

76

Stakeholder
dialogue

81

Supply chain
management

86

Human rights

89

Our employees

Social partnership

Pillars of sustainability

112

Occupational
health
and safety

126

Developing local
communities

Stakeholder dialogue

[GRI 2-29]

Our approach to stakeholder engagement

NLMK Group's sustainable development is built on a foundation of trust-based stakeholder engagement over the long term.

NLMK maintains a list of stakeholders and prioritizes them according to mutual influence and convergence of interests. The Company's stakeholder map is based on the needs and interests of stakeholders and NLMK,

as well as expert assessments from the Company's management. The stakeholder map is regularly reviewed and updated as necessary.



NLMK uses various means to engage with stakeholders, thereby enabling the Company to rapidly identify risks and opportunities of collaboration in a timely manner, and assess the Company's impact on them

A strategy and plan of interaction has been developed for each of the stakeholder groups. In 2023, the Company continued to maintain an active dialogue with all stakeholders. The Company focused on its interaction with suppliers and contractors to enhance the supply chain sustainability, and continued its active efforts in developing safety culture among contractors involved in the Company's investment projects.

Stakeholder engagement

Shareholders and the investment and banking community →

Importance for NLMK

Shareholders own the business and influence the course of NLMK development. The Company strives to protect their interests.

The key goals of our engagement with investors, shareholders and banks are to establish and maintain long-term connections and to provide information on the Company's operations.

The unit in charge of engaging with the investment community is the Corporate Finance and Investor Relations Division.

Stakeholder interests

- ✓ Consistent improvement in the Company's performance
- ✓ Growth in NLMK value
- ✓ Investment appeal and stability of the Company

Ways of engagement

- ✓ Holding of the General Meeting of Shareholders
- ✓ Disclosure of non-financial information
- ✓ Preparation of replies to inquiries

Government authorities →

Importance for NLMK

NLMK's operations are dependant on the state regulation of the countries and regions where it operates. Given the intense competition and market volatility, it is essential for the Company to have a stable regulatory environment that provides opportunities for long-term planning and stable business management.

A key goal of our engagement with the government authorities is to identify and manage risks in order to ensure the Company's continuous operation and development. We also strive to assist in the creation of a regulatory environment that would enable the Company to meet its obligations towards society. As represented by its Government Relations Department, the Group thus engages on an ongoing basis with state authorities, as well as social, industry, and expert organizations in each country and region where it operates.

Stakeholder interests

- ✓ Compliance with legislative requirements
- ✓ Meeting tax obligations
- ✓ Monitoring and assessing normative legal risks
- ✓ Developing local communities
- ✓ Enhancing social engagement in the regions where the Company operates
- ✓ Reducing the environmental footprint

Ways of engagement

- ✓ Participation in advisory bodies, expert working groups, and public hearings, etc.
- ✓ Engagement through industry-specific and public associations

Customers and consumers →

Importance for NLMK

The consumers of NLMK products include leading manufacturers from various regions of the world and industries. By openly engaging with customers, we are able to increase their satisfaction, loyalty and trust, and help grow sales of the Group's products.

NLMK strives to create a customer-centred system that allows us to track and predict fluctuations in consumer demand and to satisfy and anticipate our clients' changing needs and expectations. NLMK is continuously monitoring customer experience based on the Customer Journey Map: the Company analyses customer experience at each stage of interaction and develops corrective measures where necessary.

In order to increase customer satisfaction, NLMK established a claim consideration procedure that fully complies with international standards for quality management systems (ISO 9001:2015 and IATF 16949:2016).

Another principle guiding the Company's activities is preventing any potential risk of harm related to the use of the Group's products or packaging. This principle concerns chemical, radiation, fire, and phytosanitary safety. The Company takes into account the requirements of European legislation (RoHS2, ELV, WEEE and REACH) in determining the safety characteristics of its products.

NLMK employs a variety of sales channels, including rapidly growing online sales. Sales managers in all units work with the Company's clients on a daily basis.

Stakeholder interests

- ✓ Performance of contractual obligations
- ✓ High quality products
- ✓ Development of the product line policy
- ✓ Competitive pricing
- ✓ Timely and reliable deliveries

Ways of engagement

- ✓ Developing the sales network
- ✓ Monitoring customer satisfaction
- ✓ Resolution of claims
- ✓ Holding and participating in public events, business meetings, and negotiations

Employees and other workers →

Importance for NLMK

NLMK employees are essential to the Company's stability ensuring that the business can operate and grow successfully.

Creating a highly qualified and motivated team is a key goal of our engagement with staff and an integral factor that supports NLMK's leading position in the industry.

NLMK provides decent working conditions for its employees and continues to develop financial and non-financial incentive systems. The Company runs various employee training programmes, including those organized as part of the NLMK Corporate and Technology universities.

The Company seeks to increase employee engagement by improving feedback channels, conducting team-building activities, and offering social support.

Effective employee dialogue is supported by the internal corporate communications system. This system successfully:

- Helps explain the Group's strategic goals and values to employees
- Facilitates the inclusion of every team member in the process of continuous improvements
- Strengthens the Group's employer brand
- Delivers information in a timely manner and provides efficient feedback
- Ensures convenient access to corporate services
- Develops horizontal links between colleagues

Stakeholder interests

- ✓ Decent salaries and incentive system
- ✓ Opportunities for professional development and career growth
- ✓ Comfortable safe workspaces
- ✓ Compliance with employment laws and other regulations
- ✓ Compliance with the requirements of the International Labour Organization
- ✓ Respect for human rights

Ways of engagement

- ✓ Offering continuing education, training, and staff development programmes
- ✓ Organizing regular safety training sessions, improving workplace conditions
- ✓ Implementing measures to provide social support for employees, their families, and retirees (former employees)
- ✓ Monitoring employee engagement
- ✓ Informing employees about the Company's activities through corporate newspapers, magazines, NLMK TV, and social media

Trade unions →

Importance for NLMK

Trade unions are important partners for NLMK in providing workers with social welfare and employment-related guarantees.

A key focus of NLMK's work with trade unions is the conclusion of collective bargaining agreements.

At industry level, NLMK Group representatives participate in the activities of working groups and commissions of the Association of Russian Steelmakers, a representative organisation, in order to develop the Industry Tariff Agreement and negotiate with the Russian Mining and Metals Trade Union.

At the organizational level, social and labour relations are regulated by collective bargaining agreements, which are concluded with the primary trade unions of companies. These documents guarantee compliance with the requirements of the International Labour Organization, including:

- Support for freedom of association
- The right to liberty and security of person
- The prohibition of slavery and child labour and the prohibition of human trafficking
- The prohibition of discrimination based on sex, social status, or race
- Ensuring safe working conditions
- Ensuring occupational health and safety
- Respect for the right to a minimum wage
- Ensuring a system of benefits and remuneration

NLMK's effective engagement with trade unions helps to strengthen its brand as a socially responsible employer.

Stakeholder interests

- ✓ Compliance with employment legislation and protection of employee interests
- ✓ Compliance with the Industry Tariff Agreement
- ✓ Compliance with the terms of collective bargaining agreements
- ✓ Compliance with the requirements of the International Labour Organization

Ways of engagement

- ✓ Conducting collective bargaining: in 2023, we held collective negotiation campaigns to extend current collective bargaining agreements
- ✓ Conclusion of collective agreements and signing of joint resolutions
- ✓ Working jointly on various commissions and committees
- ✓ Conferences of workers' associations

Local communities and residents of the areas of operation, non-profits →

Importance for NLMK

The long-term stability of NLMK's business is largely dependent on the social and economic stability of the regions where it operates. The Company's contribution to developing local communities has a positive impact on stakeholder loyalty, as well as the Company's overall reputation and is an integral part of the Group's corporate social responsibility.

NLMK Group enterprises are some of the largest employers and taxpayers in the regions where they operate. The Company's social assets (medical clinics, health resorts, and corporate sports facilities) are available to locals and form an important part of social infrastructure of the regions.

Human Resources and Government Relations functional areas are responsible for local community development activities.

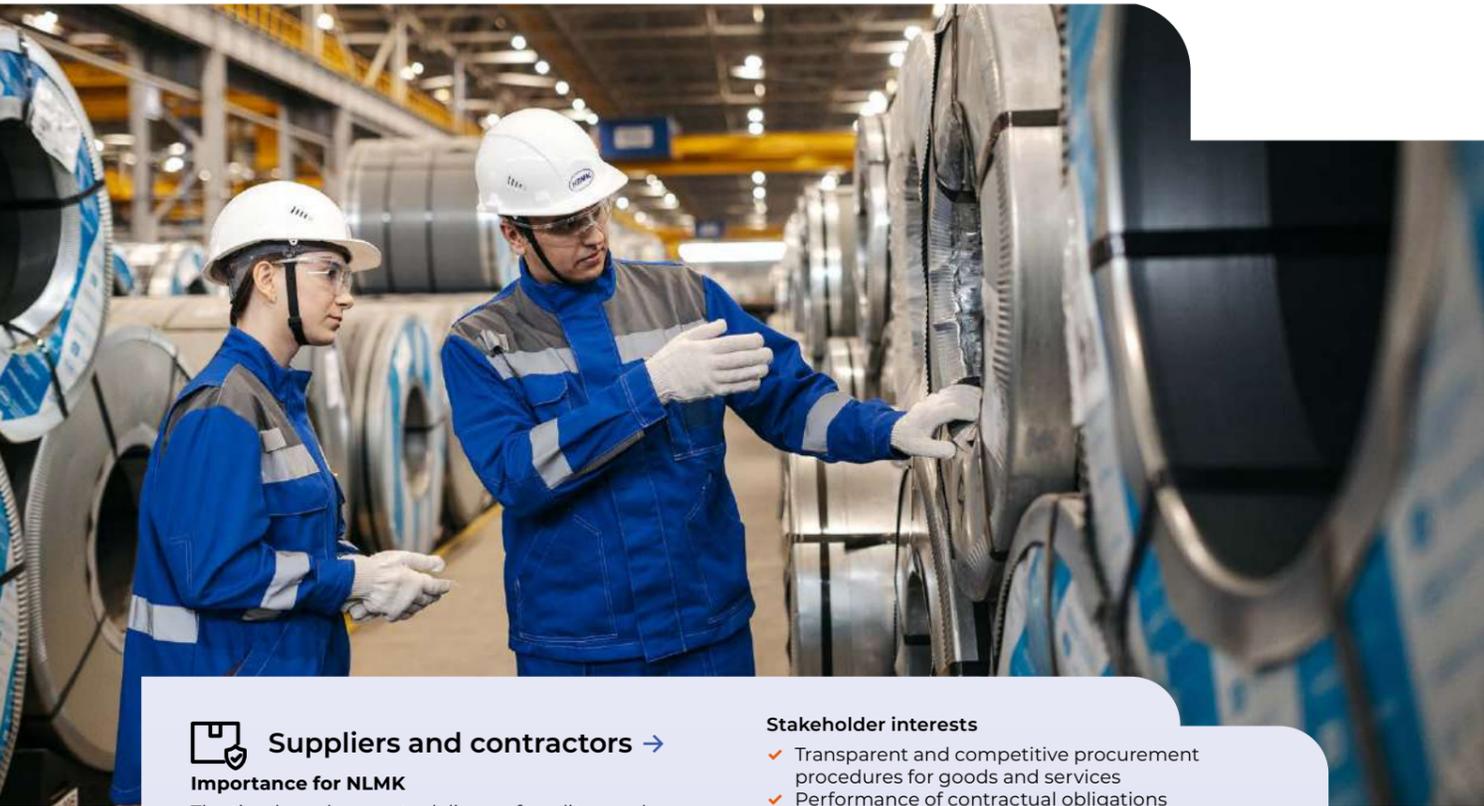
Stakeholder interests

- ✓ Company involvement in addressing the problems of local communities
- ✓ Jobs for local people, including the employment of people with disabilities
- ✓ Safe production practices and reducing environmental footprint
- ✓ A conscientious approach to doing business

Ways of engagement

Dialogue with representatives of local communities to raise awareness about the Company's activities in the regions.

- ✓ Publishing corporate reports
- ✓ Publishing information in the media and on the Company's website
- ✓ Holding thematic conferences and events
- ✓ Processing stakeholder requests



Suppliers and contractors →

Importance for NLMK

The timely and accurate delivery of quality goods and services by suppliers and contractors has a direct impact on the quality of our products and the stability of NLMK production processes.

Strong and mutually beneficial relationships with reliable suppliers and contractors are essential to sustain operations in the Group and to fulfil its obligations. The unit responsible for working with suppliers and contractors is the NLMK Procurement Service.

The Group's priorities are to ensure that goods and services are of high quality, that the right goods are purchased at the right time, and that procurement is as competitive and transparent as possible. In addition, the Group pays particular attention to the compliance of suppliers and contractors with the sustainable development principles.

The Company seeks to develop mutually beneficial long-term relationships with its business partners based on the principles of transparency, ethics, and fairness. The main principles of collaboration are contained in the [Partner Code of Business Conduct](#), which sets out our requirements for suppliers and contractors and underscores our aspiration to support the highest standards in compliance and corporate ethics. Moreover, the Code provides for the following:

- Ensures fairness and equity in procurement
- Supports anti-corruption and manages conflicts of interest
- Ensures respect for human rights
- Complies with requirements of environmental protection, labour protection and industrial safety

Stakeholder interests

- ✓ Transparent and competitive procurement procedures for goods and services
- ✓ Performance of contractual obligations
- ✓ An effective system for processing feedback and complaints
- ✓ A risk management and anti-corruption system
- ✓ Compliance with sustainable development principles

Ways of engagement

- ✓ Pre-qualification of suppliers
- ✓ Developing electronic data interchange (EDI) with suppliers
- ✓ Holding negotiations with potential partners
- ✓ Offering a feedback form and a digital assistant, as well as a hotline for suppliers and contractors
- ✓ Conducting business meetings with suppliers and participating in conferences and industry associations
- ✓ Organizing supplier days (workshops) for various procurement categories with production site visits
- ✓ Organizing online conferences for NLMK Group's suppliers to present procurement strategy and inform them of their role in the strategy
- ✓ Carrying out assessments and audits of suppliers and contractors in order to confirm their reliability, status as suppliers, production capacity, and compliance with sustainable development requirements, such as occupational health and safety, industrial safety, and environmental requirements

Supply chain management¹

Material topics

Supplier environmental assessment

Key events in 2023

- Initiating a project to migrate to a new bidding platform for selection of suppliers of goods, materials and services (Stage 1)
- Launching a marketplace for standard inventories
- Updating the procurement strategies for key categories
- Developing measures to ensure procurement sustainability
- RAEX independent rating of procurement directors awarded NLMK Group with a diploma in the *Best Procurement Director in Crisis Management* category

Global Sustainable Development Goals



United Nations Global Compact principles

Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

Key figures for 2023

RUB 145.2 bn

total value of goods and materials procured by the Group's Russian companies

85 suppliers

of goods and services passed the audit

The Group's efficient supply chain is crucial to its sustainable operation and the fulfilment of NLMK's commitments. The Company regularly purchases a wide range of services and goods from more than 2,300 contractors and suppliers. Procurement behaviour of the Company is result-oriented

and adheres to the principles of transparency, continuous improvement and mutually beneficial cooperation. The Company is aware of its ability to develop sustainability in the supply chain as a major player in the market.

¹ Information on procurement practices is presented for the Group's Russian companies.

Approach to supply chain management

[GRI 3-3] [GRI 2-6] The procurement process in the Company is designed in a way to ensure that high quality goods are procured in a timely and accurate manner and that the procurement process is as transparent and competitive as possible.

The fundamental document regulating the Company's interaction with suppliers and contractors is the [Partner's Code of Business Conduct](#). In order to work with NLMK Group, it is imperative that suppliers and contractors operate ethically and conscientiously. In this regard, all potential counterparties are invited to familiarize themselves with the Code at the qualification stage and to confirm that they agree with its provisions.

In order to ensure reliable and uninterrupted flow of goods and materials to the Groups companies, the procurement team has developed over

50 category-based strategies. Procurement strategies for some of the goods categories take into account potential risks and include plans to prevent any risk from arising. In 2023, the pool of suppliers for key categories was significantly expanded.

The rolling quarterly supplier evaluation system enables monitoring of the counterparty performance indicators in terms of the procurement accuracy and identifies areas for development. All counterparties are rated.

