cooling of the sheet in the casting and rolling complex.

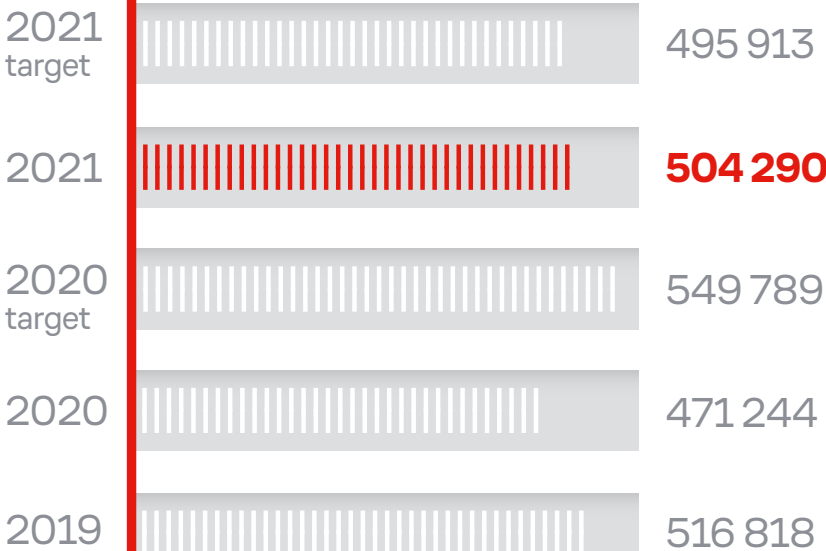
At new facilities, OMK uses modern, efficient technologies that allow efficient use of energy resources:

- gas-radiant heating systems for production facilities
- LED lighting with the possibility of switching off the lighting zone by zone;
- modular designs with a high level of automation of zone-by-zone switching off of lighting
- modular structures with a high level of automation of power facilities, etc.

Total Fuel and Energy Usage, tons of reference fuel



Energy Consumption tons of reference fuel



Total Energy Usage, TJ

	2019	2020	2021	2021 target
Total	15 121	13 786	14 752	14 503
Fuel	9 558	8 444	8 818	8 475
Electrical Power	5 563	5 342	5 934	6 028
Heat	0,016	0,015	0,017	0,021



## Sustainable development Energy efficiency programmes

### Total Reduction\* in Energy Usage TJ

	2019	2020	2020 target	2021	2021 target
Total Reduction in Energy consumption	263,8	131,7	114,9	157,7	90,0
Fuel	167,1	95,9	83,6	112,3	70,7
Electricity	96,7	35,8	31,3	45,4	19,3

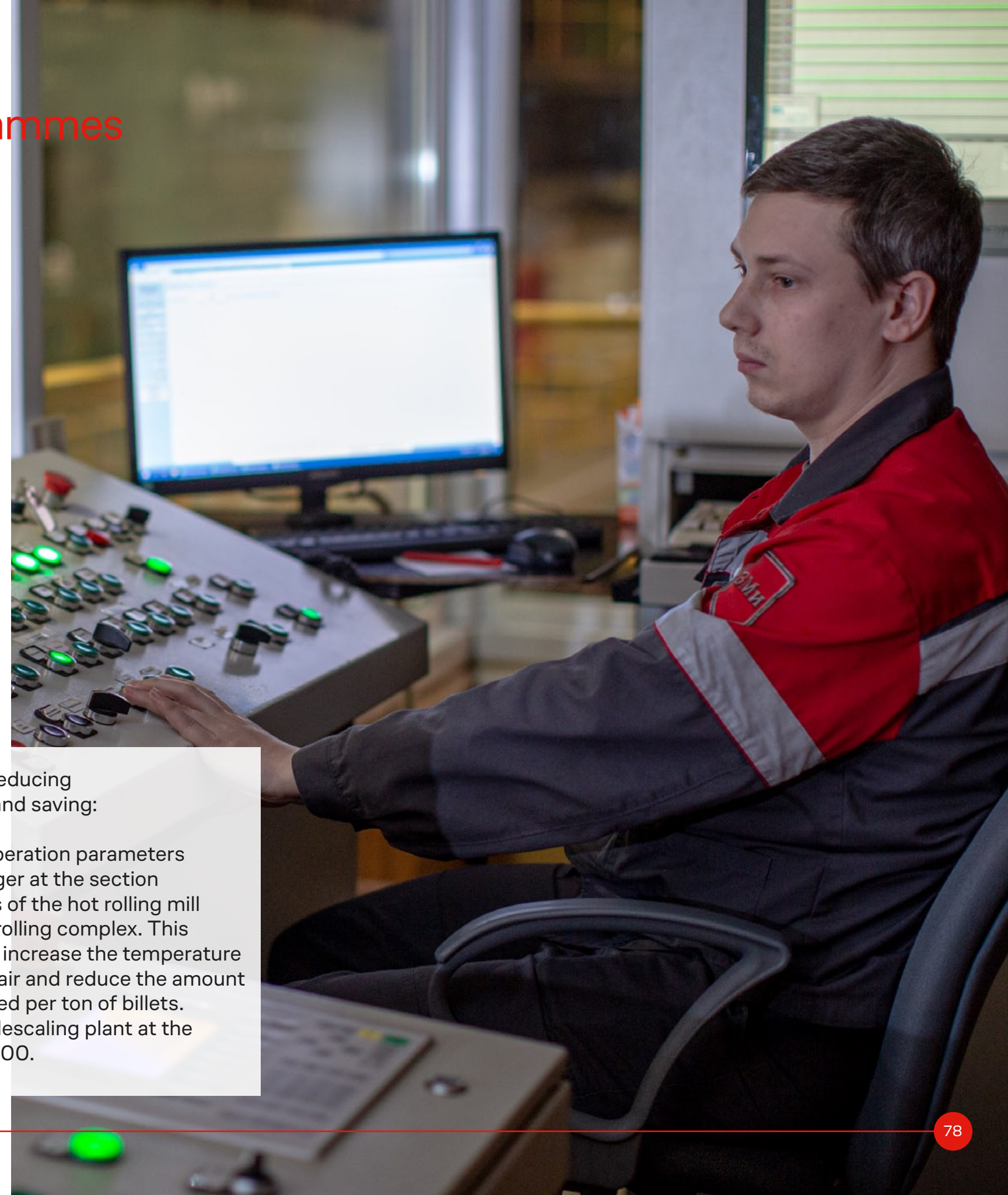
### Dynamics of Reduction\* in purchased energy resources from energy saving programs for fixed assets thousand rubles

	2019	2020	2020 target	2021	2021 target
<b>Total</b>	123 894	111 279	92 800	71 103	59 413
Vyksa	103 354	75 252	75 000	41 246	35 000
Chelyabinsk	4 136	4 554	3 000	5 256	2 000
Blagoveshchensk	3 430	6 813	4 500	5 349	5 000
Chusovoy	12 663	22 784	10 000	2 268	2 000
Almetyevsk	311	1 876	300	6 409	6 000
Belgorod	—	—	—	10 575	9 413

\*The calculation is based on the approved methodology and on the results of the calendar year.  
The base is the previous year.

The main factors for reducing energy consumption and saving:

- We changed the operation parameters of the heat exchanger at the section of heating furnaces of the hot rolling mill of the casting and rolling complex. This made it possible to increase the temperature of the combustion air and reduce the amount of natural gas burned per ton of billets.
- We upgraded the descaling plant at the Thick Plate Mill-5000.





## Sustainable development Procurement

The sales, production, procurement and logistics processes in OMK are built and applied in such a way as to achieve a given level determined for each indicator of the supply chains: reliability and speed of execution of customer orders, product quality, price, and innovation.

### Three-level planning system:

- enlarged planning forms a single direction of sales, production, purchases that meet the rules for managing competitive advantages;
- order planning and order portfolio management coordinate sales, production and purchasing activities when executing an enlarged plan to comply with the rules of competitive advantage management;
- scheduling defines tasks for production and shipment according to coordinated plans.

The approach is being implemented at OMK as part of a two-tier supply chain management system. This is a centralised level - uniform standards, methodology and integrated planning and the divisions level - planning and managing client applications and orders; ensuring the coordination of all processes from the supply of raw materials to the shipment of finished products.

The company actively works with contractors. This helps to improve the management system in the field of labour protection, production and environmental safety. The company has adopted a special form - an appendix to the agreement with contractors «Requirement to comply with legislation in the field of labour protection, industrial, fire safety, environmental protection.»

The company creates safe and reliable products, guarantees their quality according to Russian and international standards. When interacting with consumers, OMK adheres to the principles of health protection and safety, open access for consumers to objective information to make informed management decisions, and protects against unfair or misleading advertising or labelling. Compliance with these principles leads to sustainable systematic positive changes throughout the supply chain.

By signing it, a contractor undertakes to follow OMK procedures, rules and instructions to exclude or minimise possible damage to the environment, the health of OMK employees, visitors and third parties.





## Sustainable development Procurement

OMK purchases from more than 6,500 Russian and foreign companies. The current procurement system ensures the equality of participants in procurement procedures and information security, increases transparency of the activities of procurement departments and reduces influence of the human factor in procurement procedures.

Implemented in 2020, the SAP SLC automated supplier qualification and attestation evaluation system establishes uniform rules for initial and re-evaluation. The tool allows to assess risks of working with a counterparty in the areas of «experience», «quality», «financial stability», «health and environmental protection and CSR», depending on the criticality and complexity of the procurement nomenclature.

OMK pays special attention to achieving sustainable development goals and implements a strategy in the area of corporate social responsibility.

The CSR policy is communicated to counterparties, the company includes relevant requirements in contracts or calls on counterparties to declare their commitment to the principles of sustainable development during the assessment.

Work in this direction began in 2015, as of December 2021, the share of such counterparties is more than 90%.

### Responsible Procurement

OMK takes a responsible approach to its procurement procedures. Whenever possible, the company tries to acquire material and technical resources and services from local suppliers and contractors from the regions of its presence (the share of the latter is 40%). At the same time, the share of foreign counterparties in OMK is less than 3%.

OMK promotes free access for small and medium enterprises to participate in procurement procedures. To this end, the company has implemented a transparent procurement process, openly and timely informs suppliers about the procurement procedures. The OMK procurement system ensures equal rights for participants. Support and advice on participation in procurement procedures are provided to all companies without restrictions.

### Prevention of corruption

OMK is intolerant of bribery, fraud and corruption, strictly complies with the requirements of the anti-corruption policy and encourages counterparties to follow the same principles.

The company has a hotline, where requests are processed both from employees of enterprises and from representatives of all interested parties. Here you can report any cases of theft, fraud, violations in procurement activities, other illegal actions, etc. OMK guarantees the confidentiality of the transmitted information and impartial verification.





# Sustainable development **Quality Management**

## Vyкса Steel Works

To uphold the rights of consumers to use products which are not harmful to either their health or to ecosystems, OMK's Vyкса Steel Works undergoes certification procedures and obtains permits for safe use:

- certificates of compliance for rail wheels under Customs Union Technical Regulations;
- industrial safety assessments for arc-welded steel pipes for use at hazardous production facilities;
- certificates and assessments on the compliance of pipe products with unified sanitary, epidemiological, and hygiene laws;
- construction industry certificates of compliance and Gospromnadzor permits for use at potentially hazardous facilities in the Republic of Belarus;
- Eurasian Economic Union certificates of compliance for products manufactured for use in domestic and drinking water supply systems with uniform sanitary, epidemiological, and hygiene requirements.

