

NLMK Group Integrated Management System



for Quality, Environmental Protection, Energy Efficiency,
and Occupational Health and Safety

The NLMK Group Integrated Management System for Quality, Environmental Protection, Energy Efficiency, and Occupational Health and Safety is aimed at enhancing customer satisfaction, promoting more effective use of material and technical resources, fuel and energy, protecting the health and safety of employees, and mitigating environmental impact in line with ISO 9001:2015, 14001:2015, 45001:2018 and 50001:2018. This Policy defines the relevant principles and strategic priorities and fosters a common understanding of these principles and priorities among stakeholders, including NLMK Group's management, shareholders and investors, rating agencies, employees, contractors, local communities, suppliers, and customers.

VISION

NLMK Group is one of the most profitable global producers of steel and metal products. The high-quality products manufactured by Group companies are much in demand within the strategic industries: construction, mechanical engineering, energy, shipbuilding, the chemical industry, the oil and gas industry, and many more.

MISSION

To manufacture products that meet customer needs, to steadily improve production processes, to ensure safe working conditions, to mitigate environmental impact, to make prudent use of resources, and to uphold generally accepted social responsibility practices.

OBJECTIVES

- To be a global leader for the quality of our steel products and raw materials by continuously upgrading and expanding our product mix with the aim of increasing our customers' competitiveness
- To ensure efficient production with zero accidents, incidents, and near misses through global excellence in occupational health and safety and continuous development and promotion of a safety culture among NLMK Group's employees and contractors
- To comply with industry best practice concerning the rational use of material and technical resources and the safety of our production processes for both human health and the environment
- To ensure our operations do no harm to the environment or the climate, and to respond to changing environmental and climate conditions by balancing them with social and economic needs
- To be a global leader in adopting best practices to make our operations more energy-efficient, and to reduce energy consumption and cost of production as far as is technologically and economically feasible

PRINCIPLES

- NLMK Group's senior management supports and commits to continuous improvement of the IMS by demonstrating leadership and ensuring that NLMK Group and its contractors are as motivated as possible to achieve targets for quality, occupational health, industrial and environmental safety, and energy efficiency.
- NLMK Group's senior management recognize their responsibility for the impact NLMK Group's operations and production processes have on key aspects of the environment: atmospheric air, water resources, biodiversity, climate change, and the social sphere.
- NLMK Group's senior management recognize their responsibility for ensuring safe and favourable working conditions and for protecting the health and safety of employees and contractors.
- NLMK Group ensures the quality and safety of its products by monitoring internal production processes and supply chains. At the same time, NLMK Group strives to expand the scope of its monitoring of product lifecycle processes to ensure cost-efficient mitigation of its environmental impact across the supply chain and during use of its products.
- NLMK Group reduces the resource-intensity of its operations by taking successive measures to decrease the specific consumption of natural raw materials, water, fuel and energy, as well as by reducing labour costs through increasing production efficiency, introducing resource recycling systems, adopting the best available techniques (BAT), and regularly monitoring the relevant indicators.
- NLMK Group plans its economic activities around the results of regular and objective risk analysis in the areas of quality, the environment, energy efficiency, and occupational health and safety.
- NLMK Group plans and implements activities aimed at fostering the social and economic development of local communities and the regions where it is active, including by adopting a responsible attitude towards the environment, using natural resources efficiently, and prioritising social responsibility.
- NLMK Group ensures that information on the objectives and results of its activities in the areas of quality, occupational health and safety, energy efficiency, and industrial and environmental safety is freely available and accessible. It also communicates effectively with external and internal stakeholders.
- Employees share the Group's vision, mission and objectives, and promote and support a culture of safe and efficient production.

MANAGEMENT COMMITMENTS

- To comply with legislation, internal regulations, and the applicable national and international standards, as well as with voluntary commitments concerning quality, environmental protection, energy efficiency, and occupational health and safety
- To continuously improve the integrated management system by researching and adopting best global practices for analysis of organisational context and stakeholder requirements, leadership, activity planning, effectiveness monitoring and reporting, employee and contractor training, and effective internal communications
- To identify, assess and efficiently manage risks concerning quality, environmental protection, energy efficiency, and occupational health and safety
- To more effectively monitor external processes across the supply chain, as well as logistics and the distribution, use, and disposal of products, with the aim of ensuring product quality and safety while taking care to minimize environmental impact throughout the product lifecycle
- To minimize and, where possible, mitigate the negative impact of operations on the environment and biodiversity by reducing emissions of atmospheric and other pollutants, cutting emissions of greenhouse gases, treating waste, and promoting efficient use of natural, material and technical resources, fuel, and energy
- To ensure safe and favourable working conditions, protect the health and safety of employees and contractors, and promote a culture of responsible production across the Group
- To plan operations on the basis of data and information analysis, alongside comprehensive assessment of any social, environmental and technological risks, including analysing potential emergencies and planning responses which have as little impact as possible on the environment and society
- To introduce advanced energy-efficient technologies and project solutions that enable NLMK Group to reduce its consumption of natural and secondary energy resources, develop the ability to generate power using metallurgical gases and other secondary energy resources, and support the use of renewable energy sources where applicable and reasonable
- To rehabilitate damaged natural habitats and refrain from conducting operations in areas suffering water shortages or conservation areas where these operations may lead to an irrecoverable degradation of biological resources and a decrease in biodiversity
- To improve local communities' quality of life in the regions where NLMK Group is active by adopting a responsible attitude towards the environment, contributing to the economies of the regions where the Group has a presence, and taking care of employees
- To conduct operations in close cooperation with stakeholders, including taking their opinion into account when making decisions concerning the environment
- To participate in national and international environmental programmes and initiatives which aim to protect the environment and fight climate change, including by developing a corporate system for greenhouse gas management utilizing a risk-based approach and global best practices
- To allocate the financial and logistical resources needed to implement the present Policy

CEO
(Chairman of the Management Board)



G. Fedorishin