The Group is particularly focused on digitalizing and automating procurement activities. Most key procurement processes have been automated, and the majority of the Group's tender procedures are carried out electronically using the Supplier Management System.

Sustainability in the supply chain

[GRI 2-24] As a large consumer of a number of goods and services, NLMK is able to positively impact social, environmental, and production risks within the supply chain. In accordance with NLMK [Group's Procurement Policy](#), the Group is committed to purchasing goods and services that have as few negative impacts on society and the environment as possible during their lifecycle. The Company prioritizes partners striving to promote reasonable consumption of the resources and ensuring compliance with legal and social standards within the supply chains.

33%

of goods and services were procured from small and medium-sized businesses in 2023

As part of the effort to increase sustainability across the supply chain, NLMK focuses on:

- Cooperating with suppliers and contractors with a strong commitment to sustainable development principles, and with a developed sustainable development strategy
- Small and medium sized businesses support
- Assessing occupational health and safety risks among contractors
- Ensuring that suppliers of goods used in the production of automotive body sheet hold certificates of compliance under ISO 9001:2015, IATF 16949, and ISO 45001
- Assessing contractors that provide waste collection services
- Reducing waste through reusing and recycling of products and materials

See the Recycling programme section for more detail

Selection and qualification of suppliers and contractors **[GRI 2-25]**

The Group carefully selects and screens counterparties, and expects a great deal from its counterparties in terms of OTIF (on-time, in-full) requirements, and quality standards for the goods and materials they supply. All suppliers and contractors that work at hazardous production facilities at NLMK companies have to be qualified.

Occupational health and safety (OHS) qualification

The Company conducts mandatory OHS qualifications for contractors to confirm that such counterparties and their subcontractors are able to comply with the requirements of Russian legislation. Qualification is mandatory for all potential counterparties planning to render any services on the territory of the Group's sites regardless of the cost of such services.

In 2023, out of 1,100 contractors who applied for the OHS qualifications, more than 300 were unable to prove compliance of their OHS system. That prevented such companies from being included onto the panel of potential suppliers

Moreover, the OHS Committee made decisions to suspend qualification of 35 counterparties that failed to confirm authenticity of the submitted OHS documents. In order to recover the qualification status, each such counterparty is to develop and implement a corrective measures plan.

NLMK continuously develops the qualification process considering feedback from the counterparties and category managers. In 2023, the OHS qualification methodology was refined to adopt an updated video instruction, and presentation materials and leaflets explaining the basic requirements that were posted on the website. Workshops were held

for senior managers of NLMK Group and contractors, as well as category managers, to communicate the importance of the process.

Environmental qualification **[GRI 308-1]**

The Company expects its counterparties to strictly comply with the applicable environmental regulations.

100%

of new suppliers were screened in line with the environmental criteria in 2018–2023

A specially developed checklist reflects the statutory environmental protection requirements that are mandatory for all contractors. Moreover, the Company requests a declaration of compliance with corporate environmental and energy efficiency requirements. Of all suppliers, 10% have so far confirmed that they have a certified environmental management system in place that complies with the ISO 14001 international standard.

Human rights **[GRI 407-1][GRI 408-1][GRI 409-1]**

A mandatory clause on compliance with human rights was included in the standard agreements with the Group's counterparties to mitigate the risks of human rights violations. Thus, NLMK's vendors and contractors confirm at the time of contract execution that they respect human rights envisaged by the Russian law and international legal instruments.

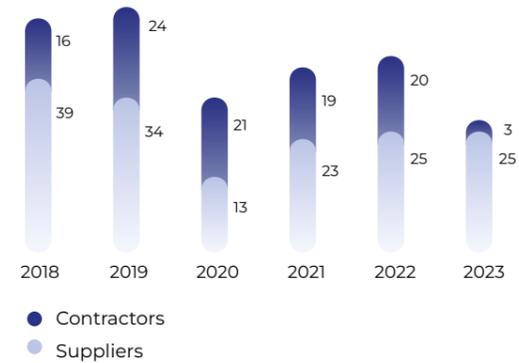
Evaluating and auditing suppliers and contractors

[GRI 308-2]

NLMK evaluates the quality, efficiency and reliability of all its counterparties annually. At the end of 2023, according to the voluntary assessment of suppliers for compliance with environmental criteria, 567 of the 584 companies that filled out the questionnaire met the environmental criteria.

Systematic audits aimed at, among other things, identifying sustainable development risks constitute another important tool for interacting with counterparties. As part of such audits, the Group focuses on the counterparty's compliance with the obligatory standards in the areas of occupational safety and health, the availability and authenticity of the necessary documents, assesses the reduction of impact on the environment, and monitors the work of employees of these organizations.

Number of NLMK Group counterparties with environmental impact evaluated during the audit [GRI 308-2]



to ensure compliance with environmental requirements for 12 suppliers and 2 contractors. The main reasons for non-compliance are related to the lack of documentation confirming compliance with environmental legislation.

82 suppliers

were audited in 2023, 25 of them were assessed in terms of their environmental footprint

On top of that, three contractors underwent a comprehensive audit.

Following the audit, the Company and the counterparties develop corrective action plans. In 2023, corrective actions were initiated

Subject of audit	2018	2019	2020	2021	2022	2023
Suppliers	39	34	13	57	83	82
Contractors	17	24	20	20	20	3

Suppliers with corrective action plans following the audits, % of total audits conducted

[GRI 308-2]

Indicator	2018	2019	2020	2021	2022	2023
Suppliers	80	41	38	48	40	48
Contractors	63	50	43	79	75	67

Conciliation committee

The Conciliation Committee is NLMK Group's collegial body that reviews situations involving inappropriate, unethical, or unreliable counterparties' behaviour. Some of the issues that fall within the remit of the Committee

include violations of the pricing policy, occupational health and safety rules, and environmental protection requirements.

Performance of the Conciliation Committee

Indicator	2019	2020	2021	2022	2023
Number of suspended counterparties	6	7	6	6	1
Number of terminated counterparties	11	13	18	15	3

2023 performance

In 2023, the Company initiated migration to a new bidding platform to select suppliers of goods and materials or services and continued the expansion of the scope for robotization of the standard competitive procedures.

There were no significant changes in the Group's supply chain structure during 2023.

[GRI 2-6] [GRI 204-1]

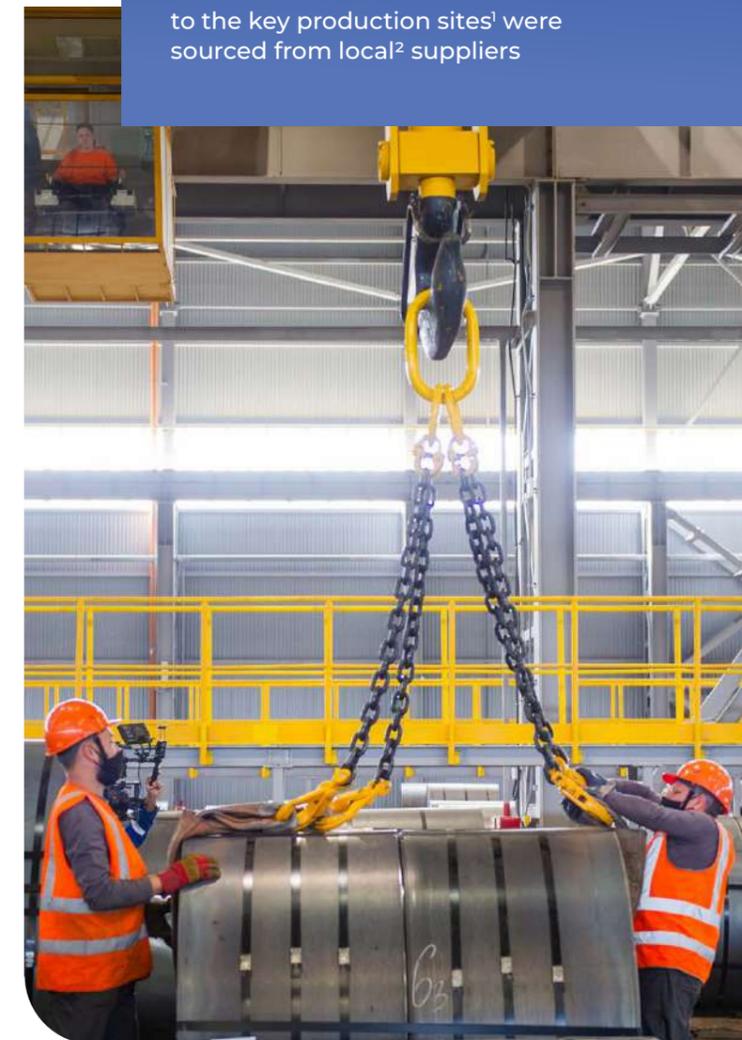
Plans for 2024 and the medium term

The Company intends to continue automating and improving procurement processes. In particular, the Company plans to develop sustainable procurement practices including migration to a new suppliers qualification system, bidding and environmental risks audit platform. Expanding the practice of auditing production sites of new suppliers, developing an assessment of the quality of references received from foreign suppliers, as well as expanding the range of goods and materials for marketplaces form the new avenues of activities.

In terms of the risk mitigation, the Company plans to develop in-house production of the non-standard items.

83%

of the inventories attributed to the key production sites¹ were sourced from local² suppliers



¹ Hereunder, key production sites are Russian sites of the Group.

² Local supplier is a supplier registered in the same region with NLMK's site.

Human rights

Material topics

- Non-discrimination
- Freedom of association and collective bargaining
- Prohibition of child labour
- Prohibition of forced or compulsory labour

United Nations Global Compact principles

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2. Businesses should make sure that they are not complicit in human rights abuses.

Principle 4. Businesses should uphold the elimination of forced and compulsory labour.

Principle 5. Businesses should uphold the effective abolition of child labour.

Global Sustainable Development Goals



Key 2023 figures



violations of human rights were recorded during the reporting year

Managing human rights issues

[GRI 3-3] [GRI 406-1] [GRI 407-1] [GRI 408-1] [GRI 409-1]

Respecting human rights is a key underlying principle in all of NLMK's operations. In its activities, the Company does not tolerate human rights violations related to any form of discrimination. NLMK also devotes special attention to ensuring the right to freedom of association and collective bargaining, as well as to the issues concerning child labour and forced or compulsory labour, human trafficking, and ensuring of equal pay for work of equal value.

Our corporate ethics dictate that we consistently adhere to the generally accepted principles and norms of international law, as well as applicable employment laws in all countries of the world, regardless of the business practices in those countries. In its activities, NLMK is governed by the provisions of the following documents:

- The International Bill of Human Rights
- The main conventions of the International Labour Organization
- The UN Guiding Principles on Business and Human Rights
- The UN Global Compact
- Transforming our World: 2030 Agenda for Sustainable Development (UN)
- The ISO 26000 Guidance on Social Responsibility
- The laws of the Russian Federation and other countries in which NLMK Group companies operate

[GRI 2-23] The following internal corporate documents approved by the Company's top management ensure a harmonized approach to respecting human rights across all sites of the Group: [NLMK Group's Human Rights Policy](#), [Corporate Ethics Code of NLMK Group](#) and collective bargaining agreements. The Company shares its Human Rights Policy with its internal and external stakeholders. The Human Rights Policy is available in all languages of the regions of operation and is posted on the [Company's website](#).

Integrating fundamental human rights principles into NLMK Group activities [GRI 2-24]

Fundamental principles	Areas of activity
Provision of safe working conditions	In organizing production, the Company prioritizes the health and safety of its employees above all. The Company's management team monitors and reduces risks associated with hazardous working conditions increasing safety levels at the sites of every NLMK company year to year. 🔗 See the Occupational Health and Safety section for more detail
Respect for the right to a minimum wage	Ensuring decent working conditions, including competitive salaries, and providing both employees and retirees with a social benefits package are key priorities for NLMK Group. 🔗 See the Our Employees section for more detail
Prohibition of discrimination	NLMK Group does not tolerate discrimination based on gender, religion, and other grounds in its staff management activities, including hiring, and adheres to the same principles when determining wages. 🔗 See the Our Employees section for more detail
Support for freedom of association and collective bargaining	NLMK Group fulfils all of the requirements set forth in collective agreements, and regularly engages with trade unions. The Company ensures that conditions are in place to facilitate the creation of associations by making corporate communication tools available and by supporting employee volunteering initiatives. 🔗 See the Our Employees section for more detail
Prohibition of forced labour and child labour	NLMK Group only signs employment contracts with individuals that meet the minimum age requirements stipulated by the legislation. The Company does not make use of child labour. The Company forbids the use of forced labour, penal and military labour, slavery, and human trafficking. All employment at the Company is exclusively voluntary in nature.
Rights of indigenous peoples [GRI 411-1]	NLMK Group estimates that there are no indigenous populations in the regions where its companies operate.

[GRI 2-13] NLMK's activities aimed at protecting human rights across all regions where it operates are coordinated by the HR Function and cover 100% of the Company's facilities. If necessary, experts from other functional areas of the Company are invited to participate (in particular, the Occupational Health and Safety team) in order to safeguard corporate interests and to manage risks. NLMK's senior management team is involved in making important decisions. NLMK Vice President for HR and Management System is responsible for supervising the execution of the Human Rights Policy.



NLMK Group encourages all stakeholders to report actions that violate human rights. Employees, customers, suppliers, contractors and other stakeholders can use any feedback channel (including in languages other than Russian) listed on the Company website. In 2023, reports related to labor rights accounted for 28%. [GRI 2-26]

Key risks in human rights

Human rights risk management is an integral part of the NLMK Group risk management system.

🔗 See the Operational Control and Risk Management section for more detail.

Rights to safe working conditions	Occupational safety is a top priority for NLMK Group. Striving for a zero injury rate in all its operations, the Company is continuously improving its OHS management system. 🔗 See the Occupational Health and Safety section for more detail
Freedom of association and the right to enter into collective bargaining	The Company fully supports the employees' right of association and collective bargaining and complies with the requirements specified in collective bargaining agreements. 🔗 See the Our Employees section for more detail
Rights of local communities to clean environment	Recognizing the right of future generations to enjoy a healthy environment, the Group objectively assesses environmental risks and is committed to minimizing them. It allocates significant resources to various environmental programmes and the implementation of innovative technologies. 🔗 See the Environmental Protection section for more detail
Decent and equal wages	Ensuring the rights of employees to decent working conditions including competitive salaries and providing both employees and retirees with a social benefits package are key priorities for NLMK Group. 🔗 See the Our Employees or section for more detail
Prohibition of any kind of discrimination	In 2022, the Regulations on the recruitment process for NLMK Group managers and specialists were amended to include provisions on equal opportunities for all candidates and non-discrimination in the recruitment process.

These risks have the most significant impact on employees and contractors of the Group's sites, as well as on the citizens living in the immediate vicinity of the sites.

In 2021, a mandatory clause on compliance with human rights was included in the standard agreements with the Group's contractors to mitigate the risks of human rights violations among the Company's vendors. Thus, NLMK's vendors and counterparties confirm at the time of contract execution that they respect and recognise human rights envisaged by the Russian law and international legal instruments.

Plans for 2024 and the medium term

Given the international nature of NLMK's operations and stakeholders' interest for protecting human rights, the Company intends to enhance its approach to human rights issues.

The Company will continue to actively participate in key events dedicated to human rights protection and will conduct its own activities engaging the subject matter experts in order to involve stakeholders in the human rights agenda and develop joint steps. Another task will be to develop methodological approaches to assessing how well the activities comply with the principles set out in NLMK's Human Rights Policy.

Our employees

Material topics

- Employees
- Training and development
- Diversity and equal opportunities
- Freedom of association and collective bargaining
- Non-discrimination

Global Sustainable Development Goals



United Nations Global Compact principles

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Contribution to Russia's national development objectives and federal initiatives

NLMK Group's corporate culture contributes to the achievement of the following national objectives:

- ensuring sustainable population growth in the Russian Federation. Based on a certificate of pregnancy the Company provides employees with parental leave at their request paid in the amount of the current monthly wage or salary taking into account an increase in compensation before the said leave. In 2023, the amount of payments to parents taking leave before the parental leave amounted to more than RUB 59 million.
- increasing life expectancy to 78 years. The Group is implementing projects aimed at improving working conditions and reducing the level of hazards and harm in the workplace.

