



Responsible Investments to a Sustainable Metallurgy of the Future



20
25

Integrated Report

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Message from CEO

GRI 2-22



Dear shareholders, colleagues, and partners,

The reporting year was a period of Severstal's adaptation to fundamentally changed market conditions. The Company faced a significant decline in profitability amid a substantial slowdown of the Russian economy and falling global steel prices under pressure from Chinese exports.

Despite lower financial performance, Severstal demonstrated operational flexibility, increasing physical sales of metal products by 4%, to 11.2 million tonnes, while maintaining industry leadership in profitability.

Strategic Resilience in Tough Times

In 2025, the Company passed the peak of its investment activity with a record investment programme of RUB 173.5 billion. We completed the overhaul of blast furnace No. 4 and a large-scale re-equipment programme for steelmaking facilities.

On top of that, the Company launched new reheating furnace No. 3 at mill 2000 and the first phase of new section rolling mill 170.

An important milestone was a new stage of the Company's largest-ever investment project – the construction of the iron ore pellet production complex: we set about cold commissioning of the first roasting machine. We link our strategic goals of reducing environmental impact to the launch of this new complex, as it will enable us to take sinter machines out of operation. We expect that this technology will not only deliver significant environmental benefits but also strengthen Severstal's cost reduction leadership.

In 2025, we continued to implement our business strategy and adapted it to the current market conditions. The primary addition was the introduction of the not a single tonne without differentiation principle, according to which every tonne of our products must be unique – either in its technical attributes or in the relevant service.

We are now tasked with ensuring timely commissioning of major investment projects that we started in previous periods and that are key to achieving our business strategy goals through 2028. At the same time, the current economic conditions imply a particularly balanced approach to new initiatives requiring significant expenditures, and in the near future our focus will be on harmonising the investment programme in future periods.

Financial Discipline in Challenging Conditions

Despite a 14% decline in revenue down to RUB 712.9 billion and a 42% EBITDA reduction down to RUB 137.6 billion, amid tight monetary policy and falling demand for metal products, the Company preserved its competitive market positioning.

A combination of lower profits and higher investment spending predictably resulted in a negative free cash flow. At the same time, the Company maintained a low debt burden with a net debt/EBITDA ratio of 0.16.

Commitment to Sustainability Principles

Despite all external challenges, Severstal continued to implement its Sustainability Strategy. As part of the annual update, we assessed progress in attaining our goals and adjusted the timelines: the Sustainability Strategy is now aligned with the business strategy 2028. However, our priorities – ensuring safe working conditions, developing the regions where we operate, and caring for the environment – remain intact.

The Company went forward with boosting its well-being programme for employees and members of their families titled 'Dlya Svoikh (For Own People): With Care for Everyone.' Thus, in 2025, we expanded the social benefits package and health support programme, and improved other pillars of the programme based on feedback from our colleagues, while increasing social welfare spending by 1.4 times to RUB 5.4 billion. Owing to those initiatives, among others, employee engagement levels rose to 79%.

In the reporting year, amid a persistent shortage of highly skilled personnel in the labour market, we placed emphasis on promoting our employer brand, which enhanced Severstal's attractiveness to potential employees.

To ensure safety of the personnel working at Severstal's facilities, we continued to foster digital tools, including AI-powered ones, and expanded safety training practices for employees and contractors.

In 2025, the amount of RUB 6.3 billion was allocated to occupational health and industrial safety measures.

Developing the regions where we operate and charitable activities remain crucial areas of Severstal's work. In 2025, social investments amounted to RUB 7.3 billion.

Through the delivery of social projects, we are not only improving the quality of life in the regions but also facilitating the preservation of population in the monotowns of strategic importance to the Company. For such towns, we support the implementation of programmes for the integrated development of territories, which are drawn up in close cooperation with local authorities and regional residents.

We continued to implement programs to reduce the environmental impact of the Company's facilities, including under the Decarbonisation Strategy and the Conserve Biodiversity – Preserve Life Strategy.

In total, we allocated almost RUB 9.4 billion to environmental protection measures.

In 2025, Severstal attested to the completion of all measures under the Clean Air federal project and continued to implement measures aimed at increasing a share of recycled water supply and increasing waste recycling. At the end of 2025, a share of recycled water reached 98.4%, and the recycling rate rose up to 98.8%.

In addition, energy efficiency improvement programmes were carried out at the Company's facilities: we placed strong emphasis on increasing our own power generation and the use of secondary energy resources. Thanks to such measures, a share of in-house generation at Cherepovets Steel Mill increased to 79.7%.

A significant event of the reporting year was also the registration of two climate projects, which became the first such projects in the Russian steel sector.

Looking into the Future

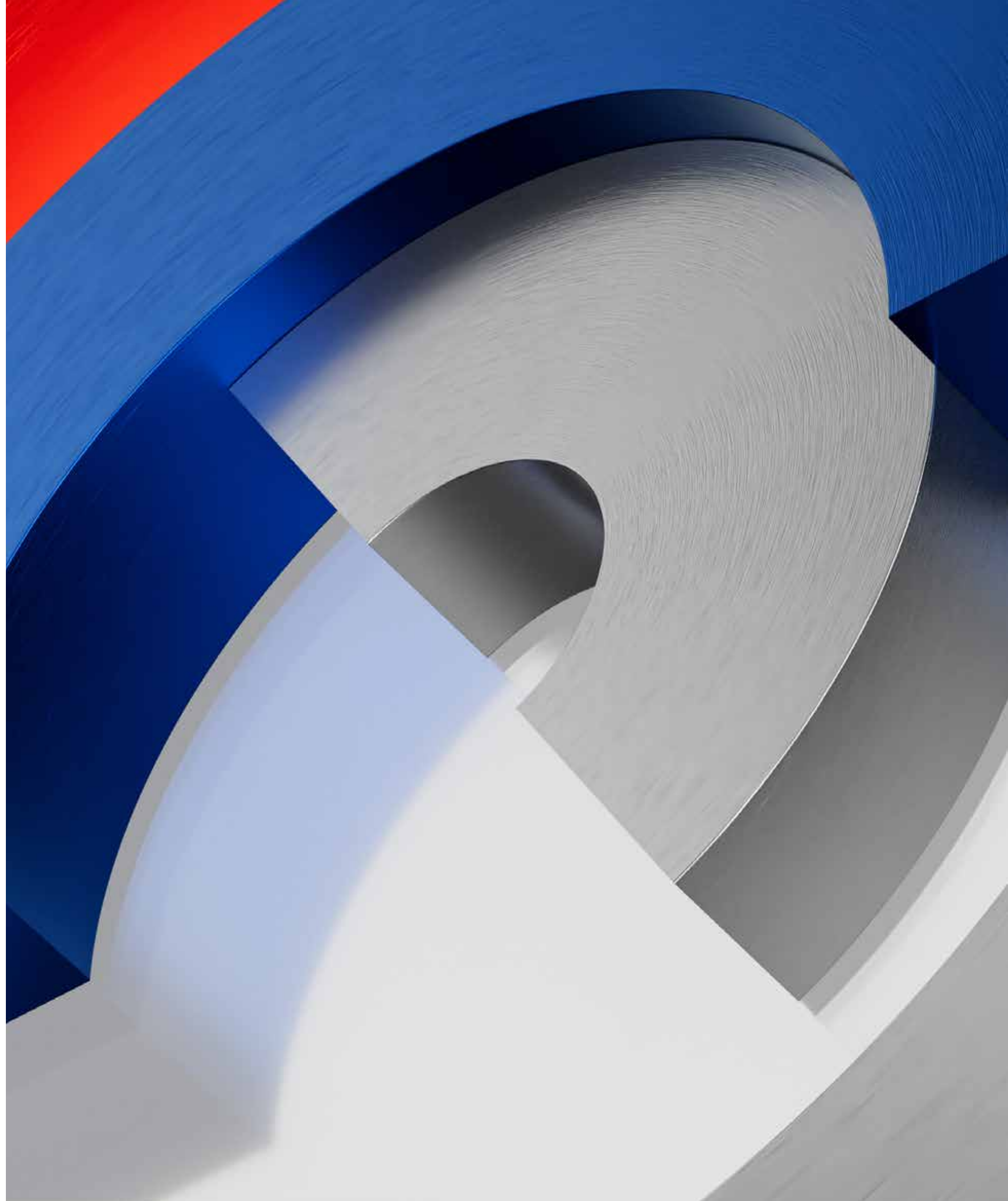
We will continue to consistently enhance our products and services so that each of our offerings is unique and valuable to customers, which is aligned with Severstal's updated business strategy. We are building partnerships with customers and tailoring our products and services to their needs, whether it be a special steel grade, engineering consulting, or an end-to-end solution for their business. This approach will allow the Company not only to go through difficult market conditions but also to strengthen its leading position in the industry, creating sustainable value for all stakeholders.

I express my gratitude to all employees for their professionalism and dedication, which helped the Company remain resilient during a challenging period, as well as our business partners with whom we have adapted to new market realities.

Alexander Shevelev
CEO
AO Severstal Management

01.

About the Report and Materiality



About the Report

GRI 2-3

The Integrated Report 2025 of PAO Severstal (hereinafter referred to as ‘Severstal,’ the ‘Company’) (hereinafter referred to as the ‘Report’) is the Company’s third integrated report that combines the Sustainability Report and the Annual Report. The document contains information about the activities of the Company and its subsidiaries based both in the Russian Federation and beyond for the period from 1 January to 31 December 2025 and sets forth the most significant events that occurred in Q1 2026. In this way, the Company complies with the timely disclosure principle.

The financial and business operations of PAO Severstal and its subsidiaries is disclosed pursuant to the disclosed consolidated financial statements derived from the audited consolidated financial statements of PAO Severstal and its subsidiaries for 2025, prepared in accordance with the International Financial Reporting Standards (IFRS). This Integrated Report also covers alternative performance indicators (APIs) that are omitted from the disclosed consolidated financial statements and are used by management to assess business performance and as reference information for dividend payment recommendations.

The Board of Directors makes use of such indicators, as the free cash flow and net debt (calculated as the total debt financing less cash and cash equivalents) as guidance for giving dividend recommendations. The free cash flow is defined as the sum of the following items: net cash flow from continuing operations, CAPEX, proceeds from fixed assets disposals, and interest and dividends received.

EBITDA, widely used in the industry, stands for the operating profit plus depreciation expense on production assets (inclusive of the Group’s share in depreciation of assets of associated companies’ and joint ventures’ assets) adjusted for gains/(losses) from sales of fixed assets and intangible assets and for a share of non-operating income/(expenses) of associated companies and joint ventures.

The Report is drawn up annually and, along with other Severstal’s non-financial reporting, is posted on the corporate [website](#). The Report was published on 3 April 2026.

This translation was undertaken for the convenience of users. In case of any divergence of the English text from the Russian text, the Russian text prevails.

In addition, the Report reflects the Company’s progress in achieving the UN Sustainable Development Goals (SDGs) to 2030 and its contribution to implementing the National Development Goals and National Projects of the Russian Federation.

GRI 2-14

The Report preparation is supervised by Severstal’s Sustainability and Brand Directorate. Qualitative and quantitative data to be disclosed in the Report is provided by the relevant divisions.

GRI 2-2

Severstal adheres to the principles of clarity and comparability, owing to which the Report is comprehensible to a broad reading audience. The information in the Report is disclosed for a period of five years, with explanations regarding the dynamics of metrics. Moreover, the Company discloses information not only on its achievements but also on the areas for improvement, thus maintaining the Report’s balanced nature.

The Report additionally notes all assumptions made in the collection or calculation of data, changes in values from previous reporting periods, and the reasons for such changes (methodology updates, error corrections). No material restatements of indicators versus the preceding year were in evidence in 2025, unless stated otherwise.



Approach to the Report Preparation

In drafting the Report, the Company relied upon the recommendations and requirements of non-financial reporting standards and sustainability initiatives, including:

- UN Global Compact principles;
- Global Reporting Initiative (GRI) standards updated as of 2021 (application level – compliant), GRI Mining and Metals Sector Supplement;
- International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC);
- industry standards of the International Sustainability Standards Board (ISSB), in particular, the standards of the Sustainability Accounting Standards Board (SASB Standards);
- industry-specific guidance of IFRS S2 Climate-related Disclosures and the integrated recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);
- guidance of the World Steel Association on GHG intensity calculation;
- GHG Protocol Corporate Accounting and Reporting Standard;
- Recommendations of the Russian Union of Industrialists and Entrepreneurs (RSPP) on the use of basic performance indicators;
- Government Decree No. 2230 dated 30 December 2025 on the Business Public Capital Standard; and
- recommendations of the Bank of Russia associated with sustainability-related disclosures.

Identification of Material Topics

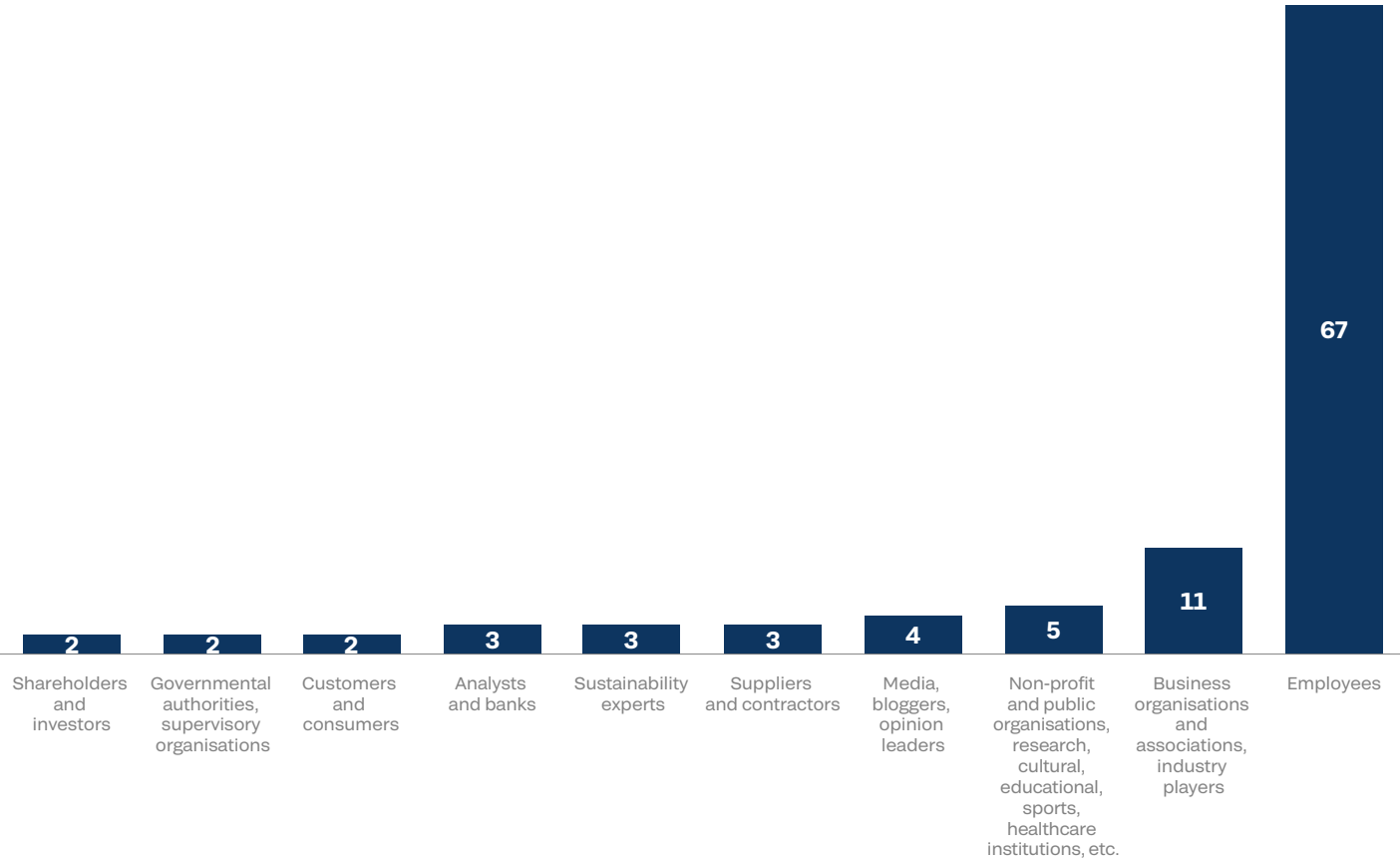
GRI 3-1 GRI 3-2

To determine the material topics disclosed in the Report 2025, Severstal annually conducts a stakeholder survey, whereupon it identifies the most significant topics for various stakeholder groups. In drawing up the Report 2025, the Company retained this approach, supplementing it by comparing the list of topics with the ESG risks approved during the reporting year in the updated Risk Management and Internal Control Policy.

For the first time, Severstal performed a double materiality assessment, factoring in both its society and environmental impacts, as well as potential financial consequences for the business upon the occurrence of the relevant risks.

At the first stage, the Company updated the list of potentially material topics for a stakeholder survey. The list rests on the topics of the Report 2024 identified as most material. In addition, the Company reviewed updates to the non-financial reporting standards, as well as topics disclosed by other sector players. For each topic, the Company identified positive and negative impacts (both actual and potential) on the economy, environment and society. In doing so, Severstal considered the stakeholder proposals recorded in drafting previous reports. The resulting list of impacts served the basis for compiling a stakeholder survey questionnaire. Respondents were offered the opportunity to designate additional impacts and topics within each aspect. In 2025, 102 representatives of 10 stakeholder groups took part in the survey.

Respondents by stakeholder groups



Further to assessing impacts by questionnaires, the respective topics were scored. Such scoring entailed summing up the averages for positive and negative impacts within the topics. The topics were then ranked and nested within three priority groups.

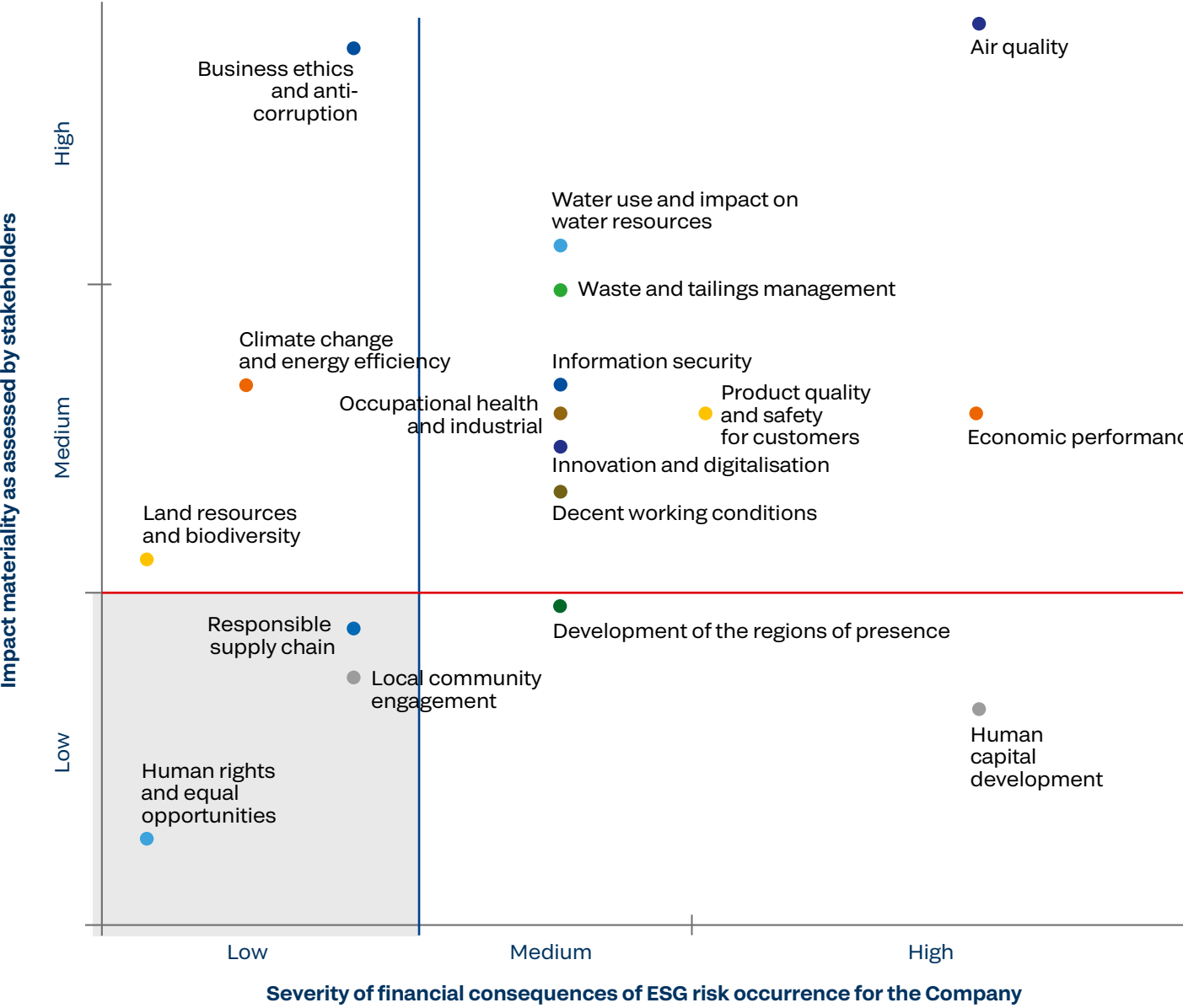
At the second stage, members of the Sustainable Development Working Group and other internal experts assessed ESG risks within their areas of responsibility. For this purpose, general ranges of risk severity (financial consequences of risk occurrence) were considered: low, medium, and high levels, each assigned a value from 1 to 3. The risks were then mapped to the existing topics – one topic might be associated with several risks, in which case the Company considered the average score across all risks.

For the list of ESG risks and their assessment, see the Risk Management section.

At the third stage, the Company compared the stakeholder assessments derived from the survey with the internal financial assessment of risks, which made it possible to identify the most material topics. Threshold values were determined for each criterion – the bottom 33% (Priority 3).

Thus, 14 topics were included in the most material topics in 2025.

Severstal's double materiality matrix



- Compared to 2024 performance, the following changes occurred in the list of material topics:
- the risk management topic was removed from the list, as the risk management approach is disclosed for each aspect;
 - the responsible supply chain topic was not included in the list of material topics; and
 - the business ethics and anti-corruption, as well as the human capital development topics gained materiality.

Boundaries of the Report

GRI 2-2 GRI 3-1

Severstal aims to make sure that the scope of the Integrated Report fully matches the scope of its consolidated financial statements prepared in accordance with IFRS. In the 2025 Report, information on certain material topics is disclosed in relation to the assets whose impact is most significant in the context of the relevant topic. The topics of economic performance, human capital development, decent working conditions, development of the regions of presence, information security, innovation and digitalisation, product quality and safety for customers, business ethics and anti-corruption are disclosed in accordance with the boundaries of the reporting prepared in line with IFRS requirements.

The topics of air quality, occupational health and industrial safety, waste and tailings management, water use and impact on water resources, climate change and energy efficiency, land resources and biodiversity are disclosed for the Severstal Resources and Severstal Russian Steel segments, as well as with account taken of assets of A Group, which joined the Company in Q2 2024.

The Company constantly works towards improving its approaches to setting up a system of data collection and consolidation for future single-scope disclosures. Exceptions in the scope and extent of certain disclosures, including versus prior reporting periods, appear directly in the text of the Report or in footnotes.



External Assurance

GRI 2-5

A number of key quantitative data is additionally verified as part of assurance by an independent practitioner to make sure the Report contains accurate and reliable data only. The Company’s approach and the external assurance schedule are set out in the Audit and Assurance Policy of PAO Severstal. The assured information is marked in this Report by a magnifier icon – 🔍.

The Independent Assurance Report is presented in Appendix 7.

To improve the quality of non-financial disclosures, the Company liaises with the Council on Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs and submits the Sustainability Report to it for an independent public assurance. The Council opines on the significance and completeness of the information disclosed in the Report, being guided by the provisions of the Social Charter of Russian Business, including the principles of responsible business practice.

The Public Assurance Report is presented in Appendix 8.





02.