In total, OMK's Vyкса Steel Works has 50 permits for wheel production, and 83 for pipe and rolled metal products.

To make our communications with our customers more transparent, OMK has introduced a digital personal client account. In their account, clients can track the status of orders from placement to shipment, and find credit information, invoices and payment terms, digital quality certificates certified by a qualified electronic signature, and archived documents. Access to the service has been set up for authorised users based on the principle of the classic text message confirmation system, which guarantees safety and security for all our customers.

To enable our customers to easily access information about the properties of our products, the company website contains up-to-date price lists and catalogues indicating product nomenclature. All of the certificates and permits relating to the company's products and quality management system can be found on the site.

Technical audits are carried out to obtain information on the conformity of our products and our technological process.

In 2021, the following audits were conducted:

- an audit by Salym Petroleum Development to include OMK's Vyкса Steel Works in their suppliers register;
- an audit by the company Business Trend on behalf of Gazpromneft-Snabzhenie to establish the possibility of manufacturing thermocases in accordance with technical specification TU 24.20.13-243-05757848-2020;
- a rail wheel production audit by the Russian Railways Technical Audit Centre;
- an audit of pipe production facilities and coating application areas by Samarsky ETC for Rosneft;
- an audit by TÜV Rheinland Middle East as part of the steel sheet supplier qualification for the Al Gharbia Pipe Company (UAE);
- an audit by ExxonMobil to evaluate Vyкса Steel Works as a potential supplier.



**Proportion of production attracting complaints from customers %**

2019	2020	2021	2022 target
0,229	0,055	0,032	0,062



## Sustainable development **Quality Management**

Quality management is carried out using the Unified Automated Document Management System and the Docs electronic document management system. Our company has developed and annually updates a functional quality management strategy. The strategy establishes quality management KPIs, which are monitored on a monthly basis.

The attainment of these KPIs is reviewed by our operations committees. When products and processes which do not meet the company's Corrective Actions standards are identified, notifications are issued in the discrepancy accounting and analysis system. Corrections, root causes, and remedial actions are worked out for all discrepancies. To enable inspection control to take place during product manufacture, inspection plans for the production units are drawn up.

We conduct internal audits and verify compliance with technological discipline on a regular basis. At the end of the year, we collate a report and improvement plan. These are approved by the plant's managing director. Our certified management system and certificates of compliance confirm that our quality management system is implemented effectively.

### Quality management system (QMS) certification in 2021

- compliance with the requirements of the Association of American Railroads (AAR) specification M-1003;
- QMS compliance with ISO/TC 22163 for the manufacture of rail wheels;
- QMS compliance with ISO 9001 for the manufacture of rail wheels;
- QMS compliance with the requirements of KRTS-CO-Part7 for the manufacture of rail wheels for the Republic of South Korea;
- QMS compliance with the requirements of American Petroleum Institute (API) Q1 and ISO 9001 for the manufacture of pipe products;
- compliance with the requirements of Gazprom STO 9001 and ISO 9001 for pipe products and rolled sheet metal;
- business reputation certificate in the INTERGAZCERT system;
- certificate of compliance with the requirements of GOST R ISO 9001 for the production of powder metallurgy products issued by the Management Certification Centre, Nizhny Novgorod.





# Sustainable development **Quality Management**

## Chelyabinsk plant

The products manufactured by OMK’s plant in Chelyabinsk comply with the requirements of national, international, and industry standards. Permit documentation grants the right for customers to purchase and use our products.

To meet the requirements of current legislation and the expectations of our customers, the company has been granted:

- licences from the Federal Service for Environmental, Industrial, and Nuclear Supervision for the right to design and manufacture products for nuclear power plants;
- declarations in accordance with Customs Union Technical Regulation 010/2011 «On the Safety of Machinery and Equipment» and Customs Union Technical Regulation 032/2013 «On the Safety of Equipment Operating under Excessive Pressure»;
- production certificates from the INTERGAZCERT voluntary certification system.

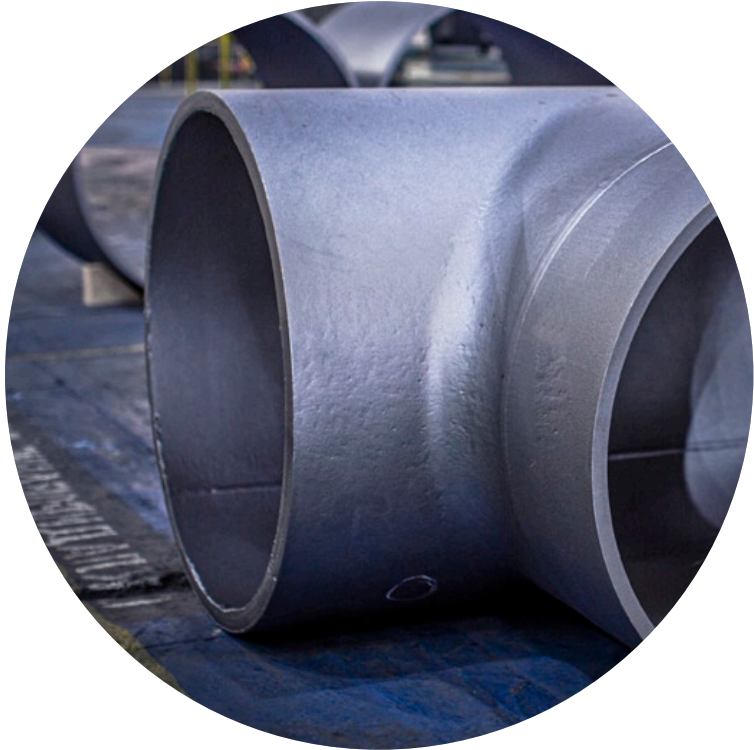
To enable easy access to full information on the products we manufacture, the company has posted an itemised product list on its website. The product list contains detailed information on the technical and operational characteristics of our products.

Company representatives regularly participate in exhibitions, conferences, and internet forums. All interested parties are welcome to visit the manufacturing plant. To confirm the technical feasibility of manufacturing products in accordance with established requirements, our customers conduct audits. These include regular audits by Gazpromneft-Snabzhenie, Rosneft, and Atomstroyexport.

The expertise and qualifications of our staff ensure high quality at all stages of the production cycle. Our staff closely monitor the raw materials and manufactured goods purchased, the production process, and the finished products. Our testing centre is accredited for compliance with GOST ISO / IEC 17025-2019, and has passed the procedure recognising its expertise in accordance with the OGN0.RU.0115 procedure of APO NTGO and ANO TTS (Moscow).

## Quality management system (QMS) certification in 2021

- Supervisory QMS audit for compliance with the requirements of ISO 9001:2015 and ISO/TS 29001:2010;
- QMS recertification audit for compliance with the requirements of GOST R ISO 9001-2015;
- Supervisory QMS audit for compliance with the requirements of Gazprom STO 9001-2018 relating to the manufacture of pipeline fittings, and recertification audit for compliance with the requirements of Gazprom STO 9001-2018 relating to the production of modular equipment (INTERGAZCERT);
- Certification audit according to the requirements of GOST R ISO 9001-2015 in the Rosatomregister system.



**Proportion of production attracting complaints from customers %**

2019	2020	2021	2022 target
0,02	0,02	0,23	—



## Sustainable development **Quality Management**

### Chusovoy Steel Works

OMK's Chusovoy Steel Works is certified for compliance with the following requirements:

- ISO 45001:2018 Occupational Health and Safety Management Systems.
  - ISO 14001:2015 Environmental Management Systems (an aggregated environmental indicator to reduce manmade environmental impact is included annually in the plant's overall targets).
  - №TC RU C-RU.АД50.В.00377 Wheeled Vehicle Safety.
  - Rolled-steel products are certified according to GOST standard 14959 "Spring Non-alloy and Alloy Steel Product".
- To enable easy access to full information on the properties of the products we manufacture, the plant has a page on OMK's official website and its own online store. These online resources feature the principal product parameters: technical requirements, steel grades, geometry and dimensions, external appearance, and flex characteristics. GOST standard 14959, to which we manufacture our products, is also included.
- The Chusovoy Steel Works carries out internal audits of the plant's quality management system, technological processes, and products, and complies with the requirements of the international IATF 16949 standard, adopting the following quality and production planning methodologies:
- Advanced Product Quality Planning (APQP)
  - Production Part Approval Process (PPAP)
  - Process Failure Mode Effects Analysis (PFMEA)
  - Statistical Process Control (SPC)
  - Measurement System Analysis (MSA)
  - 8D – a method of eliminating problems used when customers report on identified discrepancies in the factory's products.
  - Lean manufacturing – a management concept based on ongoing efforts to eliminate all types of wastage.

The plant has been audited for compliance with the requirements of IATF 16949 (IATF Certificate No.420863, issued by Bureau Veritas Certification). According to the requirements of the standard, ISO surveillance audits are carried out on an annual basis, and in 2021 a recertification audit was successfully completed. The first ISO surveillance audit will be conducted in 2022. In October 2021, the ferroalloy production facility was audited for compliance with the requirements of ISO 9001:2015 (Certificate No.003938, issued by Bureau Veritas Certification).



### Proportion of rolled steel production attracting complaints from customers %

2019	2020	2021	2021 target
0,13	0,1	0,15	—

### Proportion of automotive leaf-spring production attracting complaints from customers %

0,4	0,03	0,1	—
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# Sustainable development **Quality Management**

## Almetyevsk Pipe Plant

The significant increase in the proportion of products attracting customer complaints in 2021 was associated with a one-off bulk shipment of pipes for BLOK in experimental packaging using inhibitory materials (to prevent surface corrosion). During trials with the packaging, the presence of lubricant-coolant residues between the pipes in the bags packed immediately after manufacture was not factored in. As a result of the complaint received, the decision was taken to suspend the sale of pipe products in protective inhibitor packaging and to continue experimental trials. The customer complaint was settled commercially. Without the above complaint, the proportion for 2021 is 0.033%.

Information about our products is presented in the public domain on the plant's websites, so that our customers are kept up to date on the quality and range of products available. At the customer's request, the plant can send information about our products and provide support and advice.

Information on the achievement of quality management KPIs by the plant's divisions is in the public domain, and can be found in the Quality Corner section. Quality management data is analysed and submitted for discussion at shift team meetings, quality management working groups , and during workshop and factory «quality hours».

In 2021, as part of the development of our quality management system, we conducted a control inspection of our management systems in the areas of occupational safety and the environment for compliance with the requirements of ISO 14001:2015. GOST 3262 and GOST 10705 state registration certificates have been issued for pipes used in domestic and drinking water supply systems.

### Quality management system (QMS) certification in 2021

- Registration of declarations of compliance with the requirements of the Customs Union Technical Regulation 032/2013 «On the Safety of Equipment Operating under Excessive Pressure» for series-produced products in accordance with the GOST 3262-75 and GOST 10705-80 standards;
- Our production lines and product approval stations are certified for compliance with the requirements of regulatory and technical documentation (GOST, TU);
- A recertification audit of our management systems for compliance with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 was conducted. Such audits are conducted once every three years, with annual inspections in between.