Key figures for 2023

RUB
944.4 million
of total investment in staff training and development

3 million
person-hours of training

33%
women in management and administrative staff

25%
women in the total number of employees



Prizes and awards

- NLMK Sport project won the *Best Social Projects of Russia* award
- NLMK Healthcare Territory project became the winner of the *Healthy lifestyle* nomination of the competition *Its About People*
- NLMK Group Corporate University received a 2nd degree diploma of the *Crystal Pyramid Prize*
- The project of the Technology University called *Managing the Professional Qualifications of NLMK Group's Blue Collars* took second place in the "HR Hero" nomination of the international WOW!HR 2023 personnel management conference
- The Technology University programme aimed at developing maintenance and repair (MRO) activities became the winner of the "SMART Pyramid – 2023" award and got a II degree diploma in the *Best Online Learning Programme* nomination both honouring the achievements in personnel training and human capital development
- The NLMK on-line course developer team won the "Start" category of the *iSpring. Challenge 2023 Russian Competition*
- The *College of Steel Opportunities* mentoring project for the students of the Central Federal District took the first place in the *Best Educational and Specialization Practice* nomination of the *Best Mentorship Practices Russian Competition* held within the framework of the Professionalitet Federal Project
- NLMK won the *Support of the Employees having Family Responsibilities, Motherhood and Childhood* nomination of the *Russian Business Leaders: Dynamics, Responsibility, Sustainability Competition*

HR strategy priorities

[GRI 2-24] [GRI 2-26] [GRI 3-3] Our key personnel management goals within the current strategic cycle are to attract and retain the best professionals in their field and engage them in the process of continuous improvement. To do this, NLMK Group needs to remain as progressive and attentive to safety, talent, and innovation as possible.

NLMK's corporate culture is built on the principle of openness and transparency. To this end, NLMK has built up mechanisms that allow employees and their representatives to address top management directly. In addition, NLMK has an internal corporate portal, one of the main sources of information about news and important events of the Group, where employees can get answers to their questions in an interactive format.

Our corporate ethics dictate that we consistently adhere to the generally accepted principles and norms of international law, as well as applicable employment laws in all countries of the world, regardless of the business practices in those countries

The following internal corporate documents approved by the Company's top management ensure a unified approach to HR management across all sites of the Group:

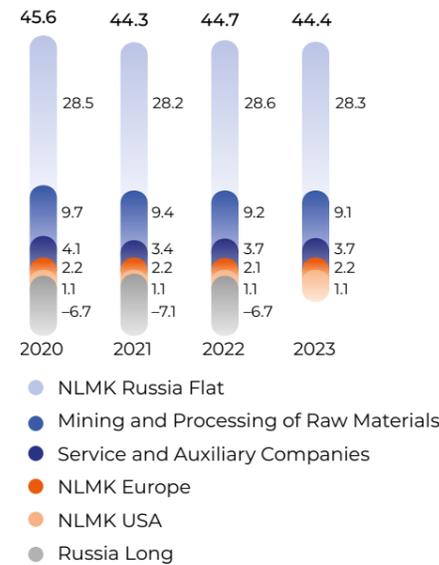
- [NLMK Group Corporate Ethics Code](#)
- [Human Rights Policy](#)
- [Anti-Corruption Policy](#)
- Collective bargaining agreements

All corporate documents are available on the [Company's website](#) in Russian and English. The Human Rights Policy is available in all languages of the regions of presence.

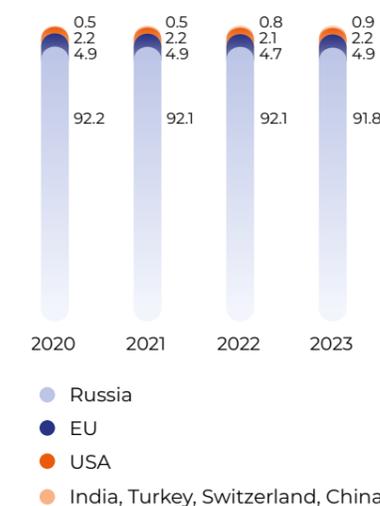
Our employees

[GRI 2-7] The headcount of NLMK Group at the end of 2023 was 44,400 people. Most of the Company's employees in Russia belong to the Mining and Raw Materials Processing and Flat Products divisions due to their significant scale compared to the other segments.

Headcount breakdown by segment, '000 people¹ [GRI 2-7]



NLMK Group's headcount breakdown by regions, %² [GRI 2-7]



The headcount at year-end and average headcount of NLMK Group, excluding the assets of Russia Long, decreased in 2023 by 0.3 thousand people and 0.5 thousand people, respectively compared to 2022 as a result of the production processes automation.

The nature of the steel industry is such that the proportion of men in NLMK Group outweighs the number of women, this has always been the case historically. Thus, in 2023, the share of men in NLMK Group was 75% while the share of women was 25% (among blue collars, 78% and 22% respectively).

However, among the administrative and managerial staff, the proportion of women is higher compared to production staff.

35%

of IT and engineering professionals are women

As for administration and management staff, women staff account for 33% of all employees, including 49% of white-collars, 24% of white-collar managers and 4% of shop-floor managers (the total share of female managers is 17%). Women account for 18% in junior management positions. Among middle managers there are 16% of women, among top management (positions two levels below the CEO) – 18%. **[GRI 405-1] [GRI 406-1]**

In 2023, the Group's gender balance remained unchanged. More than 2,300 men and more than 600 women were promoted (4% and 1% of the total number, respectively).

Approximately 42,900 of NLMK Group employees (97%) work under permanent contracts, and 1,500 employees (3%) under fixed-term (temporary) contracts.

When working under a temporary agreement, an employee is entitled to all the benefits provided to employees under the collective bargaining agreement [GRI 401-2]

¹ Headcount of past periods was adjusted in line with the divestment of NLMK Long and is matched with the current divisional structure.

² Headcount of past periods was normalized by NLMK Russia Long



The average work experience of men and women at NLMK companies is at a comparable level (12 and 13 years respectively).

NLMK employees represent various age groups, which attests to the lack of age discrimination in NLMK Group's HR policy. In 2023, 23% of the headcount were aged over 50, 61% were aged between 30 and 50, and 16% were under 30. 74% of production and non-production managers are in the age group from 30 to 50 years old, 21% are over 50 years old.

NLMK Group is committed to supporting gender diversity within its governance bodies in a way that takes into account the specific nature of the Company's activities.

Staff recruitment [GRI 401-1] [GRI 405-1] [GRI 406-1]

The Company understands the importance of attracting and retaining experienced and highly qualified staff in its efforts to achieve strong performance.

In 2023, NLMK Group launched a new updated [career website](#) for both external and internal candidates. They can send a response in various ways, track the status in their personal account, and prepare for an interview. The solution made recruitment more transparent and predictable. The website was nominated for several Digital Awards.

2023 marked a new stage in adoption of artificial intelligence (AI) in the recruitment processes. Several successful pilots were performed resulting in introduction of AI elements into the system for headhunting and interacting with candidates.

Recruitment of external and internal candidates follows uniform criteria and standards established by the Group seeking to ensure equal rights and opportunities regardless of gender, age, nationality and race, religious beliefs, physical features, and any other characteristics of the candidates not related to professional qualifications.

In line with the equal opportunities for all principle, the Company implements targeted employment projects for people with disabilities. In total, the Company employs 453 people with disabilities (1% of the total number of employees). Due to the specific nature of roles in the steel industry, which involve working in hazardous conditions, recruitment specialists of the Company pay particular care and attention to the employment of people with disabilities. Besides, the Russian legislation¹ places restrictions on the use of female labour in hazardous conditions and in situations involving the movement of heavy weights.

High standing of the Group in HH.ru, Forbes, and Habr.ru employer ratings in 2023 attests to the Company being a preferred employer.

For the first time, NLMK entered the TOP 20 attractive employer companies among young people in the Future Today rating

In 2023, NLMK hired 4,900 people (11% of the headcount), 25% of them are women (3% of the headcount). The share of hired people with disabilities in 2023 was 0.6% (28 people) of the total number of employees hired. 90% of new employees joined the Russian sites of the Group.

¹ Order of the Ministry of Labor and Social Protection of the Russian Federation of 13 May 2021 No. 313n "On amendments to the order of the Ministry of Labor and Social Protection of the Russian Federation of 18 July 2019 No. 512n "On approval of the list of productions, works and positions with hazardous and/or dangerous working conditions that limit the use of women's labour".

NLMK Group new hires by region, *people*



Russia	4,405
EU	214
USA	149
India, Turkey, Switzerland	143

NLMK Group new hires by age, *people* [GRI 405-1]



Under 30 years	2,374
30-50 years	2,150
Over 50	387

Personnel onboarding [GRI 404-2]

In 2023, the Company worked on developing an onboarding process for newly hired employees. In the course of implementing the product approach, HR function selected a target platform to enable Digital Onboarding. The Company conducted customer research and market analysis to select the most suitable solution.

Moreover, an onboarding chatbot was developed and launched during this reporting year to assist new employees at the stage of initial acquaintance with

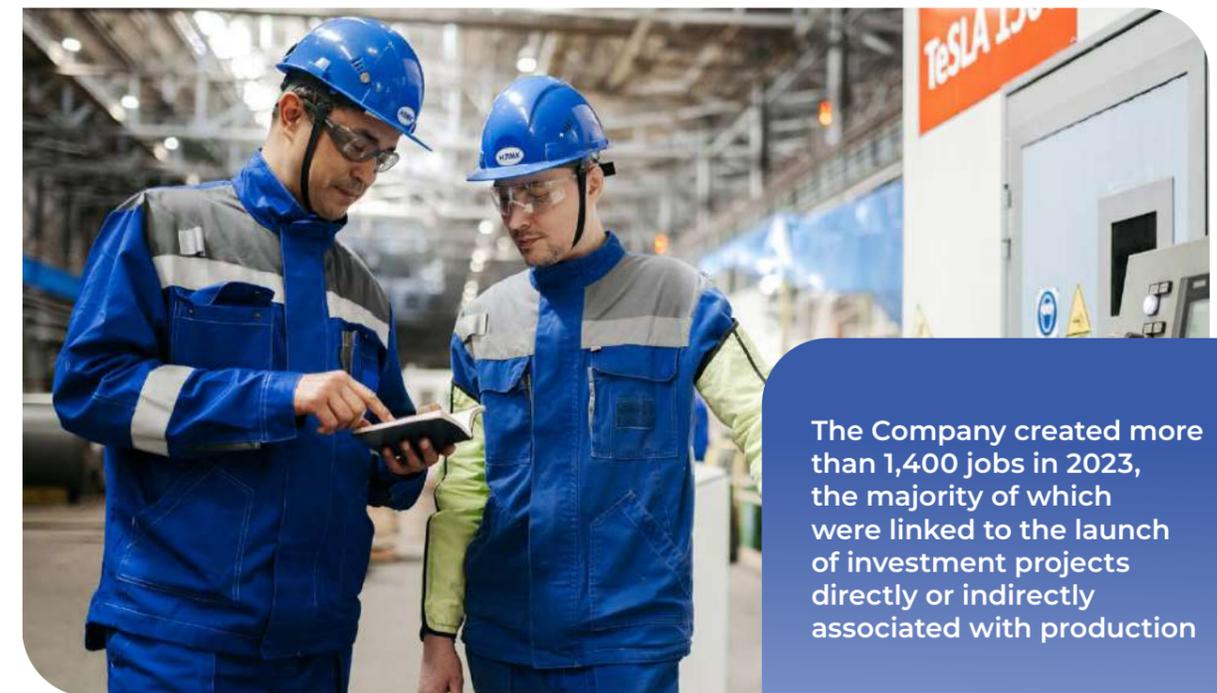
the Company and during the onboarding process. The onboarding materials such as handbooks, checklists, guides, and dedicated section on the portal have been updated.

Teams of NLMK Corporate and Technology Universities assisted in launching a project to develop an updated New Employee Course to immerse the new employee into the Company's life and history.

The Company gives special consideration to adaptation of employees before parental leave and their onboarding following their return back to work.



~100%
of the employees work full time



The Company created more than 1,400 jobs in 2023, the majority of which were linked to the launch of investment projects directly or indirectly associated with production

Assessment and remuneration

[GRI 404-3] [GRI 405-2]

Ensuring the rights of employees to decent work, including competitive salaries and providing both employees and retirees with a social benefits package are key priorities for NLMK Group. The Company annually collects and analyses data on industry peers and in the regions where the Group operates, as well as the purchasing power of remuneration by personnel categories and individual professions to assess competitiveness of the remuneration. The Company is committed to annually increasing the level of employee remuneration.

NLMK Group relies on salary surveys provided by external independent consultants to assess the remuneration offered to the Company's employees, including top management.

Financial remuneration for employees consists of a base salary and a bonus. The NLMK remuneration system has been developed in accordance with the best Russian and international practices. An annual assessment of the achievement of target KPIs (Management by Objectives, MBO) by employees is carried out in conjunction with an assessment by competencies, which reflects the Company's approach to management as a whole.

When preparing local regulations on remuneration, the opinion of trade union organizations is taken into account

Fixed remuneration management in the Group is based on employee performance evaluation. The current approach to MBI¹ introduced in 2019 enables the Company to encourage the best of the best further, while maintaining a competitive level of salary indexation for all employees. This way a more dynamic increase in the salaries of high-performing employees will help strengthen the principles of external competitiveness and the internal fairness

of remuneration across the Group's companies, while unlocking the potential and stimulating the professional activity of each employee. In 2023, this system covered 92% of NLMK Group employees, including all managers and specialists.

In several divisions, the process of forming individual development plans for employees was launched, with the help of which the employee will be able to strengthen those competencies that turned out to be underdeveloped.

RUB 100,000

average salary² at NLMK Group's Russian companies

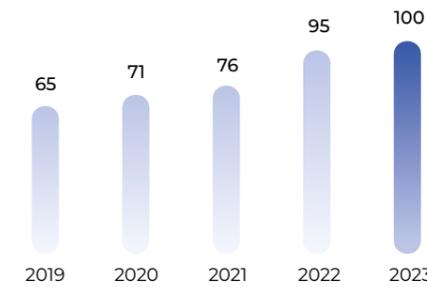
83%

of the blue collars are covered with the new grade-based salary system

The Company adopted a new salary system for blue collars based on grades. It enabled an increase in the fixed share of income, harmonised the accrual of monthly bonuses and strengthened transparency of the payment system

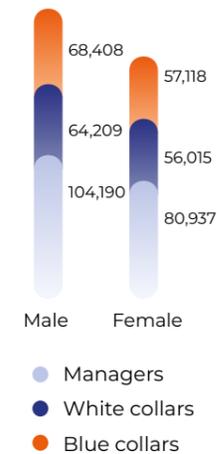
Labour costs of the Russian assets exceeded RUB 52 bn. At our international companies, remuneration is determined based on collective bargaining agreements and local labour legislation, and is also indexed annually.

Average monthly salary at NLMK Group's Russian companies, RUB '000/employee¹



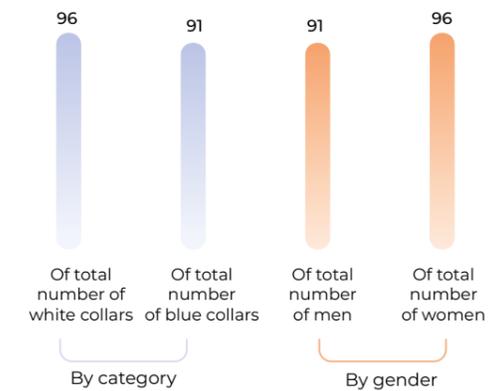
The Company does not tolerate any form of discrimination on grounds of gender or other factors when implementing or further developing its remuneration system. The Company adheres to the equal pay for equal work principle and complies with legislative labour requirements. [GRI 2-27][GRI 406-1]

Average monthly salary of entry-level employees by gender and category at NLMK Group companies in 2023, RUB² [GRI 405-2]



In 2023, the performance of 40,900 NLMK Group employees was assessed, which is 92% of the total headcount.

Proportion of NLMK Group employees who received a regular performance and career development review, by category and gender as of 31.12.2023, % [GRI 404-3]



The Company also continues to develop an end-to-end management system that aims to achieve the Group's objectives – MBO. In 2023, the MBO system covered all required managers and experts of the Company. Blue-collar job employees not covered by the MBO system get monthly bonuses based on the performance indicators of their unit or position.