Severstal Today



EBITDA

RUB137.6billion

vs 2024
↓ 42%

Investment

RUB173.5billion

vs 2024
↑ 46%

Cast iron production

11.2million tonnes

vs 2024
↑ 12%

Steel production

10.8million tonnes

vs 2024
↑ 4%

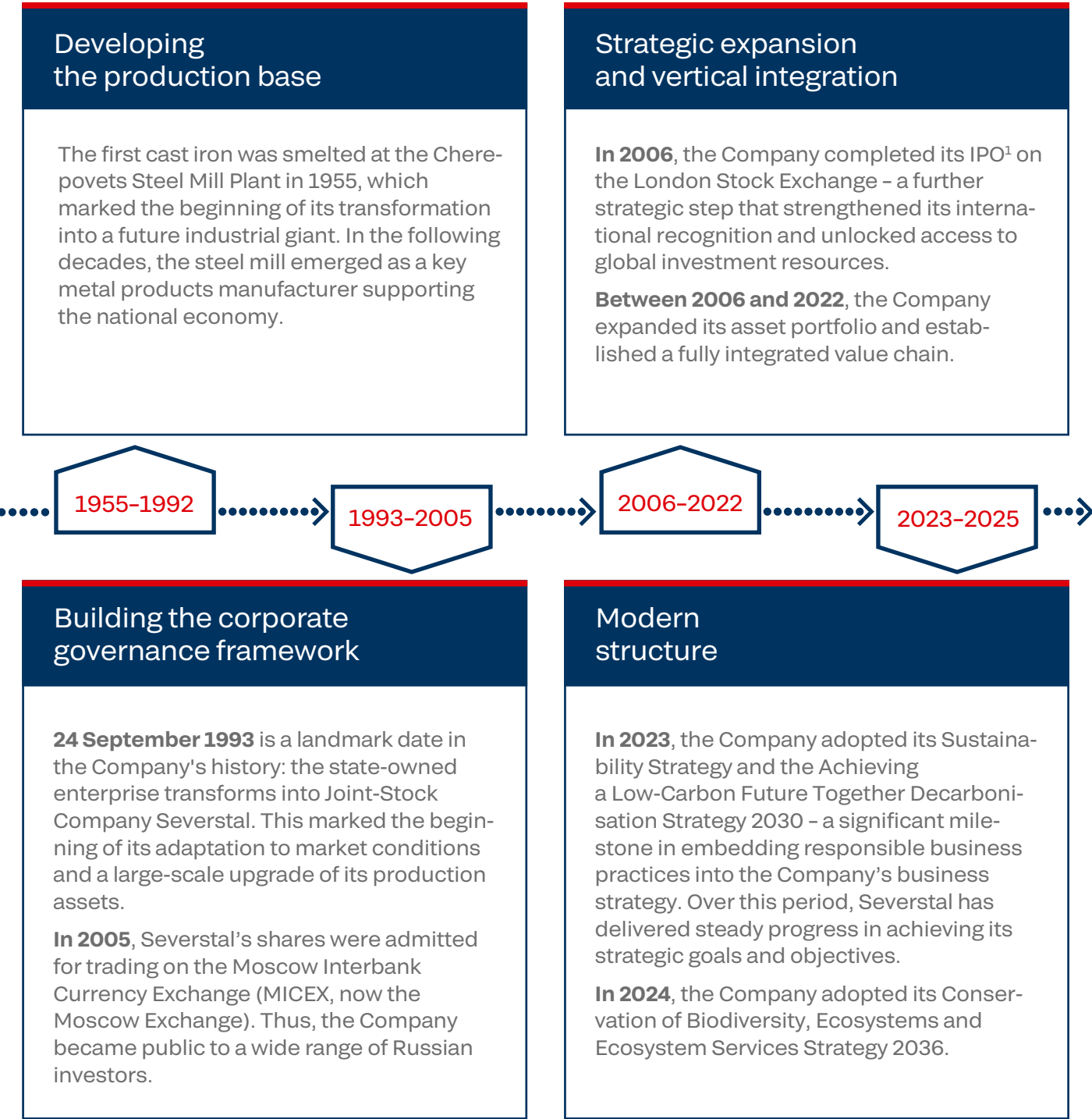
GRI 2-1GRI 2-6

Severstal is one of the world’s most efficient steel and mining companies that creates new steel products and integrated solutions together with its customers and partners. Its core assets are based in the European part of Russia. The Company offers a wide range of goods, leveraging new developments and focusing on High Value Added (HVA) products.

History, Mission, and Values

History

Severstal’s history spans more than seven decades. Over this time, the Company has evolved from a regional metallurgical plant into one the largest industrial enterprises in Russia.



¹ IPO (Initial Public Offering) – the initial public offering of a company’s shares.

Mission, Vision, and Values

Severstal is a team of professionals who share common values and objectives. The corporate culture promotes continuous development, greater efficiency, and strong collaboration – both internally and with external partners.

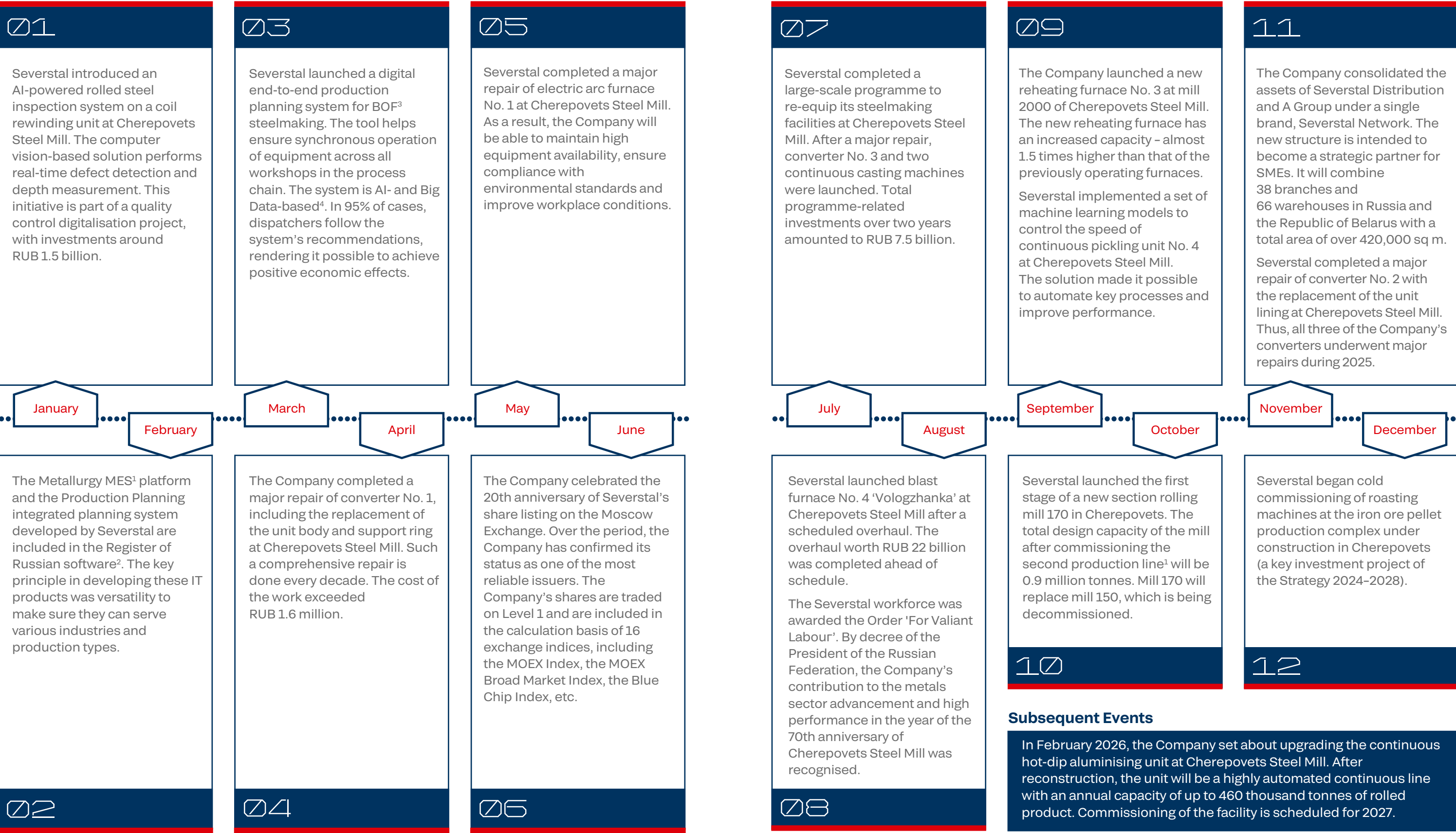
Mission 	A leader in creation We are driven by the success and progress of those we interact with. To this end, we continue advancing metallurgy and inspiring others to seek new paths forward
Vision 	A steel industry leader of the future We strive to become a steel industry leader of the future and a first-choice company for customers, employees and partners, guided by five strategic priorities

Severstal’s key values

 Customer Care	Severstal respects and values its customers, both external and internal, carefully exploring their needs and responding promptly to their demands. The Company evolves together with them and for them by building new production facilities, rolling out new products, boosting its technologies and processes and delivering better service.
 Efficiency and Agility	‘Doing the right things right’ is a key principle driving the Company’s operations. Guided by this principle, the Company is continuously improving, striving to attain maximum results, introduce innovations, make sound and timely decisions, ensure their effective execution and deploy its resources to their fullest potential.
 Respect for Employees	Severstal aims to become an attractive employer that cares for its employees. The Company provides decent working conditions, fairly assesses employee performance, does the groundwork for self-fulfillment, initiative and professional growth inside the Company.
 Teamwork	Severstal is a team of like-minders who share the Company’s vision and goals and guide it toward success. The Company’s actions rest on trust, responsibility, joint decision-making – from development through to execution. Severstal leverages and nurtures the potential and professionalism of every team member.
 Safety	Severstal believes that no objective can justify compromising production safety standards or neglecting people’s life and health. The Company creates and maintains a safe working environment and cares for its employees’ health. Severstal is committed to preventing environmental pollution and using energy and natural resources in a sustainable and responsible manner.



2025 Highlights



¹ MES – Manufacturing Execution System.

² The solutions are entered on the Unified Register of Russian Software maintained by the Ministry of Digital Development, Communications and Mass Media of the Russian Federation under classes: 09.02 Manufacturing Execution System (MES) Tools and 09.13 Warehouse and Supply Chain Management Tools (WMS, SCM).

³ BOF – Basic Oxygen Furnace.

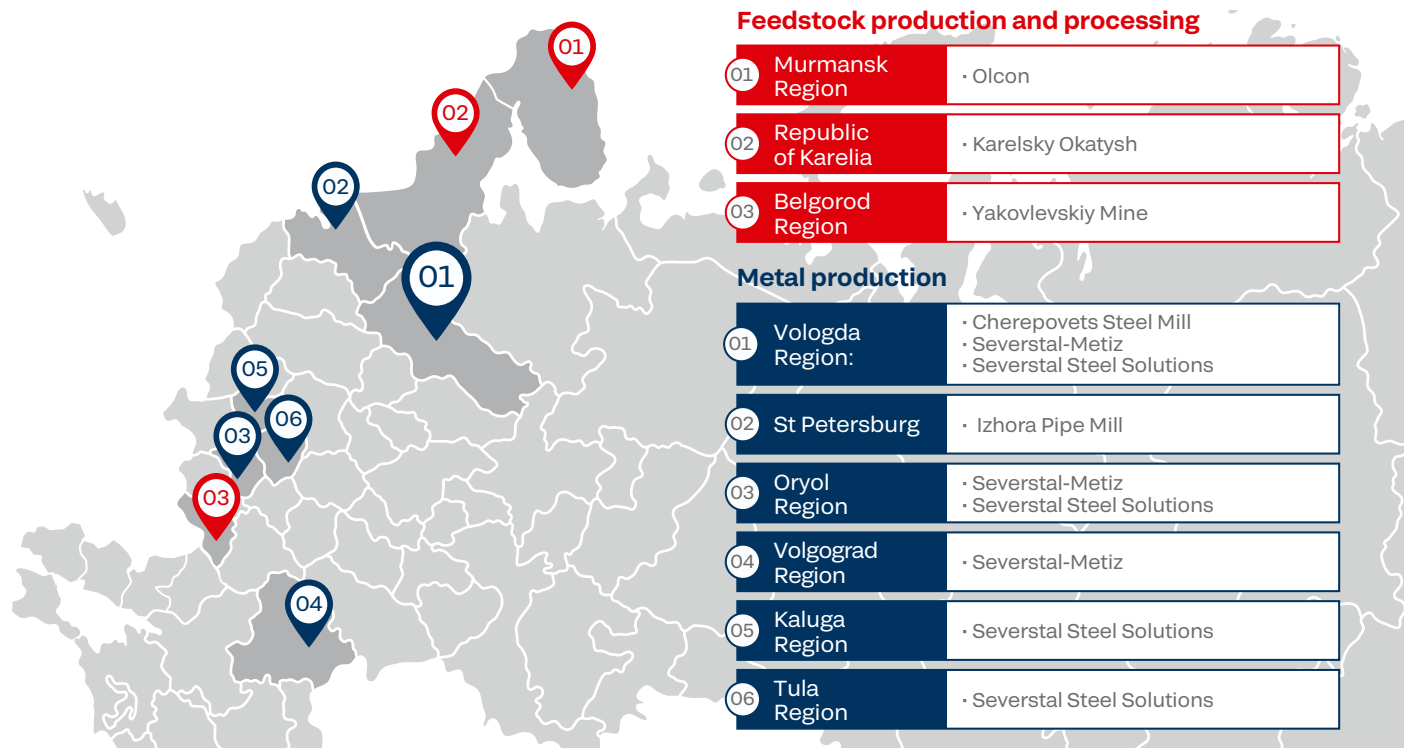
⁴ Big Data are arrays of large amounts of information of various types and structure.

¹ It is expected to be rolled out in H1 2026.

Geography and Key Assets

GRI 2-1 GRI 2-6

The Company consists of two core production segments – Severstal Resources and Severstal Russian Steel. Their well-coordinated activity makes it possible to manage all stages of the operating process – from ore mining and processing to the release of finished metal products, their distribution, development of integrated solutions for customers, and maintenance.



Severstal’s key assets

Segment	Key assets	Profile
Severstal Resources	Karelsky Okatysh Olenegorskiy Mine (Olcon) Yakovlevskiy Mine	Iron ore mining and beneficiation
Severstal Russian Steel	Cherepovets Steel Mill Izhora Pipe Mill Severstal-Metiz Severstal Steel Solutions Severstal Network	Iron ore mining and beneficiation Release of metal products, tubular products, metalware, and metal structures, distribution

Severstal Resources

Severstal Resources brings together all mining assets of the Company in the Belgorod and Murmansk regions, in the Republic of Karelia. They completely supply Severstal Russian Steel with iron ore and provide external customers with feedstock.

Severstal Russian Steel

The Severstal Russian Steel segment combines the Company’s assets involved in manufacturing and selling finished metal products. In particular, this segment covers Severstal Network warehouses and branches, located in 40 cities across all federal districts of Russia, as well as in five cities of the Republic of Belarus.

Feedstock Production and Processing

Iron ore feedstock

The Murmansk region is home to the Olcon mill, the largest producer of iron ore concentrate in Northwestern Russia, which extracts and beneficiates iron quartzites.

Karelsky Okatysh in the Republic of Karelia manufactures iron ore pellets, serving as the primary feedstock for blast furnace production.

The Yakovlevskiy Mine in the Belgorod region develops high-grade iron ore deposits of the Kursk Magnetic Anomaly, ensuring high profitability for the mining segment.

Metals

Key asset

Cherepovets Steel Mill in the Vologda region (city of Cherepovets) is the technological core of the company. It performs a full production cycle – from cast iron smelting and steelmaking to the release of finished rolled products for construction, mechanical engineering, and other industries. It is one of the most profitable metal manufacturers globally, which is well-positioned in terms of its vicinity to the Company’s mining facilities, Baltic Sea ports and Russian industrial clusters. Severstal Russian Steel offers a wide range of products with the largest share of flat rolled steel.

Specialized pipe production

Izhora Pipe Mill in Saint Petersburg produces large diameter pipes for trunk pipelines in the oil, gas and energy industries.

Metalware production

Severstal-Metiz with production sites in the Vologda (city of Cherepovets), Oryol (city of Oryol), and Volgograd (city of Volgograd) regions manufactures a vast spectrum of metal products for various industries. The product range includes wire, ropes, fasteners, mesh, and other metal products.

Production of metal structures

The production sites of Severstal Steel Solutions are located in the Vologda (city of Cherepovets), Kaluga (city of Obninsk) and Tula (city of Shchekino) regions, ensuring proximity to key consumers in the Central Federal District. The asset focuses on the production of finished metal structures and components according to individual customer designs. The enterprises perform a full cycle – from design and metal cutting to assembly and painting of finished structures.

Sales Infrastructure

Severstal has built a well-established sales network and warehouse infrastructure. Flexible logistics patterns enable timely delivery of products to customers across the country. The Company possesses not only sales points and warehouses but also service departments that provide technical support and advice on product applications.

Business Model

GRI 2-6 SASB EM-MM-000.A SASB EM-IS-000.A SASB EM-IS-000.B

Severstal’s business model is based on vertical integration and brings together all successive production processes – from iron ore mining to the release of finished metal products. Such structure makes it possible for the Company to control each stage of value creation, ensuring its resilience to market fluctuations. The Company has its own feedstock, which minimises dependence on external suppliers and strengthens its position in the domestic market. The Company’s performance is reflected not only in its operating and financial metrics but also in Severstal’s significant contribution to the development of the economy and society.

Capital (value creation resources)

Human and intellectual capital

- **53,662** employees ✓
- **RUB 159 thsd** - average salary
- **RUB 485 million** - investments in personnel development programmes
- **Employer No. 1** among metals companies (according to hh.ru)
- **RUB 313 million** - R&D funding
- **>2,000** patents for inventions and industrial designs¹

Natural capital

- **>100%** iron ore feedstock self-sufficiency
- **93%** scrap metal self-sufficiency
- **80%** electricity needs of Cherepovets Steel Mill are covered by own generation from associated gases
- **100%** blast-furnace coke self-sufficiency

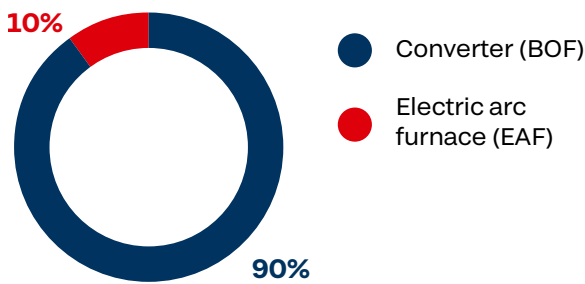
Operational capital

- **2** segments
- **>40** facilities
- **RUB 576 billion** fixed assets²
- **0,174 tons of steel/man-hour** - average daily labour productivity

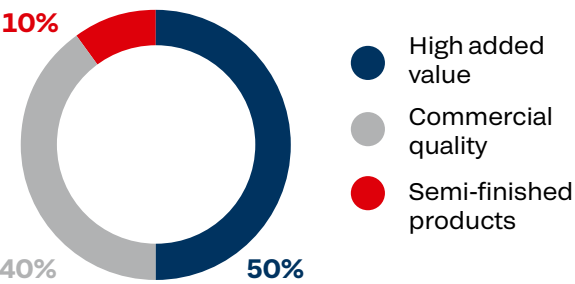
Value chain



Production technology in 2025, million tonnes



Sales structure in 2025, million tonnes



Value creation for stakeholders

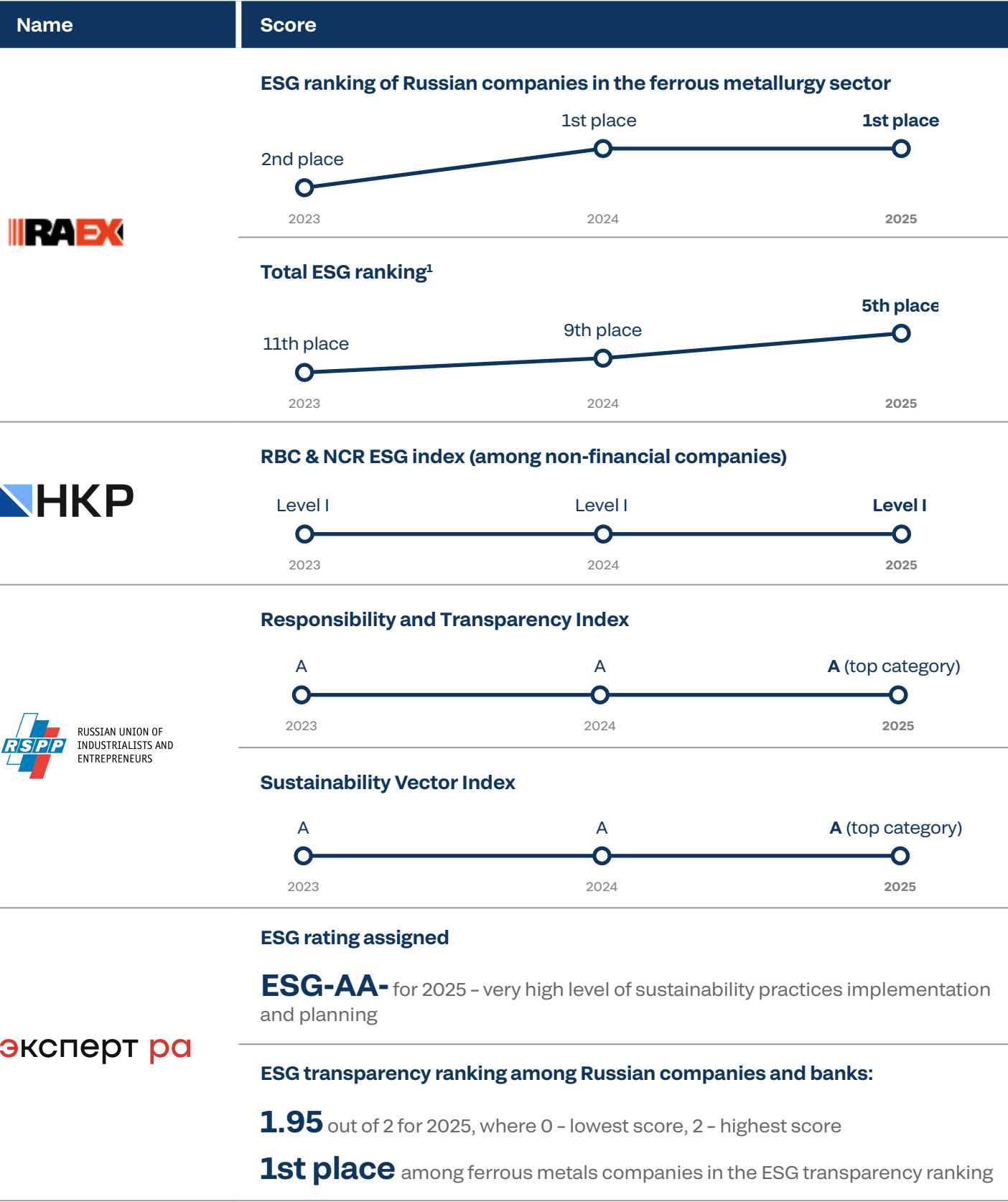


¹ Including the cost of sales, general and administrative expenses, selling expenses, but not including wages and social contributions.
² Including dividends and interest paid.
³ Income tax paid.
⁴ Including charitable donations and social expenditure.

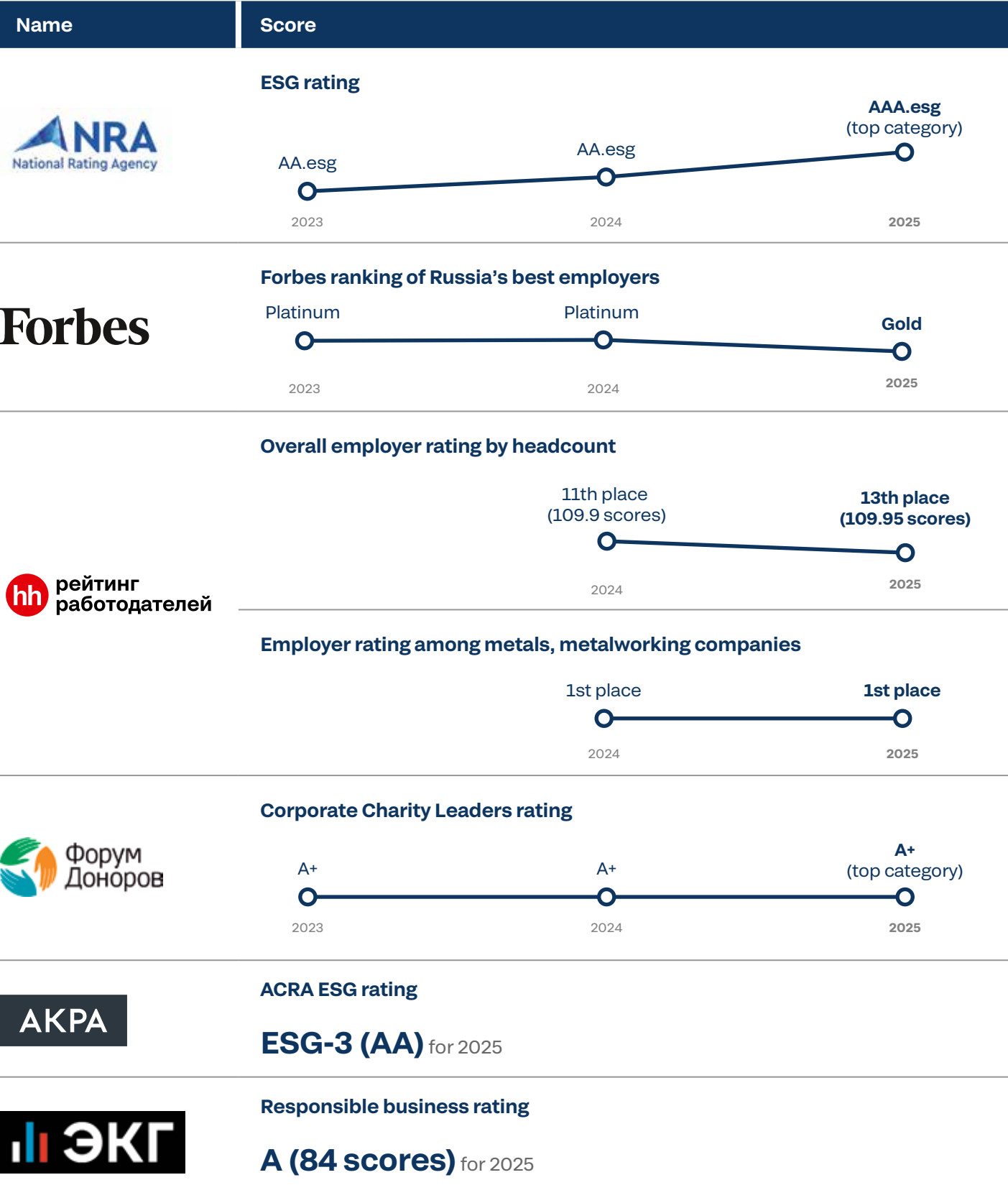
¹ According to the Federal Intellectual Property Service.
² Buildings, machines, equipment and other assets.