**Proportion of production attracting complaints from customers %**

2019	2020	2021	2022 target
0,005	0,046	0,322	—



# Sustainable development **Quality Management**

## Blagoveshchensk Valves Plant

The Blagoveshchensk Valves Plant exclusively uses materials with appropriate quality certificates and safety data sheets in the manufacture of its products. The procurement, temporary storage, use, and disposal of materials comply with the requirements of the I.53-540.4 «Management of Hazardous Substances (Materials)» standard.

To keep our customers up to date on the quality of our products, the factory's website contains detailed information about the products we manufacture, with certificates, usage permits, and a detailed technical catalogue. The company publishes a new catalogue every year, featuring an updated product range.

Company representatives participate in both regional and international exhibitions and conferences, including Gas. Oil. New Technologies in Ufa, Neftegaz 2021 in Moscow, and the International Gas Forum in St. Petersburg. Our customers regularly conduct technical audits to ensure that our products and processes meet their requirements. Every six months, a survey of product end-users is conducted to assess their experience of working with the plant and the quality of our products.

### In 2021, certification tests were carried out for compliance with Customs

Union Technical Regulations 10 (Machinery and Equipment Safety), 32 (Safety of Equipment Operating under Excessive Pressure), and 12 (Safety of Equipment for Working in Explosive Atmospheres), as well as tests on fire resistance, seismic resistance, resistance to adverse climatic conditions, and chemical resistance (including carbon dioxide and hydrogen sulphide).

All materials supplied to the company for product manufacture pass through the quality control department's incoming goods inspection procedure in accordance with STO.53-662.1 «Input Control». The factory also conducts product monitoring to assess compliance with specified requirements.

Step-by-step control over the manufacture of components for product assembly at each stage of the production process is in place:

- 100% overall control by the employees involved in the manufacturing process;
- by employees responsible for quality management;
- spectral analysis, verification of mechanical properties, impact strength at low temperatures, and metallographic analysis are conducted in accordance with the requirements of STO.53-661.7 «Control at All Stages of Production».

### Quality management system (QMS) certification in 2021

- ISO 9001:2015;
- API Q1 specification;
- ISO 9001:2015;
- Product manufacturing licence in accordance with the requirements of the API 6D specification;
- Gazprom 9001-2018 STO in the INTERGAZCERT system;
- Business reputation assessment certificate No. OGN1, RU.1401.00007;



**Proportion of production attracting complaints from customers %**

2019	2020	2021	2021 target
1,97	3,5	1,22	—





# Sustainable development **Quality Management**

## Belenergomash

The increase in the proportion of products attracting customer complaints in 2021 compared to 2020 was caused by an increase in the cost of dealing with complaints relating to boiler equipment (80% of the plant’s overall costs). These complaints were caused by inconsistencies in the design, installation, and commissioning of the boiler equipment prototype units. For each complaint received, analysis of the causes was carried out, and corrective actions were taken to prevent similar inconsistencies in the future.

The products we manufacture meet the requirements of national and international standards. They are manufactured using materials with appropriate quality certificates and safety data sheets. Under current legislation, and to meet the requirements of our customers, our products are subject to licensing, certification, and declaration.

Belenergomash currently holds the following permits:

- two licences from the Federal Service for Environmental, Industrial, and Nuclear Supervision for the right to design and manufacture products for nuclear power plants;
- three declarations under Customs Union Technical Regulation 010/2011 «On Machinery and Equipment Safety»;
- 27 declarations under Customs Union Technical Regulation 032/2013 «On the Safety of Equipment Operating under Excessive Pressure»;
- one certificate under Customs Union Technical Regulation 020/2011 «Electromagnetic Compatibility of Technical Equipment»;
- 31 certificates under Customs Union Technical Regulation 032/2013 «On the Safety of Equipment Operating under Excessive Pressure»;
- 11 production certificates from the INTERGAZCERT voluntary certification system.

The permit documentation issued to us ensures that our customers have the right to purchase and use the factory's products.

The plant ensures the quality of its products at all stages of the production cycle, from verification of materials purchased and semi-finished products, through product

control within the production process, and final checking of finished products. Our staff possess all the requisite skills and qualifications, confirmed by appropriate documented information (protocols, certificates, etc.).

Modern, high-precision measuring instruments and testing equipment are used at the plant to conduct product control. The factory's central testing laboratory is accredited for compliance with the ISO/IEC 17025:2017 standard under the ILAC and APAC mutual recognition arrangements.

In December 2021, as part of the project to supply products for the Paks II Nuclear Power Plant in Hungary, the factory passed the welding production certification procedure for compliance with the requirements of the TÜV SÜD certification body's DIN EN ISO 3834-2; AD 2000 Merkblatt HP 0, and TRD 201 standards.

The reporting and logging of discrepancies is carried out using software which enables the efficient recording and analysis of quality management trends.

The plant analyses the causes of each discrepancy and implements the necessary changes and corrective actions. The systematized information on quality KPIs is reviewed on a monthly basis at “quality day” meetings chaired by the managing director with the involvement of all responsible managers and specialists.

Quality management system (QMS) certification in 2021

- QMS inspection audit conducted and certified as compliant with ISO 9001:2015;
- Control QMS inspection conducted and certified as compliant with Gazprom STO 9001-2018 in the INTERGAZCERT voluntary certification system;
- QMS certified as compliant with ISO 9001:2015 (GOST R ISO 9001-2015).

**Proportion of production attracting complaints from customers %**

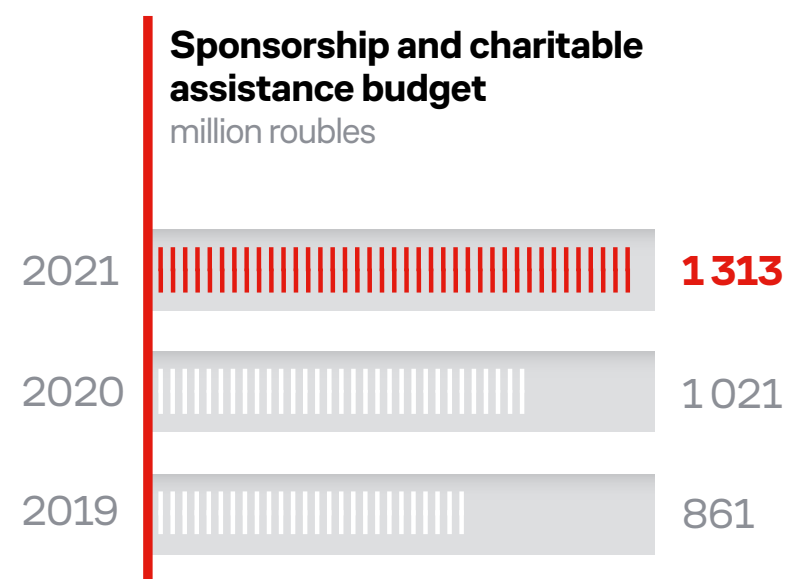
2019	2020	2021	2021 target
0,035	0,54	0,07	0,05



## Sustainable development **Social projects**

OMK is interested in maintaining social stability in the regions where its plants operate and invests significant resources in activities that improve the quality of life of the people living there.

The company invests in the improvement of cities, finances construction and operation of social and urban infrastructure: educational, sports, cultural and healthcare facilities.



### Main directions of social investments

- Cooperation with local communities in the regions where OMK operates
- Implementation of systematic programs aimed at solving socially significant problems
- Scaling up social programmes in the territories of new business units and replicating best practices
- Management of social investments and a systematic approach to measuring and evaluating their effectiveness and socio-economic impact
- Qualitative changes in the social sphere, thanks to a systematic approach in social design





## Sustainable development **Social projects**

**Structure of costs by areas of support** million roubles

	2019	2020	2021
Charitable assistance to educational institutions	19,04	31,6	14,7
Development of local communities	18,1	26,5	34,9
Assistance to religious and spiritual institutions	11	10,5	71
Patriotic education	1	5,6	4,70
Mass culture	53,2	79,7	165,3
Grassroots sports	334, 8	332,6	368,6
Other transport services	1,1	0,9	0,9
Other expenses, assistance on appeals	26,9	13,9	210,8
Special projects of the municipality*	386,8	508,1	430,5
Social programs	8,8	11,6	10,9
*incl. the general charity budget (item special projects of the municipality) takes into account the costs of supporting medical institutions and staff (external and internal) during the pandemic	—	109, 7	0,5





# Sustainable development **Social projects**

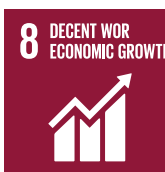
## UN SDGs corresponding to OMK's charitable and sponsorship activities



Support for professional sports, municipal sports clubs and mass sports, medical institutions, purchase of equipment, testing, additional remuneration of medical workers.



Support for educational institutions, programme Teacher for Russia in Vyksa, book publishing projects.



Social entrepreneurship program Start Your Own Business.



Landscaping projects and support for city/regional events cultural programs, including the Vyksa | Art Ovrag. Assistance to religious institutions, construction of a kindergarten and a church. Development and support of local communities. Social institutions support.

## OMK social programmes

OMK develops mechanisms for multilateral partnerships aimed at solving specific social problems and developing the social potential of the regions. The company conducts an expert analysis of the current needs of stakeholders with the involvement of external consultants.

A separate area is the risk assessment of the implementation of a new project and the analysis of efficiency during the development of the project and after its completion.

The target audience of OMK's social programs is quite diverse. Projects cover:

- residents of cities;
- city administrations;
- entrepreneurs who start a social business;
- state and municipal institutions;
- non-profit organizations and public associations;
- the company's employees who implement a volunteer project;
- retired or freed employees.







# Sustainable development **Social projects**

## Start Your Own Business program

The goal of the Start Your Own Business program is to promote the development of small businesses and social entrepreneurship, improve the quality of life in single-industry towns: Chusovoy and Chusovoy municipal district (Perm Territory), Blagoveshchensk and Blagoveshchensky municipal district (Republic of Bashkortostan), Vyksa and Vyksa municipal district (Nizhny Novgorod Region).

The programme’s goals:

- presentation of the best Russian practices in the field of social entrepreneurship - an innovative area of development of the social sphere;
- providing an opportunity for residents of the city and the region to express their own social ideas and receive support for their implementation;
- creation of a platform for communication and interaction of various parties in the areas of activity and the status of participants, united by the desire to solve common problems for cities;
- creation of horizontal links among social entrepreneurs in single-industry towns, development of local communities.

The Start Your Own Business programme is coordinated by the social innovation centers of the Perm Territory, the Nizhny Novgorod Region, and the Republic of Bashkortostan (external operator). The OMK-Partnerstvo grant competition and the programme are coordinated by an internal team.

The collection of applications for participation in the Start Your Own Business program takes place electronically. The selection of winners is carried out by an expert commission, which includes representatives of the company's business units, administrations of the cities of presence and regional resource centers for socially oriented non-profit organizations and CISS, relevant regional ministries and departments, and external experts.