On top of that, the Company develops incentive systems aimed at the interests of certain personnel groups: incentives associated with project activities, initiatives, mentorship, bonuses paid from the manager's funds, etc. All of them are linked with the main remuneration systems, complement each other and expand the opportunities for salary growth for an employee. In 2023, the Company identified employees with below-market remuneration levels in order to quickly boost their income levels.

NLMK Group updated its Personnel Relocation Policy to make sure that the relocation package limits match the market levels. The Company is interested in allowing employees to move freely to new jobs in any regions where we operate, thereby enhancing opportunities for career and professional growth.

¹ MBI (Management by Behavioural Indicators) – assessment of the manifestation of corporate competencies for compliance with role models.

² The average monthly salary is calculated based on the NLMK Group methodology, which is based on the guidance of Article 139 of the Russian Labour Code, Decree of the Russian Government No. 922 of 24 December 2007, Methodological Provisions on Statistics (Revs. 1,2,3,4,5) of the Federal State Statistics Service, and includes remuneration for time worked, vacation pay, compensation payments and bonuses. The average monthly salary is calculated as the payroll for the period divided by the average number of employees for the period divided by the number of months in the period, does not include NLMK Long companies.

¹ Indicators adjusted to take into account the divestment of NLMK Long.

² White collars

Training and development

[GRI 403-5] [GRI 404-1] [GRI 404-2]

Professionalism and qualifications are important factors in ensuring NLMK's sustainable development. An effective system of training and professional competencies development is based on job profiling, regular knowledge tests and the use of modern training formats (micro courses, distance learning). Determining the need for competencies together with the business ensures systemic articulation of training needs.

NLMK invests significant resources into training and development of its employees. The share of employees trained in the reporting year was 89%.

Thus, total costs for 1 FTE amounted to RUB 20,100. In 2023, the NLMK employees received a total of 3,015,171 person-hours of training (including OHS training), with 187,506 of them delivered via the Corporate University. Divided by NLMK Group's average headcount, this means 63.6 hours of training per FTE based on the average headcount. Altogether, in the reporting year, 306,784 person-hours of training were invested into students of the partner educational institutions on the Company's professional competencies. The trainings were provided by the employees of NLMK. These trainings not only educate potential employees of NLMK Group but also help mentors to develop themselves.

The overall time of OHS training in the reporting year was 827,680 hours (543,227 person-hours of external training, 263,744 person-hours of in-house training, and 20,710 person-hours at the Corporate University).

The training process is aimed at developing industry employees and implementing priority tasks in a rapidly changing business environment. It consists of several stages, which include not only educational programmes for the Company's employees, but also work with potential job candidates – schoolchildren and students of colleges and universities.

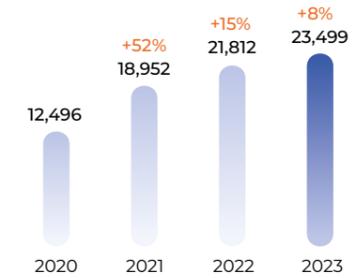
Technology University

NLMK established a dedicated unit to support development of professional competencies. It is focused on professional training of blue-collar employees, development of technical and professional expertise of managers and production unit experts, and training of young specialists.

Technology University focuses on the following:

- Career guidance for schoolchildren
- Cooperating with universities
- Blue collar training and development
- Professional evaluation
- Mentoring system
- Training and development of non-production experts (WC)

Target audience coverage, people



As part of cooperation with schools and continuing education centres, the Company implements a wide range of outreach and educational activities through corporate career guidance projects, including steelmaking shifts, the *School of Professional Skills*, *Start Your Profession*, *NLMK Class*, *Corporation Children*, *Combinatorium: Build your Career!* board game, *Steelmaking Quest*, and *Schoolchildren Portfolio*.

Career guidance for schoolchildren

The key task of vocational guidance is to attract young people to the basic secondary vocational institutions to master the professions relevant for NLMK. Over the past three years, the Group has significantly expanded its target audience, thus creating a wide entry funnel into our partner educational institutions of secondary vocational education.

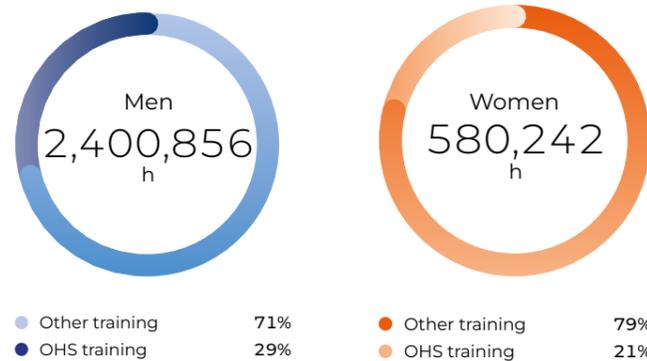
In 2023, total investments into training and development of employees stood at

RUB 944.4 m (\$11.2 m),

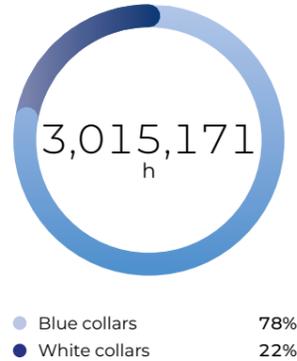
including RUB 245.5 m in training events, RUB 340.9 m – in the Corporate University educational processes² and e-courses development, and RUB 5.7 m – remuneration of coaches.

Total number of training hours [GRI 404-1]

By gender



By category



¹ At the average exchange rate of the Bank of Russia.
² Taking into account the costs of holding events on Campus and their IT support.



Metallurgy for the Curious

In 2023, the Company launched a new career guidance project aimed at schoolchildren planning to enrol in a college. Project participants gained knowledge about the basics of steelmaking, completed practical tasks in the NLMK's Materials Science laboratory and in the Strategy Centre, which was established to support talented children. Further to the project, the most active participants were awarded with NLMK's bonus scholarship certificate that can be used to enter one of NLMK's partner educational institutions – Lipetsk Metallurgical College or Lipetsk Polytechnic College.

Corporation Children

In 2023, almost 300 people including parentless children and 13 to 6-year-old children of NLMK employees took part in the fourth wave of NLMK's unique Corporation Children project supported by the Miloserdiye Charitable Fund.

In 2024, it is planned to expand the project's perimeter by inviting not only the children of employees of NLMK Lipetsk, Stoilensky and NLMK Engineering, but also the ones from Altai-Koks and the Company's medical assets.

In 2023, Stoilensky organized Stoilensky's NEXT summer career guidance shifts and Stoilensky Holidays for 200 people. The schoolchildren took a deep dive into the vocational professions of Stoilensky, went to a site tour, conducted their own research, and took part in a quest devoted to the professions available at the site. An IT Summer School was organized on the basis of the Sary Oskol Industrial and Technology College as part of the project for "Creating a continuous system for developing the skills of the future for the digital economy of students of general education organizations in the Belgorod region".

Interaction with educational institutions

Personnel training in specialized educational institutions

NLMK is a strategic partner of 17 educational institutions of secondary vocational and higher education in the regions where it operates, including five basic colleges and technical schools.

The Company implemented the College of Steel Opportunities programme within the frames of cooperation with partner secondary vocational education institutions, which includes joint efforts on the relevance of training programmes and practical training organization.



1,300

students did internships at the sites of NLMK Group in 2023

During the year, a pilot was held to test a new format of the students' agreement with future employees

The number of targeted training agreements increased six fold opening the opportunity to employ 349 students who completed full training for a profession according to NLMK rules and standards even before graduating from college or technical school.

NLMK's Resolve Case Championship

In this championship, student teams compete in solving a current business challenge faced by NLMK getting acquainted with the problems the companies face, business processes and experiencing team work.

In 2023, the Company held two seasons of the case championship to receive over 1,700 applications from the students of more than 90 educational organizations. More than 100 employees of the Company acted as team consultants and about 50 as experts.

Prize-holders and winners of the Resolve Case Championship received souvenirs and cash certificates for one of the marketplaces. Winners of the major league were awarded with extra points for their master programme applications at the Higher School of Business of the National Research University Higher School of Economics (Production Systems and Operational Efficiency). The training was given by a team of NLMK top managers, and the Academic Council is chaired by NLMK Vice President for Operational Efficiency. Since 2022, NLMK has been implementing an in-depth internship for those mastering the above programme giving the students an opportunity to join project teams of the Operational Efficiency function. Based on the results of the internships, three graduates of the Production Systems and Operational Efficiency master programme were employed by the Company.

The Company holds student events with its partner educational institutions:

- **The Fusion Metallurgical Tournament** brought together college students from Lipetsk and Gryazi on the campus of the Corporate University to get acquainted with the world of mechanical engineering. In 2024, the Company plans to arrange contests on Logistics, Energy and Metallurgy.
- **The Opportunities Discovery quest** at the Corporate University for the students of NLMK-specific professions allowed the participants to get acquainted with the Company's industrial processes and products.

NLMK's Academy of Steel Opportunities

NLMK's Academy of Steel Opportunities consists of three stages that take 14 months in total. It includes training provided by the Company and an internship under the guidance of a mentor in the chosen function. The programme brings together university students of various professions, and allows them to learn business processes and technologies of the steelmaking industry, and to acquire in-demand skills and competencies to enhance their future careers growth. Participants of the programme receive income that grows stage wise, those subject to relocation get their travel and accommodation expenses compensated.

In 2023, the second wave of the programme was completed with 2,000 applications received and 45 trainees selected. After the internship, 21 interns out of 25 graduates of the Academy received a job offer from NLMK Group companies in Lipetsk, Moscow and Yekaterinburg. In December 2023, the Company launched the application and selection period for the third wave of the Academy of Steel Opportunities.

NLMK Group regularly takes part in career events at the partner universities: Moscow Institute of Steel and Alloys, the Higher School of Economics, Lipetsk State Technical University. In 2023, the NLMK ambassador programme was launched at the base university of Lipetsk State Technical University, which will continue its development in 2024.

Training and development

[GRI 404-2]

Employee professional training is essential due to the specific nature of the Company's production activities. It includes:

- Training prior to admission to production and equipment operation
- Specialised vocational training
- Professional development programmes

Training takes place at NLMK's own sites or in collaboration with certified third-party training institutions. For example, NLMK Lipetsk has an educational centre that holds state-licensed trainings in over 300 occupations.

In 2023, NLMK Group companies continued developing their internal training centers. The educational and training equipment stack adopted five new multifunctional software simulators and hardware benches created for initial professional training, conducting qualification assessments and practise to fill competence gaps.

153 people

in the internal expert and internal trainer pool of the Technology University (+77 in 2023)

The Company continues development of learning solutions with professional competencies – Production and Functional Academies. By the end of 2023, Production and Functional Academies increased their portfolio of learning solutions by 71% to 82.

Learning solutions have also become available to foreign colleagues. Thus in 2023, foreign sites of the Group adopted the Sales Academy with a programme aimed at developing negotiation competencies.

Training covers not only the Company's employees, but also employees of the key partners and contractors to improve quality of their training to meet high standards of NLMK.

In 2023, the #nachistoTU (Straight Talk) podcast discussed the status of research work in the academic and business environment, new trends in metallurgy and challenges faced by NLMK within the frames of the awareness-raising efforts. Heads of NLMK's R&D function and colleagues from Moscow Institute of Steel and Alloys contributed to the podcasts.

Professional Qualification Assessment

All key sites of NLMK Group in Russia have Independent Qualification Assessment Centres to conduct professional examinations consisting of theoretical and practical parts. Practical examination takes place in live production environment. Based on the results of the examination the employee receives an industry certificate of qualification valid in the country and confirming compliance of his professional competencies with the requirements of the professional standard.



Since 2023, NLMK Group, together with the Ministry of Education and the Federal Institute for the Development of Vocational Education, has been participating in a pilot project to combine the state final certification of graduates of technical schools and colleges and an independent assessment of qualifications according to industry requirements in four specialties. Passing such an exam at a Qualification Assessment Centre will allow NLMK Group companies to objectively assess the level of professional competencies of graduates, and the graduates themselves will receive two documents at once: a diploma and a certificate of qualification, as well as a potential job offer.

Cycle-based mentoring system management ensures annual planning of the number of mentors involved into the training, monitoring mentorship quality, and analysing motivation and reward programmes used. To assess the effectiveness of individual training with a mentor, the Company introduced a 180-degree assessment system, where all participants of a specific training event evaluate the results of the joint efforts.

In 2023, not only the active community participants and winners of professional competitions, but also lecturers of specialized disciplines from partner educational institutions took part in the annual gathering of NLMK Group mentors for the first time.

Assessment and development of competencies

NLMK Group continues to assess corporate competencies using various independent tools. The purpose of the assessment is to provide the manager and employee with objective information about the employee's strengths and growth areas to boost the effectiveness of the individual development planning. In 2023, over 3,200 managers and experts completed the assessment through the online tools that contain built-in recommendations for development.

360-degree assessments are still used to obtain comprehensive feedback. In 2023, such assessment was conducted for more than 350 people. Outcomes of the assessments were considered in the individual development planning.

The Company continued assessments of the end-to-end professional competencies in terms of both theoretical knowledge of practices and tools for operational efficiency and anti-corruption. In 2023, more than 2,000 employees (white collars) of the Company were assessed in each of these areas.

Furthermore, a new assessment methodology was developed for the end-to-end Occupational Health and Industrial Safety professional competency, which was completed by about 600 line production managers.

Talent pool

NLMK Group creates opportunities for employee development and ensures continuity in its managerial staff. To this end, the Company has run a talent pool programme for several years now. Talent pool members make use of comprehensive programmes for the development of management skills. When filling in a managerial position, talent pool members are considered first.

>2,300

employees of the Group confirmed their qualifications at the industry level

More than 200 technical experts including over 130 employees of NLMK Group carry out independent assessment of qualifications. In 2023, NLMK experts took part in the development of 7 professional standards. NLMK Group led the preparation and updating of assessment toolkits for 14 qualifications.

In the reporting year, Expert Councils on qualifications were regularly held with the participation of department heads, production efficiency improvement departments and technical experts. The Expert Councils review the qualification assessment results, develop measures aimed at improving skills and abilities, and evaluate efficiency of such measures.

Mentoring

Mentoring system is one of the key focal points of the employee qualification management system. The Company has about 9,000 mentors. Each candidate willing to become a mentor goes through a selection process based on the criteria of professional experience, corporate competencies level and qualification assessment results. Moreover, the candidates undergo a dedicated training programme depending on the role they are going to perform.



NLMK Technology University held an extended session involving representatives of specialized educational institutions and human resources services of industrial companies. Such an event was held for the first time and was initiated by NLMK Group. The participants pooled their efforts to have a comprehensive discussion of the experts training avenue starting from working with young people and down to existing employees' development. NLMK Technology University established a dialogue between representatives of industrial companies and educational institutions and set the trend for making joint efforts in professional personnel training.

In 2023, based on all Career Committee deliberations, the talent pool amounted to over 3,000 employees. From 2018 to 2023, 73% of managerial openings were filled with the talent pool members

Career planning

NLMK Group has been developing the Career Planning process. Its goal is to incentivize staff to develop their competencies and to ensure availability of highly skilled internal candidates for new positions.

In 2023, the Company finalized the typical career paths in most functional areas. The maps also provide cross-functional transfers to develop specialists and managers with a broader business background.

Acknowledgement and recognition

NLMK Sferum

NLMK Group adopted NLMK Sferum recognition programme three years ago. The Company awards corporate currency called ferums as an incentive to the most active employees. One can spend them on the corporate online store of NLMK Sferum.

The goal of NLMK Sferum is to unlock employees' potential, motivate them to go for various achievements, promote professional and personal development.

 **>20,000** +43% by 2022

unique participants received incentives as part of recognition programmes

NLMK Leader 2023 Corporate Award

NLMK Leader is the only corporate award that invites the employees to vote and select the winners. It is awarded to identify and promote role models that correspond to the key meanings of the Company. This year, the list of NLMK leaders included 115 executives.

Stars of the Production System

Stars of the Production System is an event where recognition is given to the most active and effective

employees of NLMK Group, who generate ideas and inspire colleagues to develop initiatives. Silver Stars are awarded for hundreds of ideas submitted, complex cross-functional breakthrough projects, and a commitment to continually improve production and business processes.