Sustainability Ratings, Rankings, and Indices

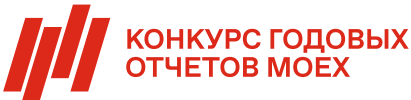
PBCS 73



¹ As of the December of the reporting year.



Sustainability Awards

Responsible business practices	
 First-degree laureate of the Leaders of Responsible Business national award Finalist in three categories: - For contribution to the development of responsible investment and financing of sustainability projects - For contribution to achieving national environmental and climate goals and objectives - For contribution to the sustainable development of territories, creation of a favourable living environment for the people in the regions of presence	 Seven Company's programmes contributing to the delivery of national projects are among the award finalists Partner of National Projects status
 Grand Prix in the Best Sustainability Report category	 Annual Russian Mining Award: Winner in the Sustainable Development Project category with the social investment programme
Environmental aspect	
 Running first in the 2025 assessment of mining companies' biodiversity conservation efforts	 Winner in the Eco-Initiative category with the Wizard of the Emerald Mountains project Awardee in the Eco-Volunteers category with the Metallurgists' Children Visiting the Children of the Night project
 Laureate of the EcoTech-Leader – 2025 national award in the Environmental Monitoring category for the ambient air quality monitoring system in Cherepovets	 Wings of the Arctic: Preserving the Nature of Teriberka – 2 project of the Kindness of the North Charitable Foundation won the Presidential Nature Foundation competition

Social aspect	
 Winner of the All-Russian Flagships of Business: Dynamics, Responsibility, Sustainability – 2024 competition in three categories: - For preserving historical memory, cultural heritage and developing patriotic culture - For achievements in occupational health and employee safety - For the high quality of sustainability/ESG reporting	 Five of the Company's programmes took winning places in the corporate social programmes competition in the following categories: 1st place – Best Corporate Family Support Programme for the Child Support Service 1st place – Best Programme Contributing to the Achievement of the UN SDGs for Ensuring Health for the Choose Life project 2nd place – Best Programme Contributing to the Development of Science and Education in the Russian Federation for the comprehensive young talent development Severstal Vertical programme 2nd place – Best Corporate Social Investment Programme in Territories in the Context of Sustainable Development and Business Strategy for the social investment programme 3rd place – Best Programme Aimed at Supporting Culture, Art and Creative Industries for the Museums of the Russian North programme
 Winner in the corporate projects It's All about the People competition in the Local Community Development category for the comprehensive social investment programme	 Laureate in the Headliner in Implementing Corporate and Intra-Corporate Social Programmes (S) category for the social investment programme



03.

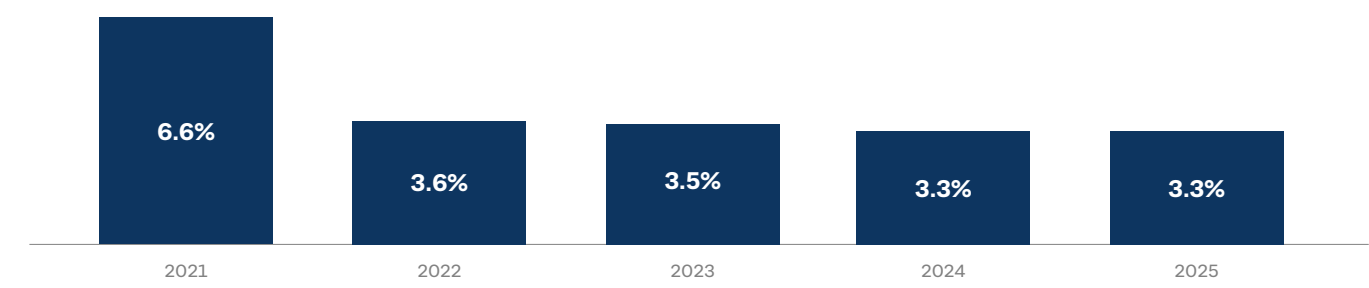
Strategy Report

Market Overview

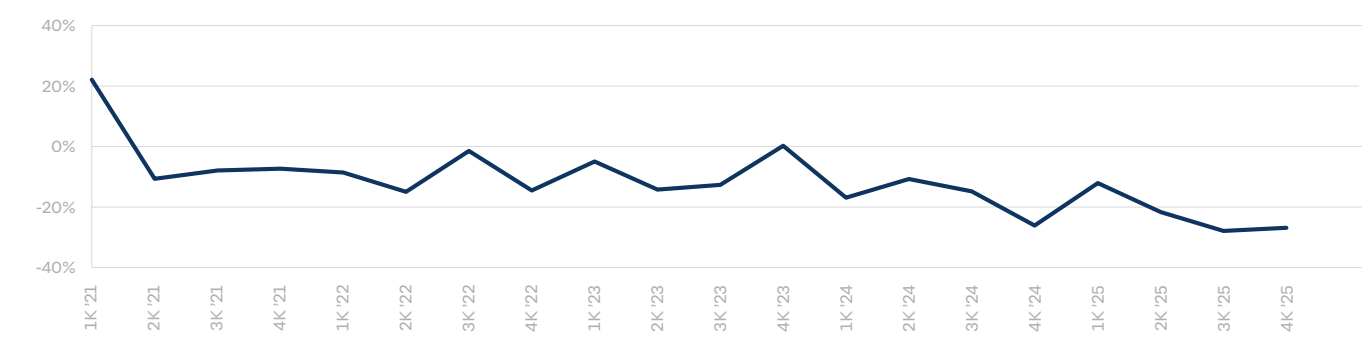
In 2025, as in previous years, the global economy adapted to dynamically changing macroeconomic realities. Global GDP growth in 2025 is estimated at 3.3% amid persistently high key rates in developed countries and the Chinese economy slowdown. Despite incentivising efforts, the Chinese real estate market has not demonstrated sustainable recovery, and pressure on global steel demand has not eased.

Similar global GDP growth rates are projected for 2026. A negative impact of changes in trade policy is compensated by a positive influence of a sharp surge in technology investments, including in artificial intelligence, fiscal and monetary support. Global headline inflation is expected to go down from an estimated 4.1% in 2025 to 3.8% in 2026.

Global GDP dynamics¹, % YoY



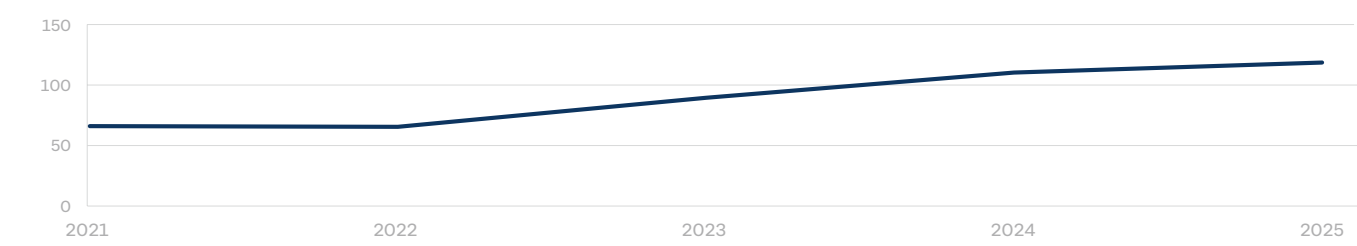
Start of new projects in the Chinese real estate sector, % YoY



According to the World Steel Association forecast, global steel demand in 2025 will remain almost unchanged compared to 2024, reaching approximately 1,749 million tonnes. In 2026, the key driver of demand growth, albeit modest, will be such emerging economies, as India (demand growth projected at 9% in 2025–2026), ASEAN² countries and the Middle East.

High production costs, escalation of trade barriers affecting exports of metal-intensive products (machine engineering, automotive components), as well as geopolitical uncertainty continue to constrain steel demand in key regions globally. Having faced domestic overcapacity and the ongoing real estate market crisis, China continues to increase exports of metal products, exerting price pressure on all key export destinations.

Volume of steel product exports from China¹, million tonnes

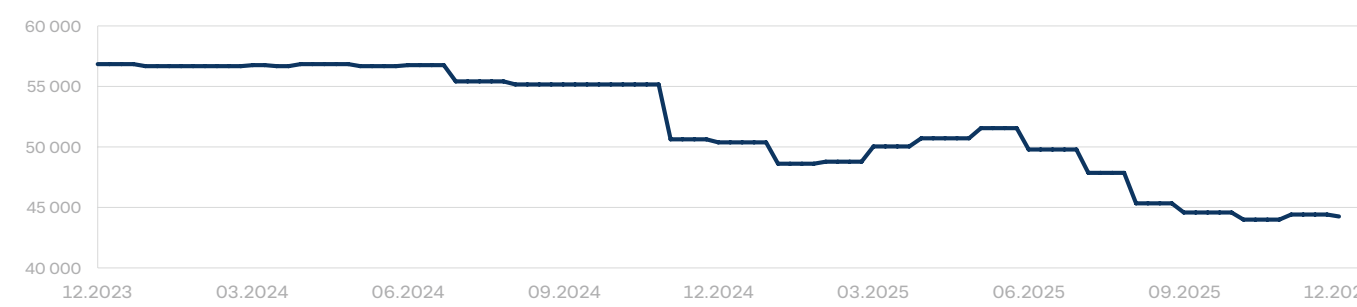


Steel demand in Russia declined significantly following the economic slowdown against the backdrop of a high key interest rate. In 2025, steel consumption decreased by approximately 14% compared to 2024. In addition, the RUB strengthening throughout 2025 made the Russian domestic market relatively attractive for steel product importers. The decline in domestic steel demand in Russia led to a decrease in metal product prices, which is expected to continue in 2026.

Steel Prices

In the domestic market, a price correction was observed in 2025 following the tightening of the Bank of Russia’s monetary policy and the decline in economic activity. The average annual price of hot-rolled sheet in Russia decreased by 14% versus 2024.

Price² of hot-rolled steel in Russia³, RUB/tonne

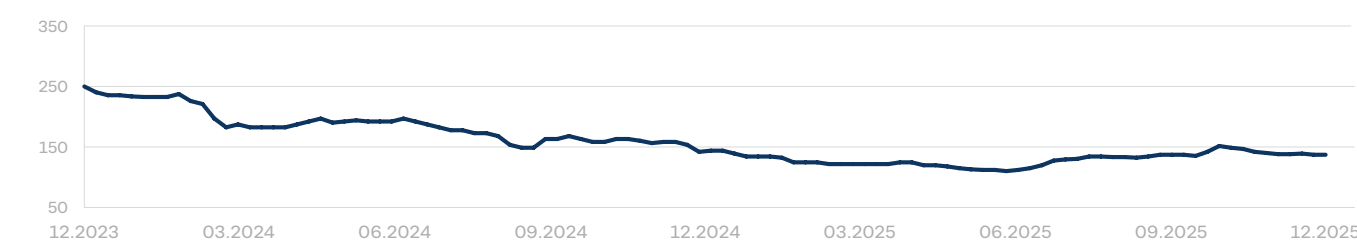


Pressure from Chinese imports persisted in export markets. Average export prices for Russian hot-rolled coil in 2025 decreased by 11% YoY.

Coking Coal Prices

Coking coal prices were impacted by mixed factors. On the one hand, demand in China remained low; on the other hand, increased consumption from India partially supported the market. The average price of coking coal in 2025 was USD 125 per tonne, down 32% YoY.

Coking coal prices⁴, USD/tonne



¹ According to preliminary data from the International Monetary Fund (IMF).

² ASEAN (Association of Southeast Asian Nations) is a regional intergovernmental organisation of Southeast Asian states.

¹ Source: Customs Service of the People's Republic of China.

² Source: Metals & Mining Intelligence agency.

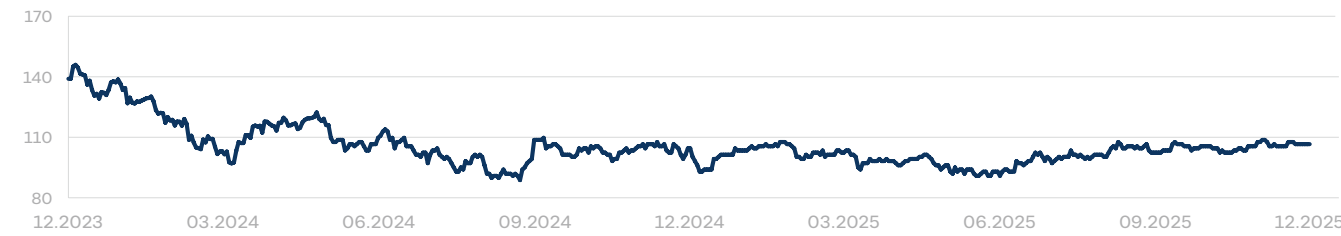
³ CPT of the Central Federal District net of VAT. CPT – ‘carriage paid to’ delivery principle.

⁴ CFR China – cost and freight to China.

Iron Ore Prices

In the iron ore market, weak demand from the Chinese steel industry was observed in 2025. The average price for iron ore was USD 102 per tonne, down 8% YoY. Prices remained at the cost level of high-cost producers throughout the year, which restricted the potential for further decline. In the mid-term, a surplus in the iron ore feedstock market is expected due to the commissioning of new capacities – the Simandou deposit in Guinea (+120 million tonnes in 2028).

Iron ore prices¹, USD/tonne



Competitive Environment and Comparison with Key Players

The metal products market in Russia remains highly competitive. Severstal’s main competitors in the domestic market are NLMK, MMK, EVRAZ, as well as niche players in the tubular segment (TMK, OMK). In export markets, key competitors are producers from China, India, and CIS countries.

The Company’s competitive advantage is its steel production cost, which remains one of the lowest in the industry. This is achieved through three key factors:

- High degree of vertical integration: the Company is fully self-sufficient in iron ore feedstock, which protects it against price volatility.
- Robust production model: advanced capacities and favourable location (vicinity to ports and major agglomerations) allow for optimised logistics flows.
- Diversified sales portfolio: large sales of HVA products.

As a result, even during periods of price volatility, Severstal demonstrates EBITDA margins above the industry average.

Strategy

In 2024, Severstal set about implementing its updated five-year development strategy for the period 2024-2028. In drawing up the strategy, the Company proceeded from the need to respond to key global challenges and trends shaping market development in the medium and long term.

External strategy priorities of the Strategy 2024-2028

Challenge	Severstal's response
 Higher trade barriers and global steel market stagnation Need for business refocusing to the domestic market and developing customer centricity	→ Maximum catering to Russian consumers’ needs, development of long-term partnerships, and expansion of product range
 Intensifying competition in the Russian steel market Search for new growth points and promotion of domestic consumption of metal products	→ Expansion of traditional niches and creation of new demand, including enhancement of steel construction technology
 Demographic crisis and stronger fight for talent Challenge for the entire Russian manufacturing sector	→ Elevating personnel management to a separate strategic priority with a focus on improving labour productivity, automation and digitalisation of processes, creation of attractive conditions for employees
 Restricting access to Western technologies Window of opportunities in the battle for market share	→ Import substitution of technologies and improvement of in-house expertise, including the creation of industrial software and implementation of AI-powered solutions
 Inflation of costs and more expensive logistics Maintaining focus on cost leadership	→ Vertical integration, operational performance improvement programme, and large-scale investment projects are aimed at ensuring not merely survival but strengthening the Company’s competitive advantages

¹ CFR China – cost and freight to China.

The new strategy retains and intensifies the core elements shaping the Company’s long-term competitive edge, while adding new areas that reflect the current market realities and internal challenges. Such approach makes it possible for the Company to maintain development continuity while concurrently adapting to changed conditions.

An important clarification to the strategy in 2025 was the formation of a system-based approach to customer engagement. In conditions of overall contraction in domestic steel demand, the Company transformed its sales philosophy to the principle of ‘**not a single tonne without differentiation.**’ This approach means that every tonne of metal products must be unique either in its technical features or in related services, and create additional value for end consumers. Implementation of this principle led to setting up a unified Severstal Network structure in November 2025, which combined the assets of Severstal Distribution and A Group.

The Company also performed a service transformation, shifting from metal supply to provision of end-to-end solutions. Severstal Network customers gain access to financial instruments, engineering advice, technical support in steel grade selection, well-designed supply models, and joint promotion programmes. Service metal centres offer precise cutting of small-tonnage batches, enabling SMEs to optimise their inventories and cash flows.

To successfully deliver the strategy, Severstal identified five interconnected priorities – the Company’s responses to specific market challenges. Consistent work on priority areas will strengthen the Company’s position as a leader in metallurgy of the future.

To attain the goals set, the Company is implementing a large-scale investment programme. The programme spans four years and covers all strategic priorities. It is balanced in such a way so as to ensure financing of key projects while maintaining financial resilience.



Strategic priorities



Leader in cost



Leader in customer engagement



Leader in occupational safety and environment



Leader in employee life quality



Leader in digital technologies

Connection to market trends

Inflation of costs, more expensive logistics, price pressure from imports	Refocusing on to the domestic market, intensifying competition in Russia	Tightening requirements for industrial safety and environmental protection, priority of preserving human capital	Demographic crisis, personnel shortage, fight for talent	Restricting access to Western technologies, window of opportunities for import substitution
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Target

Strengthening global cost leadership in an environmentally friendly manner	Become number one company in its segment ('first to come to mind')	Preservation of life and health of employees and local residents	Become a reliable employer that cares for employees and their families	Gaining sustainable advantage through digitalisation
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Key metrics for 2028

Maintaining a lead of at least 15% in end-to-end cost of converter slab over the nearest competitor	Market share in Russia’s key segments of at least 20%	- Zero fatalities LTIFR <0.45 among employees - Reduction in emissions by 46% by 2030¹	Status of employer No. 1 in the regions of presence	Enhanced labour productivity, creating an additional source of EBITDA
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Key measures

- Construction of a pellet production plant in Cherepovets - Increasing a share of pellets in blast furnace charge to 90% - Operating efficiency and energy saving programme - Closure of outdated capacities	- Promotion of in-house distribution - Launch of new product types - Development of advanced engineering - Promoting demand through steel construction technology	- Transformation of the occupational safety approach - Use of digital safety control systems - Environmental projects	- Development of an employee care ecosystem, decent working conditions - Improving productivity through automation of production processes - Advancement of feedback and human-centric approaches in management	- Implementation of AI and digital twins in production - Development of proprietary software - Ensuring cyber security and import substitution of critical infrastructure
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¹ Against the 2017 baseline.

Progress on Strategic Priorities of the Strategy 2024–2028

Leader in cost

Measure	Key metrics	Status / expected effect
Building a pellet production complex	Investments: RUB 116 billion Capacity: 10 million tonnes per year	Equipment installation completed in 2025 Launch scheduled for 2026 After-launch reduction of cast iron cost, reduced environmental impacts
Overhaul of the first section of blast furnace No. 5 ‘Severyanka’	Investments: ~ RUB 40 billion	Completed in 2024 ahead of schedule Increased share of pellets in the charge and reduced coke consumption
Overhaul of the first section of blast furnace No. 4 ‘Vologzhanka’	Investments: RUB 22 billion	Completed in 2025 Increased share of pellets and reduced solid fuel consumption
Upgrade of mill 2000	Investments: > RUB 10 billion	Completed in 2025 Increase in mill productivity of up to 7 million tonnes per year Lower energy consumption and higher quality of rolled products
Construction of a recycling thermal power plant	Investments > RUB 10 billion	Construction started in 2025; launch scheduled for 2026 Increase in self-sufficiency of electricity up to 95%, reduction in CO ₂ emissions

Leader in customer engagement

Measure	Key metrics	Status / expected effect
Severstal Network creation	Increased sales in the SME segment, sales differentiation	Commenced operations in November 2025. Recognised as the Best Federal Distribution Network of 2025 among Russian metals companies ¹
Launch of the first stage of section mill 170	Investments: RUB 15 billion Design capacity (after commissioning of the second stage): 900 thousand tonnes per year	Launched in 2025 Release of second-to-none product types
Advancement of new product types	▪ Cordis (new brand of corrosion-resistant steel) ▪ Powerhard Duo (combined metal) ▪ Grani/Grani Pro (new sheet piles) ▪ Lambda profile (reduced metal intensity) ▪ Correx (for radiators)	Active expansion of the portfolio of premium and import-substituting products for mechanical engineering, construction, fuel and energy sectors continues
Supplies for infrastructure projects	Increased supplies of products for tram line, underground, and icebreaker construction	Supplies are underway Strengthening position as an end-to-end supplier for Russia’s key infrastructure construction projects

¹ According to the Russian Union of Metal & Steel Suppliers.

Leader in occupational safety and environment

Measure	Key metrics	Status / expected effect
Federal Clean Air Project	Gross emissions reduced by 30.7% and priority emissions by 27.6% against 2017 levels by the end of 2024	Targets achieved ahead of schedule in 2024
Biodiversity Conservation Strategy	Delivery of projects jointly with the Darwin State Nature Reserve in the Cherepovets district, study of the wild reindeer population in Karelia	Consistent work on biodiversity conservation in regions of presence is underway
Digital safety control system	Development of a computer vision-based platform for detecting violations	Being implemented at Cherepovets Steel Mill, Severstal-Metiz, and Yakovlevskiy Mine

Leader in employee life quality

Measure	Key metrics	Status / expected effect
Dlya Svoikh well-being programme	Investments: > RUB 8 billion Coverage: > 20 areas of benefits	Retention of key employees, increased involvement
Mortgage programme	Interest compensation for ~3,000 families	Addressing employees’ housing issues, talent retention
Increased salaries	Average salary – RUB 159,000 (up 10% vs 2024)	Maintaining competitive income level

Leader in digital technologies

Measure	Key metrics	Status / expected effect
Sherlock quality management system	Coverage: 60% of Cherepovets Steel Mill’s commercial output, scheduled increase to 67% Investments over 10 years: ~ RUB 2 billion	Key implementation stage completed Reduced risk of shipping non-compliant products, increased customer satisfaction
Software ‘Reliability’	Maintenance and repair management automation	Certified for compatibility with Russian operating systems Import substitution in asset management
Development of an open automated process control system	Prototype of open programmable logic controller	Pilot implementation scheduled for 2026 Reduced dependence on foreign automation systems, creation of own standard
Production robotisation	Investments in developing lining solutions	Increased safety and efficiency in potentially hazardous and routine operations
Artificial intelligence	AI Metallurgy Leaders competition: > 200 AI agent prototypes Internal generative AI platform ‘Da Vinci’ rolled out	Extensive employee involvement in creating tools to enhance labour productivity
Creation of MES platform ‘Metallurgy’ and IPS ¹	Production management and planning using an import-independent ecosystem	Solutions are entered on the Register of Russian Software

¹ IPS – intrusion prevention system.

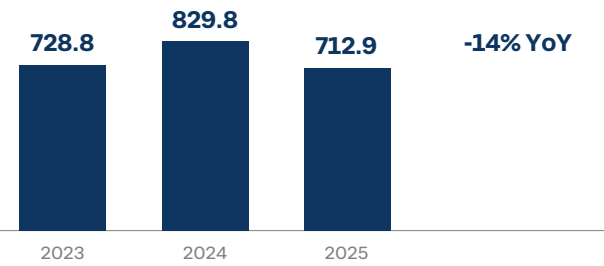
Overview of Operational and Financial Performance

In 2025, Severstal faced a significant decline in profitability against the backdrop of falling global steel prices and substantial slowdown of the national economy. Despite the decline in revenue and EBITDA, the Company demonstrated operational flexibility by increasing physical volumes of metal product sales and maintaining leadership in profitability in the global industry. The key event of the year was the implementation of the investment programme under the Strategy 2024–2028, which resulted in a negative free cash flow but laid the foundation for future growth in financial performance.

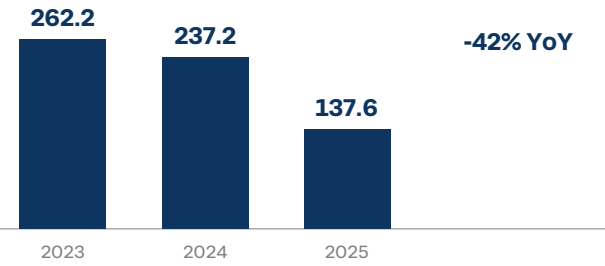
Financial Performance

Severstal's financial performance, RUB billion

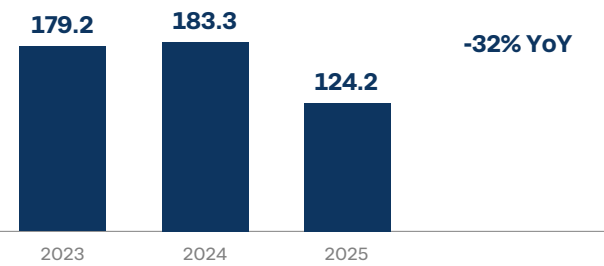
Revenue, RUB billion



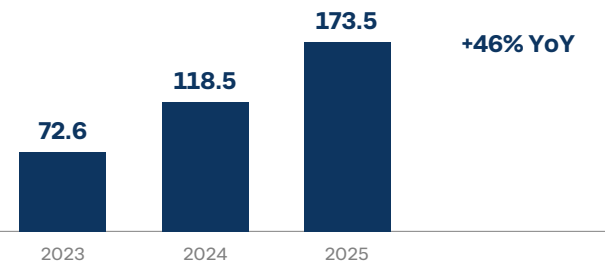
EBITDA, RUB billion



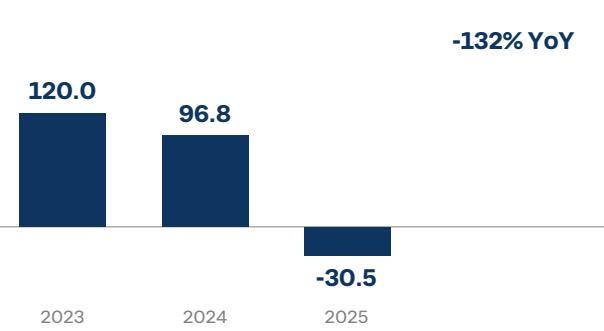
Operating cash flow, RUB billion



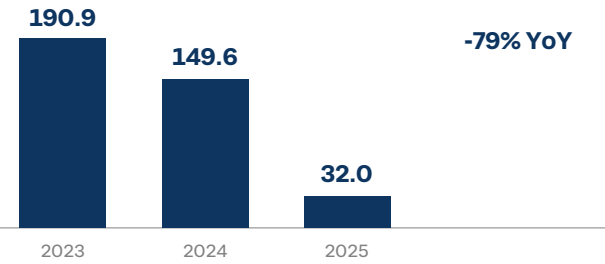
Investments, RUB billion



Free cash flow, RUB billion



Net profit, RUB billion



The Company’s revenue for 2025 decreased by 14% YoY to reach RUB 712.9 billion. It was driven by the decline in average metal product prices against the background of weak demand in both domestic and export markets. On top of that, a share of semi-finished products with low added value increased in the sales structure compared to finished products.