Partners of the Start Your Own Business programme

- Ministry of Industry, Trade and Entrepreneurship of the Nizhny Novgorod Region, Perm Territory;
- Ministry of Labor and Social Protection of the Population of the Republic of Bashkortostan;
- State Committee for Tourism and Entrepreneurship of the Republic of Bashkortostan;
- Administrations of cities where the company operates;
- Business incubators of Vyksa and Chusovoy,
- ANO «Center for Innovations in the Social Sphere of the Nizhny Novgorod Region»;
- ANO «Center for Innovations in the Social Sphere in the Republic of Bashkortostan»;
- ANO Center for the Development of Social Projects (Perm Territory).

## Key features of the Start Your Own Business entrepreneurship support programme

	2019	2020	2020 target	2021	2021 target
Supported projects	40	40	40	37	37
Jobs created	74	61	40	42	40
Number of people trained	149	190	180	205	200
Number of applications submitted for the grant competition	110	118	110	124	120
Number of winners of the grant competition	40	40	40	37	37
Number of people who passed the CISS and PFRP accelerator	40	40	40	37	37
Program fund, million roubles	9	9	9	9	9
Grant pool, million roubles	6,6	6,6	6,6	6,6	6,6



## Sustainable development **Social projects**

### Assessment of the effectiveness of social investments

In 2021, the CAF\* Philanthropy Support and Development Foundation assessed the socio-economic effect of the Start Your Own Business social entrepreneurship program using the SROI method. The study showed the effectiveness of OMK's social projects is four roubles for every rouble of social investment.

Social and economic results of the programme were achieved with a total value of more than 144 million roubles, of which purely economic results amounted to more than 56 million roubles. SROI in Vyksa - 3.0:1, in Chusovoy - 4.8:1; in Blagoveshchensk - 3.7:1.

As part of a comprehensive assessment, SROI assessed the effectiveness of OMK's long-term social programs.

#### The Start Your Own Business programme showed the following results:

- SROI is positive and is at least 1.5 for the whole program;
- taking into account social results, the programme's SROI is at least 4.0:1

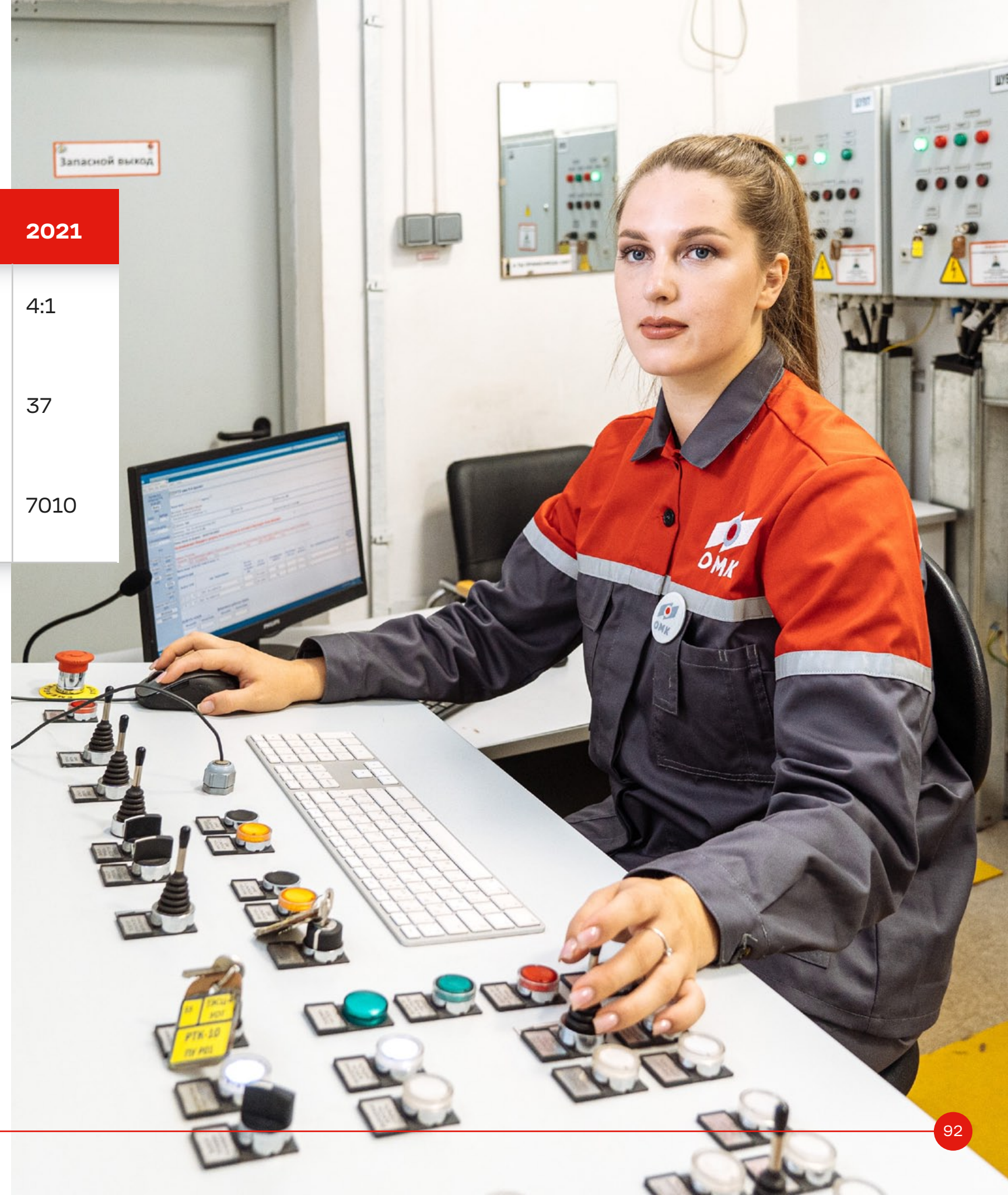
\* A non-profit organization acts as a foreign agent.

	2019	2020	2021
Social Return on Investment (SROI)	3,4:1	—	4:1
Number of created social entrepreneurial projects.	40	40	37
Number of volunteers	8 056	7757	7010

The programme creates value for various stakeholders, but its main beneficiaries are social entrepreneurs. They account for 73% of all socio-economic results of the programme.

The resulting picture of socio-economic results is fully consistent with the goals and objectives of the programme. The difference in SROI indicators by city is naturally due to different terms of the programme implementation. In Chusovoy, where the programme has been running for five years, the indicator is the highest at 4.8:1. In Vyksa, the programme has been running for three years, and the SROI at the minimum at 3.0:1, but it is safe to say that it will grow.

OMK's charitable and sponsorship activities are based on the sustainable development goals, Russia's national priorities until 2030, and the ESG agenda.







# Sustainable development **Social projects**

## OMK-Partnerstvo grant competition

The competition creates social partnership and opportunities for the introduction of innovative technologies and sustainable development of the regions where OMK operates. The main principle is the partnership of government, business and society in solving the social problems of the regions. The competition also makes it possible to involve employees of OMK enterprises in social projects based on their initiative and voluntary participation.

### Objectives of the grant competition

- development of systematic charity through competitive programs for the development of regions;
- involvement of employees in the company's charitable programs;
- introduction and development of corporate volunteering programs;
- development of systematic programs in the field of charity;
- attracting additional funds and resources to single-industry towns and settlements through the development of the «third sector»;
- assessing the socio-economic effect of charitable programs and projects in terms of solving social problems and creating more favorable socio-economic conditions in the regions where the company operates.

The grant competition is in line with the country's development strategy: it provides a transparent mechanism for supporting NGOs, and develops cooperation in the field of volunteering.

In 2021, the OMK-Partnerstvo competition was scaled up. In addition to Vyksa (Nizhny Novgorod Region), Almet'yevsk (Republic of Tatarstan), Blagoveshchensk (Republic of Bashkortostan), Chusovoy (Perm Territory), Sovetsky District of Chelyabinsk and Moscow, the competition was held in Belgorod and in 28 regions and 37 cities of Russia where OMK Steel Way's train repair depots operate.

OMK supported a record 154 social initiatives. Grants for implementation were received by 80 projects from organizations (the company financed them for amounts up to 250 thousand roubles each), and 74 from volunteers (the amount of each grant is up to 50 thousand roubles).

**In 2021, the company allocated a record amount for the competition – 18.54 million roubles – to finance projects. The competition was held in 28 regions and 40 cities where OMK plants operate.**

### Partners of the corporate volunteering program and the OMK-Partnerstvo grant competition

- Ministry of internal regional and municipal policy of the Nizhny Novgorod region;
- Ministry of Labour and Population Protection of the Republic of Bashkortostan;
- Government of the Perm Territory;
- Nizhny Novgorod Volunteer Service;
- Resource centres for SONKO Chelyabinsk, Perm, Nizhny Novgorod, Belgorod, Kurgan region, Republics of Tatarstan, Mordovia and Bashkortostan;
- Regional and federal media, business partners (Russian Railways, the Honour Fund).



### Key Features of the OMK-Partnerstvo contest of charitable and social projects

	2019	2020	2021	2021 goal
Projects submitted for the competition	186	184	401	230
Supported projects	94	88	154	120
Total grant pool, million roubles	9,1	9,25	18,54	18,54





# Sustainable development Social projects

## Corporate volunteering programmes

The priority direction of the corporate volunteering program in 2021 was social volunteering. This year has clearly demonstrated that civil mutual assistance and private social initiatives are of great importance.

### Main characteristics of the OMK volunteer movement

	2019	2020	2021
Projects implemented	8056	7757	7010
Volunteer hours	—	—	32947
Donor shares*	4	1	0
Blood donors*	214	58	0

\*The decrease in the number of donor shares and donors is due to the coronavirus pandemic.

We implemented projects aimed at combating the consequences of the pandemic, supporting socially vulnerable segments of the population, and fighting poverty. Volunteer initiatives have been supported to help people whose financial condition, physical and psychological health has been shaken during the pandemic. OMK has traditionally supported charitable, sports and environmental initiatives.

**«Run With Me»**  
(Belgorod, Dmitry Morozov)  
Conducting running tournaments and introducing a healthy lifestyle to the employees of the OMK Belgorod plant. There are plans to combine a healthy lifestyle and plogging, an environmental movement that combines jogging with garbage collection in parks. Volunteers held races for the purpose of fundraising.

**«Thank you doctors»**  
(Ruzaevka, Yulia Narbikova)  
The project is aimed at employees of medical organisations working with patients with coronavirus. The idea of the project is to provide free tourist vacations for employees of medical institutions. Tourism is one of the most effective methods of psychological relief.

**«Step towards the dream»**  
(Blagoveshchensk, Yanina Nurislamova)  
A recreation and sports room at OMK's Blagoveshchensk plant, where step aerobics and stretching classes will be held after a working day. In addition to the employees of the enterprise, pensioners of the plant will be involved in the classes.





## Sustainable development **Social projects**

### «Clean Coast 2021»

(Chelyabinsk, Nadezhda Ivanova)

Ecomarathon in social networks «Clean Coast». Residents first photographed the polluted shores of the lakes and rivers of the Southern Urals, and then uploaded photographs after they were cleaned. Also, employees of the OMK Chelyabinsk plant took part in the #OSERTAG project and environmental rally. The project was a continuation of the #Trashtagchallenge initiative aimed at attracting people to the problem of pollution of rivers and lakes, and involvement in eco-volunteering.