CEO Safety Leader Award

In 2023, the Company held the fourth Safety Leader Award. Objectives of the award: recognition of the personal contribution of employees of NLMK Group companies and contractors to the development of labour safety culture, leadership and commitment to occupational safety and health issues. The award also demonstrates the priority of safety issues over indicators of an economic, technical or other nature and stimulates the interest of employees in developing personal occupational safety and health competencies.

Corporate programmes and professional skill competitions

In 2023, more than 4,500 people took part in the corporate professional skills competitions.

Best in Profession

The Best in Profession competitions are held to identify the best employees in a particular profession, create incentives to improve the expertise, promote occupational advancement of the young employees, master practical skills and strengthen the professional excellence traditions.

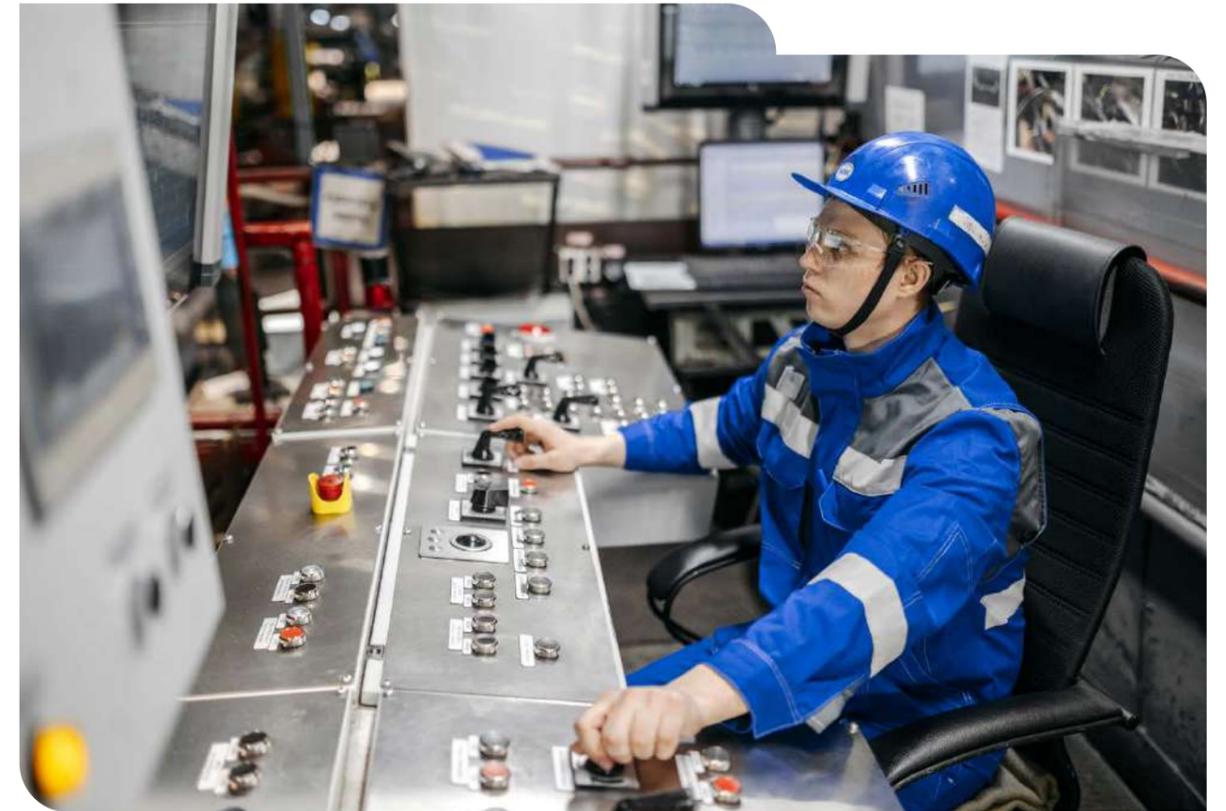
A total of 96 competitions were held; 2,336 people participated and 348 became winners.

Young Leader

A Company-wide competition for high-potential employees, it is aimed at their individual development and growth of the Company's human capital.

In 2023, the competition was held time in a group-wide format for the first to strengthen leadership competencies in accordance with the target corporate vision, as well as to exchange experience and best practices between production sites.

Participants went through seven qualifying stages and three-module training, and also worked on their own projects for several months. The project ideas by young leaders were related to the processes of onboarding, training and development of employees.



Young Professional

The programme is aimed at finding and developing young workers under 30 years old with no more than three years of work experience, as well as at accelerating social and professional development of young workers. Since 2023, employees with higher and secondary vocational education have been able to participate in the competition. The coverage of potential participants has almost doubled.

Mentor of the year

The competition is held with the aim of motivating mentors, increasing their production, creative and social activity, as well as developing mentoring traditions and corporate culture. Over 1,000 people participated in the competitions in 2023.

Supervisor of the Year

The competition motivates professionals to effectively develop management competencies, boost productivity and improve quality of work. It also serves to identify and support effective line managers. In 2023, the Supervisor of the Year competition was held at all NLMK Group sites, 192 people took part in it, and 14 supervisors became winners.

Engineer of the Year

The competition is aimed at inviting employees with scientific and technical potential to look for innovative or advanced solutions boosting efficiency of the production facilities. In the reporting year, 131 employees took part in the competition, and 40 people became winners.

NLMK Corporate University

NLMK Corporate University (CU) was established in 2016 in order to centralize and implement a unified system of management education in NLMK Group.

Objectives:

- Develop the leadership capabilities of NLMK managers
- Improve the management system through training and development
- Identify and replicate NLMK's best practices

The target audience of NLMK Corporate University includes over 5,500 Company leaders, including the talent pool.

In 2023, the training target was outstripped at 101%, and the number of individual trainings for 2023 amounted to almost 16,000.

In 2023, the Corporate University provided learning solutions in English for the audience of 300 people at NLMK Group's international sites.

On top of that, the University provided training for the companies that belong to the ecosystem in three key areas:

- development/handing over of learning solutions on request
- adaptation and implementation of learning solutions
- participation of colleagues from the ecosystem in learning solutions of the Corporate University



14.6 hours

average training time per employee in the target audience of the Corporate University

The Leaders Train Leaders approach

Senior and middle managers and key experts of the Group assist in the development of the Corporate University programmes, and they deliver training as in-house trainers for at least four days every year. The Company's leaders provide training to the target audience (top, middle and line management and talent pool) delivering learning solutions of the Corporate University. *The Leaders Train Leaders* approach is the foundation of training in the Corporate University enabling:

- An engaging and educational environment and unity of meanings via sharing personal experiences
- An exchange of views, which ensures an effective two-way feedback channel during training
- Developing leaders through internal coaching.

All internal trainers complete a special certification programme and receive further advice from the Corporate University in order to ensure that all learning solutions are taught to the highest professional standards. In 2023, the number of internal trainers exceeded 440 people.

Developing products and services

The Corporate University learning solutions represent a synthesis of knowledge, best practices of NLMK Group's experts, and instructional design.

The Corporate University portfolio contains 190 electronic courses and learning solutions, which are distributed across five schools of the Corporate University.

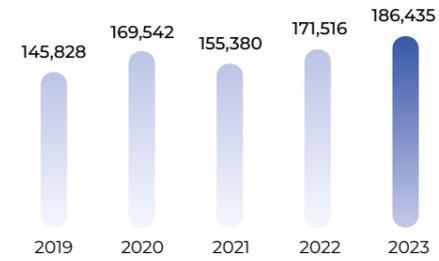
The learning solutions portfolio expanded by 32% year on year with 19 new learning solutions. Another 43 new e-courses were added focusing on soft skills development.

Since 2022, the Corporate University has been offering a number of services to support leaders' development. In 2023, two new development services were launched: mentoring and gaming practice. In the reporting year, more than 160 leaders of NLMK Group, as well as more than 120 leaders of the ecosystem member companies, used such services.

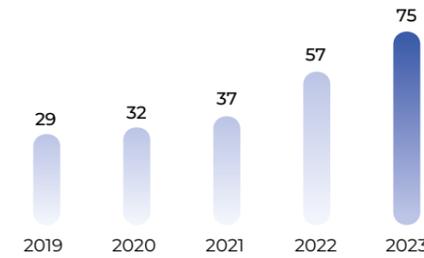
In 2023, the Corporate University began supporting professional development of employees in a number of functional areas starting from identifying training needs to the implementation and results evaluation. Customer service was improved based on the feedback received from business customers and training participants.

The Corporate University also focused on special projects for a wide range of the Company's employees dedicated to resourcefulness, stress management, development, leadership and teamwork (*Choose to Grow*, a special

Development activities, hours



Learning solutions



project), as well as raising awareness of doing business in countries such as, for example, China as part of a pilot project *Delicate East*.

Level-specific programmes

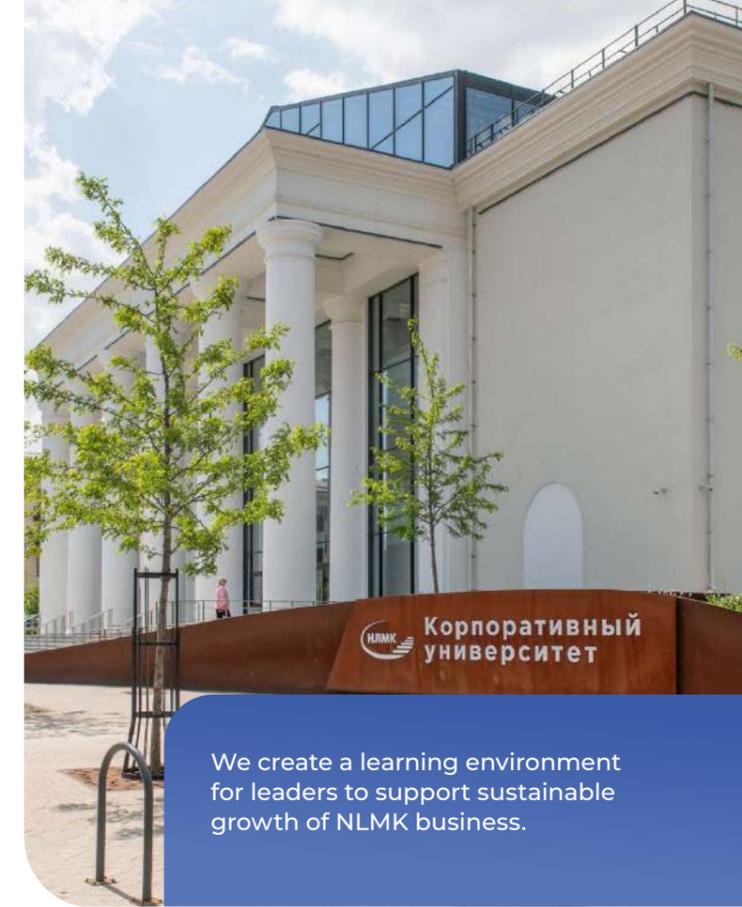
Leadership development programmes is an individual stream in the Corporate University's portfolio of learning solutions launched in 2020. In 2023, the Corporate University has implemented two level-specific programmes: *Dream100* and *Level Up* taken by more than 130 leaders of the Company and the ecosystem.

NLMK Group Corporate University campus

In 2023, three educational exhibitions were held at the Corporate University campus:

- *Science as Art* (2022–2023), created jointly with the R&D team and dedicated to the development of innovations in the Group
- *Stoilensky. Steel Starts Here*, telling about the history of the site, the region of presence and the process chain
- *Teaming Up* exhibition presented in the style of children's fairy tales and dedicated to NLMK's charity

In 2023, the Corporate University, the Social Policy Division and the Communications Division organized



We create a learning environment for leaders to support sustainable growth of NLMK business.

a charity conference called *Good Deeds Forum* engaging the leading charitable organizations in Russia with more than 600 participants.

International collaboration

Since 2019, the NLMK Corporate University has been a member of several international communities: European Foundation for Management Development (EFMD), Executive Corporate Learning Forum (ECLF), and Education and Training Committee of Steel University and Worldsteel (ETCO).

International recognition

In 2022, NLMK Group's Corporate University successfully completed the second stage of the the CLIP (Corporate Learning Improvement Process) international accreditation programme of the European Foundation for Management Development (EFMD). EFMD is a leading independent corporate training organization that audits and evaluates all aspects of training and development for compliance with international quality standards.

Social policy

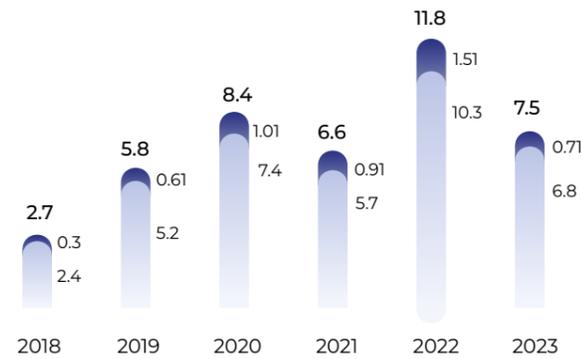
[GRI 401-2]

Corporate social programmes are a key tool for supporting high level of employee engagement, which creates additional labour market advantages. Social policy issues fall within the remit of the Human Resources function. This makes social projects effective and targeted, focusing on the real needs of employees, and enables efficient feedback analysis. The Company's internal social policy aims to support the objectives of NLMK Group's HR Strategy and sustainable development goals.

In 2023, NLMK Group continued to implement its Social Strategy approved by the Management Board in 2019. The Social Strategy is a set of programmes that promote the long-term sustainability of business taking into account the interests of both the Company and its employees. The Strategy's key objectives include:

- Achieving high and well-balanced level of staff satisfaction and engagement
- Reducing waste (in terms of time, health, personal efficiency)
- Higher competitiveness and attractiveness of jobs and the employer.

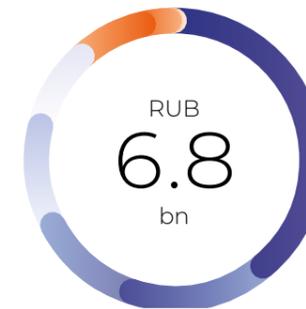
NLMK Group social investment, *RUB bn*
[GRI 201-1]



- Investments into local-community development
- Investments in our employees

For more information about investments in the development of local communities, see the Local Community Development section

Social spending on NLMK Group employees by areas, %



● Medicine and healthcare	39.0
● Material aid	16.2
● Catering	12.1
● Private pension co-funding	11.7
● Transportation	9.5
● Accidents and critical disease insurance	7.9
● Sporting and mass culture events	3.2
● Children's health and recreation	0.4

Children's health and recreation

In 2023, the Company continued its comprehensive health programme for the children of all Russian employees. The total coverage of employees' children by the children's health programme was 7%.

Healthy eating

The Company develops and promotes a culture of healthy eating as part of *NLMK Eats!* corporate nutrition programme. In 2023, overall food coverage in corporate canteens increased to 80% (versus 60% in 2022).

In 2023, a mobile app *Ordered in NLMK Eats!* was developed to make food delivery ordering more convenient. The average rating of the service is 4.7 out of 5 points.

Corporate retirement pension programme

Over 6,000, or 17%, of the employees participate in the corporate pension programme co-financed by the employer. It aims to enhance social security and improve financial standing of the participants after retirement, to promote a culture of voluntary and active participation of employees in building up their future pension and conscious attitude towards long-term investments. Participation in the programme assists the employees in creating a financial cushion for the future and maintaining their lifestyle after retirement.

Healthy Choice Project

[GRI 403-6]

The *Healthy Choice* project is designed to promote healthy lifestyle among the employees and increasing staff awareness regarding health issues. It serves to identify and involve leaders (health managers) in communicating ideas and supporting best practices among the workforce. As of the end of 2023, more than 1,600 employees participated in the programme. Feedback indicated that over 98% of participants would recommend it to their colleagues.

RUB 7.5 billion
(\$89 million)

NLMK Group's total social investments in 2023. RUB 6.8 billion was allocated to employee social support programmes

Online gifts to honour the Steelmaker's Day

Celebrating Steelmaker's Day 2023, NLMK Group and Miloserdiye, charitable social support fund, presented electronic gift cards for children's goods with a nominal value of RUB 3,000 to the benefit-entitled categories of employees such as parents of large families, single parents, parents raising children with disabilities. Almost 2,300 employees took advantage of the certificate. Based on feedback, more than 95% of employees would like to receive social support in the form of electronic gift cards in the future.