The EBITDA indicator decreased by 42% down to RUB 137.6 billion, following revenue and amid inflation of costs. As a result, EBITDA margin declined by 10 p.p. to 19%. Despite a significant decline, this level of profitability makes it possible for the Company to maintain leadership among public steel companies worldwide.

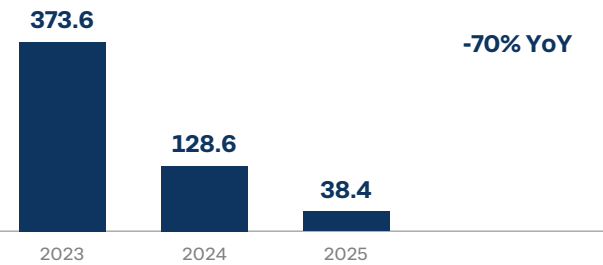
Net profit demonstrated a 79% decline – to RUB 32 billion. This was accounted for not only by the reduction in operating profit but also by a one-off factor – an impairment loss on long-term assets in the Severstal Resources segment. The impairment is related to the revision of future cash flows against the backdrop of a high key interest rate and deteriorating economic conditions.

In 2025, the Company’s investments reached a record RUB 174 billion, up 46% YoY. The growth was driven by financing of key development projects, including construction of a pellet production workshop. In 2026, the Company plans to invest RUB 147 billion in maintaining current capacities, development and digital tools implementation projects, and in sustainability projects.

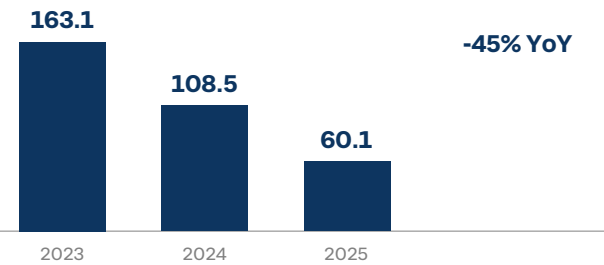
The combination of two opposing factors – profit decline and sharp surge in investment expenditures – resulted in a negative free cash flow of RUB -30.5 billion in 2025. At the same time, the Company managed to release RUB 34.3 billion from its working capital, which partially offset the profit decline.

Severstal's financial standing

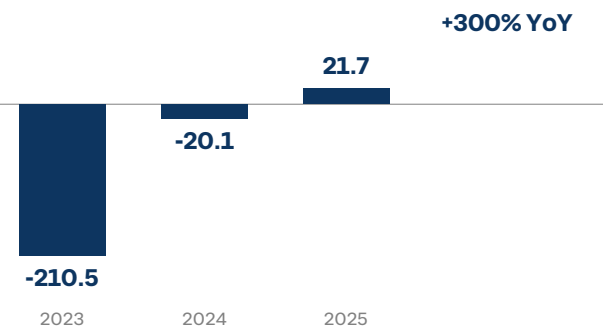
Cash and cash equivalents, RUB billion



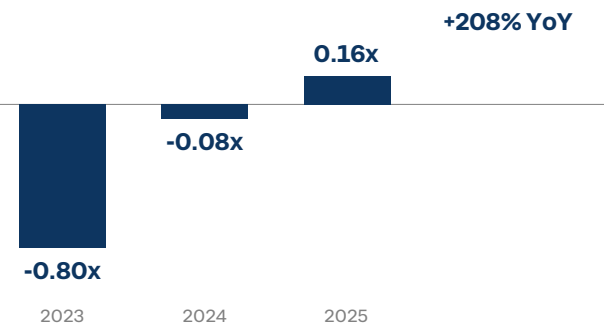
Total debt, RUB billion



Net debt, RUB billion

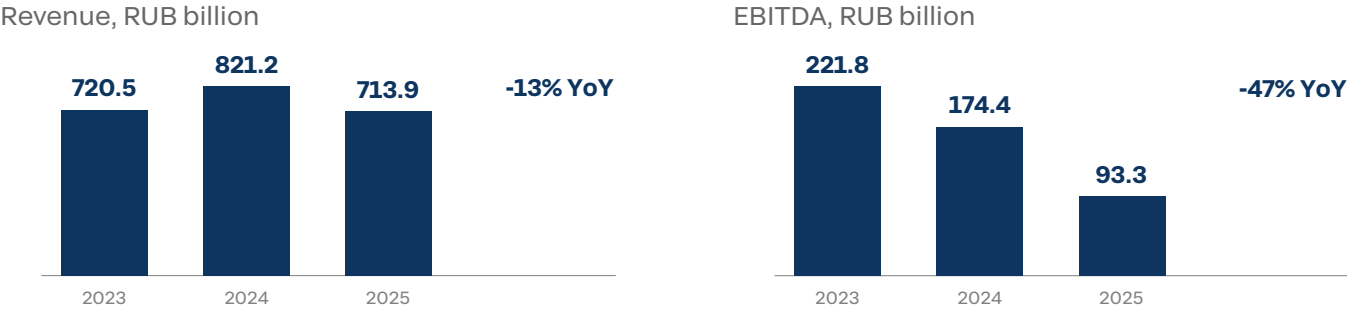


Net debt / EBITDA



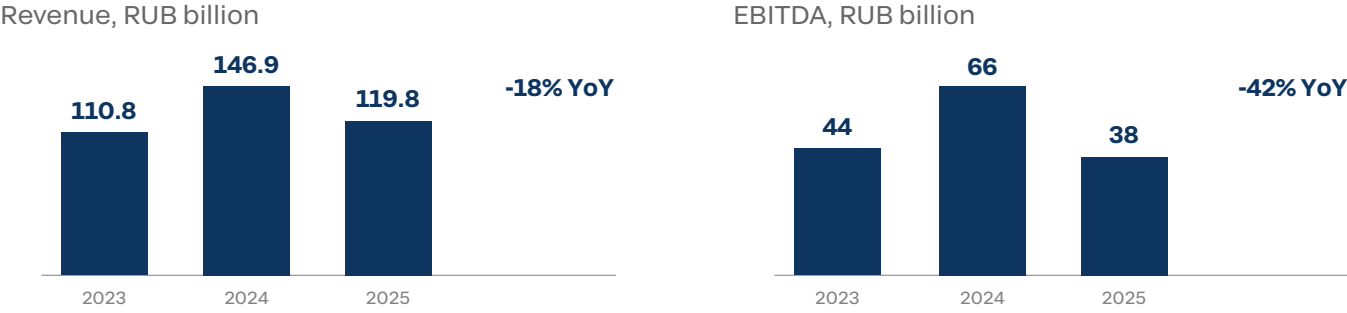
In 2025, cash and cash equivalents fell down to RUB 38.4 billion amid large-scale investments financed from own funds. The total debt amounted to RUB 60.1 billion, declining due to debt repayment aimed at streamlining financial expenses.

Financial performance of Severstal Russian Steel, RUB billion



In 2025, the revenue of Severstal Russian Steel was RUB 713.9 billion (down 13% YoY), also driven by lower average prices and an increased share of semi-finished products. The EBITDA indicator also declined amid falling revenue and amounted to RUB 93.3 billion, while EBITDA margin remained flat compared to the previous reporting period.

Financial performance of Severstal Resources, RUB billion



In 2025, the revenue of Severstal Resources amounted to RUB 119.8 billion – down 18% YoY, against the backdrop of declining average selling prices. The EBITDA indicator decreased by 42% vs 2024 down to RUB 38.2 billion, with a margin of 32% (-13 p.p.).

Operational Performance

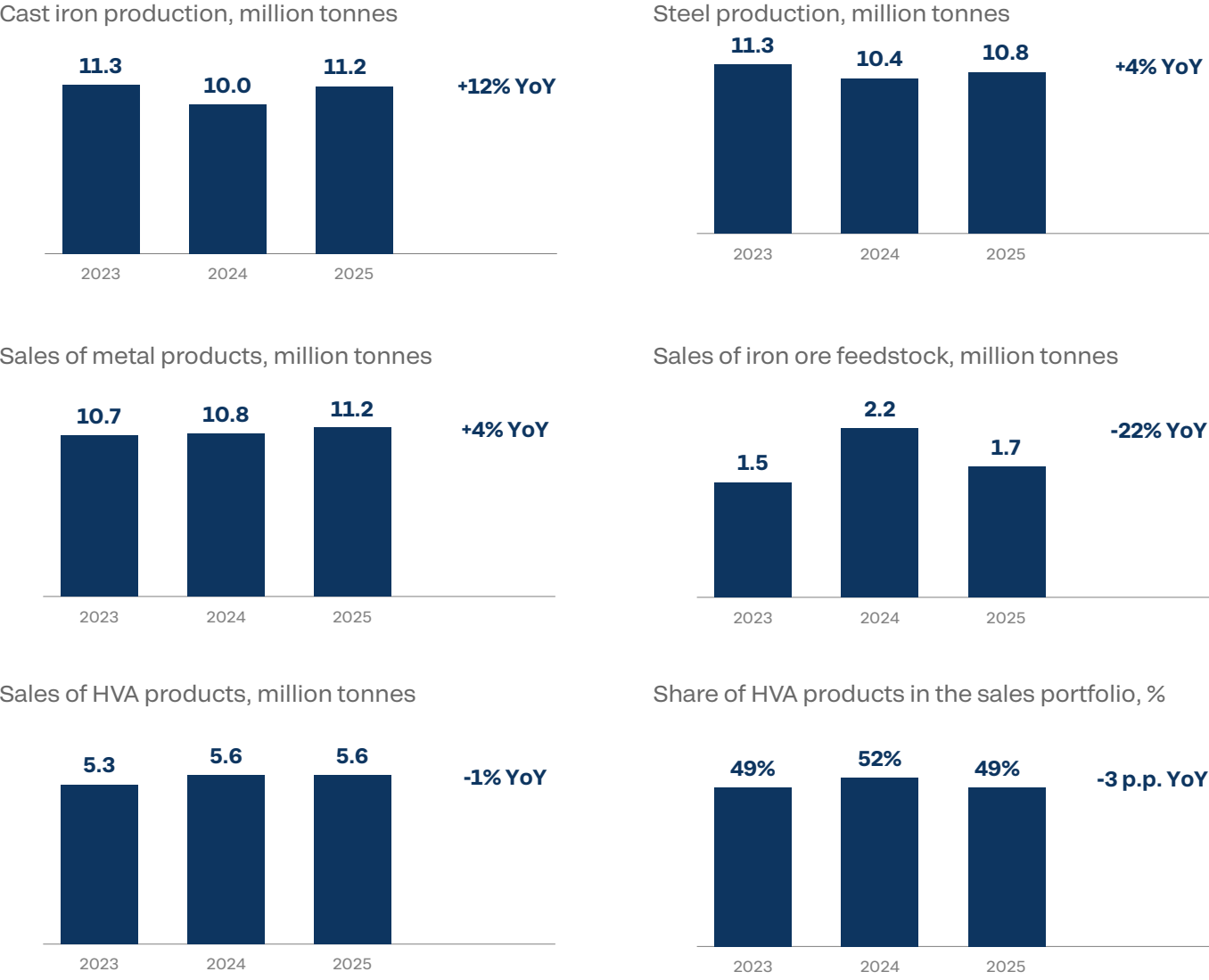
In 2025, Severstal’s cast iron production increased by 12% to 11.2 million tonnes, and steel production by 4% to 10.8 million tonnes. The positive dynamics were driven by the low base effect of the previous year: in 2024, Cherepovets Steel Mill performed a major overhaul of its largest blast furnace No. 5, which prevented cast iron production in previous amounts. In 2025, after the overhaul completion, furnace No. 5 operated in normal mode, while blast furnace No. 4 was shut down for a major repair. After its repair, the Company restored its production capacities and increased the annual output compared to the previous year.

Metal product sales in 2025 grew by 4% to 11.2 million tonnes as a result of increased steel smelting volumes. Severstal increased sales thanks to a flexible approach to sales, notwithstanding a decline in demand in the Russian market. A key role was played by the recovery of semi-finished product sales after the launch of furnace No. 5.

Sales of HVA¹ products in 2025 remained almost unchanged, while their share in the sales portfolio decreased from 52% to 49%. Among others, this is related to the outpaced growth of semi-finished product sales.

Sales of iron ore feedstock to third parties decreased by 22% to 1.7 million tonnes. Such dynamics are accounted for by increased internal consumption after completion of the repair programme: growth in cast iron production required larger amounts of feedstock, and the Company redirected flows of iron ore concentrate and pellets from external markets to supply its own capacities.

Severstal’s operational performance, million tonnes



¹ Includes HVA hot-rolled products, cold-rolled products, galvanised products, polymer-coated steel, metalware, large diameter pipes, other pipes and profiles, steel solutions.

Information for Shareholders and Investors

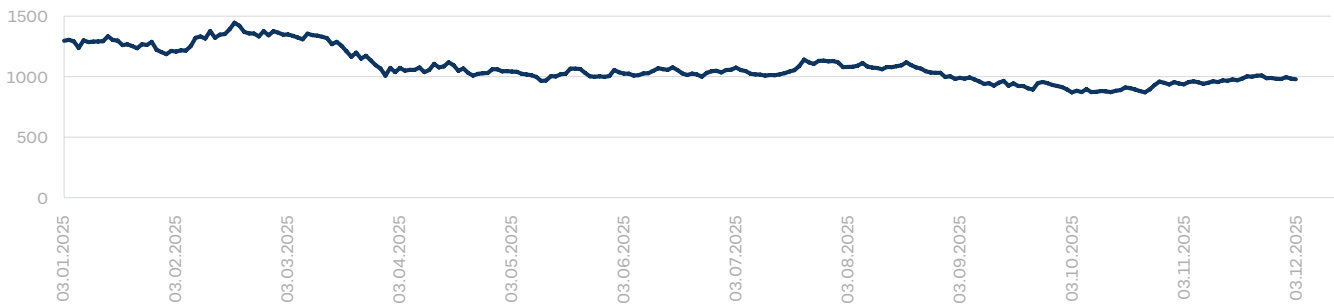
Share Structure

PAO Severstal’ shares are traded on the Moscow Exchange (ticker symbol: CHMF). The issued share capital consists of 837,718,660 ordinary shares with a par value of RUB 0.01 each. Free float – 23%. At the end of 2025, the Company's market capitalisation amounted to RUB 806 billion.

The Company’s shares are traded on Level 1 and are included in the calculation basis of 16 exchange indices, including the MOEX Index, the MOEX Broad Market Index, the Blue Chip Index, etc.

Severstal’s shares are available during the main, evening, and morning trading sessions of the Moscow Exchange stock market, as well as during the extra weekend session. Investors may also enter into transactions involving deliverable futures on Severstal’s shares and the issuer’s bonds denominated in Russian roubles.

Share price dynamics



Severstal strives for long-term growth of shareholder value, combining operational excellence, strategic investments, and a balanced capital distribution policy. In 2025, despite the challenging market conditions and decline in financial indicators, the Company preserved fundamental resilience factors and continued implementation of its development strategy.

Severstal’s key investment highlights

Vertical integration	100% self-sufficiency in iron ore feedstock protects against commodity price volatility. Own feedstock gives control over quality and cost across all stages of the production chain
Cost leadership	The Company is among the leaders on the global cost curve owing to vertical integration and operational efficiency. Focus on operational efficiency provides an extra margin even during periods of low steel prices
Strong balance sheet and low debt	Net debt/EBITDA at 0.16x gives the Company financial resilience, flexibility, and the ability to be less vulnerable in periods of economic crisis, demand declines, or sharp interest rate increases
High credit rating	The AAA credit rating from two Russian rating agencies attests to the Company’s financial resilience and reliability of its obligations
Transparent dividend policy	Transparent capital distribution formula and conditions for dividend accrual
Leadership in the domestic market	Leading positions in Russia’ key market segments. Strong positions in high-margin segments
Strategic investments for the future	Launch of new capacities in 2026 will lay the foundation for cost reduction and efficiency growth

PAO Severstal’s shares are among the most liquid securities of the Russian stock market. High liquidity and sustained investor interest are provided for by transparent disclosures, regular reporting, and consistent dividend policy.

Key investor risks and measures to manage them

Risk	Nature of impact	Response measures
Circular steel demand	Decline in business activity in the economy leads to falling sales and profitability. In 2025, domestic demand decreased by 14% compared to 2024	- Order portfolio diversification - Focus on small and medium-sized business through the Severstal Network - Development of HVA products
Steel price volatility	Prices are subject to global cycles and the impact of Chinese exports, which directly affects revenue and EBITDA	- Vertical integration reducing sensitivity to prices - Cost leadership
Geopolitical risks and sanctions	Restricted access to capital markets, technologies, logistics difficulties	- Reorientation to the domestic market - Import substitution of software and equipment
Currency risk	RUB weakening increases the cost of imported components and equipment, while its strengthening reduces export competitiveness	- Import substitution of critical components - Reorientation to the domestic market
Interest rate risk	Increase in the key rate raises the cost of debt servicing	Conservative debt policy (net debt/ EBITDA – 0.16x at the end of 2025)
Inflation of costs	Rising prices for feedstock, energy, logistics, and wages exerts pressure on profitability	- Operational excellence programmes - Automation and digitalisation for labour productivity growth

For more details regarding risk management system, see the Risk Management section.

Dividend Policy

Severstal treats its dividend policy as an important tool for ensuring a balance between the Company’s and its shareholders’ interests, enhancing its investment attractiveness, and long-term market capitalisation. Pursuant to the [Dividend Policy](#), a resolution to approve dividend payment is passed by the General Meeting of Shareholders upon recommendation of the Board of Directors.

Dividends are paid in cash to the persons who were shareholders at the end of the operating day of the date established by the dividend payment resolution. The dividend payment period is determined in accordance with applicable laws. When determining the amount of dividends, account shall be taken by the Company’s debt burden level, and the IFRS consolidated financial statements of PAO Severstal serve as the basis for calculation.

The key principles of the dividend policy:



Regularity:
dividend payments are made annually. The Company seeks to pay interim (quarterly) dividends subject to stable current financial position



Transparency:
the amount of dividends is determined by the Company’s operational performance and may vary depending on net profit and free cash flow



Balanced nature:
shareholders’ interests are considered alongside the Company’s needs for development financing and maintaining financial resilience

Credit Ratings

Leading rating agencies Expert RA and ACRA assigned Severstal the top creditworthiness level with a stable outlook. The key rating factor was the recognition of the Company’s business profile: release of a vast spectrum of products, full control over the entire production chain, and sectoral leadership in terms of profitability. Account was also taken of strong market and competitive positions, low debt burden, and robust corporate governance.

Severstal’s credit ratings

Agency	Rating	Outlook	Date of assignment/confirmation
ACRA	AAA	Stable	14.04.2025
Expert RA	AAA	Stable	15.04.2025

Analytical Coverage

Severstal shares are under regular monitoring by leading investment banks and brokerage firms. Investors can review analytical materials and expert recommendations to gain a better understanding of the Company’s operations and factors of its investment appeal. The Company provides additional explanations and clarifications within the scope of available information, thus ensuring quality analytical coverage.

List of analysts and investment companies covering shares in PJSC Severstal

Bank	Expert	Contacts
Aton	Andrey Lobazov	Andrey.Lobazov@aton.ru
BCS	Dmitry Kazakov	KazakovDA@bcs.ru
Gazprombank	Igor Goncharov	igor.goncharov@gazprombank.ru
Sberbank CIB	Maria Martynova	MMiMartynova@sberbank.ru
Alfa Bank	Boris Krasnozhenov	bkrasnozhenov@alfabank.ru
IC Veles Capital	Vasily Danilov	VDanilov@veles-capital.ru
IB Sinara	Sergey Krivokhizhin	KrivokhizhinSY@sinara-finance.ru
T-Bank	Akhmed Aliev	ak.aliev@tbank.ru
Euler	Nikanor Khalin	Nikanor.Khalin@euler.team
Renaissance Capital	Mark Shumilov	Mshumilov@rencap.com

Shareholder and Investor Relations

Severstal considers information transparency to be a crucial element of trust-based relationships with shareholders, investors, and all stakeholders. The key principles of the Company’s information policy include regularity, accessibility, equality, and data reliability.

All official disclosures are posted in the ‘For Investors’ section on the Company’s corporate website, as well as on the [Interfax portal](#)¹.

Frequency of key disclosures

Type of disclosure	Frequency
IFRS financial performance	Quarterly
Operational performance	Quarterly
Annual reports	Annually
Material facts	As required
Press releases on strategic events	As required

In 2025, the Company maintained a high level of transparency and continued a robust dialogue with the investment community.

Key shareholder engagement measures and achievements

Pillar	2025 results
Regular disclosures	Timely publication of financial results following each quarter in the format of press releases, presentations, and detailed reports in the ‘For Investors’ section on the Company’s website
Forward-looking statements	Publication of forecasts on the steel market, production volumes, and capital expenditures, accompanied by CEO’s detailed comments regarding the key pillars of the investment programme
Analyst engagement	Maintaining regular dialogue with analysts of investment banks and brokerage firms covering Severstal shares
Investor feedback	Maintaining an open communication channel via email
Conference participation	Participation of Company representatives in conferences for retail investors and analysts
Media comments and clarifications	Regular comments in media, clarifications on strategic plans and current operational performance
Transparency	Timely disclosure of all material facts in line with legislative requirements, updating the ‘For Investors’ section on the corporate website where all significant materials are published

¹ This website is available only in Russian.

04.

Corporate Governance

Corporate Governance system

2025 Highlights

50%

share of independent directors on the Board of Directors

20%

share of women on the Board of Directors

UN Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Corporate Governance Standards and Principles

GRI 3-3

Severstal’s corporate governance system is directed at efficiently administering the Company’s activities and at managing risks and opportunities, while respecting the interests of shareholders, investors, and other stakeholders

Severstal’s key corporate governance principles

Implementing effective and transparent mechanisms for guaranteeing shareholder rights and interests

Exercising shareholder rights to participate in managing PAO Severstal¹

Increasing the market value of shares is among the Company’s primary goals

Ensuring high-level engagement with all stakeholders, including customers, suppliers, employees, and professional communities

Policy of equal treatment of all shareholders, regardless of their shareholding, nationality, or jurisdiction

¹ Through the participation of shareholders in meetings, voting on agenda items, and timely receipt of information about the activities of PAO Severstal, its governing bodies, its control and audit bodies.

PAO Severstal’s Charter and internal regulations are approved by the Company’s bodies as required, in accord with applicable national laws. For example, in 2025, the restated Charter was approved at the annual General Meeting of Shareholders.

Key corporate governance documents

Internal

Corporate Governance Code of PAO Severstal

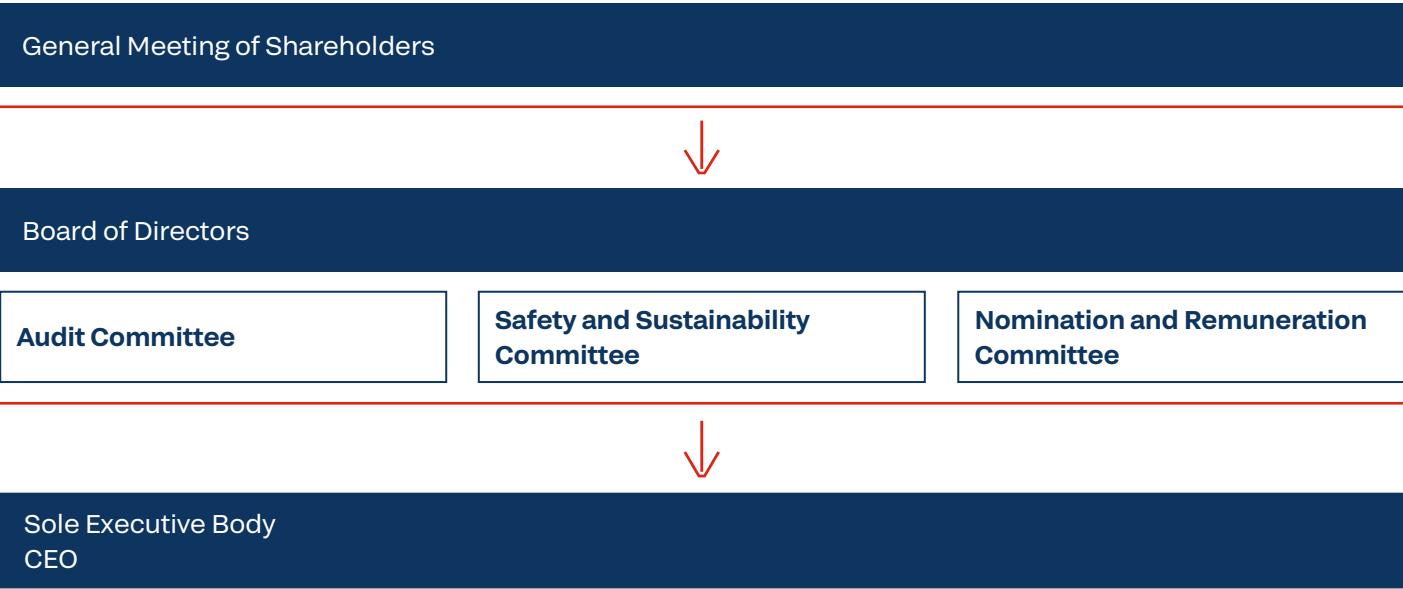
Official Documents section on the corporate website

External

Corporate Governance Code recommended by the Bank of Russia

Company’s Corporate Governance Structure

GRI 2-9 GRI 2-12 GRI 2-13



General Meeting of Shareholders

The General Meeting of Shareholders (hereinafter referred to as the Meeting) is the supreme body of Severstal. The functions of the Meeting are determined by Russian laws and the [Charter of PAO Severstal](#)¹. All aspects of preparing for and holding the Meeting, including its composition, functions, and authority of its working bodies, are set out in the relevant [Regulations](#).