### «Four-Legged Friends»

(Sasovo, Galina Saronova)

Help a shelter for homeless animals in the city of Sasovo. Part of the grant funds is directed to the sterilisation of animals and emergency veterinary care.

### «Home Legal Aid»

(Zlatoust, Vladislav Gordeev)

University students and lawyers of the company provide free legal consultations for elderly, disabled residents of the city of Zlatoust with home visits. Assistance in preparing the necessary documents, such as complaints, statements of claim, and appeals.

### «Warm with warmth»

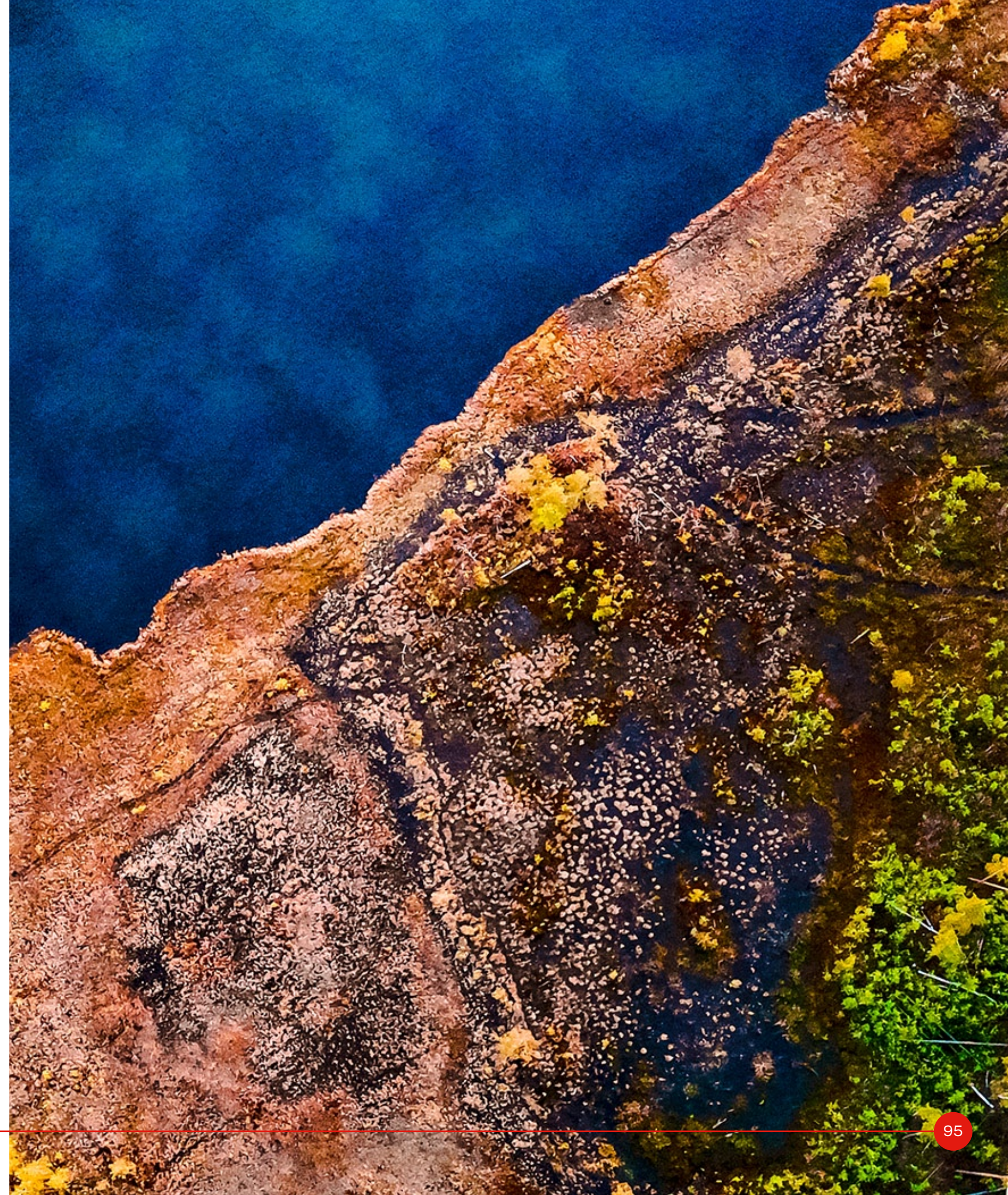
(Almetyevsk, Daniil Selivanov)

The second part of the project to help people affected by the pandemic. Delivery of products and medicines to pensioners Almetyevsk. For his active position and participation in the volunteer movement, at the end of 2020, Daniil Selivanov received a special award «For Special Merit» of the main corporate award named after Ivan and Andrey Batashev.

### «Creating Comfort»

(Vyksa, Maria Sarycheva)

A series of master classes dedicated to the creation of decor and interior items in the hygge style. The target audience is women on maternity leave, mothers with many children, unemployed and hard of hearing women. In addition to practical skills, the participants formed a creative association for further development and mutual assistance





## Sustainable development **Social projects**

### «Dobro.ru»

(Moscow, Ludmila Schukina)

A socially oriented pro bono project, the purpose of which is to transfer everyday skills to the wards of the scarlet sails family education assistance centre. OMK volunteers held classes in cooking, minor household repairs, and personal care with the Foundation's wards.

### «Autumn vitamin mix»

(Chusovoy, Maxim Kolegov)

The project is aimed at supporting lonely and low-income veterans of the Chusovoy OMK plant, who are forced to stay at home for health reasons. The project was implemented jointly with volunteer groups of the city. By personal transport, volunteers delivered 50 vegetable sets in the Chusovoy and Chusovoy urban districts. The initiative is a continuation of the Generous Garden project, which has been implemented with the participation of OMK's Chusovoy plant for more than 15 years.

### «Mentor is a helping hand»

(Vyksa, Dmitry Barinov)

Full adaptation in the society of children with disabilities. For this, a special training apartment has been created, and volunteer mentors will work with the guys. The project is being implemented in partnership with the Constellation organisation. The program has formed the most important mechanisms for the successful social integration of children with disabilities: inclusion in everyday social life, development of skills for the most independent life.

### «Birdhouse - a house for birds»

(Blagoveshchensk, Andrey Frolov)

Production of wooden birdhouses with the participation of the children of the company's employees with the subsequent transfer of birdhouses to kindergartens in the city of Blagoveshchensk.





## Sustainable development **Charity**

OMK implements a number of charitable initiatives and social investments in the regions where it operates in partnership with the OMK-Uchastie (Partnership) charity foundation, which was created at the initiative of OMK's management and staff.

OMK-Uchastie operates in three key areas:

- It implements systemic changes in the quality of life of children with disabilities or those left without parental care and forms an inclusive environment.
- It develops culture and arts and creates opportunities for enlightenment, education and creative fulfillment of local communities.
- It provides targeted assistance to families and children in difficult life situations.

The foundation tackles large-scale social problems and is among the top 40 corporate and private charitable non-profit organizations in Russia in terms of partnership potential, according to RAEX. OMK-Uchastie took 37th place out of 203 in the ranking.

### Main projects and achievements of 2021

In 2021, OMK-Uchastie became a member of the Donor Forum, an association of the largest grant-giving organizations in Russia.

Donor Forum is the only association of foundations and companies in the country that systematically engages in charitable activities.

The main directions of the association's work are: exchange of information and methods of work of donor organizations, formation and dissemination of standards and ethical norms of philanthropic activities, and representation of the interests of the donor community.

The cooperation agreement became a logical continuation of the association's business relations with OMK-Uchastie and OMK. Closer interaction with the members of the association allows for more efficient exchange of experience, cooperation in the implementation of systemic projects and implementation of best practices in existing and new programs of the fund.

### **Inclusion development**

At the beginning of the year, OMK-Uchastie decided to expand the boundaries of the «Vyksa Works» project. Its purpose is to help people with various forms of disability find employment.

In total, since the start of the project in April 2020, we have managed to find work for 21 people (five of them with mental disabilities). 15 people were employed at permanent places (10 of them remotely). Six applicants worked at temporary locations or completed paid internships. Another married couple opened their own business - a machine embroidery studio. Since the beginning of the project, 75 people aged 18 to 50 have become its participants.

Project «Vyksa Works» is part of the fund's inclusive strategy. A strategic matrix for the development of an inclusive area in the district was developed jointly with representatives of the Vyksa administration, communities of people with disabilities and experts in this area. It implies a phased inclusive transformation of Vyksa - the creation of equal conditions for accessibility for all residents of the district in most areas of life.

The long-term strategy includes three priority areas for the development of inclusion: the involvement of people with disabilities in the cultural and social life of the city, the employment of people with disabilities and inclusive education. OMK-Uchastie implements it together with the administration of Vyksa. An agreement on comprehensive cooperation within the framework of an inclusive strategy was signed in September 2021.





## Sustainable development **Charity**

As part of the strategy, with the support of the Presidential Grants Fund, at the end of the year, the Centre for Assistance in Employment of People with Disabilities was opened in Vyksa. The directions of the center's work were discussed at the inclusive conference "Vyksa Works: on the way to new opportunities and prospects".

The team includes employees of the inclusive children's center «Sozvezdie» (Constellation). The new information and consultation center is designed to unite the efforts of business, the nonprofit sector and government agencies to create a comprehensive system for the employment of people with disabilities. Job seekers with special needs can receive training and employment assistance at the center. In 2022, it will be placed in an adapted building along with a social workshop and a training apartment.

The experience of implementing inclusive programs in Vyksa is being applied by OMK-Uchastie in other cities where OMK plants operate. In Chusovoy, in cooperation with the nonprofit organization Gift to an Angel, they launched the School for a Special Parent. The program made it possible to see weaknesses in the provision of services to children with disabilities. The main goal of the educational project is to form the competencies necessary for safe and effective rehabilitation at home in the parents and relatives of the child. The project included 30 parents, who received unlimited access to a speech therapy course and a course of psychological support on a special platform.

In Chusovoy, a systematic assistance program was launched to develop services for parents of children with autism spectrum disorders and disabilities, which was supported by the local administration. Representatives of the foundation as observers entered the Perm working group on the implementation of the concept of development in the Russian Federation of a system of comprehensive rehabilitation and habilitation of people with disabilities, including children, for up to 2025. The creation of a resource center in the Perm Territory will expand services for children with autism spectrum disorder, equip physicians and teachers with new knowledge, and open up new opportunities for the socialization of children. In Vyksa and Chusovoy, traditional medical audits for children were carried out by field teams of doctors from the capital. Specialist audits allow parents of children with musculoskeletal disorders in Chusovoy and children with cerebral palsy in Vyksa to receive recommendations on the course of treatment and recovery from leading experts in these areas, and, if necessary, referral to free treatment.





# Sustainable development **Charity**

## Social programmes

In Vyksa, OMK-Uchastie develops social programs. In 2021, the foundation developed a strategy to reduce the level of social orphanhood in the city district, which is being implemented jointly with the social services of Vyksa. According to the developed strategy, in three years the number of social orphans in Vyksa should be reduced by a third. This is facilitated by qualitative changes in the work of social services: from now on, they will respond not to the fact of a conflict in the family, but to the prevention and prevention of such cases.