Diversity, equity and inclusion

[GRI 405-1]

NLMK Group, as an international socially responsible company, promotes the culture of diversity, equity and inclusion. NLMK employs people of different ages, gender, education, marital status, parents raising children with disabilities, representatives of many nationalities and cultures. NLMK Group strives to create a comfortable working environment where each employee can realize their full potential while staying true to themselves with their own individual differences and traits.

Gender balance

[GRI 401-3][GRI 405-1]

NLMK Group strives to maintain gender balance, taking into account the specifics of the steel industry, provides the necessary support to working parents and their children, and takes care of the health of future generations.

The Company pays special attention to women's health, support for pregnant women and young parents. According to the Company's employees, flexible schedules and shorter workdays are the most sought after support measures for working parents.

The Company is developing measures to ensure equal career opportunities for women and encourages female employees to participate in leadership programmes and competitions. The corporate media highlight successful examples of women's career growth and work-life balance.

All employees, regardless of gender, can receive financial assistance at birth of a child, and take a parental leave. In 2023, 5% of male employees took parental leave, which is 2% more compared to 2022. In total, the Company employs more than 4,000 parents raising children under the age of three.

In 2023, 343 employees of the Company used the right to take early paid parental leave before the birth of a child.

[GRI 401-3] In 2023, the Company continued to develop a special adaptation programme related to parental leave issues. A memo was prepared with detailed information about applying for the leave, support provided by the state and the Company, and psychological recommendations. In 2024, the Company is planning to launch a telegram channel and a special section on the corporate portal devoted to these issues.

In 2023, the Company's employees were awarded with the *Celebrate the Mother* honorary badges and won a city campaign aimed at recognizing and respecting motherhood

The Company employs 445 parents of children with disabilities and provides them with financial assistance and additional days off.

In 2023, the Company launched a study of the best Russian and international support practices that can be provided to the employees with special healthcare needs.



7 employees

of the Company became winners and finalists of the *Talented Women* in Mining 2023 international award

Family Heights school for parents

In 2023, NLMK launched a dedicated programme for parents. *The Family Heights School* is an educational programme devoted to parent-child relationships. As part of the programme, employees and their relatives could:

- Attend online and offline meetings with professional experts on parent-child relationships, psychologists specialising on relationships with children, famous media presenters
- Study specially developed materials on relationship with children
- Complete practical tasks
- Take part in creative competitions with the whole family, as well as in family volunteer events

>550 participants

from NLMK joined the programme in 2023

The family of NLMK employees that won the competition received a family vacation certificate of

RUB 200,000

NLMK Pulse corporate survey

In 2023, NLMK Pulse corporate survey covered over 40,000 respondents from NLMK Group's companies: about 80% of the Russian sites' average headcount as well as NLMK DanSteel, NLMK Verona, NLMK Pennsylvania and NLMK La Louvière. Participation in the survey gives each employee an opportunity to directly impact changes in the Company.

Trade unions and collective bargaining agreements

[GRI 2-30]

The Company fully supports the employees' right of association and collective bargaining. NLMK complies with the requirements specified in collective bargaining agreements, and also interacts with representatives of trade union organizations. Collective bargaining agreements are concluded both at Russian and international companies of the Group. They apply to all employees regardless of their membership in a trade union. The Company announces the possibility of joining a trade union organization in its corporate media including its corporate portal.

In 2023, regular meetings of the mediation body created a year earlier, the Council for Social and Labour Partnership, were held. The Council employs, as parity representatives, the Group management and members of primary trade union organizations.

In 2023, campaigns were carried out to extend existing collective agreements at NLMK and VIZ-Steel sites.

Number of employees covered by collective agreements, % [GRI 2-30]

NLMK Group region	2019	2020	2021	2022	2023
Russia	100	100	100	100	100
NBH JV ¹	88	87	97	97	95
USA	71	72	72	71	72

¹ In accordance with national legislation, some categories of employees do not have the right to conclude a collective bargaining agreement, the coverage of other categories is 100%.

Volunteering

The Group companies focus on three main areas in its corporate volunteering activities:

- Environment: campaigns for cleaning and landscaping of local and environmentally sensitive areas, eco-quests for children and youth, environmental hikes, etc.
- Healthy lifestyle: activities to promote a healthy lifestyle and engage residents of the 'home' regions in grassroots sports, equipping sports grounds, etc.
- Assistance to socially vulnerable groups of people: children, pensioners and people with disabilities, urgent assistance on express requests of the community without employer involvement, etc.

~1,600 employees

of NLMK were part of the volunteer movement at the end of 2023

The coverage of beneficiaries at the key events in which NLMK volunteers participated exceeded 60,000 people.



Volunteers assisted inclusive athletes

A team of sports volunteers from the Moscow representative office of NLMK took part in the "More Than You Can" Festival of Inclusion in Sports. The purpose of the event is to help people with ICP and diseases of the musculoskeletal system get into social and sports life. NLMK employees accompanied the participants in the race at distances from 1 to 8 km. Before the race, all volunteers received special training and instructions on working with inclusive athletes.

Corporate sport

[GRI 403-6]

NLMK traditionally provides its employees with all conditions for healthy physical activity. The Company has equipped gyms and workout sites on its companies, corporate sports facilities, rents external gyms for team sports, co-finances subscriptions to swimming pools and gyms. Moreover, the Group regularly holds corporate competitions and sports days, and develops sports communities for jogging, chess, Nordic walking, and the Fit for Labour and Defence (GTO) tests. The Company supports the employees annually taking GTO tests.

The number of employees involved in corporate sports increased by 4%.

Sports achievements of the year

At the end of the year, NLMK Lipetsk held a ceremony to celebrate sporting achievements in 2023. On the stage of the Corporate University, winners in individual competitions, captains of winning teams, competition hosts and heads of departments promoting corporate sports received awards. Some of the awards were handed out by top NLMK leaders. In total, more than 150 company employees were recognized. A week before the event, several online competitions were launched for all employees on the corporate portal, where employees shared their personal achievements and won branded prizes from the Company.

Plans for 2024 and midterm

The Company aims at achieving ambitious production goals, boosting its attractiveness as an employer, and implementing its staff retention policy. To achieve the above NLMK, among other things, keeps improving working conditions and pays special attention to blue-collar jobs.

Evaluation and remuneration

In 2024, the Company will change its approach to MBI assessments of experts and managers. NLMK is seeking to improve the process in order to obtain a holistic and comprehensive picture of the qualities and potential of each employee, offering them the most straightforward development process and, as a result, a transparent increase in remuneration. To this end, the Company shifts its focus from assessing compliance of the role models to the key meanings to assessing competencies of the employees. Competencies are more specific, easier to measure over time, and more accurately reflect the contribution of each employee to solving business challenges and personal development. It is also planned to add an MBO (Management by Objectives) assessment to the factors influencing remuneration growth.

Thus, in the new approach, the revision of remuneration will be influenced by a combination of factors: the level of competencies development, performance and readiness for further development. The Company is going to schedule learning activities, plan career promotions and appointments, form its talent pool and individual development plans based on the results of the assessment.

Training and development

- In 2024 the Company will continue to improve its educational programmes for key working professions
- It is planned to launch an English version of the WebSoft platform to enable further integration of the foreign assets employees and managers into the learning processes
- NLMK is planning to expand coverage of the targeted training contract system in terms of educational institutions, specialties and professions
- The onboarding team is going to focus on diving into the specifics of blue collars onboarding, implementing a mobile version of the digital solution, and further developing the existing tools

Corporate University

- At the beginning of 2024, an interactive exhibition dedicated to the digitalization of NLMK production will be launched through the joint efforts with the Production Digitalization functional area
- The Company intends to launch an HR Academy and a Finance Academy
- Further work will be focused on improving the quality of professional programmes: adapting external content to the business needs, searching for internal expertise available in the Company
- Within the frames of the Virtual Campus development it is planned to launch a marketplace. NLMK is going to continue working on the special project *Delicate East*: another three instalments will be released within this year

Social policy

- The Group's companies are going to continue renovation of their social facilities such as canteens, meal rooms, and sanitary facilities
- Corporate Games to celebrate the 90th anniversary of Novolipetsk Steel (NLMK Lipetsk) are planned at the city's sports facilities to promote mass sports and engage the employees into sport activities



Occupational health and safety (OHS)

Material topics

Occupational health and safety

Global Sustainable Development Goals



Awards and competitions

A team of young experts took 2nd place in the Case in international engineering championship within the frames of the All-Russian Occupational Safety and Health Week.

Key events in 2023

- The trend towards reducing injury rate continues
- The OHS training plan target achieved
- The corporate training programme adopted the *Safety Awareness* learning solution
- Safety culture maturity assessment model developed and implemented
- OHS Maintenance Programme implemented
- Video Analytics project initiated to provide additional monitoring of compliance with occupational safety and health requirements
- Corporate first-aid competitions held
- First-aid training for internal trainers

Key figures for 2023

0 accidents at hazardous production facilities

5 top-risks programmes introduced to prevent injury

30,000 employees and contractors participated in Safety Week events

8,000 contractors took occupational safety and health corporate learning solutions

90% of the employees had OHS training

98% of hazardous events addressed

Our approach to managing occupational health and safety

[GRI 3-3]

Occupational safety is a top priority for NLMK Group. Striving for a zero injury rate at all its operations, the Company is continuously improving its OHS management system.

OHS aspects are integral components of a large-scale project to develop NLMK Production System. To ensure a high level of safety at work, the Company is guided by a set of internal principles that shape the OHS culture throughout the Group

The Company's approach is based on:

- ✓ Strict compliance with Russian and international OHS regulations
- ✓ Introduction of the best practices
- ✓ Risk-based approach and control of key risk factors
- ✓ Developing and fostering a safety culture among NLMK Group's employees and contractors

NLMK OHS principles

People are the utmost value of the Company. Preservation of life and health is the priority in production activities

OHS is an integral part of the business and the foundation of business process development and improvement

All cases of injury, accidents, incidents and occupational diseases can and must be prevented

Production safety is a responsibility of each employee



The Company undertakes to realise the following measures in occupational safety and health to implement the above stated principles:

- Identifying hazards and effectively managing risks, thus controlling the level of risk to the life and health of employees and contractors
- Constantly increasing the skills of managers, employees, and contractors
- Complying with Russian and international OHS regulations
- Ensuring transparency of the indicators

The Group will continue to work on its strategic goals in the area of OHS:

- Zero fatalities involving employees and contractors
- Total Lost Time Injury Frequency Rate (LTIFR), including contractors, of not over 0.5
- Raising awareness among staff vis-à-vis personal safety

[GRI 2-13] OHS issues are regulated at all management levels within NLMK Group, with the key role assigned to the CEO (Chair of the Management Board). The CEO determines the Group's OHS development strategy and approves its foundational document, the [Integrated Management System Policy](#) (IMS). In addition to the IMS Policy, the Company regulates the main areas of OHS:

- Labour protection, industrial and fire safety
- Traffic safety
- Industrial healthcare

[GRI 2-24] The Management Board is updated on a monthly basis on the key aspects and projects in OHS and the results of occupational accident investigations. OHS strategy status and progress towards achieving the strategic goals are reviewed every quarter. These reports make it possible to assess performance of the OHS management system and develop measures to improve it.

OHS management system and certification

[GRI 403-1] [GRI 403-8]

NLMK Group uses a risk-based approach to occupational health and safety management. All its companies have an OHS management system in place subject to an annual independent audit for ISO 45001 compliance.

NLMK strives to ensure that the system is efficient and covers 100% of its employees and contractors. Five

High-level OHS tasks are resolved by the NLMK Group Occupational Health and Safety Department. The OHS Department has established a project development office responsible for developing and maintaining the OHS management system, and a special department for working with contractors on large investment projects for reconstruction and development.

Each company and large workshops have their own OHS departments.



OHS KPIs are included in the annual assessment system for managers at all levels and are taken into consideration when promoting candidates to management positions

NLMK Group companies have obtained ISO 45001:2018 certification¹, with 100% of their employees covered by the OHS management system.

The number of sites with an OHS management system in place decreased from 2022 as three NLMK Russia Long Products companies ceased to be part of NLMK Group.

Hazard identification, risk assessment, and incident investigation

[GRI 403-2]

NLMK Group uses a risk-based approach to OHS management. The Company identifies and assesses workplace risks. Its OHS Department works together with on-site experts to perform audits for ensuring effective risk management.

All incidents are investigated, with system-level causes identified and corrective measures developed.

Personal protective equipment (PPE) needs are now better met as the Company has started outsourcing PPE provision. In addition, NLMK Group is switching to improved PPE designs, developing specifications, and adopting company-wide care and maintenance requirements.

Employee engagement and safety culture

[GRI 403-4] [GRI 403-5]

The Company pays special attention to improving behavioural safety and developing leadership in OHS by providing its employees and contractors with internal and external training aimed at fostering a conscious approach to occupational safety.

The Company is also continuously working on fostering a safe driving culture. Thanks to its traffic safety initiative, 28% of its drivers and industrial vehicle operators have received special training. Contractors who drive vehicles on NLMK Group's factory premises also undergo such training.

Incentives

NLMK Group has a company-wide incentive programme to encourage employee engagement in the OHS processes. The safety incentive programme includes:

- A corporate-wide safety incentive scheme (encompassing an average of 8,500 employees each year)
- Safety Leaders, a contest held throughout NLMK Group for employees of all levels. In 2023, contractors took part in the contest for the first time

Electronic work permit

In 2023, NLMK Group completed the development of Electronic Work Permit 2.0, an in-house solution used throughout its Russian operations. Electronic work permits were issued for 95% of work across NLMK Group as at the end of 2023.



>90%

of employees have completed OHS training thus meeting the target

¹ VIZ-Steel, Dolomit, Stagdok, Stoilensky, and NLMK Lipetsk.

LOTO safety system

The lockout/tagout (LOTO) project aims at reducing the risk of electrical injuries during maintenance and repairs (one of the top workplace hazards), as well as minimizing the risk of contact with rotating and moving parts of equipment, machinery, and mechanisms.

By the end of 2023, LOTO was rolled out at all NLMK Group sites. More than 50% of routine preventive maintenance was carried out using the LOTO system. Also, the Company trained over 200 internal trainers and more than 800 employees involved in the LOTO process. All Russian companies of NLMK Group passed LOTO assessment. In 2023, the LOTO system was adopted at 10 production areas of six NLMK Group companies.

Training

[GRI 403-5]

NLMK Group's occupational safety culture is based on a conscious approach to identifying hazards and opting for safe work methods and behaviours at work and home, which should be adopted by each and every employee. In order to encourage responsibility for one's own safety and reduce injuries, NLMK Group implements a special training programme, *Safety Awareness*. The first 2,200 employees took the programme in 2023.

In addition, the Company runs regular awareness campaigns focused on the top workplace hazards, which speak about OHS in plain and simple language. OHS experts undergo training in efficient verbal communication.

Dynamic risk assessment

[GRI 403-4]

Dynamic risk assessment is one of the key tools for building safety awareness in employees. It is aimed at forming the habit of considering the safety of work before doing it. If it poses a threat to the employee's life and health, it should be suspended until safe practice can be assured. Over 1,500 employees received incentives for their active engagement in dynamic risk assessment in 2023.

Hazard reporting app

At NLMK, employees are engaged in the hazard identification and risk assessment process, including by using a hazard-reporting app. The software enables each employee to report a workplace hazard and empowers leaders to effectively manage the identified risks. Employee engagement in incident management via the hazard-reporting app was about 60%.

Each employee has a penalty-free right to stop unsafe work, which is guaranteed by the CEO

Hotline

[GRI 2-26] [GRI 403-4]

There is a 24/7 hotline for employees of all Russian companies of NLMK Group, as well as third parties, including contractors, retirees, and representatives from trade unions.

All Russian NLMK Group companies have OHS Committees, which discuss occupational health and safety issues with representatives of employees and trade unions each month. Branch employees may put forward ideas on how to improve safety, employ safe work methods, and provide better work conditions.

Maturity assessment

Seeking to make change management more effective and ensure employee engagement, NLMK Group developed a tool for performing a multi-factor assessment of safety culture maturity. A pilot project on maturity assessment was implemented to assess the current level of safety culture and identify the areas for improvement, with corrective measures developed for each of them.