The Company holds an annual meeting of the General Meeting of Shareholders². Extraordinary Meetings may be convened at the initiative of the Board of Directors or as required by the audit firm or by the shareholders holding at least 10% of the voting shares.

At the Meetings, shareholders elect the Board of Directors, appoint the audit firm, pass resolution on the distribution of profits, payment of dividends, approval of transactions, and on other reserved matters of the Meeting. Shareholders holding ordinary shares have the right to vote when the Meeting passes resolutions on all its reserved matters.

¹ On 6 June 2025, PAO Severstal’s General Meeting of Shareholders approved the Company’s Charter as restated. This document is only available in Russian.
² Pursuant to Russian laws.

In 2025, Severstal held one annual General Meeting – the meeting where voting was combined with absentee voting¹. Four items were on the agenda of the meeting:

- election of Board members;
- distribution of profits, including payment/declaration of dividends for 2024;
- appointment of the audit firm; and
- approval of the restated Charter.

Shareholder Engagement

The primary goal of Severstal’s corporate governance system is to ensure comprehensive protection of shareholder interests. This approach provides for the closest attention to increasing the market value of shares and enhancing transparency and guaranteeing the stability of management decision-making.

Shareholders exercise their right to participate in managing the Company by voting at Meetings. Severstal timely notifies shareholders of both the date of the Meeting and the voting results. The relevant notices are posted on the official website in the [General Meetings of Shareholders](#) section.

On top of that, the website of PAO Severstal’s registrar features an electronic Personal Profile service for rendering services to individuals and legal entities entered on the Company’s share register. Among others, the service provides access to information on securities held in the personal account, transactions on the personal account, and enables to participate in electronic voting at the Meetings and receive statements and payment documents electronically.

Board of Directors²

GRI 2-12 GRI 2-13

The Board of Directors is in charge of the overall management of the Company’s activities, including the updating and approval of its strategy and business model, exercises control over the proceedings of its executive bodies, and discharges other functions provided for by the [Charter](#)³.

The Board of Directors regularly receives information about the Company’s current operations and reviews progress reports on achieving the targets on priority areas of business and sustainability issues.

[For more details regarding the approach to sustainable development management, see the Sustainability Management section.](#)

GRI 2-10 GRI 2-11

When constituting the Board of Directors, the Company proceeds from professional qualifications and experience of applicants in the relevant area. Members of the Board of Directors shall be elected by the Meeting by cumulative voting for a term until the next annual General Meeting of Shareholders. The existing Board members have vast knowledge and many years of experience in such domains, as economics and finance, engineering, technology, and personnel management.

The Chairman of the Board of Directors is elected by the Board members from among themselves, by a majority of votes of all members of the Board. The Board of Directors may re-elect the Chairman at any time by the relevant resolution passed by the majority of votes.

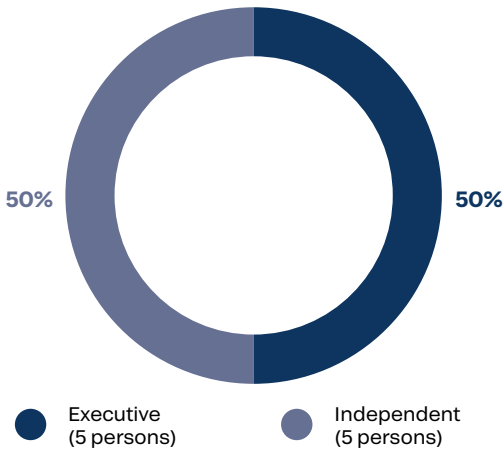
[For more details regarding the procedure for electing the Board members, see the Charter of PAO Severstal](#)³.

GRI 2-9 GRI 2-17 PBCS 48 PBCS 49

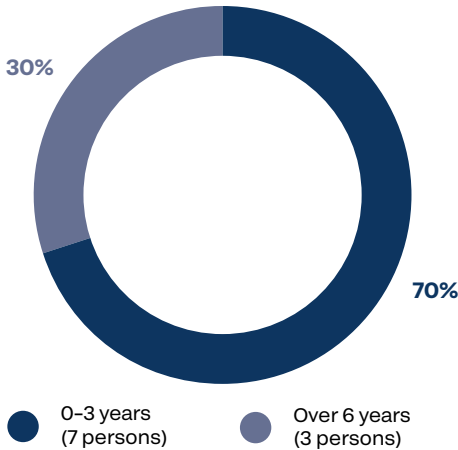
As of 31 December 2025, the Board of Directors was composed of ten members. Versus 2024, a share of women remained at the level of 20%, and a share of independent directors – at the level of 50%.

¹ Shareholders holding ordinary shares have the right to vote when the Meeting passes resolutions on all its reserved matters in accordance with applicable laws and PAO Severstal's Charter.
² PAO Severstal does not disclose or provide information about the persons being members of the governing bodies pursuant to Decree of the Government of the Russian Federation No. 1102 dated 4 July 2023.
³ This document is only available in Russian.

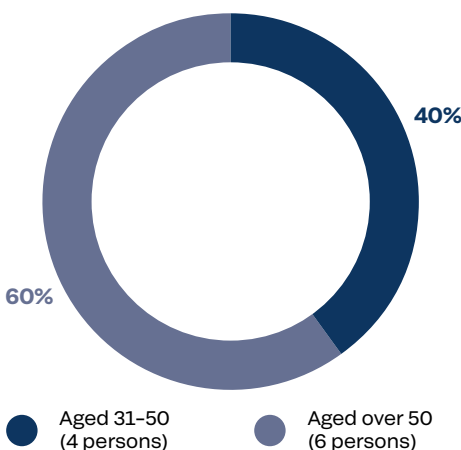
Status of the Board members



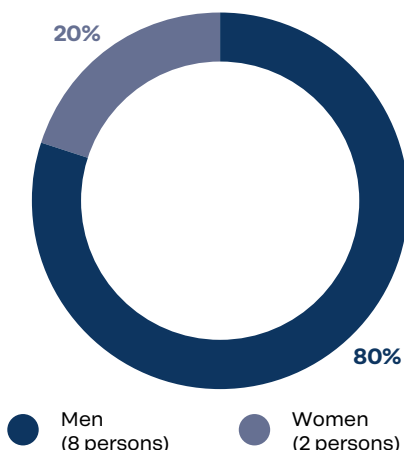
Term of office



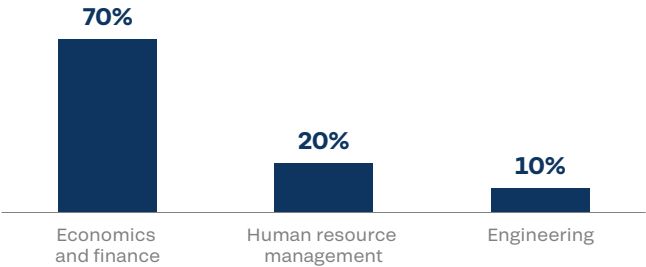
Age of the Board members



Board members by gender



Education and qualifications of the Board of Directors



PAO Severstal’s Board of Directors passes resolutions at the meetings, by absentee voting, or in a format where voting in person may be combined with absentee voting¹. The Board determines who of its members are independent in their resolutions. Independent directors shall constitute at least half of the Board members. In accord with the Corporate Governance Code, the Audit Committee and the Nomination and Remuneration Committee shall consist entirely of independent directors.

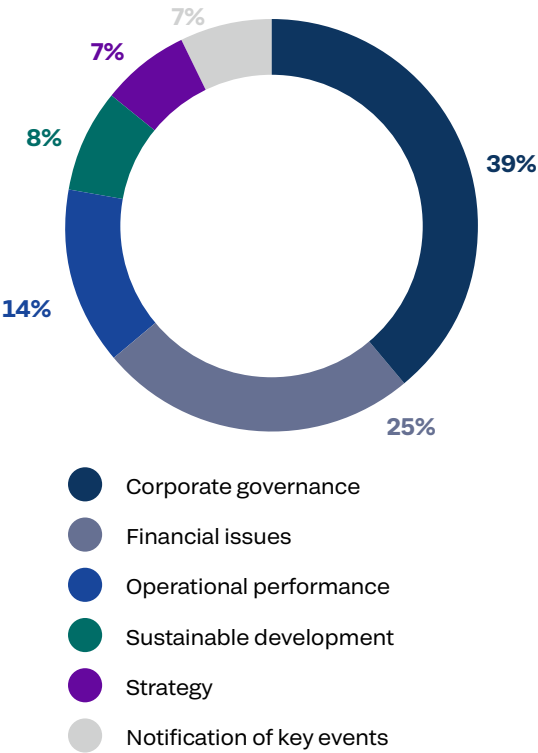
GRI 2-14

In 2025, the Board of Directors held four meetings in total and discussed 59 issues. The attendance rate for one member was 75%, while for the remaining ones it was 100%. In 2025, the Company’s most important sustainability resolution was the approval of the new Sustainability Strategy 2028. Below please find other significant matters over the reporting period:

- overview of the status of implementing the Company’s development strategy;
- financial overview;
- progress report on the Company’s business priorities;
- overview of the situation on stock markets and investor actions;
- discussion of trends on the main sales markets;
- approval of the internal audit plan for 2025;
- results of the Board’s self-assessment for 2025, etc.

¹ The meetings or absentee voting of the Board of Directors may be held at the initiative of the Chairman of the Board of Directors, Board members, head of the Internal Audit Department or the Company’s audit firm, the executive body, and shareholders (shareholder) cumulatively holding at least 2% of the Company’s voting shares.

Matters discussed by the Board of Directors in 2025



For more details regarding sustainability issues considered by the Board of Directors, see [the Sustainability Management and Environmental Management System sections](#).

GRI 2-18

The Board of Directors performs its self-assessment on a regular basis. Based on the individual contribution of each Board member, it conducts an internal assessment of its performance annually, and an external independent assessment – every three years. In 2025, the Board of Directors conducted an internal assessment (self-assessment) of the proceedings of the Board and its committees for 2025. The results were reviewed at the Board meeting on 2 February 2026. The assessment confirmed that the work of the Board of Directors is generally aligned with the recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on 21 March 2014 and with PAO Severstal’s Corporate Governance Code. Based on the results of assessment, the Company’s Board of Directors approved actions for further improvement of both its own proceedings and Severstal’s corporate governance system.

Committees of the Board of Directors

GRI 2-13 PBCS 46

There are three committees operating under the Board of Directors of PAO Severstal: the Audit Committee, the Nomination and Remuneration Committee, and the Safety and Sustainability Committee. The committees are consultative and advisory bodies in charge of accomplishing the tasks assigned by the Board of Directors.

GRI 2-9

Composition of PAO Severstal’s Board committees in 2025¹

Committee	Gender composition	Term of office	Age
Audit Committee Three independent directors	 100% ● Men	 100% ● 0-3 years	 100% ● Aged over 50
Nomination and Remuneration Committee Three independent directors	 33% 67% ● Men ● Women	 100% ● 0-3 years	 67% 33% ● Aged 31-50 ● Aged over 50
Safety and Sustainability Committee Three executive and two independent directors	 40% 60% ● Men ● Women	 20% 20% 60% ● 0-3 years ● 4-6 years ● Over 6 years	 20% 80% ● Aged 31-50 ● Aged over 50

¹ As at 31 December 2025.

Committee activities are governed by the relevant [Regulations](#) and are intended to assist the Board of Directors in decision-making within the specified scope of authority. In 2025, each committee held four meetings, which, among others, considered seven issues related to the Company’s sustainable development.

Outcomes of the proceedings of the Board committees in 2025

Committee	Functionality	Issues considered at the meetings
Audit Committee	Ensures the participation of the Board of Directors in exercising control over the Company’s financial and economic activities, including monitoring the status of risk management, internal control, and corporate governance systems	- Company’s financial performance - Reports of the audit firm - Results of assessing reliability and effectiveness of the risk management, internal control, and corporate governance system - Internal audit plan for 2025
Nomination and Remuneration Committee	Facilitates acquiring qualified specialists for managing the Company and incentivising them to perform efficiently	- Examination of the remuneration system, talent pool assessment, and planning staff appointments subject to succession - Discussing the assessment of the activity of the Board of Directors and its committees for 2025, etc.
Safety and Sustainability Committee	Renders assistance to the Board of Directors in providing for the proper functioning of the safety and sustainability risk management system	- Company’s environmental performance - Environmental achievements - Achievement of public environmental and climate goals - Decarbonisation Strategy - Company’s Sustainability Strategy 2028 - Management of climate risks and adaptation to climate change - Company’s environmental targets

Corporate Secretary

The Corporate Secretary exercises control over compliance by Severstal’s governing bodies and officers with corporate governance rules and procedures, requirements of applicable laws, PAO Severstal’s Charter and internal documents, including those regulating the protection of interests of its shareholders.

The Corporate Secretary concurrently serves as the Secretary of the Board of Directors, the Secretary of the Board committees, and performs the functions of the Secretary of PAO Severstal’s General Meeting of Shareholders. The Corporate Secretary reports to the Board of Directors, is appointed and dismissed by the sole executive body pursuant to the relevant resolution of the Board of Directors.

The activities of the Corporate Secretary are governed by the [Regulations on the Corporate Secretary of PAO Severstal](#).

Executive Bodies

By resolution of the General Meeting of Shareholders, the authority of PAO Severstal’s sole executive body (CEO) may be contractually transferred to a commercial organisation (managing company). The General Meeting of Shareholders passes such resolution only based on a proposal from the Board of Directors. In accordance with the proposal of the Board of Directors¹, the General Meeting of Shareholders resolved to transfer, effective from 1 January 2015, the authority of PAO Severstal’s CEO to the managing company – AO Severstal Management. Reserved matters of the managing company cover all issues of day-to-day management of operations, except for those that are reserved matters of the General Meeting of Shareholders and the Board of Directors.

Top Management Remuneration

GRI 2-19 GRI 2-20 PBCS 47

At the General Meeting of Shareholders, Severstal’s shareholders may pass a resolution on payment of remuneration to the Board members for discharging their duties and on compensation of their expenses related to such activities. In 2025, the issue of remuneration to the Board members was not considered at the General Meeting of Shareholders. The amount of remuneration to the members of PAO Severstal’s Board of Directors for contributing to the work of the governing body in 2025 amounted to RUB 100,800,000. The remuneration of the managing company is determined in accordance with the agreement² in effect between it and Severstal on the transfer of authority of the executive body and the provision of company management services. The total remuneration of the managing company in the reporting year amounted to RUB 17,016.59 million. Remuneration to Severstal’s top managers is governed by local regulations and the provisions of the relevant employment contracts. In addition, the

Company has the [Regulations on the Reduction of Long-Term Remuneration Elements in AO Severstal Management](#)³ in place. This document enables the Nomination and Remuneration Committee to reduce payments under the long-term incentive and bonus system for the key top managers, should any deliberate wrongful behaviour be revealed on their part. The Regulations aim to mitigate the Company’s financial, reputational, and other risks triggered by such behaviour. At the same time, the amount of remuneration for top managers is influenced by the achievement of established key performance indicators (KPIs), which include sustainability metrics. Specifically, the KPIs include a number of metrics related to decreasing injury rates, reducing greenhouse gas emission intensity, implementing measures to reduce greenhouse gas emissions, etc. For more details regarding sustainable development KPIs for top managers, see the [Sustainability Management](#) and [Climate Change](#) sections.

Internal Control and Internal Audit System

Severstal’s internal control and internal audit system is designed to improve the efficiency of business processes, comply with statutory and sectoral requirements, and monitor factors affecting the Company’s operations, including those with negative impacts. The key bodies governing internal control and audit matters are the Internal Audit Department and the Risk Management and Internal Control Department. [For more details regarding the functions of the Internal Audit Department and the Risk Management and Internal Control Department, as well as the results of their work in 2025, see the Risk Management section.](#)

Key internal control and internal audit documents

- [Risk Management and Internal Control Policy](#)
- [Regulations on Internal Audit](#)

As part of its day-to-day operations and on an annual basis, the Internal Audit Department assesses the efficiency of the internal control system and issues an opinion¹ based on the results. Moreover, an external assessment of the internal audit system is conducted every five years – in 2025, the assessment confirmed its full compliance with international standards.

External Audit

The audit firm is appointed by the annual General Meeting of Shareholders by simple majority of votes for a one-year term. The Audit Committee evaluates applicants for election as the audit firm, submits proposals for appointment, reappointment, and dismissal of the audit firm, for payment of its services, the maximum amount of remuneration, and the conditions of their engagement. Severstal sends a request for proposals for the provision of audit services to major Russian companies. The main conditions of closed tender are compliance of applicants with statutory requirements and the basic corporate criteria for selecting an audit firm. The Company selects the audit firm through a closed tender following the review of proposals from applicants. Thus, by resolution of the annual General Meeting of Shareholders held on 6 June 2025, JSC Kept was appointed as the audit firm of PAO Severstal.



¹ Minutes of the meeting of the Board of Directors No. 26-2014 dated 29 July 2014.
² Dated 1 January 2015.
³ This document is only available in Russian.

¹ In accordance with Federal Law No. 208-FZ dated 26 December 1995 on Joint-Stock Companies.

Ethical Conduct of Business and Anti-Corruption

2025 Highlights

100%

share of Severstal’s employees and business partners introduced to the Anti-Corruption Policy

2,155 people

completed the anti-corruption course

UN Global Compact Principles

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

Material Topics

- Business ethics and anti-corruption

UN SDGs

17 PARTNERSHIPS FOR THE GOALS

Management Approach

GRI 3-3 GRI 14.22.1 SASB EM-MM-510a.1

Severstal’s effective corporate governance rests on the principles of business ethics and zero tolerance for any corrupt practices. This approach not only strengthens trust within the Company but also allows building long-term and mutually respectful relationships throughout the supply chain – with counterparties, business partners, and other stakeholders.

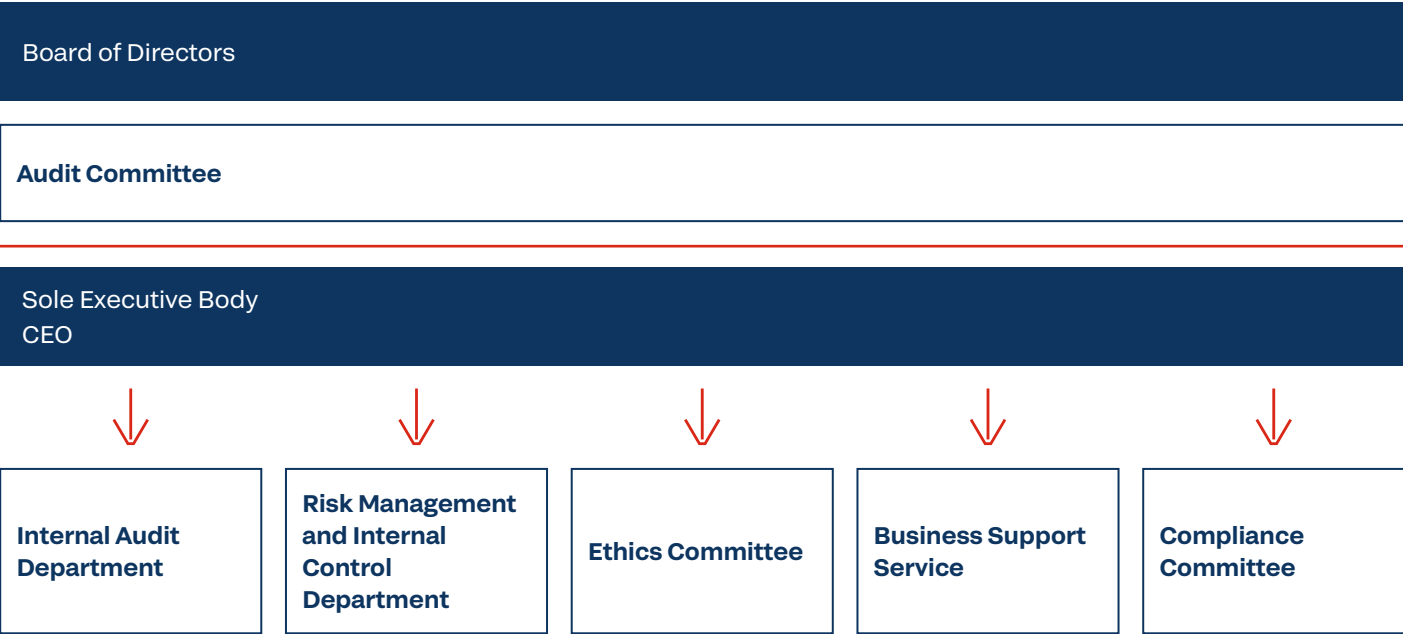
For more details regarding stakeholder engagement, see the Sustainability Management section.

GRI 2-23

Key internal business ethics and anti-corruption documents

- Code of Business Conduct of the Severstal Group of Companies
- Anti-Corruption Policy of PAO Severstal and Related Legal Entities
- Anti-Corruption Policy for Severstal Counterparties
- Gifts and Business Hospitality Policy
- Conflict of Interest Management Policy¹
- Human Rights and Community Relations Policy
- Whistleblowing Policy of the Severstal Group of Companies
- Anti-Bribery Management System Standard
- Employee Code of Conduct of the Severstal Group of Companies
- Regulations on the Ethics Committee Proceedings
- Regulations on the Compliance Commission
- Procedure for Documenting Employment/Civil Law Relationships with Former Public Officials at AO Severstal Management and Managed Companies

Business ethics and anti-corruption system management structure



¹ This document is only available in Russian.

Business ethics and anti-corruption system management structure

Business unit	Functions
Board of Directors	▪ Charged with approval and implementation of the Anti-Corruption Policy ▪ Responsible for monitoring compliance with the Anti-Corruption Policy
Audit Committee	▪ Control over procedures that provide for compliance by the Company with regulatory requirements, ethical norms, rules and practices of the Company
Company management and operational management	▪ Committed to the principle of zero tolerance towards any signs and forms of corruption ▪ Providing for the creation, incorporation, and robust operation of the anti-corruption management system
Risk Management and Internal Control Department	▪ Providing for the identification and assessment of corruption risks in business processes ▪ Supervision over the elaboration and integration by the Company of anti-corruption management system procedures ▪ Regular training, advice to management and employees on anti-corruption issues ▪ Compilation of reports on anti-corruption risks, outcomes of the anti-corruption management system operation for the Company’s top executives
Internal Audit Department	▪ Verification of compliance with ethical principles and corporate values of the Company ▪ Notifying the Audit Committee, the Board of Directors, and the sole executive body of any violations identified, including the outcomes of addressing submissions on potential business ethics breaches ▪ Reporting the results of monitoring compliance with the Anti-Corruption Policy to the Board of Directors at least once a year
Ethics Committee	▪ Examination of submissions regarding potential business ethics violations ▪ Charged with explaining the corporate ethics principles (including conflict of interest cases) and with investigating breaches in employee behaviour ▪ Compilation of reports on its performance for the Audit Committee and recommendations to improve the Employee Code of Conduct
Business Support Service (BSS)	▪ Checking the existing and potential counterparties of the Company ▪ Acceptance and processing of applications on violations or suspected corrupt practices, internal investigations of corruption incidents ▪ Preventive meetings with the heads of structural units and contractors to notify them of the consequences of corruption incidents and measures to be taken when they are identified ▪ Training activities for business units ▪ Liaison with law enforcement agencies
Compliance Commission	▪ Looking into employee non-compliance with internal anti-corruption documents and resolving on measures if any violations are identified

Business Ethics

Severstal’s Employee Code of Conduct reflects the values and principles of ethical behaviour within the Company. It is an important element of the personnel assessment, development, and motivation system. Among its top priorities, Severstal counts the safety of employees, zero tolerance for any forms of discrimination, improper or offensive treatment. Company top executives adhere to high standards of conduct and set a worthy example for their subordinates, and, as and where necessary, explain to them the principles of Severstal’s business ethics.

On top of that, the Company expects its employees to exercise due diligence in order to avoid conflicts of interest, being situations in which a personal interest (either direct or indirect) influences or may influence the proper, objective and impartial discharge of job duties. Severstal is committed to reviewing every conflict of interest in view of the importance of respecting the interests of both parties – the employee and the Company – and ensuring equal and unbiased treatment of them when looking into the situation.

As part of improving the conflict of interest management system, in 2025 the Company completed the automation of the process for completing and processing conflict of interest declarations.

Anti-Corruption

Severstal does not tolerate any form of corruption, whether among its employees or in external stakeholder engagement. The Company has the anti-bribery management system in place, which is completely aligned with the requirements of Russian laws and international treaties of the Russian Federation and is certified under ISO 37001:2016². The anti-corruption management system rests on the [Anti-Corruption Policy of PAO Severstal and Related Legal Entities](#). This document is binding upon all Severstal’s employees, members of the governing bodies, and counterparties.