In particular, in Vyksa, it is planned to organize assistance services for families raising children with disabilities, as well as to create a service that will allow monitoring the situation in families and providing timely rehabilitation services to children under 3-5 years old. Active support and early intervention will be part of a continuum of services for children and families. With the support of OMK-Uchastie, during the year, social service specialists were trained under the program “Practices, Techniques and Tools for Working with Families in Crisis: Active Family Support”, and also learned to provide assistance to families and children based on an understanding of psychological trauma. As part of the implementation of the strategy, sociological research was conducted in Vyksa. Their goal is to identify how the services

provided in social institutions in Vyksa correspond to the needs of families, what additional needs exist and why children with disabilities end up in residential institutions. Based on the results of the study, the experts of the Partnership for Every Child organization will help to finalize the training program for social workers so that families included in the program for the prevention of social orphanhood receive exactly the support they need most.

At the end of 2021, OMK-Uchastie and the government of the Nizhny Novgorod Region signed an agreement on cooperation as part of the implementation of measures and measures in the region to prevent social orphanhood and develop effective practices of social support for families and children in difficult life situations.

In 2021, in Vyksa, OMK-Uchastie, together with the Department of Education, launched an educational project for school children, ProGUL (Urban Learning Landscape). Its goal is to turn Vyksa into a huge school through a variety of venues for lessons. The project is being implemented in cooperation with the Department of Education and Science of Moscow. It solves two important problems. The first is to help schoolchildren in professional self-determination. The second is the involvement of children in the study of the socio-cultural space of the city.



The first trial lessons took place in April. With the support of experts from the Tsaritsyno State Museum-Reserve, teachers from six district schools prepared lessons in history, technology, physics, chemistry and geometry for students in grades 5-10. Instead of school classes, lessons were held at the Vyksa museum and at the OMK plant in Vyksa.





## Sustainable development **Charity**

### Anniversary Festival

One of the main events of the year in Vyksa was the anniversary festival «Vyksa | Art-Ovrag». In 2021, its main events spanned two weekends: 27–29 August and 24–26 September. They were visited by 16 thousand guests.

Among the most notable events of the festival are the musical and spatial performance Triratoria, the immersive site specific performance Karamzin. «Theater in the Village», theatrical promenades «Around the Corners», «Along the Houses» and «By the Waters», the play «He is in Argentina», the postdramatic performance of the «Upsala Circus», the project «Empty Pedestal» by Charles Renfro, a new mural, exhibitions by Dmitry Markov and Lyudmila Petrushevskaya, as well as the premiere of a joint track by Zventa Sventana and AIGEL.

The anniversary «Vyksa | Art-Ovrag» presented a large inclusive program. Guests and residents of Vyksa with disabilities, including children, attended local lore promenade performances, theater and circus performances, musical events and children's program events. During the first weekend of the Vyksa Festival, the first children's mural was opened in Vyksa. A mural «Smile» appeared on one of the houses in the city, a sketch for which was made by Vyksa children. The new wall art, covering over 200 square meters, is the first children's work in the Vyksa street art collection. The sketch of the mural was created by thirteen children from Vyksa, aged 6 to 14, during classes at the Vyksa art residence as part of a social action of OMK-Uchastie.



**16 000**

**Guests attended  
the festival  
in 2021**



## Sustainable development **Charity**

### Art residence

The Vyksa art residence was noted in the competition of the Cosmospow Foundation for the Support of Contemporary Art. It has become the best nonprofit art institution in Russia. The year-round creative platform in Vyksa, which was opened by OMK-Uchastie as part of its work to support culture in 2017, allows resident artists to live in Vyksa and realize their projects. In return, the city receives works in the field of contemporary art, their collection in Vyksa has 120 works by 50 authors.

The experience of the art residence and cultural projects in Vyksa was presented by OMK-Uchastie at the first international conference on hospitality practices in the arts. The conference was held on November 25-28 in Nizhny Novgorod at the site of the center of the Volga-Vyatka branch of the Pushkin State Museum of Fine Arts (Arsenal) and in Vyksa. OMK-Uchastie organized the event with the support of the Presidential Grants Fund.

The conference was dedicated to the creation and development of a hospitable environment in art residences, museums and other cultural institutions through contemporary art, design, architecture and inclusion.

The conference was attended by Marina Loshak, director of the Pushkin State Museum of Fine Arts, Kristina Gorlanova, director of the National Center for Contemporary Art in Yekaterinburg, Ekaterina Egorova, founder of Moscow Circular, and many other art professionals. The hybrid format of the conference (offline and online) allowed everyone to join it.

The conference team held 24 sessions, more than 50 discussions, workshops and events. Representatives from 17 countries participated in the program. As part of the conference, Vyksa hosted the second annual Forum of the Association of Art Residences of Russia. The forum participants visited the new building of the Vyksa art residence, which is still being reconstructed and prepared for opening, and got acquainted with the main objects of art and industrial tourism in Vyksa.





## Sustainable development **Charity**

### **Renovation of the Nizhny Novgorod Fair Square**

OMK allocated 412 million rubles for the radical reconstruction of the Nizhny Novgorod Fair Square. The public space was opened as part of the Nizhny Novgorod infrastructure development program for the city's 800th anniversary.

The concept of the improvement of the Nizhny Novgorod Fair was developed by the architectural bureau Megabudka under the supervision of the Institute for the Development of the Urban Environment of the Nizhny Novgorod Region and ANO Center-800.

The concept was discussed jointly with residents and experts. It is based on a barrier-free landscaped space with an area of 65 thousand square meters. meters and its inclusion in the life of the city. Here are collected pages from the rich history of the region. Places for recreation, sheds, swings, an amphitheater were opened, new lighting was installed.

The Nizhny Novgorod fair is a historical area where the largest fair of the Russian Empire was located. Its history spans more than four centuries. The buildings and the square itself include a number of cultural heritage sites. The Nizhny Novgorod fair made a great contribution to the development of the Vyksa ironworks, presenting their products for a century. Here, at the All-Russian Art and Industrial Exhibition of 1896, for the first time in the world, hyperboloid steel structures by engineer Vladimir Shukhov were demonstrated.





## Sustainable development **Charity**

### Exhibitions

One of the important projects of OMK-Uchastie and the Vyksa art residence in 2021 was the exhibition *At the Edge of Nature: Black Forest*, dedicated to the interaction between man and nature.

One of the motifs of the exhibition is the memory of large forest fires, which destroyed 55,000 hectares of forest and 582 houses in eight settlements in 2010 in the Vyksa region. The exhibition featured more than 40 works by 18 contemporary artists from different regions of Russia. Through painting, sculpture and photography, the artists conveyed the diversity of nature - from a source of inspiration to a formidable element. The exhibition was also comprehensively adapted for people with disabilities (translations into Russian sign language, audio descriptions and texts in the «In Simple Words» format were prepared).

As part of the celebration of the 800th anniversary of Nizhny Novgorod, OMK and OMK-Uchastie presented the residents of the city with the exhibition *“Shukhov. Formula of Architecture”*, which took place in the Volga-Vyatka branch of the Pushkin Museum in Pushkin. The focus of her attention is the figure of the great engineer, personifying the golden age of the Russian engineering school of the second half of the 19th - early 20th centuries, and his designs. More than 200 exhibits from Shukhov's creative archive from Russian and foreign collections were presented at the exhibition.

The parallel program of the exhibition included lectures on Vladimir Shukhov, his legacy and influence on architecture and fine arts of the 20th century; master classes for children and parents, which helped to understand Shukhov's engineering secrets and create their own architectural objects; as well as inclusive events. Then the exhibition was shown in Vyksa.

With the support of OMK-Uchastie and OMK, the Nizhny Novgorod Arsenal also hosted the exhibition *Named Vasari. Gothic»*. The exposition, dedicated to the Gothic era and its interpretations in the works of contemporary artists, became the first stage of the three-part project *Named Vasari*, which brings together originals and casts from the collection of the Pushkin Museum and works of contemporary art.

### Other projects and initiatives

The OMK Theater Seasons, organized by OMK with the support of OMK-Uchastie, were held in Vyksa and Chusovoy. Also in 2021, the foundation held traditional charity events — the race *“Who is running? Everyone is running!”*, *“To school together”*, *“With love in the heart”*, *“From the world to the Christmas tree”*. More than 10 thousand people took part in them. The amount of collected funds amounted to about 1.1 million rubles. Non-financial assistance in the collection of 95 children to school is estimated at one million rubles.

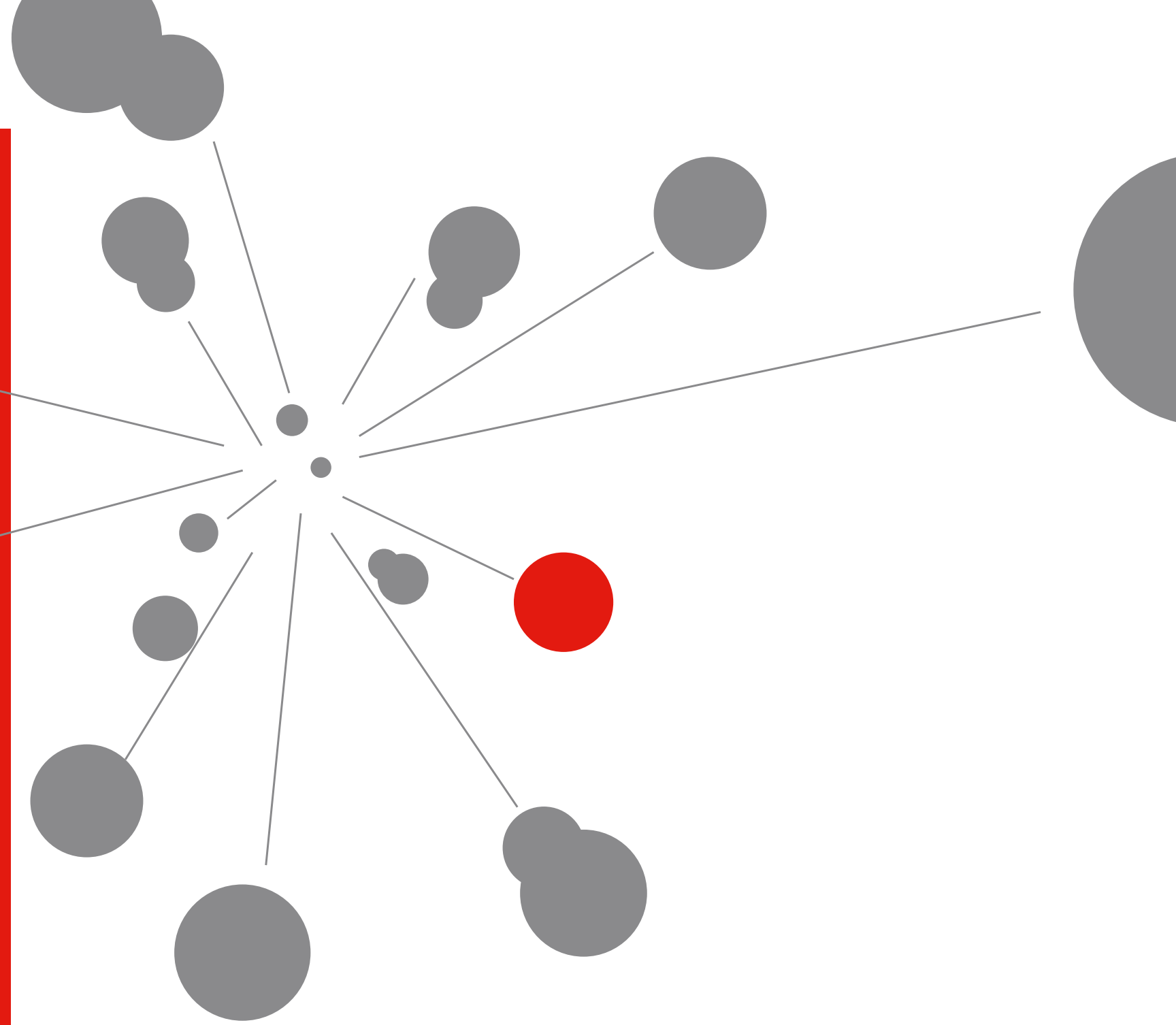






# 4 Appendix

- Validation and confirmation of metrics
- Material topics
- GRI Standards Index
- Achievement of ESG key performance indicators
- Corporate structure
- Production
- Abbreviations
- Contacts







Validation and confirmation

All data presented in the section «Sustainable Development» has been checked internally by those responsible in the operating divisions of the company. This guarantees the reliability of the information disclosed on OMK's sustainable development activities.