>150 calls

made by employees on the hotline in 2023

Occupational medicine

[GRI 403-3]

NLMK Group's occupational medicine strategy involves implementing several large clusters of projects focusing on automating pre-shift/pre-trip inspections, providing emergency care to those who are injured or ill, and adopting a systematic approach to managing high-risk groups.

On-site health centres

Since 2020, NLMK Group's on-site health centres have become better equipped and the skill level of their medical staff has increased. Performance in this field has improved by 80% on the average. All on-site health centres have state-of-the-art equipment needed for emergency and urgent care, health monitoring, and immobilization.

In 2023, 66 medical staff members from on-site health centres received extra training in emergency preparedness, triage, and techniques for providing psychological first aid; 50 paramedics were trained in injury care, immediate resuscitation, and advanced life support.

During a quality and safety audit, the staff of on-site health centres provided primary emergency and urgent care and managed to prevent the worsening of condition, development of complications, and deaths of those injured and ill.

NLMK Group's Russian sites have over 200 state-of-the-art automated external defibrillators (AED)

First aid

[GRI 2-27] [GRI 403-5]

Employees receive first aid training in accordance with legal standards. In addition, more than 300 staff members have completed corporate in-person first aid training and 120 employees have become internal first aid trainers, who have already trained over 6,000 people at Stoilensky and NLMK Lipetsk. There are more than 150 portable first aid simulation kits for simulation training.

Employees extensively use two interactive online courses, "Cardiopulmonary Resuscitation Using AED" and "First Aid: Injuries and Critical Conditions". Almost 4,000 employees took them in 2023.

Emergency medical response

Medical alert training is organized regularly at NLMK Group's sites to test emergency casualty evacuation plans. More than 200 drills were conducted for the staff of on-site health centres using different scenarios, as well as four large-scale emergency exercises involving rescue services and multiple simulated casualties.

Medical check-ups

NLMK Group organizes all types of mandatory medical check-ups as required by law. The corporate medical centre in Lipetsk has a special occupational health centre. All pre-trip and pre-shift medical check-ups are automated; more than 1.2 million check-ups were conducted in 2023



23,000 people undertook first aid training in 2023



Industrial safety

In 2023, NLMK Group carried out all of the planned safety reviews and implemented all the follow-up measures that needed to be taken.

As part of efforts to enhance its OHS information system, the Company updated the automated Industrial Safety module that provides real-time analytics. The process for assessing the overall hazard level of a hazardous

facility was automated. The Incident Investigation module was also updated to enable factor analysis of industrial safety incidents on a quarterly basis.

The Company's industrial safety management system is regularly reviewed through internal and external audits. In 2023, internal audits were carried out at all NLMK Group's production sites.

Interaction with contractors

[GRI 2-8][GRI 403-7]

In 2023, NLMK Group engaged more than 1,600 contractors, subcontractors, and outsourcing providers with an overall headcount of about 20,000. Reducing contractors' injury rate is one of the top priorities for NLMK Group's OHS functions.

All of its production sites have adopted pre-entry testing procedures for contractors' staff to test their skills. For NLMK Group's international companies, OHS orientation course was translated into other languages.

Contractors which had no less than 80% of their staff trained reduced their OHS rules violation rate by more than 30%, and those who trained more than 50% of their personnel achieved a zero injury rate. This confirms that such practices are efficient and need to be further developed.

The Company continues its efforts to reduce the injury rate, actively engaging with its contractors' managers and employees. In 2023, NLMK Group held a forum attended by more than 30 CEOs of its contractors. OHS committees at the Company's production sites held 18 meetings with contractors' management. One of the three *Safety Weeks* organized in 2023 was devoted to contractors. More than 10,000 contractor employees and 150 top executives participated in the initiative.

The injury rate of NLMK Group's contractors in Russia decreased by 10% vs. the previous year, to 0.40. Projects within NLMK Lipetsk's investment programme were completed with a zero injury record



~8,000

employees of contractors underwent training under NLMK's OHS training programmes

Traffic safety

Ensuring traffic safety is one of the Company's OHS focus areas. More than 19,000 vehicles enter NLMK Group's factory premises each year.

In 2023, the focus was on the ongoing assessment of the traffic safety management system (TSMS); a series of audits were performed and action plans for achieving targets for each site developed.

Key TSMS development areas in 2023:

- Organizational measures to ensure traffic safety
- Traffic safety monitoring
- Journey management

NLMK Group launched online training courses in the main causes of traffic accidents for drivers, which are also available to contractors.

A series of facilitation (practical training) sessions were organized to address the most urgent issues.

In addition, the Company launched a unique refresher course for those responsible for ensuring traffic safety, with 205 employees involved in the process already trained.



Emergency preparedness and incident reporting

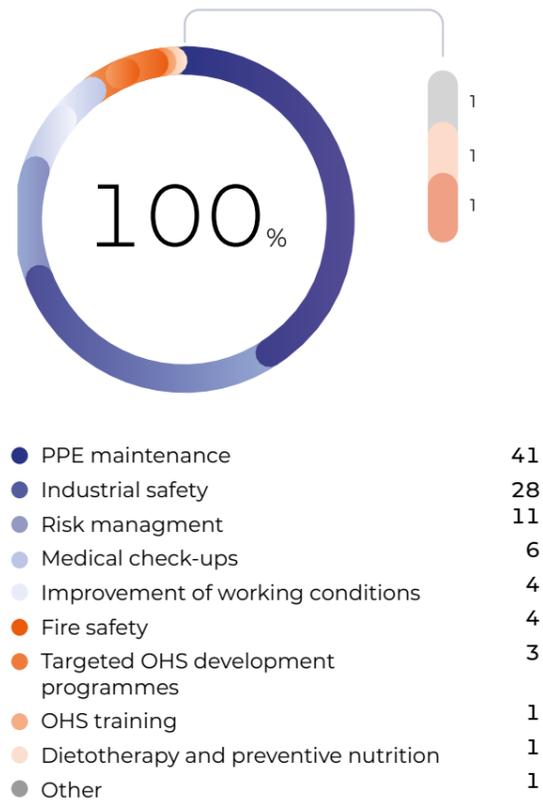
NLMK puts a heavy emphasis on emergency prevention and response and recovery measures. While the top management oversees these issues, responsibility for emergency preparedness, response and recovery measures, and incident investigation lies with the respective functions at each site.

Each company has regulations in place to prevent and manage the consequences of both man-made and natural disasters. Scheduled emergency drills in 2023 included training in how to respond to fires, gas leaks, acid and alkali spills, molten zinc leaks and spillages, and power outages.

Investment in OHS

Each year, NLMK Group invests in enhancing its OHS system to make sure that its targets are achieved properly.

NLMK Group's OHS cost structure in 2023, %



OHS performance in 2023

In 2023, the Company continued implementing its support programme aimed at reducing fatal and high risks. The programme is based on the Vision Zero concept, which assumes that all incidents are preventable.

NLMK Group pursues an openness policy for incident registration at all levels, determining systemic causes, developing corrective measures, and preventing incidents from happening again.

In 2023, the organizational boundaries of the Company changed significantly due to the divestment from NLMK Long assets. This Report discloses the injury

rates including NLMK Long until the end of August 2023, since before the divestment, the Company invested in maintaining the OHS system and recorded work-related incidents, man-hours worked, as well as OHS risks.

Work-related incidents [GRI 403-9]

In 2023, NLMK Group sites recorded 90 lost time injuries, both for employees and contractors. The total number of injuries decreased by 8%, the number of injuries suffered by employees declined by 11%, and those by contractors remained at the level of 2022.

Occupational injuries [GRI 403-9]

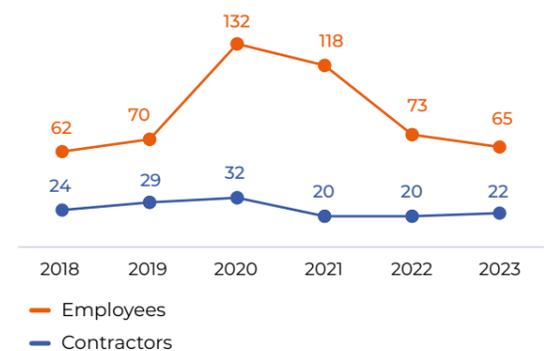
Indicator	2018	2019	2020	2021	2022	2023
Total number of occupational incidents	89	105	167	144	98	90
• Employees	65	72	133	123	74	66
• Contractors	24	33	34	21	24	24
Total number of occupational fatalities	3	6	3	6	5	3
• Employees	3	2	1	5	1	1
• Contractors	0	4	2	1	4	2
Number of lost time injuries	86	99	164	138	93	87
• Employees	62	70	132	118	73	65
• Contractors	24	29	32	20	20	22
Total man-hours worked for employees ¹	93,637,091	95,179,559	93,300,837	97,493,913	95,175,295	89,550,824
Total man-hours worked for contractors	22,612,132	26,995,931	39,798,091	44,452,504	46,252,482	43,689,181

Number of people who suffered injuries with time lost from work of one day (including fatalities) was 48, or 0.1% of the overall headcount of NLMK Group's Russian companies.

In 2023, the total person-hours worked indicator reduced by 6% vs. the previous year for both employees and contractors due to divestment of NLMK Long². The Company usually engages contractors to perform temporary or intermittent tasks at its production sites.

NLMK Group deeply regrets the fatalities that occurred to one employee and two contractors at its sites in Lipetsk and Yekaterinburg. All incidents were closely investigated, with root causes identified and corrective measures developed and implemented.

Number of work-related incidents resulting in an injury to NLMK Group employees and contractors (excluding fatalities) [GRI 403-9]



¹ The total number of person-hours worked for employees includes the time that NLMK workers spend on the way from the checkpoint to their immediate place of work and back, as well as on transporting NLMK Group employees to the territory of the Group's companies by corporate transport.

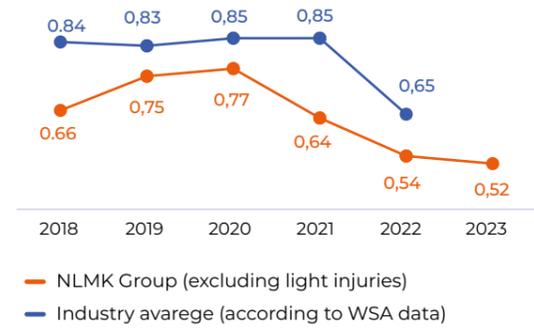
² In the Report, the injury rates of NLMK Long companies were taken into account until 31 August 2023 (when it was still part of NLMK Group). Starting from 1 September 2023 (when the Company divested from NLMK Long) injury rates do not factor in NLMK Long companies.

NLMK Group's system for recording work-related injuries is based on industrywide methods. The main injury rate indicator used across the Company is Lost Time Injury Frequency Rate (LTIFR)

<46%

Injury prevention programmes and initiatives have helped reduce LTIFR by 46% as compared to 2020 (the year when the transparency policy was adopted).

NLMK Group's LTIFR without light injuries vs. industry average¹ [GRI 403-9]

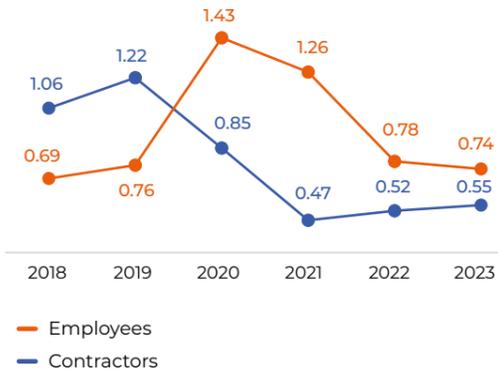


NLMK Group's LTIFR vs. industry average¹ [GRI 403-9]



¹ Industry average LTIFR for 2023 was not available at the time when the report was being prepared.

NLMK Group's LTIFR for employees and contractors [GRI 403-9]



TRIFR (RI) for NLMK Group employees and contractors [GRI 403-9]



LTIFR is calculated on a monthly basis for each company taking into account data for both NLMK employees and contractors. In the reporting period, LTIFR per million hours worked was at 0.68.

In 2023, the top three work-related hazards that resulted in injuries were falls and trips, handling and tools, and falling objects.

Company-wide priorities identified for 2024 based on analysis are contractor management, injury prevention for repairs and maintenance, safe handling of lifting equipment and loading and unloading, and hot works safety.

The Group keeps records of all work-related injuries and measures the Total Recordable Injury Frequency Rate (TRIFR)¹, which is calculated on a monthly basis for each company and includes data on contractors. In 2023, total TRIFR increased vs. previous year to 2.63 due to a 23% increase in the number of non-disabling injuries among employees and contractors. Registration of non-disabling injuries helps prevent incidents with more severe consequences.

Injury severity



-35%

less severe, fatal, and group injuries. The number of light injuries decreased by 2.5% vs. previous year

¹ TRIFR includes fatalities, lost time injuries, and injuries requiring treatment. It is calculated on the basis of Recordable Injuries (RI).





Occupational diseases [GRI 403-10]

Seeing employee health as one of its top priorities, NLMK Group seeks to provide safe and comfortable working conditions, improve corporate healthcare services, and promote healthy lifestyles.

Special importance is given to prevention of occupational diseases. The Company is striving to achieve a stable decline in occupational diseases. In 2023, it registered 50 cases of occupational diseases at three sites – NLMK Lipetsk, Altai-Koks, and Stoilensky – which represents a 10% reduction from the previous year.

Each case is investigated as required by the law, with follow-up corrective measures developed and implemented. Corrective measures include:

- Transferring employees to workstations with acceptable working conditions
- Monitoring the use of PPE
- Monitoring equipment and machine guards in workplaces with major occupational hazards
- Making sure that employees adhere to the work and rest guidelines

In addition, measures are taken to improve working conditions.

For instance, since 2021, NLMK Lipetsk's Cold Rolling and Coating Shop has been implementing a pilot project for preventing occupational hearing loss. No negative changes have been observed in risk group employees since the start of the programme and no occupational diseases detected; the participants have reported an improvement in overall health.

According to the Company's data, the fatalities that occurred at its production sites in 2023 did not result from occupational diseases.

Special assessment of working conditions is done and measures to reduce hazards taken in places where contractors carry out renovations and outsourced workers perform their work. No records are currently kept of occupational diseases affecting contractors as most of them are engaged for performing one-time or temporary tasks lasting from several days to several months, which makes it impossible to monitor their health.

Plans for 2024 and the medium term

✓ Key areas of focus in 2024

- Continue implementing a programme for reducing the top three hazards (pinch point hazards, heights, hand tools, etc.) and launch a new programme for preventing hand injuries (5 Fingers)
- Implement a programme for improving PPE quality and fostering a PPE culture:
 - Start transition to distributing dermatological PPE via dispensers
 - Launch Protection Against Electrical Current and Electrical Arcs programme
 - Upgrade the general use protective suit (new textiles and design) based on feedback from employees
- Provide training in top hazards focusing on skill practice
- Prioritize OHS Support programme by implementing KPIs in preventing adverse consequences
- Improve process automation by further developing a range of IT projects (OHS Information System, Electronic Work Permit 2.0, Video Analytics, etc.), as well as by developing online analytics for the currently used tools
- Improve interactive work instructions
- Implement leadership and safe behaviour programmes
- Introduce corporate occupational health and safety coaching to ensure engagement of all employees in building a strong OHS culture and their commitment to it
- Continue to develop a pool of internal OHS trainers and develop competencies of the OHS function
- Assess the maturity of NLMK Group companies' safety culture to choose the right programmes for their level
- Provide training under the Safety Awareness programme
- Implement a safety management programme for repairs and maintenance areas and workshops

⊕ Occupational medicine

- Implement a digital health management platform (digital health centre, digital in-shop general practitioner) and introduce remote pre-shift check-ups
- Update the emergency response process to address external challenges (including emergencies, incidents, and highly contagious infections)
- Renovate the large on-site health centres at NLMK Lipetsk
- Prevent and control infections, cardiovascular diseases, and occupational diseases based on occupational risk assessment
- Implement a communication campaign aimed at building health awareness and ensuring health protection

⚙ Industrial safety

- Develop the Industrial Safety Management System by introducing and updating corporate regulations, organizing training, and improving competencies related to the system, as well as carrying out audits (including control of implementation of corrective measures) and digitizing processes
- Develop a system for registering, investigating and analysing occupational safety incidents
- Implement crane safety and loading and unloading safety programmes

📄 Contractors

- Develop contractor management processes
- Focus on control and preventive measures to minimize major hazards
- Develop contractors' competencies through training, targeted efforts, and communication

Developing local communities

Material topics

- Indirect economic impacts
- Local communities

Key events in 2023

- *Forum of Good Deeds*, 5th September, Lipetsk
- NLMK Development Park at the International Russia Expo at VDNKh, Moscow

Awards and contests

NLMK won first prize in the special category "For Active Implementation of Social Partnership Principles" at the All-Russian Competition "Leaders of Russian Business: Dynamics, Responsibility, Sustainability".