The key goals of the Anti-Corruption Policy are as follows:

- observance of anti-corruption laws;
- mitigation of corruption risks and creation of an efficient anti-corruption mechanism; and

In addition, the Compliance Commission held two meetings, during which it reviewed seven instances of conflict of interest. Those were addressed with the participation of HR and functional heads of business units. At its meetings, the Commission also explored and approved proposed amendments to the local regulation governing gifts – clarifying the procedures for receiving and giving gifts.

For more details regarding the Company’s approach to dealing with conflicts of interest, see the [Conflict of Interest Management Policy](#)¹.

The [Code of Business Conduct](#) is the key document defining the ethical principles adhered to by Severstal in working with its partners, building a sustainable and responsible supply chain. Among them are honesty, openness, safety, health and environmental protection. The Company does not tolerate human rights abuses, forced or child labour in its operations and expects the same from its counterparties. Severstal included obligations to comply with the provisions of the Code in its standard procurement contracts.

For more details regarding requirements to business partners, see the [Responsible Supply Chain section](#).

- raising awareness among all stakeholders, including employees, of the anti-corruption corporate mindset and consistent understanding of Severstal’s position of zero tolerance towards any signs and forms of corruption.

Severstal’s fundamental anti-corruption principles

Legitimacy

Zero tolerance for any signs and forms of corruption

Leading by example (tone at the top)

Risk assessment and regular monitoring

Awareness raising and training

Severstal's anti-corruption awards in 2025

For several consecutive years, Severstal has been among the leaders of the RSPP's Anti-Corruption Rating of Russian Business. Following the assessment of the anti-corruption system performance, the Company was assigned **AAA class** (companies with a very high level of anti-corruption). The rating jury highly appreciated the quality of personnel decisions, noted the fact that 100% of employees and counterparties were introduced to the Anti-Corruption Policy, and emphasized the quality and ease of access to anti-corruption information about implemented measures to prevent corruption on Severstal's official website.



Corruption Risk Management

GRI 205-1 GRI 14.22.2

Severstal regularly assesses and analyses corruption risks and, if any are identified, implements measures to mitigate them. The Company performs risk assessments across all significant business divisions and business units, being guided by a risk matrix. No material corruption risks were identified in 2025.

Corruption risk assessment method and 2025 results

Risk assessment method	Material risks in 2025	Risk mitigation measures
- Corruption risk assessment by building a risks matrix by business process - Compilation of a list of positions with high corruption risks	- Business units exposed to the most significant corruption risks: - Procurement - Distribution - Government relations associated with authorisations and licensing	- Anti-corruption measures (awareness raising and training, handling of gifts, conflicts of interest) - Internal investigations - Psychophysiological examinations of employees - Monitoring of actions of information systems users - Segregation of access rights and authorisations - Improvement, standardisation, automation, and regulation of business processes

In late 2025, the Internal Audit Department started verifying compliance with anti-corruption procedures, in particular, for former officers and employees applying for positions exposed to high corruption risks. The verification is scheduled for completion in early 2026.

Employee Awareness Raising

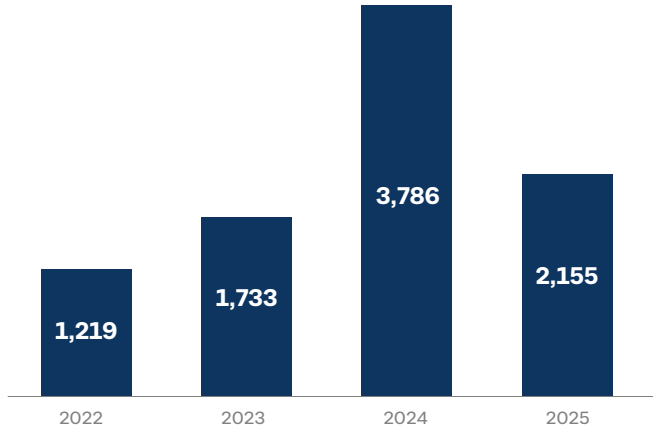
GRI 205-2 GRI 205-3 GRI 14.22.3 GRI 14.22.4

All new hires are introduced to the provisions of Severstal's Anti-Corruption Policy upon employment. The current text of the Policy is always available for review on the corporate portal. When the document is updated, the Company notifies its employees thereof via email or the corporate newspaper. In 2025, there was one confirmed case of corruption among employees, whereupon the Company applied disciplinary measures (dismissal).

The Company regularly provides anti-corruption training to its staff. In 2025, a new online course 'Anti-Corruption Policy' was developed, which was completed by 2,155 employees.

PBCS 52

Employees who completed anti-corruption training, people



100%

employees

were notified of the current anti-corruption policies and procedures in 2025

Counterparty Due Diligence and Awareness Raising

GRI 205-2 GRI 205-3 GRI 14.22.3 GRI 14.22.4

The Anti-Corruption Policy for Severstal Counterparties establishes the key principles for working with business partners. The Company included obligations to comply with its provisions in its standard contracts.

Severstal performs due diligence of counterparties for compliance with anti-corruption principles and rules. In 2025, additional criteria were introduced: integrity and presence of corruption risks in accordance with the updated risk assessment methodology.

To assess risks when engaging with partners, Severstal makes use of a chatbot and two key IT systems – Automated Scoring and Supplier Business Reputation Monitoring.

Performance of IT systems in 2025

Name of service	Functionality	Number of checks	Outcome
Automated Scoring	Obtaining information regarding the integrity of business partners	> 4,500 checks completed	Data recording by tender committees on decision-making as part of tender procedures
Supplier Business Reputation Monitoring	Automatic verification of significant changes in a counterparty's operations that might entail corruption risks	> 10,500 counterparties monitored	Recording the outcomes of monitoring on decision-making as regards business partner engagement and on taking measures to minimise the relevant risks
Chatbot	Express report: aggregated counterparty information online	> 2,000 checks completed	Report data is used for decision-making during the pre-qualification of potential counterparties

If corruption is detected in the practices of business partners, Severstal immediately terminates engagement and contractual obligations with a bad faith company and adds it to the list of entities not recommended for cooperation. In the reporting year, there were two such incidents.

During accreditation, the Company notifies its counterparties of corporate anti-corruption principles and rules. In 2025, 2,275 suppliers were so notified.

100%

of counterparties

that completed the qualification procedure in 2025 were notified of the current anti-corruption policies and procedures

In 2025, the Company was extensively involved in training employees of functional units in charge of commercial work and counterparty engagement. Thus, 144 people completed training on the new course 'Due Diligence of Counterparties, Minimising Risks of Business Partner Engagement' developed a year earlier by the Business Support Service.

Anti-Monopoly Policy

GRI 206-1

Severstal adheres to the principles of open and fair competition and strictly abides by the requirements of the Federal Antimonopoly Service (FAS Russia).

The obligations to comply with anti-monopoly laws are included in corporate documents on ethics, risk management, and anti-corruption.

In 2025, in order to mitigate anti-monopoly risks, the Company implemented the following measures:

- training events, including those with the participation of the FAS Russia;
- regular advice on anti-monopoly legislation offered by the legal service for employees;
- preparation of analytical opinions on potential anti-monopoly risks, development of recommendations for their prevention for Severstal’s units and enterprises;
- analysis of internal regulations, draft documents, contracts, and M&A¹ deals for compliance with the requirements of anti-monopoly laws; and
- communication with employees on issues arising out of participation in tender procedures.

In 2025, no instances of anti-competitive behaviour were in existence within the Company. Similarly, there were no lawsuits against Severstal related to anti-competitive behaviour or breaches of anti-monopoly laws.

Feedback Mechanisms

GRI 2-25 GRI 2-26

Severstal has various feedback mechanisms available to employees, partners, and other stakeholders. The Company guarantees an independent and unbiased review of all submissions, full confidentiality of information, and protection from retaliation against good faith reporters of potential violations. Stakeholders can use the existing communication channels to report potential corrupt or fraudulent practices and other violations, and to obtain clarifications regarding corporate ethics principles.

Severstal’s communication mechanisms

Unified Hotline communication channels	▪ Confidential telephone call line ▪ Messenger (WhatsApp) ▪ Messenger (Telegram) ▪ E-mail address vopros@severstal.com ▪ Corporate web portal
Ethics Committee	▪ Email address komitet@severstal.com ▪ Mailing address
Business Support Service	▪ E-mail address security@severstal.com

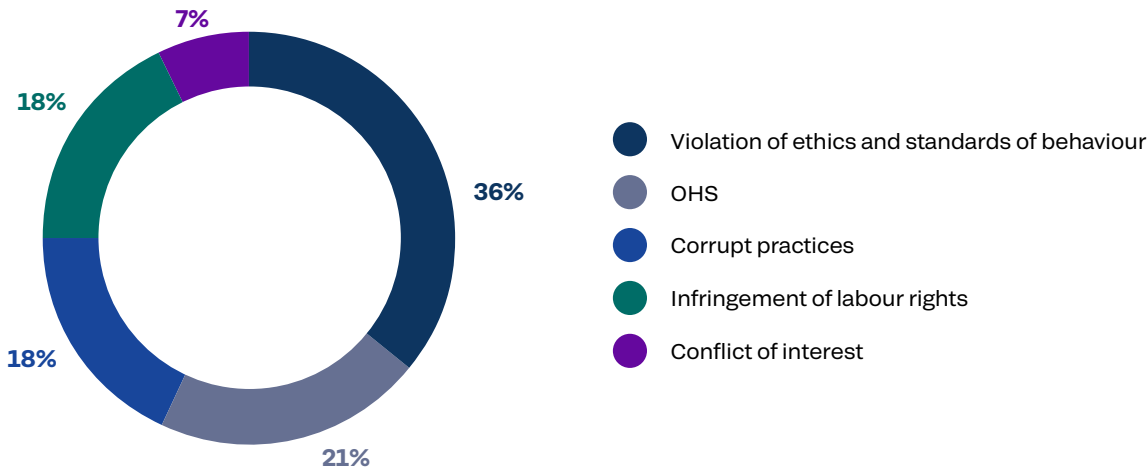
Ethics Committee

GRI 2-25

The Ethics Committee is the main body charged with overseeing compliance with the Employee Code of Conduct, the Anti-Corruption Policy, and other local business ethics regulations, with preventing and discontinuing violations, and with continuously improving the Company’s ethical principles and approaches.

In 2025, the Committee examined 28 submissions. Most of those referred to violations of the standards of behaviour in effect on the part of the Company’s employees. The resulting internal investigations evidenced 13 of submissions (46%) were partially or fully grounded. The Committee took the relevant measures to notify the unit’s management of the investigation results and initiated actions aimed at handling the issues identified.

Structure of submissions to the Ethics Committee in 2025



Unified Hotline

GRI 2-25 GRI 2-26

Severstal’s Unified Hotline is intended to provide prompt responses to questions and proposals from employees and other stakeholders. The Company is working to improve the service accessibility and quality: in 2025, the option to submit questions via the Telegram messenger became available, and the Q&A¹ section was created for the most frequent requests, thus significantly reducing the time of responding to employees. For answers to more complex questions, internal experts from various functional areas, such as HR, OHS, AMD², etc., are engaged.

>50

in-house experts

are involved in the operation of the Unified Hotline service

The results of the Unified Hotline’s operation are reported to senior management.

During the reporting period, the Unified Hotline received 2,717 submissions, which is almost half the number received in 2024. The exponential growth in the number of submissions in the previous period was driven by the launch of the #Dlya Svoikh: With Care for Everyone well-being programme. In 2025, after employees became familiar with the programme, the number of submissions decreased as expected.

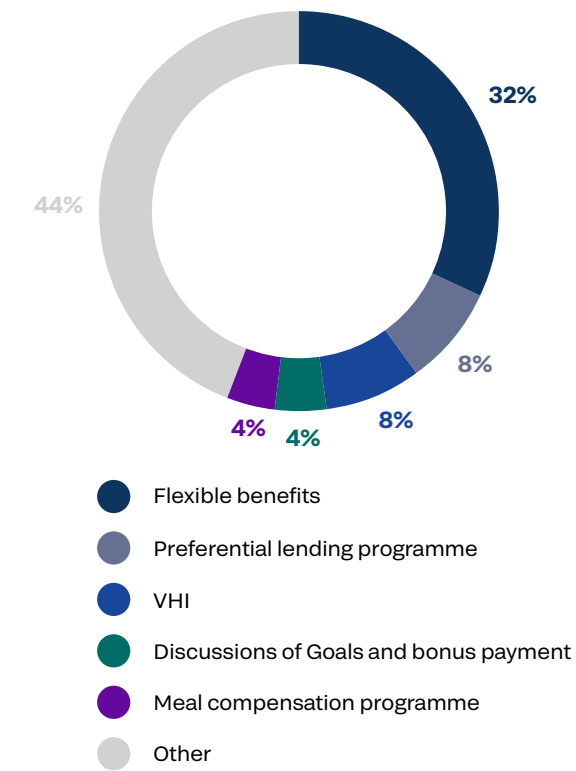
¹ M&A – mergers and acquisitions.

¹ Q&A – questions and answers.
² Administration and Maintenance Department.

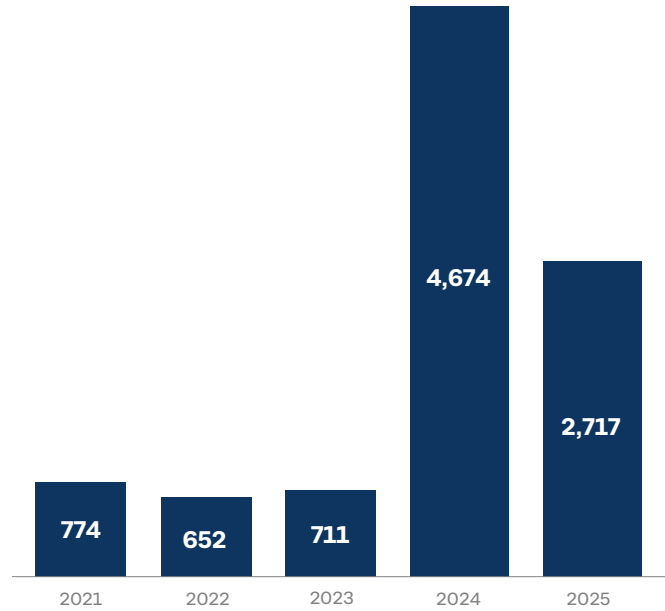
GRI 406-1

In 2025, Severstal's feedback channels received no grievances on discrimination by race, gender, or other attributes

Submissions structure by topic in 2025¹



Unified Hotline submissions, pcs



Business Support Service

GRI 205-3

Severstal's Business Support Service is in charge of reviewing and investigating reports regarding potential or committed fraud, corruption, and theft. Its main goals and objectives are to combat threats and risks of causing unlawful damage to the Company and to implement economic, information, and personnel security measures. In 2025, the BSS received and dealt with 24 reports on attempted commercial bribery. Based on the results of the investigations, two cases were confirmed and led to criminal proceedings.

Plans for 2026 and Mid-Term

Severstal plans to implement the following measures in the areas of ethical business conduct, anti-corruption, and the enhancement of feedback mechanisms:

- development of measures and recommendations following the results of verification for compliance with anti-corruption procedures;
- increasing the accessibility and awareness of the Unified Hotline service for employees through the renewal of the communication campaign;
- opening an extra channel for employee submissions via a direct QR code; and
- integration of AI tools into the Unified Hotline service to automatically determine the subject of submission and generate answers to questions.

¹ The Other category covers such topics, as clean-up events, wages and salaries compensation of mortgage interest, accumulation programme, industrial safety, etc.



Risk Management

Approach to Risk Management

GRI 2-12 GRI 2-16 PBCS 53

Severstal’s risk management system is a crucial tool of the Company’s business practices that enables it to boost business performance, find the most appropriate solutions, and transform potential threats into development opportunities.

Risk management and internal control structure

Business unit	Functions
Board of Directors	- Determines the principles and approaches to creating the risk management and internal control system (RM&ICS) - Determines the level of the Company’s risk appetite - Exercises control over the efficient operation of the risk management system, including regular reviews of the sole executive body’s risk management status reports
Audit Committee	- Exercises control over the reliability and efficiency of the risk management and internal control system, including the assessment of performance of procedures and preparation of suggestions to improve the same - Analyses and evaluates compliance with the Risk Management and Internal Control Policy - Assesses the efficiency of the internal audit function
Company management and operational management	- Are in charge of building and operating the risk management system - Notify the Audit Committee and the Board of Directors of evaluating the RM&ICS status
Risk Management and Internal Control Department	- Carries out the overall coordination of the RM&ICS creation and operation - Elaborates, implements and updates the corporate standards governing the risk management and internal control process - Arranges for employee training on risk management and internal control issues - Analyses the key risks portfolio and works out proposals on the response strategy and resource reallocation for administering the relevant risks - Coordinates the drafting of reporting on the risk management process efficiency for the Audit Committee and the Board of Directors
Internal Audit Department	- Renders assistance to the sole executive body and employees in elaborating and monitoring compliance with the RM&ICS enhancement procedures and activities - Assesses the internal control system performance - Draws up and submits to the Board of Directors and the sole executive body reports on the Department’s performance, including information on significant risks, deficiencies, results and efficiency of actions that aim to eliminate the deficiencies identified, results of implementing the internal audit plan, results of assessing the true state, reliability and efficiency of the risk management and internal control system

Key internal risk management documents

- [Risk Management and Internal Control Policy](#)
- [Regulations on Internal Audit](#)

The Company’s key approaches are governed by the Risk Management and Internal Control Policy, devised in accord with Russian laws, the recommendations of the Corporate Governance Code of the Bank of Russia, and the recommendations of international professional organisations.

The Company operates a decentralised model, where the responsibility for identifying risks and elaborating measures to manage them lies with business process owners, under the overall coordination of the Risk Management Department. Risk management functions and obligations, as well as the implementation of control procedures are included in the job descriptions of all employees. Risk management KPIs are also established for all staff.

To determine risk appetite, the Company takes a combined approach that is integrated into strategic and operational planning. Severstal defines its risk appetite based on the mission, vision, and goals set forth in its business strategy. Specifically, the Company has established zero tolerance for events related to safety compromises, gross violations of environmental laws, and corruption. When a risk is identified whose potential impact exceeds the established risk appetite, the information is escalated to top management for decision-making on risk management measures.

Risk Identification and Assessment

The Company identifies and analyses risks and elaborates measures to manage them on an ongoing basis. Severstal assesses its risk tolerance over three time horizons:

- short-term tolerance (12 months from the date of approving the financial statements);
- medium-term tolerance (one to three years); and
- long-term tolerance (from three to 15 years).

The Board of Directors factors in the final outcomes of the risk analysis when revising the Company’s strategy and approving the budget.

The Company uses a system of risk assessment methodologies, in particular: expert assessment (risks of new projects and changes in laws), quantitative assessment (financial and operational risks), stress testing, scenario analysis, and causal analysis. Risk assessment methodologies are updated as and where necessary.

Material risks associated with the Company’s operations and measures to manage them are disclosed annually in the [Issuer’s Report](#)¹.

Sustainability risk identification, assessment, and management processes are embedded into the overall risk management system. In 2025, the Company compiled a list of key ESG risks and performed their expert assessment. Through cross-functional interaction of various units, common approaches and a unified scale were defined for assessing the speed at which risks might have an impact and the severity of their financial consequences.

¹ This document is only available in Russian.

Severstal’s key sustainability risks

Definition of risk		Definition of risk	Risk management measures
Environmental risks			
Risk of unsustainable use of water resources			▪ Observance of environmental laws, regulations, and the relevant corporate documents ▪ Implementation of measures as part of the environmental risk register ▪ Industrial environmental control across the facilities ▪ Monitoring the engineering condition of environmental sites ▪ Minimising the occurrence of accidents ▪ Investing in nature protection activities, industrial equipment upgrades, and technological process improvements
● ✓ ✓ ✓ ← →			
Unsustainable use of water resources, ineffective measures to reduce resource consumption	Aggravation of environmental issues: pollution of water bodies, depletion of water reserves. Increase in water costs and fines for violating water use regulations		
Risk of the impact on biodiversity			
● ✓ ✓ ✓			
Destruction of critical habitats for plants and animals, including deterioration of environmental living conditions, increased noise, alteration of water systems, obstruction of free animal migration, cumulative effects from soil and water pollution; introduction of invasive and alien species	Animal deaths, deterioration of living conditions, migration, mutations, and species extinction; degradation and deterioration of ecosystems and the resulting imposition of fines and issuance of orders against the Company, the need for additional investments in treatment and control systems; reputational damage		
Unsustainable energy use risk			
● ✓ ✓ ✓			
Ineffective measures to reduce the energy intensity of products, production, and services; refusal to implement energy-efficient technologies	Increase in electricity costs, imposition of penalties for exceeding energy consumption limits		
Waste management risks			
● ✓ ✓ ← →			
Improper treatment of industrial, food, or household waste to remove hazardous substances, neutralise and disinfect it; accumulation of large amounts of waste, incorrect methods of disposal and recycling; absence of programmes for waste minimization, separate collection, and disposal	Toxic and bacteriological hazards to the population and biocenoses due to pollutants entering natural landscapes, their migration and accumulation in plants and animal organisms, poisoning of people, and increased morbidity, leading to additional costs for implementing new technologies, restructuring the Company’s technological processes, imposition of fines, reputational damage, and other negative consequences		



Definition of risk		Definition of risk	Risk management measures
Water pollution risk  ✓ ✓ ← →			▪ Observance of environmental laws, regulations, and the relevant corporate documents ▪ Implementation of measures as part of the environmental risk register ▪ Industrial environmental control across the facilities ▪ Monitoring the engineering condition of environmental sites ▪ Minimising the occurrence of accidents ▪ Investing in nature protection activities, industrial equipment upgrades, and technological process improvements
Discharge of pollutants into natural waters with wastewater and stormwater runoff in excess of established standards	Disruption of water system functioning, accumulation and migration of pollutants, their entry into the human and animal bodies through food and water; as a consequence, imposition of fines and orders against the Company, the need for additional investments in treatment and control systems; reputational damage		
Air pollution risk  ✓ ← →			
Episodic or systematic emissions of pollutants into the atmosphere exceeding established standards due to the Company’s operations	Imposition of fines and orders due to emission volumes exceeding established standards, social protests due to systematic emissions, reputational damage to the Company		
Improper tailings management risk  ✓ ✓ ✓ ← →			▪ Monitoring the engineering condition of hydraulic structures ▪ Implementation of measures to prevent accidents
Design and construction defects, improper tailings management methods	Threat to life and health of employees, locals, integrity of adjacent landscapes, residential and infrastructure facilities, which, in particular, may result in the need for compensatory measures, imposition of fines, and reputational damage		
Risks associated with stakeholder engagement on environmental issues  ✓ ✓ ✓			▪ Stakeholder awareness raising through media publications, meetings between management and local residents ▪ Public debates
Lack or insufficiency of engagement, absence of feedback mechanisms, failure to cater to stakeholder expectations	Consequences in the form of regulatory and social blockers, reputational damage		



Definition of risk		Definition of risk	Risk management measures
Environmental supply chain risk ✓ ← →			▪ Adding to contracts the environmental compliance clause and references to Severstal's policies that are expected to be observed by the Company's suppliers and contractors
Absence or insufficiently detailed consideration of environmental factors and characteristics of companies or processes when building supply chains	Introduction of restrictions on working with suppliers who fail to comply with environmental laws, which may lead to the imposition of penalties, supply disruptions, and reputational damage		
Climate risks			
Physical climate risk ✓ ✓ ✓ ← →			▪ Implementation of adaptation measures and measures to manage climate and climate-related risks at resource (extraction) assets and at production (processing) assets ▪ Extensive audit of the condition of buildings and structures, including the creation of digital databases ▪ Start of compiling a climate change adaptation plan for Cherepovets Steel Mill ▪ Consistent implementation of the Decarbonisation Strategy, including major investment activities aimed at improving the overall production efficiency and reducing the carbon footprint of products ▪ Consistent diversification of the product range and expansion of green and adaptation products
Physical risks related to natural disasters caused by climate change	Threat to life and health of employees and contractors, deterioration of the quality or quantity of products manufactured and the conditions for their sale, increased operating costs, loss or damage to the Company's core assets		
Transition climate risk ✓ ← →			
Probability of losses associated with the transition to a low-carbon economy	Increase in operating costs, tightening regulation, changes in demand, technological shifts, reputational and market factors		
GHG emissions risk ✓ ← →			
Lack of measures to reduce own and indirect greenhouse gas emissions	Consequences in the form of market share loss, investor outflows, threats to the Company's reputation due to changes in government policy, as well as significant GHG emissions from counterparty companies		
RES use risks ✓ ✓ ✓			
Energy generation shortages, insufficient energy production	Disruptions in operations due to generation shortages, dependence on foreign equipment, environmental impact during the operation and installation of RES, environmental pollution from waste materials		



Definition of risk	Definition of risk	Risk management measures
Social risks		
Occupational health and safety risks ● ✓ ✓ ✓ ← →		▪ Observance of laws, regulations, and the relevant corporate documents ▪ Implementation of a comprehensive Occupational Health and Safety Strategy ▪ Thorough control over conformance with comprehensive health and safety policies ▪ Regular screening of all employees for awareness of health and safety risks ▪ Thorough root cause analysis of all safety issues and implementation of the appropriate remedial actions ▪ Continuous training, staff awareness-raising, and behavioural training ▪ Extended contractor control in the area of occupational health and safety
Violation of or insufficient attention to safety standards and ensuring worker safety, which may cause injuries and accidents due to non-compliance with safety standards	Increase in the frequency of injuries, including fatalities, among Company employees, overtime work, non-compliance with standards, which collectively or individually may lead to the imposition of fines and other sanctions by regulatory authorities, staff turnover, and reputational damage to the Company	
Talent acquisition and retention risk ● ✓ ✓ ← →		▪ Effective communication and feedback system, dialogue with employees and trade union leaders ▪ Maintaining the wage level above the average prevailing in the regions of presence, social support measures for employees and their family members
Lack of sufficient high-calibre and experienced employees to meet the Company’s personnel needs	Consequences in the form of hiring unqualified personnel, threats to the continuity of operations, and lower quality of services	
Risk of employing people with disabilities ● ✓ ✓ ← →		▪ Implementation of the personnel reallocation system at other facilities ▪ Wage level analysis in the markets of the regions of presence, indexation, extra payments ▪ Support for employees and their families residing in border areas
Infringement of the rights of employees with disabilities and creation of obstacles to their employment	Claims regarding the use of quotas from regulatory authorities, reputational damage, increased social tension	