Information on the interaction of company representatives with various stakeholder groups has been approved by the Brand, Corporate Communications and CSR Directorate and OMK official releases for 2021.

Material topics

The working group responsible for preparing the OMK Annual Report for 2021 identified the material topics to be addressed in compliance with the principles of the GRI Standards.

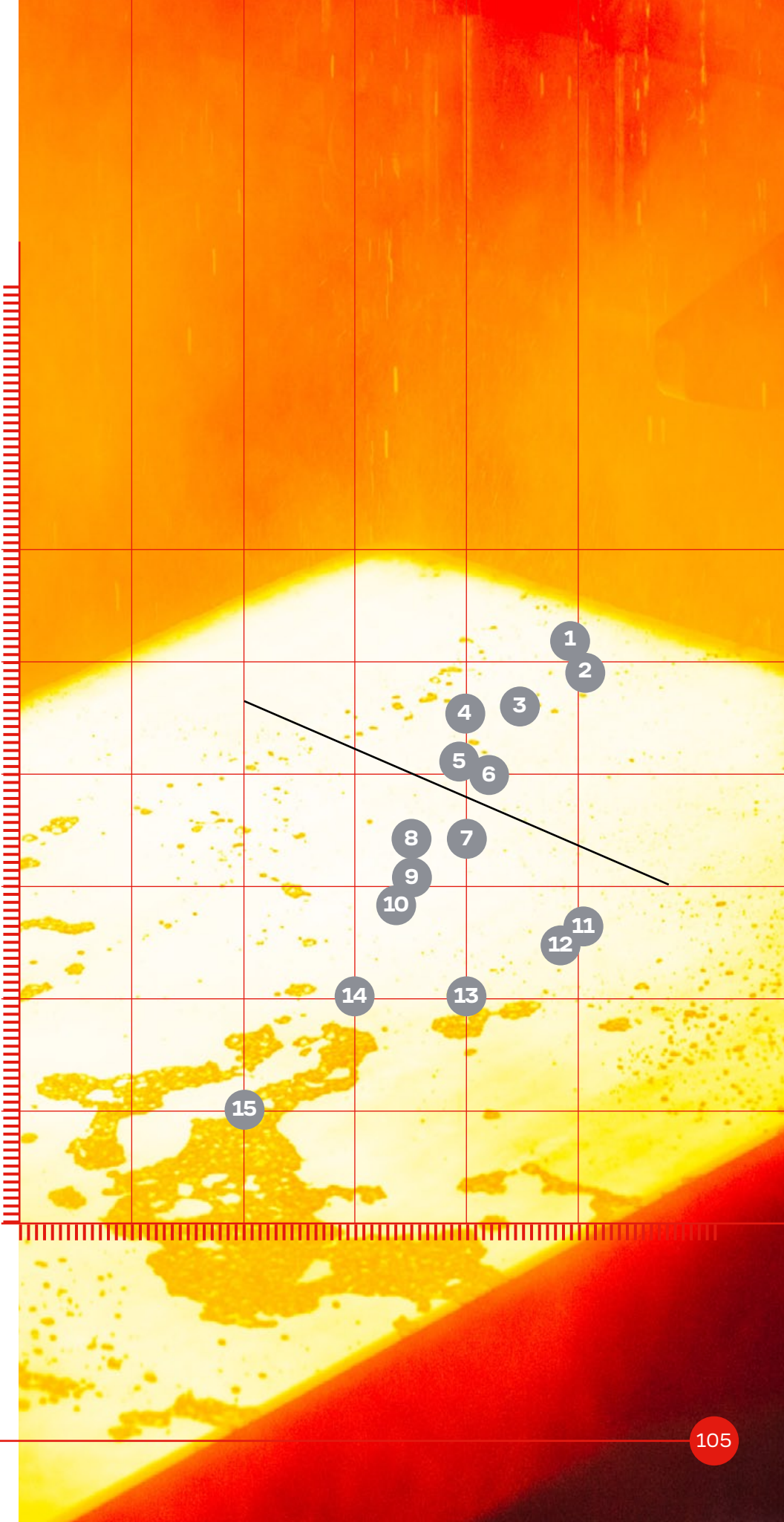
- Internal OMK experts selected key issues from GRI Standards 201-419 based on the best practices.
- They surveyed management and stakeholder representatives, and analysed publications in the media and social media that are linked to the company.
- We conducted a survey among the company's employees and press representatives, as a result of which we identified the material topics.
- On the basis of these above mentioned points, a materiality matrix was created.

The horizontal axis analysed the significance of OMK's impact on various important topics.

The vertical axis analysed the significance of the topics for stakeholders. The highest possible score was five points.

Material topics to be addressed were selected from the top right of the matrix, above the cutoff line. A separate decision was made to include OMK's charitable activities and the OMK Uchastie fund in regions where OMK operates.

1. Economic performance GRI 201
2. Employment GRI 401
3. Occupational health and safety GRI 403
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5. Effluents and waste GRI 306
6. Emissions GRI 305
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9. Market presence GRI 202
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			102-26	Role of highest governance body in setting purpose, values, and strategy	22-24
			102-27	Collective knowledge of highest governance body	34-35
			102-28	Evaluating the highest governance body's performance	22
			102-29	Identifying and managing economic, environmental, and social impacts	34-35



Appendix GRI Standards Index



Index	Universal Standarts	Page / comments	Index	Universal Standarts	Page / comments
102-30	Effectiveness of risk management processes	15	102-51	Date of most recent report	2
102-31	Frequency of the highest governance body’s review of economic, environmental and social topics, and their impacts, risks, and opportunities	31	102-52	Reporting cycle	2
102-32	The highest committee or position that formally reviews and approves the organisation’s sustainability report and ensures that all material topics are covered	2	102-53	Contact point for questions regarding the report	116
102-35	Remuneration policies	22	102-54	Claims of reporting in accordance with the GRI Standards	2
102-40	List of stakeholder groups	45	102-55	GRI content index	107
102-45	Entities included in the consolidated financial statements	2	<b>GRI 103 Management Approach</b>		
102-46	Defining report content and topic Boundaries	2	103-1	Explanation of the material topic and its boundary	106
102-47	List of essential topics	106	<b>GRI 201 Economic Performance</b>		
102-48	Restatements of information	2	201-3	Defined benefit plan obligations and other retirement plans	61
102-49	Changes in reporting	2	<b>GRI 202 Market Presence</b>		
102-50	Reporting period	2	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	39



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204-1	Proportion of spending on local suppliers	81	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	72
<b>GRI 302</b>	<b>Energy</b>		<b>GRI 306</b>	<b>Effluents and Waste</b>	
302-1	Energy consumption within the organisation	78-79	306-1	Water discharge by quality and destination	70
302-3	Energy intensity	78-79	306-2	Waste by type and disposal method	75
302-4	Reduction of energy consumption	78-79	306-3	Significant spills	There were no significant spills during the reporting year.
302-5	Reductions in energy requirements of products and services	78-79	306-4	Transport of hazardous waste	75
<b>GRI 303</b>	<b>Water</b>		<b>GRI 401</b>	<b>Employment</b>	
303-3	Water withdrawal	73	401-1	New employee hires and employee turnover	58
303-4	Water discharge	74	<b>GRI 403</b>	<b>Occupational Health and Safety</b>	
303-5	Water consumption	73	403-1	Occupational health and safety management system	65
<b>GRI 304</b>	<b>Biodiversity</b>		403-2	Hazard identification, risk assessment, and incident investigation	65
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	70	403-3	Occupational health services	65
<b>GRI 305</b>	<b>Emissions</b>				
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305-5	Reduction of GHG emissions	72			





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403-4	Worker participation, consultation, and communication on occupational health and safety	67	<b>GRI 413</b>	<b>Local Communities</b>	
403-5	Worker training on occupational health and safety	67	413-1	Operations with local community engagement, impact assessments, and development programmes	89, 102
403-6	Promotion of worker health	64	413-2	Operations with significant actual and potential negative impacts on local communities	No
403-8	Workers covered by an occupational health and safety management system	65	<b>GRI 414</b>	<b>Supplier Social Assessment</b>	
403-9	Work-related injuries	65-66	414-1	New suppliers that were screened using social criteria	41, 69
403-10	Work-related ill health	65			
<b>GRI 404</b>	<b>Training and Education</b>				
404-1	Average hours of training per year per employee	53			
404-2	Programmes for upgrading employee skills and transition assistance programmes	50			
404-3	Percentage of employees receiving regular performance and career development reviews	50-53			
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>				
405-1	Diversity of governance bodies and employees	49			





# Appendix Achievement of ESG key performance indicators

Significant aspects of sustainable development									Significant aspects of sustainable development								
ESG		KPI	2019	2020	2021	goal 2022	goal 2023	goal 2024	ESG		KPI	2019	2020	2021	goal 2022	goal 2023	goal 2024
G	Employee inquiries	Percentage of considered cases of violations (decision made by the ethics committee, situation resolved) of the total number of calls to the OMK hotline on corporate ethics issues, %	1	1	1	-	-	-	G	Social obligations of suppliers	The share of contracts with annexes on CSR aspects or internal documents of suppliers and contractors on social policy of the total number of contracts for the purchase of materials and equipment, works, services (worth at least 5 million rubles without VAT)	0,89	0,9	0,92	0,9	0,9	0,9
S	High standards in labour protection	Fatal Injury Frequency Rate (FIFR)	0	0	0,06	0	0	0	S	Development of volunteer initiatives	Number of volunteers	8056	7757	7100	7500	7500	7500
S	High standards in labour protection	Lost Time Incident Frequency Rate	0,72	0,79	0,63	-	-	-	S	Development of volunteer initiatives	Number of employee volunteer projects supported at the OMK-Partnerstvo competition	46	47	74	75	75	75
S	High standards in labour protection	Occupational morbidity rate	3,5	2,95	2,77	-	-	-	S	Development of volunteer initiatives	Number of NPO projects supported at the OMK-Partnerstvo competition	48	21	42	45	45	45
S	Compliance with human rights when using OMK products	Share of regulatory technical documents with information on the degree of impact of products and technologies on humans and the environment, %	1	0	1	1	1	1									



## Appendix Achievement of ESG key performance indicators

ESG	Significant aspects of sustainable development	KPI	2019	2020	2021	goal 2022	goal 2023	goal 2024
S	Development of social entrepreneurship	The number of social entrepreneurial projects created by the authors of the Start Your Own Business contest projects.	40	40	38	43	43	43
S	Fair remuneration	Correlation between wages at OMK facilities and the regional labour markets	yes	yes	yes	yes	yes	yes
S	Exclusion of child labor	Number of identified cases of using the labour of children under 14, pers.	0	0	0	0	0	0
E	Minimising environmental impact	Reducing the anthropogenic load on the environment (integrated indicator)*	0,89	0,91	1,05	—	—	—

\* The integral indicator includes the following estimates: - air emissions, wastewater discharges into water bodies and waste disposal = (((gross emissions of the reporting period, tons / gross emissions of the previous period, tons) + (gross emissions of pollutants for the reporting period, tons / gross discharges of pollutants for the previous period, tons) + (gross waste disposal for the reporting period, tons / gross waste disposal for the previous period, tons)) / 3) \* coefficient taking into account the degree of change in production volumes.