Global Sustainable Development Goals



Key figures for 2023

RUB **735.5** million
investments in external social programmes

79 projects

supported under the Steel Tree grant competition

Priority areas of support to local communities

[GRI 203-1] [GRI 413-1] As a large company involved in mining raw materials and producing steel and steel products, NLMK Group exerts a significant impact on local communities.

The Company's efforts in community development aim to foster common interests among NLMK Group, its employees, local communities, and state and local authorities on issues pertaining to:

- Sustainable development of the Company and the regions in which it operates
- Creating a favourable environment for employees and local communities.

The primary document governing the Company's approach to implementing social programmes is NLMK Group's [Sustainable Development Policy](#). This policy reflects one of the Company's key sustainability objectives: contributing to the social development of the regions where it operates.

In 2023, NLMK adopted the [Policy for External Social Programmes and Charity](#). This policy outlines the goals, principles, and key focus areas for external social programmes and charity initiatives aimed at achieving the Company's sustainable development goals. The guiding principles of the Company's charitable activities include:

- Providing assistance to those in need through direct contact with beneficiaries and targeted distribution
- Concentrating efforts on the regions where the Company operates
- Adopting a systematic approach that emphasizes transparency and measurable results
- Ensuring oversight of targeted utilization and achievement of outcomes, with active involvement in project implementation.

In line with the approved Policy, the Company's charitable endeavours are centred around three main areas:

- Healthcare
- Education and culture
- Social assistance.

NLMK's social and charitable initiatives are primarily carried out in collaboration with Miloserdiye (Mercy) Charitable Fund for Social Assistance, the largest charitable organization in the Lipetsk Region.

Miloserdiye is listed in the All-Russian Register of Socially Responsible Enterprises and Organizations and is also a member of the Donors Forum, a Russian association of grant-giving organizations.

The fund focuses on supporting mass and children's sports, healthcare institutions, preserving the country's cultural heritage, and providing assistance to veterans, large families, and other vulnerable groups. Miloserdiye Fund has been a longstanding and trusted partner of NLMK in the Lipetsk, Belgorod, and Sverdlovsk Regions, as well as in the Altai Territory. In 2022, new branches were established in Stary Oskol and Zarinsk. More than 50,000 people benefit from Miloserdiye charity efforts every year.

NLMK is committed to enhancing the effectiveness of its interaction tools and increasing public and staff involvement in fostering a culture of everyday charity. One such initiative is the Steel Tree grant competition.

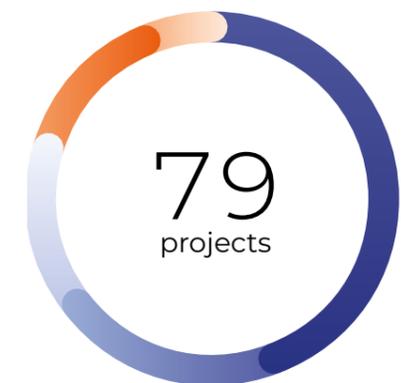
Steel Tree grant competition

The Steel Tree grant competition, initiated in 2017, has seen a steady increase in the volume of applications received and accepted each year. In 2023, grants were allocated to projects spanning various domains including ecology and urban enhancement, family values, science and culture, sports and wellness, as well as youth programmes and initiatives focusing on mercy and care, and active aging. A competition committee, comprising representatives from NLMK, the Miloserdiye Fund, regional and local authorities, reviewed over 450 submissions to identify best initiatives. With NLMK's funding exceeding RUB 25 million, support was provided to residents across five Russian regions.

In 2023, the competition witnessed a record-breaking 79 grants being awarded. These grants facilitated the enhancement of public spaces, establishment of new outdoor sports facilities, creation of conducive environments for children with health conditions, assistance to individuals with disabilities, and the arrangement of cultural and historical events.



Geography of the Steel Tree competition, number of projects



- Lipetsk Region 35
- Stary Oskol 16
- Zarinsk 12
- Sverdlovsk Region 11
- Kaluga Region 5

Marathon of Good Deeds

The Marathon of Good Deeds, now in its third iteration, was timed to coincide with International Charity Day and took place across all of the Group's Russian sites. With a primary focus on social support, particularly for the elderly and the Company's veterans, the marathon featured a diverse programme of family-oriented volunteer festivities. These included master classes promoting creativity and well-being, draughts and chess tournaments, among other activities. Additionally, essential items were gathered for nursing homes. In the run-up to the marathon, the Company hosted the Dobraya Vestochka (Good News) competition. Here, the best drawings submitted by the NLMK employees were selected as illustrations for postcards, on which participants penned heartfelt messages and wishes for the veterans.

Forum of Good Deeds

The Forum of Good Deeds, hosted by the NLMK Corporate University, served as a platform to reflect on the charitable endeavours of the Group and its affiliated sister companies and charity funds spanning over two decades. The event was attended by representatives from educational, charitable, and medical institutions nationwide, along with Company executives and beneficiaries. Over these years, tens of thousands of people have received assistance, with hundreds of significant social initiatives implemented. The Company provides targeted and comprehensive assistance, creating a positive environment for health, sports, culture, and education. Over two decades, NLMK and its ecosystem companies have allocated approximately RUB 30 billion towards these causes.

Tools for engaging with local communities and gauging their expectations [GRI 2-24][GRI 2-26][GRI 413-1]

NLMK implements various volunteer and charity programmes and conducts research to understand the needs of the population in the regions where

it operates. This includes identifying local residents' needs through surveys, public hearings, and internal corporate communication channels.

Tools for engaging with local communities

Event	Overview
Review of existing social programmes	Regular reviews of social programmes allow NLMK to gauge their efficiency, outreach, and feedback. This includes analysing feedback received through the communication channels of the Miloserdniye Fund.
Direct engagement via internal communication channels	Given that NLMK plants serve as city-forming enterprises in some locales, a substantial portion of the local population comprises company employees. Internal communication tools such as hotlines, SMS enquiries, and the intranet portal serve to elicit the social expectations of this demographic. The portal, in particular, allows users to submit enquiries, which are then addressed by specialists. The enquiries are open for viewing and commenting by all users.
Engagement with local authorities	NLMK collaborates closely with regional and municipal authorities, leveraging their insights into local needs and requirements. By aligning with these stakeholders, the Company develops tailored approaches to social initiatives that resonate with the community.
Public hearings	The environmental impact of NLMK's investment projects subject to state environmental assessments is evaluated through public discussions and hearings. Their outcomes help identify the expectations of local residents and incorporate their opinions into the decision-making process. Notably, in 2022, Lipetsk residents endorsed 26 NLMK initiatives during public discussions.

Assessing impact on local communities

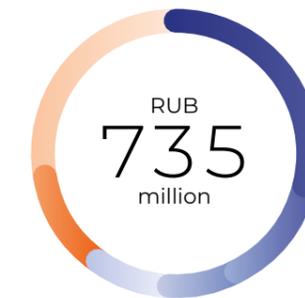
[GRI 413-2] By the end of 2023, NLMK Group had successfully implemented community engagement programmes across all regions of operation, conducting comprehensive assessments of their impact. Public

enquiries and proposals for the Miloserdniye Fund social programmes are regularly monitored through various communication channels. The Company receives up to 20 enquiries each month and promptly addresses them.

NLMK performance in 2023 [GRI 201-1] [GRI 203-1] [GRI 203-2]

NLMK earmarks substantial funds each year towards the implementation of social programmes. In 2023, the Company allocated RUB 735.5 million for external social initiatives. Community engagement programmes are actively conducted across all of NLMK's enterprises.

Investments in external social programmes, % [GRI 203-1]



- Supporting mass and children's sports 28.9
- Supporting culture and infrastructure 27.6
- Supporting vulnerable groups in NLMK regions of operation 13.8
- Supporting NLMK veterans and pensioners 12.4
- Supporting healthcare 9.0
- Education 8.3

Health and wellbeing, healthcare

In the area of health and well-being, NLMK implements projects focused on supporting healthcare institutions. This includes purchasing medical equipment and providing targeted assistance to individuals facing serious illnesses, e.g. covering expenses for expensive surgeries, purchasing medicines, and supporting rehabilitation programmes.

Supporting vulnerable groups in NLMK regions of operation

NLMK provides targeted assistance to those in need, backing socially significant initiatives and engaging employees and local residents in addressing social challenges. NLMK achieves this through various means, including the allocation of grants.



spent on supporting vulnerable groups in the NLMK regions of operations in 2023



spent on health, wellbeing, and healthcare initiatives in 2023



Supporting veterans and retired NLMK employees

NLMK places significant emphasis on supporting veterans and pensioners who used to work for the Company. Various activities and events are organized to enrich their lives. This includes excursions, cultural events, sports tournaments, recreational activities, and creative exhibitions of veterans. An important aspect of NLMK's support for veterans involves computer-training sessions, where they learn to use computers, mobile applications, and the internet to retrieve information, utilize electronic services, and communicate online with family and friends.

To promote intergenerational connections, NLMK holds meetings between veterans and younger generations and works with veterans' organizations and trade unions to organize visits to war memorial sites in its regions of operation and to conduct courage lessons at schools and partner educational institutions.

 RUB 90.8 million

spent on supporting veterans and pensioners (former employees) in 2023

Guided tour for veterans at NLMK Pennsylvania

NLMK Pennsylvania organized a special tour for veterans to mark the launch of the walking beam furnace. Former employees had the opportunity to see the new unit, which fully complies with the latest energy efficiency standards.



The family festival **Zdorovy Vybor** (Healthy Choice), timed to coincide with Metallurgist's Day, was held in Metallurgist's Park in Lipetsk. The festival featured various activities, including chess, jumping rope, yoga, and meditation.

In the Lipetsk Region in 2023, the first **Stalnye Starty** (Steel Beginnings) contest, a city sports competition for schoolchildren, was held with the support of the Miloserdiye Fund. Fifteen school teams participated in six disciplines: relay swimming, functional multisport, minifootball, bowling, badminton, and darts.

Additionally, a new **sports and playground complex** was opened in Zarinsk, Altai Territory. The complex includes swings and play structures for younger children, as well as gyms, sports facilities, football and basketball courts for older children.

In 2023, two modern multifunctional sports and playground complexes were opened in new neighbourhoods of Lipetsk with support from the Miloserdiye Fund. These complexes feature a variety of play structures suitable for children of different ages, exercise machines, and tennis tables. The playgrounds are designed with separate play areas to ensure each child has a safe environment. Modern lighting systems have been installed for evening use.

The family festival **Prochny Splav** (Hard Alloy) attracted around 2,000 participants of all ages in Stary Oskol, Belgorod Region, Lipetsk, and Zarinsk. The festival activities were free for participants. Children who took part in the race received commemorative medals, branded caps, and sweet gifts. Families completing the interactive zones of the family quest also received prizes.

Labour Glory Celebration at VIZ-Steel

Over 400 veterans of VIZ-Steel gathered at the Verkh-Isetsky Centre of Culture and Arts to celebrate labour glory in honour of significant anniversaries in 2023. This included the 30th anniversary of the Bath and Wash Shop, the 50th anniversary of the Cold Rolling Shop, and the 25th anniversary of the establishment of VIZ-Steel. The "starters", individuals who played key roles in launching the Cold Rolling Shop in 1973, were invited as guests of honour. During the event, the shop's veterans were presented with awards from the regional Council of Veterans and the Mining and Metallurgical Trade Union. Special appreciation was extended to Nikolay S. Vlasov, a veteran of the Great Patriotic War and former NLMK employee, who celebrated his 100th anniversary in 2023.

Supporting mass and children's sports

Supporting mass and children's sports is a key social priority for the Company. NLMK is committed to creating opportunities for sports activities not only for Company employees and their families but also for local residents. The Company regularly allocates funds for maintaining sports facilities and supporting children's and youth schools and sections, sports clubs, alongside promising athletes. For instance, NLMK provides financial support to the Lipetsk Metallurg sports club in Lipetsk and the Olympic Reserve Children's and Youth Sports School No. 13 based at this club. These institutions train world-class athletes in clay target shooting, with approximately half of the Russian national team in this sport being graduates of School No. 13.

 RUB 212.7 million

spent on supporting mass and children's sports in 2023

Supporting education and outreach activities

NLMK's social policy prioritizes the development of science and education through comprehensive support for specialized educational institutions in its regions of operation and assistance to young people pursuing high-quality technical education. The Company allocates targeted funding to support the scientific and educational activities of educational institutions, hosts and sponsors research conferences, as well as scientific and technical creativity contests for students. The Company also arranges open days and guided tours for schoolchildren and offers internships at its plants for students from specialized educational institutions. Additionally, NLMK supports several scholarship programmes.

The Company earmarks significant funds towards enhancing the infrastructure of kindergartens, schools, lyceums, professional educational institutions, children's creative centres, orphanages, and boarding schools.



 RUB 60.7 million

spent on supporting education and outreach initiatives in 2023



In 2023, with support from the Miloserdnye Fund, a new intellectual development centre was opened in Zarinsk. This centre features engaging educational games tailored for preschool children, aiding teachers in fostering their holistic development. Game aids designed for sensory development have greatly assisted over 200 preschoolers participating in adaptive kindergarten classes.

In the Lipetsk Region, an educational project titled Learn to Save Lives was implemented. This project helped young people overcome psychological barriers and fear related to emergencies involving people who lost consciousness.

Professional instructors taught CPR techniques and demonstrated tourniquet application to more than 2,000 students and schoolchildren.

With the support from the Miloserdnye Fund, an educational project was launched in the Lipetsk region aimed at orphans and children without parental care. They participated in a series of classes designed to equip them with skills for making informed financial decisions in their future independent lives. This project, supported by a grant from the Steel Tree programme, covered five specialized educational institutions in the region, benefiting approximately 200 children through lessons and business games.

Culture and initiatives aimed at fostering a comfortable urban environment

Identifying and addressing pressing issues in the regions where NLMK operates, as well as fostering a comfortable urban environment, are key priorities of the Company's external social programme.

NLMK supports cultural initiatives by providing assistance to organizations involved in cultural, historical,

and outreach activities in the regions where it operates. The Company also allocates funds for the preservation and maintenance of cultural, architectural, and historical heritage sites.

The Company supports corporate museums at Stoilensky and Altai-Koks, as well as the NLMK Museum in Lipetsk.



RUB 203.5 million

spent on culture and initiatives aimed at fostering a comfortable urban environment in 2023



In 2023, with the support from the Miloserdnye Fund, several new alleys were created in three Russian regions. The majority of the new trees and shrubs (over 2,000) were planted in Lipetsk. In Zarinsk, Altai Territory, more than two hundred trees were planted, some near sports grounds and kindergartens. In Stary Oskol, Belgorod Region, volunteers planted 180 new trees, while also removing emergency trees from city yards in response to residents' requests. This effort aims to prevent potential injuries caused by falling dead trees near children's play areas, sports grounds, car parks, and building entrances.



In 2023, Stary Oskol hosted the premiere performance of the verbatim play Inclusion at the Byl Centre for Contemporary Art. All five participants of this production use wheelchairs. The play featuring individuals with special needs is a volunteer project supported by the Steel Tree grant programme.



Through the Steel Tree grant programme, NLMK implemented a cultural and ethnographic project called Sloboda Remeslennaya (Crafts Sloboda) in Stary Oskol, Belgorod Region. Every weekend during the summer, skilled artisans conducted free master classes in various crafts such as felting, modelling, traditional rag doll making, patchwork, and beading.

Plans for 2024 and the medium term

In 2024, NLMK plans include developing charitable projects to support backyard infrastructure and organizing culture and sports leisure activities for residents of its regions of operation, under the BlagoDvoritelnost (Charity) project.

The Company aims to further develop the Steel Tree grant competition by building a community of competition participants and enhancing the educational component of the programme.