Definition of risk		Risk management measures
Diversity and inclusion risk ● ✓		▪ Effective communication and feedback system, dialogue with employees and trade union leaders ▪ Maintaining the wage level above the average prevailing in the regions of presence, social support measures for employees and their family members ▪ Implementation of the personnel reallocation system at other facilities ▪ Wage level analysis in the markets of the regions of presence, indexation, extra payments ▪ Support for employees and their families residing in border areas
Discrimination, bias, and stereotypes related to gender, ethnicity, age, religion, and other attributes	Reputational damage and staff turnover	
Human rights risk ● ✓ ✓		▪ Affirmative interaction with local authorities and the public ▪ Investing in building social capacity of territories ▪ Involvement in dealing with communities' specific social issues ▪ Development programmes for SMEs, local workforce capacity, improvement and creation of a high-quality urban environment ▪ Support for employees and their families residing in border areas
Violation of labour laws, lack of mechanisms for monitoring compliance with labour laws, unethical labour practices (delayed wages, unpaid leave, etc.), human rights abuses	Reputational damage, staff turnover, imposition of fines and other orders from regulatory authorities	
Local community engagement risk ● ✓ ✓ ← →		▪ Affirmative interaction with local authorities and the public ▪ Investing in building social capacity of territories ▪ Involvement in dealing with communities' specific social issues ▪ Development programmes for SMEs, local workforce capacity, improvement and creation of a high-quality urban environment ▪ Support for employees and their families residing in border areas
Lack of socio-economic development projects for the local population, deterioration of relations with local communities and authorities, loss of the 'social license' to operate	Negative consequences in the form of mistrust towards the Company, reputational damage, failure to meet stakeholder expectations	
Risk associated with projects affecting the territories inhabited by indigenous peoples ● ✓ ✓ ← →		▪ Affirmative interaction with local authorities and the public ▪ Implementation of projects to support indigenous communities
Unsafe production processes, threats to cultural heritage, restriction of economic opportunities, infringement of the rights of locals	Harm to health and property of the population, increased social tension, imposition of fines by regulatory authorities, reputational damage	



Definition of risk		Definition of risk	Risk management measures
Social supply chain risk  ✓ ✓ ✓ ← →			▪ Adding to contracts the OHS compliance clause, the anti-corruption clause, and references to Severstal's policies that are expected to be observed by the Company's suppliers and contractors
Lack of mechanisms for tracking the social responsibility of the Company's suppliers (including monitoring the use of shady or illegal hiring schemes, the use of child and forced labour) and the resulting work with suppliers with questionable social practices and resources	Threat to the Company's reputation, which may lead to an outflow of consumers and investors, a reduced market share, and, in some cases, direct sanctions from regulatory authorities		
Corporate governance risks			
Risk associated with the owners of the rated entity  ✓			▪ Implementation of measures to manage conflicts of interest
Dependence of the Company's operational performance and market position on a single individual or a small group of individuals	Slowdown or suspension of operations upon the dismissal or loss of a key person, occurrence of shareholder conflicts		
Risks associated with violations of business ethics, corruption, anti-competitive behaviour, and conflicts of interest  ✓			▪ Development of data monitoring procedures ▪ Internal investigations ▪ Restricting access to data ▪ Interaction with business units most exposed to risk (sales, procurement, investment activities), use of a chatbot for counterparty due diligence ▪ Employee training on business ethics and anti-corruption ▪ Inclusion of anti-corruption clauses in standard contracts with counterparties, notifying them of the Company's approach
Any form of corruption, whether concealed or blatant, unethical behaviour of Company employees, risks of monopolistic position and market collusion	Violation of applicable laws, imposition of fines and orders, legal proceedings against employees, disruption of the Company's efficient operation, loss of market share		





Definition of risk	Definition of risk	Risk management measures
Confidentiality and cyber security risk ✓✓✓ ↑		- Information security training, briefings and workshops - Simulation of phishing attacks to test vigilance - Elaboration of IT service continuity and cyber attack emergency response plans - Implementing measures to strengthen the cyber protection of IT assets - Harmonisation of processes for monitoring attacks on an external IT perimeter and automatic blocking of unwanted activity - Robotisation of detection and accounting of ICT in storage systems and interaction with external services - External independent security audit - Digital data audit system that mitigates the risks of off-system processing of personal data and trade secrets on file resources - Use of official data storage devices - Automated control and record keeping of all corporate devices and software - Scaled-up practice of entering into addenda with counterparties on information security
Risk of damage resulting from the realisation of cyber threats to the Company's industrial and business systems, compromising the confidentiality of processed trade secrets or personal data	Disruption of business and production processes and systems due to a cyber attack, leakage of processed trade secrets or personal data, which may entail the imposition of fines by regulatory authorities, lawsuits from customers and employees, as well as reputational damage	

Severity of financial consequences:

- High - Medium - Low

Speed at which the risk may have an impact:

✓✓✓

 - less than three months

✓✓

 - less than a year

✓

 - more than a year

Change against 2024¹:

↑

 - risk increased

↓

 - risk increased

↔

 - no change

In the reporting year, as part of fostering the risk management system, Severstal implemented the following measures:

- risk assessment of the data quality management process;
- risk assessment of accessing critical information systems; and
- elaboration of measures to assess and manage production risks as part of harmonising the insurance programme

Risk Management Training

To improve the risk culture of its employees, Severstal holds training on a comprehensive approach to risk management and internal control issues, as well as practical training on specific risk categories.

Measures related to training and upskilling in key areas of risk management

Area	Measures in 2025
Training activities related to operational risks	Over 460 employees participated in the activities: - Classification of defects and damage to buildings and structures - Own Game (equivalent of Jeopardy!) for young foremen (repairs, knowledge of the permit system and labour safety rules) - Training on the use of advanced tools for cutting and processing materials - Information conference of occupational safety commissioners of Severstal's trade union organisation - Safety Pyramid competition - Team session and forum of Severstal's safety volunteers (safety culture and accident-free production)
Training activities related to legal and market risks	Completed training for employees of functional directorates (tax, controlling, insurance, legal) - more than 500 people
Mandatory online training	Completed regular training on anti-corruption, fire safety, etc.

Assessment of Risk Management System Performance

The Internal Audit Department conducts an annual assessment of RM&ICS performance. In 2025, the risk management, internal control, and corporate governance system was recognised as generally effective in all material aspects and sufficient to achieve the Company's goals. The assessment results were presented to and reviewed by the Board of Directors. Following the results of internal audits, more than 100 corrective measures were implemented in 2025. In the reporting year, no external assessment of the RM&ICS performance was performed.

Plans for 2026 and Mid-Term

Severstal' risk management plans include:

- improvement of the anti-corruption management system;
- maintenance and improvement of the Company's current ratings;
- implementation of recommendations from the relevant organisations involved; and
- elaboration of a business continuity plan for key production processes.

¹ For new risks included in the ESG risk register, changes are not specified.

Information Security

2025 Highlights

99%

of employees completed information security training

100%

of cyber attacks were successfully repelled

0

personal data leaks

UN SDGs

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE



Material Topics

Information security

Cyber Security

Approach to Cyber Security Management

GRI 3-3

Severstal is continuously harmonising information security measures for its critical infrastructure. In doing so, the Company provides for the continuity of its business processes and maintains confidentiality of data belonging to employees and business partners.

Key internal information security documents

Information Security Policy

Password Protection Policy of Severstal’s Corporate Information System

Personal Data Processing and Protection Policy

Regulations on Control of Access to Information Resources of the Severstal Group of Companies

User Manual for the Corporate Information System¹

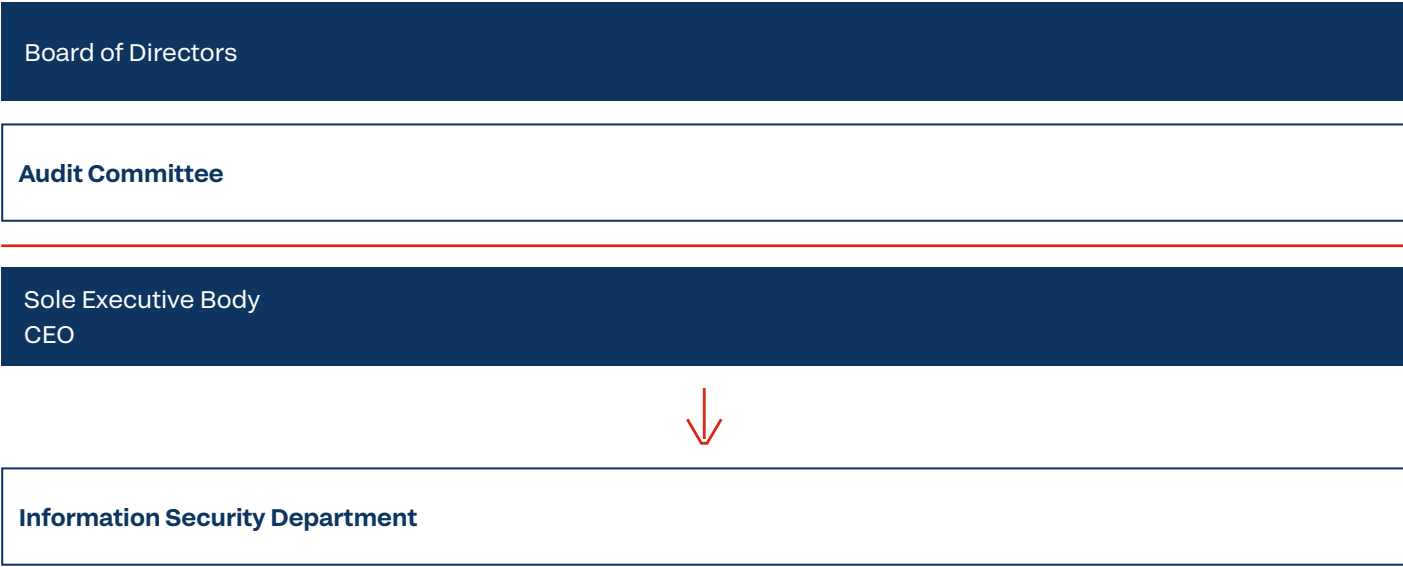
User Agreement on the Use of Access to the Internet¹

Regulations on Trade Secret Mode

Information Security Training Policy

Regulations on Information Security Training

Information security management structure



The key principles, objectives, and focus areas of Severstal’s ISMS are set out in the [Information Security Policy](#). The document aims to prevent and minimise losses from leaks of confidential information, use of inaccurate or distorted data, and disruption of information processing.

In 2025, new documents came into force – the Information Security Training Policy and Regulations on Information Security Training. They govern efforts to raise awareness, organise training, and perform cyber security drills for personnel. In addition, the regulations governing data access management were updated during the reporting period.

¹ This document is only available in Russian.

Information security management structure

Business unit	Functions
Board of Directors	- Determination of the focal areas of the information security (IS) strategy - Supervision over the efficiency of the IS management system (ISMS), annual review of reports on the assessment of ISMS performance
Audit Committee	- Control over procedures to ensure compliance with statutory IS requirements - Quarterly review of ISMS progress reports
Company management and operational management	- Approval and implementation of the Information Security Policy and local IS regulations - Organisation, coordination, and provision of robust ISMS operation
Information Security Department	- Identification and analysis of threats to information security - Determination of the procedure and control over compliance with the confidentiality regime of protected information - Implementation and control over the operation of information protection tools and systems - Administration of access to information resources - Detection and elimination of the consequences of computer attacks, response to cyber incidents

Severstal establishes the key performance indicators in information security for employees of the Information Security Department and heads of IT units in such categories, as:

- asset management;
- operation of information protection systems (IPS);
- vulnerability management;
- IS monitoring;
- backup copying; and
- infrastructure security, etc.

In 2025, the cyber security culture goals for the Information Security Department were changed: KPIs now include awareness (at least 30% of participants) and training completion (at least 95%) metrics. On top of that, goals were set for achieving new levels of cyber security, statutory compliance, service NPS, and attack response speed.

Severstal assesses cyber security risks associated with external cyber attacks, internal vulnerabilities in IT systems, and attacks on users as material to its operations and annually elaborates and implements mitigation measures.

For more details regarding IS risk management, see the Risk Management section.

Principles underlying Severstal’s information security management system

	Business focus
	Consistency
	Integrity
	Timeliness
	Continuous improvement
	Economic expedience
	Authority minimisation
	Control
	Legitimacy

Provision of Cyber Security

PBCS 94 PBCS 95

To protect its information infrastructure, Severstal implements measures across all business units in the following areas:

- maintaining and streamlining an ISMS that complies with the business requirements, legislation, and best global practices;
- preventing, detecting, countering, and neutralising external and internal IS threats;
- minimising damage from their impact;
- implementing measures to secure information systems, personnel, infrastructure, data transmission networks, and data carriers; and
- raising employee awareness of IS issues.

To minimise damage from external cyber attacks, malicious actions, and network anomalies, Severstal has an incident response system in place. Severstal regularly devises IT disaster recovery plans to robustly eliminate the consequences of IT system disruptions. The Company embeds standard scenarios of responding to cyber threats and IS incidents and streamlines a system for robotically detecting and auto-blocking typical cyber attacks. In 2025, the Company’s IT infrastructure was subjected to over 51 million cyber attacks, all of which were repelled by a layered protection system.

In 2025:

51 million cyber attacks on Severstal’s IT infrastructure were recorded

24 targeted cyber attacks were repelled

> RUB 230 million – aggregate prevented damage from cyber threats

Cyber security measures implemented in 2025

Area of work	Measures and changes in 2025
Implementation of an integrated programme of improving cyber security	Continued implementation of the strategic project 'Quantum Leap' that aims to comprehensively enhance the level of cyber protection 19 complex engineering projects were implemented in various focus areas 10% – average increase in security level of assets >30% – increase in the IT infrastructure visibility
Enhancement of the supporting processes maturity	Consistent improvement of information security processes: 36% – decrease in time of response to critical information security incidents 35% – decrease
Use of domestic information security solutions	In partnership with domestic manufacturers, solutions were implemented for: - corporate cyber attack monitoring system - secure software development 33% – increase in the number of new projects
Fostering data security, including improved access control processes and limiting off-system processing of information	- Integration of a digital data audit system, which reduces the risks of off-system processing of personal data and trade secrets on file resources - The process of using official data storage devices was integrated 30% of employees, to which the automated role-based access management system was scaled
Scaling the best practices to all business units	- A comprehensive automated system for assessing the level of compliance and applied security measures was put into operation across all business units - Processes for synchronising and scaling best practices were streamlined

Severstal has established internal control over compliance with corporate information security requirements. In the reporting year, all companies within Severstal demonstrated compliance with mandatory requirements. A series of measures are being carried out for newly acquired assets and startups to improve their information security level. In addition, the Company regularly conducts independent audits to assess performance of its information security control systems. The information security management system, certified under the ISO 27001¹ standard, undergoes a recertification audit every three years.

Cyber Security Culture

In order to minimise risks and protect data, Severstal consistently trains its personnel, thus building a corporate cyber security culture. The Company regularly notifies all employees of the content of internal information security documents and holds training on various aspects of information protection. In 2025, for example, 27 thousand people completed information security training in the following areas:

- protection of trade secrets;
- personal data protection;
- initial briefing;
- combating phishing.

Moreover, the Company’s operational staff take cyber drills on action plans in the event of information security threats. In 2025, Severstal employees demonstrated results aligned with the best global practices – the failure rate in cyber drills decreased to 4.2%. This was achieved through an end-to-end IT solution for cyber drills and personal error analysis. On top of that, Severstal started using tools for continuous monitoring of results and reporting them to employees and executives via a corporate mobile application and web service.

Primary causes of information security risks include the lack of attention, haste, and unsafe work practices. To prevent future violations, the Company conducted comprehensive work with employees and executives to prevent the most frequent violations.

During the reporting period, the Company also scaled up training and awareness-raising practices, covering 99% of employees with training. The following measures were implemented:

- mandatory courses in the electronic distance learning system;
- mandatory induction briefings and onboarding for new hires;
- coverage of all Company computers with a system of visual prompts on safe behaviour rules;
- regular personnel awareness-raising activities, covering over 15 thousand employees monthly; and
- inclusion of information security questions in pre-shift checks for operational staff.

In 2025:
99% of Severstal employees completed information security training
12-fold increase in the number of real cyber attacks identified based on employee reports

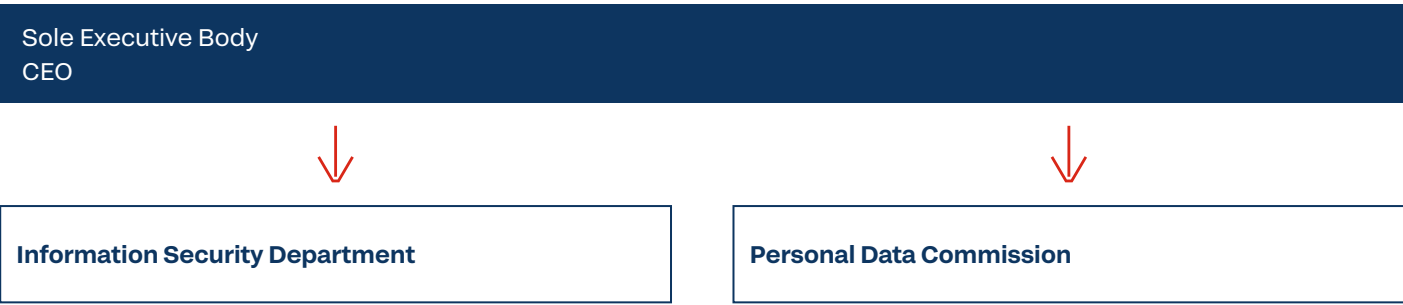
Personal Data Confidentiality

Approach to Personal Data Processing and Protection Management
GRI 3-3

Severstal strictly observes the requirements of Russian and international laws¹ in the area of personal data processing and protection. The key document in this domain is the [Personal Data Processing and Protection Policy](#). Its goal is to ensure the protection of human rights and freedoms, including the rights to privacy, personal and family secrets. The policy applies not only to the Company employees but also to suppliers, customers, and other business partners.

Key internal personal data protection documents
▪ Personal Data Processing and Protection Policy ▪ Regulations on the Procedure for Personal Data Processing and Protection

Structure for managing personal data security



Structure for managing personal data security issues

Business unit	Functions
Company management and operational management	▪ Approval and implementation of the Personal Data Processing and Protection Policy ▪ Monitoring of personal data protection performance
Information Security Department	▪ Measures to prevent unauthorised access and/or transfer of personal data to persons with no rights to access such information ▪ Timely detection of unauthorised access to personal data ▪ Prevention of any impact on technical means of automated personal data processing, which may result in disturbing their operation ▪ Control over maintaining the appropriate level of personal data protection
Personal Data Commission	▪ Control over compliance with personal data protection requirements ▪ Advice on harmonising the personal data protection system

¹ ISO/IEC 27001 is an international information security standard developed jointly by the International Organisation for Standardisation (ISO) and the International Electrotechnical Commission (IEC).

¹ In particular, Federal Law No. 152-FZ of the Russian Federation and Regulation (EU) No. 2016/679.

Personal Data Protection

GRI 418-1

Personal data at Severstal is reliably protected through a system of organisational and technical measures. All transactions involving personal information in information systems are subject to mandatory record keeping. Access to work resources used for data processing and to the premises with personal databases is strictly regulated and restricted. In its dealings with customers and partners, the Company makes use of statutory personal data protection mechanisms and tools.

Severstal-Infocom, an internal licensee, regularly verifies the Company’s compliance with personal data protection laws and gives recommendations on handling any defects identified. All identified violations are eliminated as scheduled.

Severstal regularly trains employees under the digital skills development programme. For this purpose, the Digital Steel IT platform and the corporate portal are used. These processes are embedded into the overall system of training and cyber security culture development.

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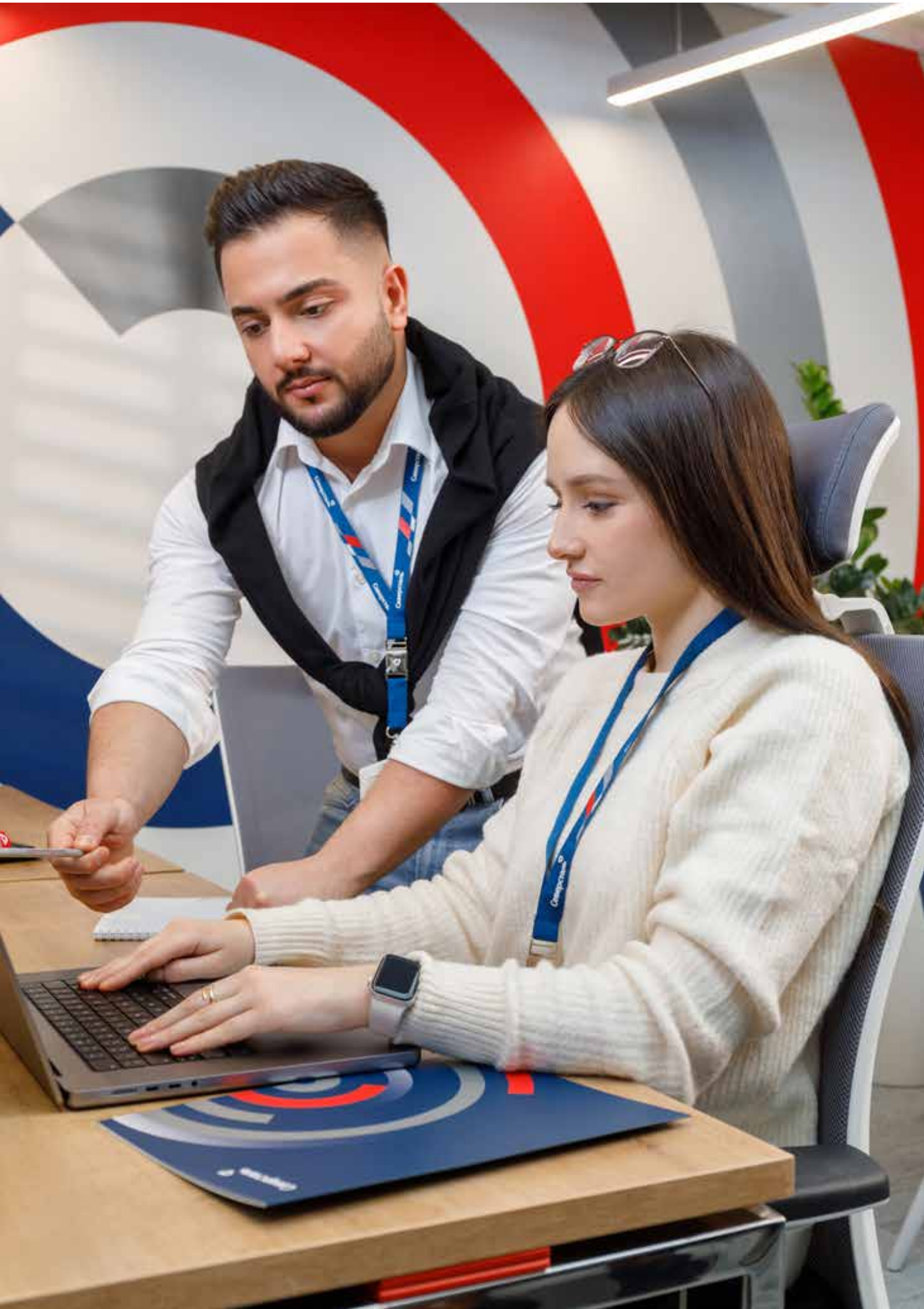
thousand employees

completed training in personal data protection in 2025

In the reporting year, there were no cases of compromising personal data confidentiality or of illegally transferring personal data to third parties.

Plans for 2026 and Mid-Term

- Severstal’s cyber security objectives for 2026 are to:
- enhance cyber security: continue implementing the comprehensive Quantum Leap programme, improve vulnerability remediation processes, increase manageability and transparency of IT processes;
 - improve cyber security culture and combat violations: continue regular cyber drills and exercises, pursue extensive dealings with contractors;
 - protect data: enhance the system for automatic authority updating, reorganise information accounting and destruction processes, upgrade technical protection mechanisms; and
 - comply with corporate and regulatory requirements: take consistent efforts to ensure compliance with legal requirements, scale information security processes to new assets.



Innovation Management and Digitalisation of Processes

2025 Highlights

615

patents owned in the Russian Federation (↑4.4%)

RUB 1.4 billion

economic effect from R&D implementation (↑2.7%)

UN Global Compact Principles

Principle 9.

Businesses should encourage the development and diffusion of environmentally friendly technologies

Material Topics

▪ Innovation and digitalisation

UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Internal Innovations and Products

Approach to Management

GRI 3-3

Severstal implements innovation in reliance upon an integrated approach. The Company continuously monitors the current market trends to identify potential opportunities for development. A strong foundation for Severstal’s innovative activities is effective collaboration with the relevant research institutions, leading industrial enterprises, and sectoral experts.