## Appendix Business structure

The company's business model consists of eight units. These units develop and promote industry strategies, products, and services for clients, and are responsible for financial performance in the areas assigned to them.

Plants serve as production centres for business units. Their areas of responsibility include production volumes and product quality, efficiency, industrial safety, and production culture.

### OMK TEK / OMK Steel Spectre

- Pipe products for companies in the fuel and energy sector, vertically integrated oil companies, and international projects in this field.
- Industrial products, products for the construction sector and other areas of the regional markets for tubular products and flat and long rolled metal products. Thick-Plate Mill 5000 (Mill 5000): production of hot-rolled thick sheet
- Electrical Welding Pipe Shop No. 4, Vyksa: production of large diameter pipes
- Pipe Anti-Corrosion Coating Shop Casting and rolling mill: production of hot-rolled sheet
- Electrical Welding Pipe Shop No. 2, Vyksa: production of water and gas pipes and small sections
- Electrical Welding Pipe Shop No. 3, Vyksa: production of oil and gas pipes and large sections Electrical Welding Pipe Shop No. 5, Vyksa: production of casing pipes

- Electrical Welding Pipe Shop No. 1, Vyksa: casing finishing centre and production of tubing Seamless Pipe Shop, Vyksa (opening in 2022)
- Almeteyevsk Plant: production of oil and gas pipes, water and gas pipes, and shaped pipes

### OMK Armsteel

- Products for oil and gas extraction and processing, heat and power engineering, and the chemical industry.
- Blagoveshchensk plant: production of pipeline valves, including wedge gate valves, spring-loaded safety relief valves, rotary check valves, changeover valves, safety relief valve assemblies, wellhead and shutoff valves, etc.

### OMK Railway Wheels

- The unit works with clients in the field of rolling-stock construction and car services.
- Wheel Plant, Vyksa: production of railway wheels and wheel centres for freight and passenger trains, including high-speed Lastochka trains, and high-speed trains.

### OMK Steel Way

- The unit is expanding its train car service for owners of rolling stock and operates 37 depots in 26 regions of Russia.
- Depot repair, overhaul, and maintenance of railway cars, refurbishment and maintenance of rolling stock.

### OMK Trubodetal

- Products for oil extraction, construction of gas pipelines, oil supply systems, equipping of compressors and power plants.
- Chelyabinsk plant: production of pipeline fittings, including pipeline nodes, cold and hot bent branches, stamped and welded pipeline parts, bends, T-bends, reducers, ends, and modular equipment.

### OMK Auto

- The unit provides springs and other components for Russian and foreign freight vehicles.
- Chusovoy plant: production of automotive springs, including multi-leaf and parabolic springs using the latest designs, and half-springs for air suspension, over 4,000 commodity items.

### OMK Energomash

- The unit works with clients in the nuclear industry, steel construction, and thermal power engineering.
- Belgorod plant: production of pipeline fittings, pipes, bellows expansion joints, building metal structures, equipment for boiler rooms.



# Appendix Products

## OMK TEK / OMK Steel Spectr

Wide sheet steel for production of large diameter pipes, machine building, shipbuilding, and construction.

- Width: 900–4850 mm.
- Thickness: 8–160 mm.
- Maximum capacity: up to 1.3 million tonnes per year.

Straight-seam and single-seam electric-welded pipes for oil and gas export pipelines with inner and outer anti-friction or anticorrosion coatings.

- Strength class: up to X80.
- Diameter: 508–1420 mm.
- Maximum capacity: up to 2 million tonnes per year.

Hot-rolled flat sheet steel in rolls and sheets for small and medium diameter pipes, also used in machine building, shipbuilding, and construction.

- Width: 30–1750 mm.
- Thickness: 1–12.7 mm.
- Maximum capacity: up to 1.3 million tonnes per year.

Straight-seam and single-seam electric-welded pipes for gas, crude oil, refined product, and water pipelines, heating systems, and development of oil and gas fields.

- Strength class: up to X70.
- Diameter: 89–530 mm.
- Wall thickness: 2.5–12.7 mm.
- Maximum capacity: up to 1.2 million tonnes per year.

Water and gas pipes and general-purpose pipes for water and gas pipelines, heating systems, construction, and agriculture.

- Diameter: 12–108 mm.
- Wall thickness: 0.8–6.0 mm.
- Maximum capacity: up to 405,000 tonnes per year.

Shaped pipes for construction, machine building, furniture manufacturing, and other industries.

- Cross section: from 10x10 to 300x300 mm
- Wall thickness: 0.8–6.0 mm.

Casing pipes for development of oil and gas fields and well construction.

- Diameter: 102–426 mm.
- Wall thickness: 5.2–11.1 mm

Tubing. To connect tubing, OMK uses triangular connections with triangular threadings (NU , NKTN) from our own production.

- Diameter: 60–114 mm.

Seamless casing, tubing, and oil and gas pipes with semi-premium and premium connections (from 2022).

- Diameter: 73–273 mm.
- Maximum projected capacity: 500,000 tonnes per year.

Insulating coatings for pipes: external two- and three-layer, internal smooth and anti-corrosion, PPU thermal insulation and with SKIN effect.

## OMK Railway Wheels

One-piece rolled railway wheels and wheel centres for freight and passenger trains, including Lastochka high-speed trains.

- Diameter: 760–1098 mm. 140 sizes.
- Maximum capacity: 951,000 units per year.

One-piece rolled railway wheels for fast and high-speed trains.

- Maximum capacity: 10,000 units per year.

## OMK Trubodetal

Pipeline nodes, cold and hot bent branches, and stamped and welded pipeline parts: bends, T-bends, reducers, and ends.

Used in the construction of long-distance pipelines, oil and gas field infrastructure pipelines, distribution and pumping stations, oil refineries and gas processing facilities, nuclear power plants, and cogeneration plants.

- Diameter: 57–1420 mm.
- Maximum capacity: up to 30,000 tonnes per year

Thermal cases

(heat-insulating casing pipes), gas topping installations, and other equipment in modular block design.

## OMK Armsteel

Cast wedge gate valves, spring-loaded safety relief valves, rotary check valves, changeover valves, safety relief valve assemblies, wellhead and shutoff valves, etc.

Applications: oil and gas extraction, oil and gas processing, petrochemicals, power generation.

- Diameter: 25–800 mm.
- Maximum capacity: up to 13,900 tonnes per year



## Appendix Products

### OMK Steel Way

Depot, overhaul, and maintenance of railway cars, re-equipment and maintenance of rolling stock. Repair of parts and components for freight cars, cutting freight cars, washing and steaming tank cars, body painting, and other services.

- Repair capacity: 180,000 train wheelsets per year.

### OMK Auto

Multi-leaf and parabolic springs using the latest designs, as well as half-springs for air suspension. Over 4,000 commodity items of spring products for light commercial vehicles, trucks, buses, trailers, and pickups produced by Russian and foreign brands.

The plant regularly expands its product range. It supplies the largest domestic (KamAZ, Ural, NefAZ, UA Z, GAZ, etc.) and foreign manufacturers.

- Capacity: 110,000 tonnes per year
- Over 4,000 commodity items

### OMK Energomash

#### ● Pipes and pipelines

Elements and assembly units of high and low pressure pipelines for thermal and nuclear power plants from traditional steels used in the power industry, and steels with increased operational reliability, ensuring the operation of pipelines at supercritical parameters.

Components of valve bodies and ball valves of a wide range, fittings according to EN 10253-2,

manufactured by hot stamping. Seamless pipes of our own production using the electroslag smelting method and forged-drilled pipes - by drilling and boring solid forgings on a deep drilling machine.

#### ● Bellows expansion joints

Multilayer bellows expansion joints - cardan, axial, shear, universal, angular, balanced, starting. Various types of compensating devices made of high-alloy steel grades with nominal bore from 80 to 1800 mm, medium pressure up to 8 MPa and operating temperature from  $-170^{\circ}\text{C}$  to  $+900^{\circ}\text{C}$ .

Bellows expansion joints of a unique design with full waterproofing of the bellows cavity from the effects of water and soil with polyurethane foam for ground, channel and channelless laying of heating networks.

#### ● Boilers and boiler equipment

A wide range of steam and hot water boilers, waste heat boilers and power technology boilers, as well as spare parts for boilers of all types. Waste heat boilers of horizontal and vertical profile, with natural and forced circulation in the evaporating circuits for the metallurgical, chemical, oil and gas industries of various types. Steam boilers of medium power type E of all modifications with a productivity from 16 to 200 t/h. Hot water boilers with a capacity of 20 to 200 Gcal/hour.

Power engineering boilers of all modifications. Spare parts for boilers of all types.

#### ● Steel structures

A full cycle of manufacturing metal structures from any range of rolled metal, including the development of drawings, including for individual orders, high-quality preparation and cleaning

of rolled metal, welding, assembly, painting, delivery to the site and installation. Workshop spans up to 36 metres and cranes with a lifting capacity of up to 60 tons allow the manufacture of large-sized bridge blocks and control assemblies. Metal structures of building frames, power transmission line supports, antenna mast structures, unique structures made of round and square pipes, non-standard equipment, as well as hot-dip galvanising services.

#### ● Pipelines for nuclear power plants

The OMK plant in Belgorod specialises in the production of high- and low-pressure station and turbine pipelines from pearlitic and austenitic steel grades. We have the widest experience in the country in the production of pipelines for nuclear power plants - more than 45 years.







# Appendix **Abbreviations**

BAT	Best available techniques
BREF	Best Available Technique Reference Documents
CCM	Constant Casting Machine
CSR	Corporate Social Responsibility
ESG	Environmental, Social, and Corporate Governance
FIFR	Fatality Incident Frequency Rate
FTE	Full-time equivalents
GRI	Global Reporting Initiative
HR	Human Resources
LTIFR	Lost Time Injury Frequency Rate
NGO	Non-governmental organization
OMK	United Metallurgical Company
RUIE	Russian Union of Industrialists and Entrepreneurs
SDG	Sustainable Development Goals
SROI	Social return on investment
TCFD	Task Force on Climate-Related Financial Disclosures
UN	The United Nations

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