Innovation areas in Severstal’s strategy

Product innovation

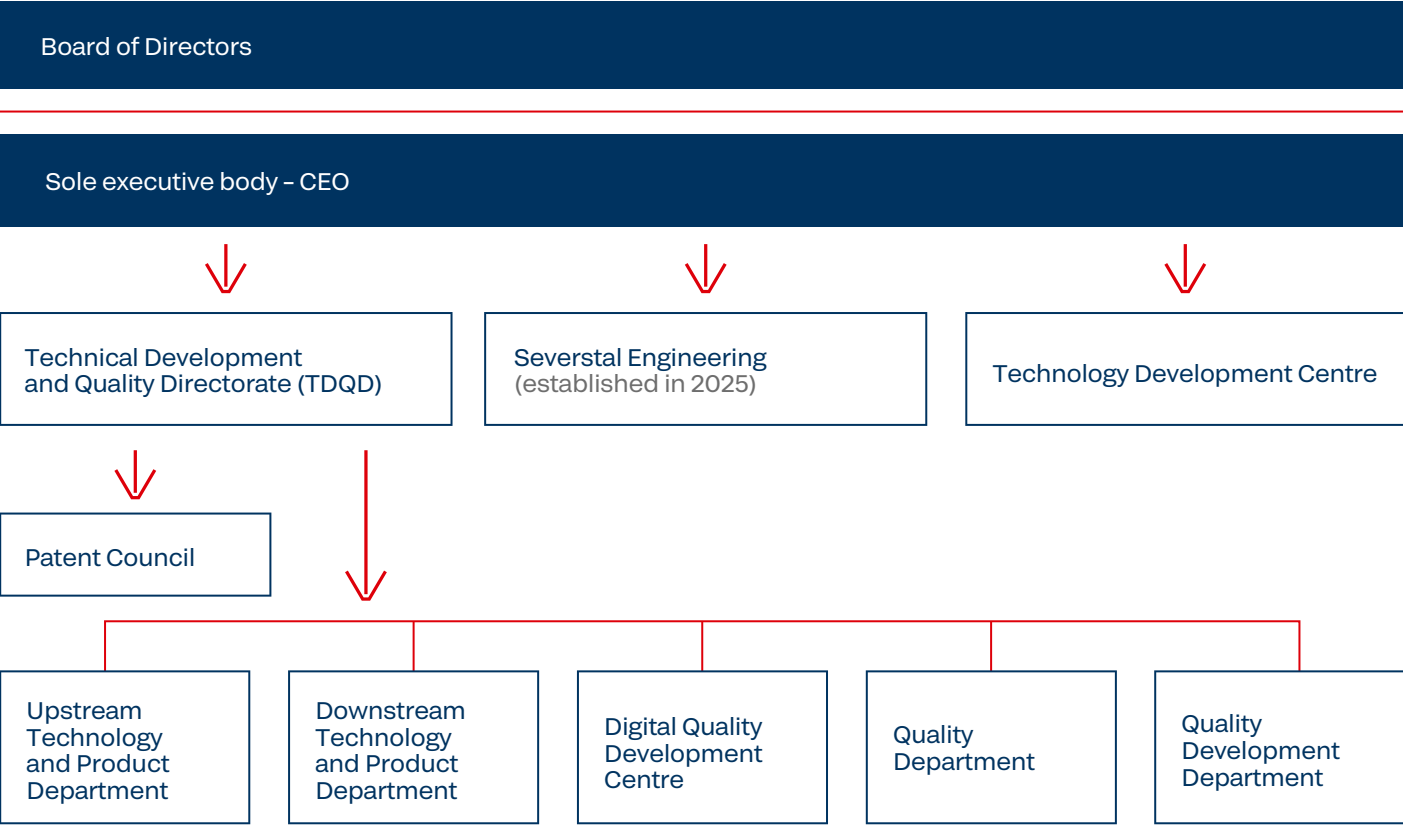
Business model innovation

Process innovation

Drastic innovation

In 2025, the innovation development management structure was changed: the Product Innovation and Solutions Department was reorganised into an independent structural unit – Severstal Engineering.

Innovation development management structure



Innovation development management structure

Business unit	Functions
Board of Directors	▪ Crystallisation and approval of the Company’s long-term innovative development priorities ▪ Monitoring of the efficiency of innovative projects
Company management and operational management	▪ Implementation of the innovative strategy
Severstal Engineering	▪ Search for new product types ▪ Advanced engineering ▪ Delivery of technical development projects
Technology Development Centre	▪ Search and implementation of engineering solutions for the Company’s resource assets ▪ Implementation of projects to integrate new waste recycling technologies
Patent Council	▪ Review and approval of engineering solutions for further patenting
Technical Development and Quality Directorate (TDQD)	
Upstream Technology and Product Department	▪ Control over the quality of feedstock and supplies, supplier development ▪ Improvement of steel quality ▪ Development of new technologies
Downstream Technology and Product Department	▪ Technical expert review of orders ▪ Development of new DS technologies and products, including through the use of mathematical modelling ▪ Development of technologies for production of new types of metal products, combined metals
Digital Quality Development Centre	▪ Boosting the use of digital technologies in product quality management
Quality Department	▪ Product, feedstock and supplies technical control and testing
Quality Development Department	▪ Development of the quality management system ▪ Product quality certification and standardisation

Severstal has internal regulations governing innovation processes. In 2025, the Company revised its Management of Scientific and Scientific and Technical Activities Proprietary Standard to expand the authority of the new structural unit Severstal Engineering and accelerate the implementation of innovative products.

Key innovation documents
Internal ▪ Organisation of the Patent Council Operation Proprietary Standard ▪ Management of the Results of Intellectual Activity Proprietary Standard ▪ Organisation of Streamlining Activities Proprietary Standard ▪ Management of Scientific and Scientific and Technical Activities Proprietary Standard (updated in 2025)

In its core production processes, Severstal uses 37 Best Available Techniques (BAT) in accordance with the ITRB BAT¹. These are used in the production of coke, sinter, and cast iron and are designed, among others, to reduce emissions of harmful substances into the air, waste disposal, wastewater treatment, improve energy efficiency, and decrease resource losses. For example, in coke production, technologies for reducing emissions during coal preparation for coking, coke quenching, sorting, and transportation, as well as the technology for recycling treated wastewater back into production are used.

Innovation Implementation Process

Severstal’s innovative project management process includes five key stages.

Innovative project management

Project risk assessment	▪ Potential project risk assessment ▪ Project ranking based on potential risk assessment ▪ Selection of projects with minimal potential risks
Partner selection	▪ Holding regular meetings with the relevant R&D centres
Project implementation	▪ Planning and dividing projects into stages ▪ Regular assessment of the relevance and feasibility of continued work on each project subject to changes in the market conditions and geopolitical landscape
New product release	▪ Checking products for infringement of third-party patents ▪ Filing patent applications for proprietary designs ▪ Identification and prevention of third-party infringements of the Company's intellectual property rights
Assessment of R&D project performance	▪ Scoring of project performance as per the most important success factors: ▪ Budget planning ▪ Adherence to the project deadlines ▪ Achievement of economic effects ▪ Patenting of results ▪ Compliance with implementation deadlines

R&D project performance is assessed on an annual basis. In 2025, based on assessment results, the conversion rate of costs to economic effect for projects that resulted in an engineering solution was 97%. The greatest effects came from the implementation of Upstream projects.

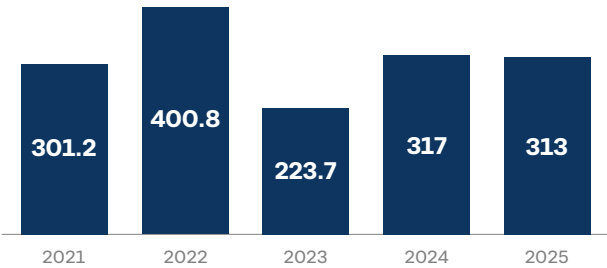
¹ ITRB BAT (information and technical reference books on the best available techniques) are documents of the national standardisation system approved by Rosstandart.

2025 R&D Performance

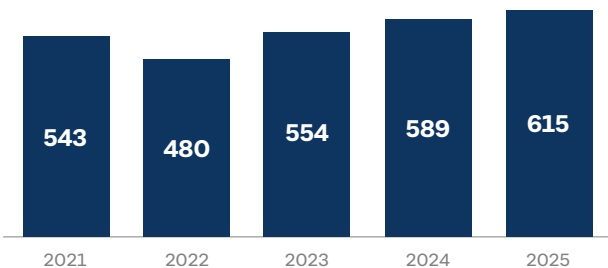
PBCS 91

In 2025, 257 Company employees and 670 partners were engaged in R&D. The total R&D funding slightly decreased (by 1.3%) to RUB 313 million. At the same time, the economic effect from R&D implementation in 2025, as estimated by the Company, amounted to RUB 1.35 billion, up 2.7% vs 2024. The number of proprietary patents in Russia increased by 4.4% to 615 units in 2025.

Total R&D expenses, RUB million



Number of proprietary patents in Russia, pieces



In addition to bolstering proprietary innovative products, Severstal contributes to R&D projects involving government funding.

R&D projects involving government funding in 2025

Project	Description and value	Outcome
Fire-resistant steel S390P	The use of fire-resistant rolled product S390P in steel structures allows for: - reducing fire protection costs by 10–40% (reducing layer thickness); - reducing metal consumption by 10–25% (optimising profile cross-section); - accelerating protection application (with fewer coating layers); and - reducing the load on the foundation (lightening the structure).	R&D completed. The project is at the stage of selling finished products
Combined metals	Development of technology for producing two-layer rolled products with a unique combination of operational features unattainable in a single metal. By combining different steel grades, local use of expensive materials is ensured, production costs are reduced, and product service life is increased	R&D completed. The project is at the stage of selling finished products

Since 2024, Severstal has been a key industrial partner of the Advanced Engineering School (AES) at the Cherepovets State University. Company employees contribute to the implementation of specialised educational programmes related to metallurgy and production process automation, and deliver research projects together with AES experts. In 2025, in the context of the AES, work was carried out on 21 R&D projects in the Company’s interests in the following areas: improving iron ore beneficiation technologies, developing steel chemical composition, steelmaking and rolling production technologies, computer modelling, and elaborating new engineering solutions based on the steel produced.

Development of New Product Types

In 2025, Severstal continued to expand its product portfolio, elaborating new types of steel and customer solutions to meet specific customer requests.

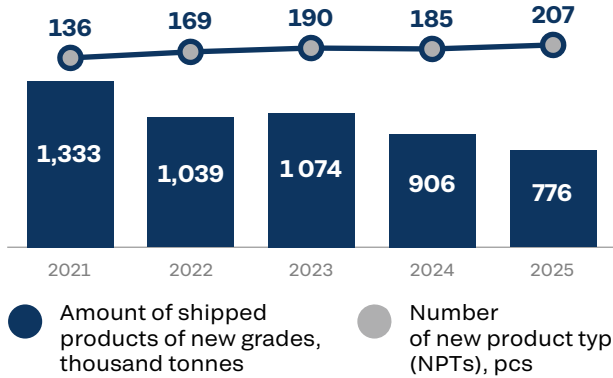
To strengthen work with new types of products, the Company established the centre for the development of effective technological solutions Severstal Engineering – a new structural unit that develops innovative solutions for external customers. The centre provides a full cycle of engineering solution development: from research and engineering to market launch and customer support. Its core expertise covers:

- development and implementation of import-substituting products;
- improvement of performance of industrial processes;
- drawing up regulatory documentation;
- comprehensive technical support; and
- integration and enhancement of digital services.

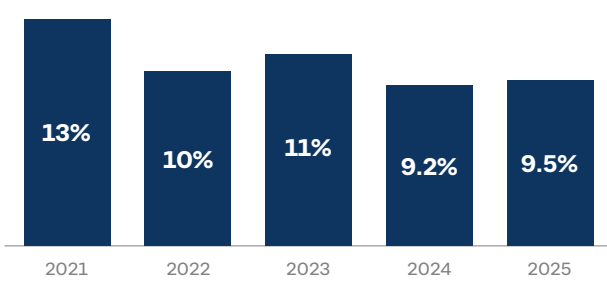
Acting as a research and technical partner, Severstal Engineering helps customers reduce OPEX and CAPEX, as well as increase profits through the incorporation of advanced solutions and advisory support across all stages of innovation implementation. In 2025, the centre brought to market and implemented 22 engineering solutions for customers.

In 2025, the total amount of shipped products of new grades was 776,000 tonnes. A lower amount and effect from new product types (NPTs) in 2025 is triggered by the overall reduction in metal consumption in the Russian market. Nevertheless, Severstal continues to expand its portfolio of new products and solutions to attract customers and enter new markets. For example, in 2025, the Company developed 207 units of new products, up 12% YoY. In addition, a share of NPTs in total sales increased (by 0.3 p.p.) to 9.5%.

Amount of shipped products of new grades



Share of new product types in total sales, %



Awards for the creation of new products

Metal-Expo 2025 International Industrial Exhibition			
	For the development and industrial implementation of a new generation of wear-resistant bimetallic rolled products, Powerhard Duo, for the mining, machine building, and related industries		For the development of an innovative fastening kit for the superstructure of railway tracks on heavily loaded sections
	For the development of a steel rope with a diameter of 95 mm featuring a metal core coated with polymer material produced by the Volgograd branch of Severstal Kanaty		For the implementation of advanced rolled product manufacturing technologies for bridge construction (jointly with the Bardin Central Research Institute of Ferrous Metallurgy)

Idea Factory Corporate Programme

Severstal operates the Idea Factory corporate programme, which is a system for collecting and implementing employee initiatives. Through participation in the programme, every employee can unlock their creative potential, propose ideas for harmonising production processes, and receive recognition from colleagues and management, as well as monetary rewards. The full functionality of the Idea Factory is available in the HR Personal Profile: employees can submit their proposals, and track their status.

In the reporting year, the priority for fostering the Idea Factory programme was strengthening technological capabilities. To this effect, the Company implemented the following measures:

- completion of the redesign of the website user interface in the Personal Profile;
- implementation of a significant number of improvements to the support IT platforms, increasing their ease of use for programme participants; and
- elaboration and approval of technical specifications for the integration of an AI assistant on the website and a user support chatbot (implementation is scheduled for 2026).

In 2025, the total potential economic effect from implemented ideas amounted to RUB 12 billion, down 20% YoY. Nevertheless, the number of ideas with economic effect increased by 14% compared to the previous reporting period.



A slight decrease in employee involvement in the programme (↓1 p.p. vs 2024) is due to the addition of new functional units to the programme during the reporting year, where this initiative is at an early stage of development.

Digitalisation

Approach to Management

GRI 3-3

Deep digitalisation of processes to enhance operational performance is among Severstal’s strategic priorities laid down by its Strategy 2028. The core areas of digital transformation are:

- artificial intelligence (AI): digital twins in Upstream, integrated quality and production volume management, reduction of equipment downtime and predictive repairs;
- deployment of generative AI to improve labour productivity;
- digitalisation of customer, partner, and employee engagement;
- sales of industrial software and digital services to the external market;
- advanced digitalisation of OHS processes;
- search and implementation of new technologies; and
- cyber security and import substitution.

For more details regarding cyber security, see the Information Security section.

Digitalisation Projects

In 2025, Severstal delivered a number of digital projects of optimising and automating production processes.

Selected digitalisation projects of 2025

Project	Description	Deliverables and activities in 2025
Data centre at Yakovlevskiy Mine	A new modular data centre (DC) for Yakovlevskiy Mine was launched, which is designed to accommodate ten server racks. The data centre infrastructure includes precision air conditioners ensuring stable temperatures and continuous equipment operation. The new DC will be part of the enterprise’s digitalisation programme. The launch will expand the mine’s information system and enable the implementation of additional services	The data centre was put into operation
Introduction of wheeled robots for equipment monitoring using thermal imagers and gas analysers	At the Severstal-Metiz enterprise in Cherepovets, autonomous rovers performing a range of functions (cargo transportation, territory patrolling, and technical equipment inspections based on computer vision) began to be used. The use of such rovers is intended to increase automation of production processes, rule out personnel presence in high-risk areas, and bolster labour efficiency by redistributing routines	Industrial tests were carried out
Development and implementation of the generative AI platform 'Da Vinci'	The development and launch of an in-house generative artificial intelligence platform titled 'Da Vinci' was completed. The new solution allows employees to independently create personalised AI assistants to deal with production tasks within a secure corporate perimeter	The platform was put into pilot operation
Set of machine learning models to control the speed of continuous pickling unit	The new system analyses key product parameters and unit status in real time and automatically sets the optimal operating speed. Previously, the speed control process depended entirely on operator actions; its automation made it possible to harmonise production capacity utilisation and minimise downtime	The solution was put into pilot operation. The economic effect from implementing the system was RUB 273.5 million
Digital projects to enhance safety at Yakovlevskiy Mine	The mine is concurrently testing several digital HSE solutions. Key solutions include: ▪ remote control of the shearer with video surveillance of blind spots; ▪ equipping employees engaged in underground work with headlamps featuring a video recording system and machine vision training to prevent dangerous actions; and ▪ shift-based photo and video recording of the quality of mine working support.	The projects are at the stage of pilot testing

For more details regarding digital projects of quality and product safety management, see the Product Quality and Safety section.

Collaboration in Innovation and Digitalisation

Severstal’s innovative activities are built on interaction with customers, sectoral, and specialised research institutes. The Company is extensively involved in industry-specific events, which allows it to maintain dialogue and exchange expertise with major industry players. In 2025, representatives of Severstal attended over 30 such events as invited experts, contributing to discussions on advanced technologies and the enhancement of metallurgical production, new steel-based products, AI application to address manufacturing sector’s challenges, and employee upskilling.

On top of that, Severstal is a member of various working groups and enters into partnerships with other companies to jointly foster innovative technologies, new product types, and digital solutions. For example, in 2025, the Company entered into more than partnerships indented to advance technologies for the construction of infrastructure facilities, develop materials for transport, and elaborate big data management technologies and digitalisation of the industrial sector, among others.

Open automated process control system (APCS)

Severstal is a member of the working group for the creation of an open industrial APCS. The project aims to create and implement a vendor-independent, cross-sectoral national platform, which is aligned with the principles of open architecture and ensures the technological sovereignty of the Russian Federation. The platform will be able to work correctly with various data storage systems, ERP¹ and MES² systems, and other applied solutions.

In 2025, the Company developed a prototype of the open APCS, and in 2026 it intends to test its pilot version in real production conditions.

Digitalisation awards

Mining Industry 4.0 – international competition of effective digital projects for mining companies



For the development of Monitoring and Diagnostics software, which enables real-time monitoring of production equipment status, identifying deviations from normal operating modes, and preventing unscheduled downtime



For the development of a video analytics system for monitoring the condition of pallets on roasting machines, which identifies defects and alerts technical staff about pallet wear

Plans for 2026 and Mid-Term

Severstal’s innovation and digitalisation plans include:

- development of the bimetallic rolled product range, elaboration of wear-resistant combined metal and bimetallic pipes;
- improving product quality through the development of defect prediction methods;
- R&D on the development of flotation beneficiation technology for iron ore concentrate; and
- implementation of the Upstream development strategy, including the launch of a pellet production workshop.

¹ ERP system (Enterprise Resource Planning) is a class of integrated information systems designed to automate accounting and manage key business processes across the entity.

² MES system (Manufacturing Execution System) is specialised software designed to manage and optimise production processes at the workshop or section level in real time.





05.

Sustainability Management

Sustainability Management Structure

GRI 2-12

Sustainable development is among Severstal’s strategic priorities. Sustainability aspects constitute an integral part of the Company’s corporate culture and are embedded into all organisational levels and business processes.

In the reporting year, the sustainability management structure did not undergo significant changes. In February 2026, the Corporate Social Responsibility and Brand Department was renamed the Sustainability and Brand Directorate. The unit’s functions remained unchanged.

Sustainability issues are regularly considered at the meetings of the Board of Directors and of the Safety and Sustainability Committee. In February 2025, the Board of Directors approved the updated Sustainability Strategy 2028. The following topics were also discussed at the meetings:

- achievement of public environmental and climate goals;
- progress in the decarbonisation strategy implementation, climate risk management, and adaptation to climate change;
- Company’s environmental performance and achievements in the field of ecology;
- proceedings of the Expert Council on Biodiversity; and
- setting the Company’s environmental goals for 2028.

For more details regarding environmental issues considered by the Board of Directors, see the [Environmental Management System](#) section.



Sustainability management structure



Severstal’s Sustainability Strategy

PBCS 45

Severstal has the [Sustainability Strategy 2028](#)¹ approved by the Board of Directors in 2025. In drafting it, the Company took account of the best global practices, industry specifics, stakeholder expectations, and ESG rating requirements. The strategy identifies nine priority areas for which Severstal has set targets and compiled an action plan until 2028. The areas were defined considering the impacts the Company has on society and the environment and are closely linked to the Company’s business strategy. Each practice area outlined in the strategy is interlinked with priority UN Sustainable Development Goals (SDGs).

Severstal reviews the strategy annually and makes changes as necessary. In the reporting year, the Company updated the strategy to reflect the provisions of the business strategy adopted in 2024, as well as due to the successful attainment of HSE goals set for 2025.

The current version of the strategy is available on the [website](#)².

In addition to the strategy, Severstal has two other documents: the Decarbonisation Strategy 2030 approved in 2023 and the Conserve Biodiversity – Preserve Life Strategy 2036 approved in 2024. The latter outlines a set of measures to conserve biodiversity and reduce the Company’s spatial and environmental footprint. To robustly implement the biodiversity strategy, the Company established the Expert Council on Biodiversity in 2025, the first of its kind in the metals sector.

[For more details regarding the Decarbonisation Strategy, see the Climate Change section.](#)
[For more details regarding the Biodiversity Strategy and the work of the Expert Council on Biodiversity, see the Biodiversity and Land Conservation section.](#)

A wide spectrum of internal corporate documents governs the Company’s activities in various sustainability matters. These documents factor in the best international and Russian ESG initiatives and rest upon Russian laws and international management system standards (ISO standards).

Monitoring of Sustainability Indicators and Key Performance Indicators

The key performance indicators (KPIs) have been defined for the heads of Severstal’s enterprises and structural units. In 2025, the Company expanded the scope of its sustainability KPIs: targets for injury rates and GHG emissions were established for the CEO of AO Severstal Management, the CEO of PAO Severstal, the CEOs of all business units, and the heads of enterprises and production sites.

The Company aims to boost the efficiency of monitoring sustainability-related indicators and is working to automate data collection and analysis processes using an ESG dashboard. The dashboard allows for tracking over 100 metrics in such areas, as Severstal People, Customers, and Physical Training and Sports. These indicators are reviewed quarterly at meetings of the Sustainable Development Working Group to monitor the status of attaining strategic goals. In addition, the Company uses these indicators when preparing the Report. Among others, the dashboard implementation has made it possible to audit the ESG data collection procedure and bring all indicator calculations into a unified methodology.

Goals of the Sustainability Strategy and achievement progress as at year-end 2025

	Focus area	Goal	Progress in 2025
E	Air quality	■ Reduce pollutant emissions by 30% by 2028 (against 2023)	■ ↓ 7% against 2023
	Climate action	■ Reduce CO ₂ emissions intensity per tonne of steel by 10% by 2028 (against 2020)	■ ↓ 3.6% against 2024
	Waste management	■ Achieve a share of waste recycling of 98.5% by 2028 ^{1, 2}	■ 98.8%
	Water conservation	■ Reduce pollutant discharges for Cherepovets Steel Mill by 20% by 2028 (against 2023)	■ ↓ 0% – at the level of 2023
	Biodiversity	■ Increase the Company’s investments in conservation of biodiversity, ecosystems, and ecosystem services by 30% by 2028 (against 2023)	■ ↑ 170% against 2023
		■ Reduce the spatial environmental footprint by 5% by 2028 ³ (against 2023)	■ To be published later in the Biodiversity Conservation Report for 2020–2025 ⁴
		■ 235,000 ha of SPNAs supported by the Company on an ongoing basis until 2028	■ 235,000 ha
		■ Assess dependencies, impacts, risks, and opportunities for 100% enterprises until 2028	■ 50% of enterprises classified as category I facilities with a negative environmental impact
		■ Elaborate corporate biodiversity conservation programmes for 50% of enterprises with identified significant impacts by 2028	■ 33% of enterprises classified as category I facilities with a negative environmental impact
	Occupational health and industrial safety	■ Maintain certification of 100% production facilities under ISO 45001 by 2028	■ 100% as at year-end ⁵
		■ Reduce occupational injuries (LTIFR) among employees and contractors down to 0.45 by 2028	■ 0.59 ✓
		■ Zero fatalities by 2028	■ 3 fatalities ✓
	Working conditions		
G	Enhancing the corporate governance system	No quantitative goal set	

¹ This document is only available in Russian.
² This website is only available in Russian.

¹ The Company calculates the value at the following formula: (neutralisation + treatment + reuse and recycling) * 100 / waste generation.
² Excluding heavy waste of Severstal Resources (overburden and tailings).
³ Only for PAO Severstal.
⁴ Biodiversity report to be published in Q2 2026.
⁵ Net of assets acquired in the reporting year.

Contribution to the Focal UN SDGs

UN SDGs	Company's core areas	Key results in 2025
3 GOOD HEALTH AND WELL-BEING  SDG 3 Ensure healthy lives and promote well-being for all at all ages		
3.4. Reduce mortality from non-communicable diseases 3.8. Achieve access to quality health-care services	Voluntary health insurance (VHI), well-being programme, discounted vouchers for employees and their family members to health resorts for rehabilitation and recreation Corporate sports events Financing the development of healthcare institutions in the regions of presence	> 49 thousand employees benefited from the voluntary health insurance (VHI) programme > 2,900 employees received health resort vouchers > 4,100 employees' children received vouchers to children's camps 8,600 employees passed cancer diagnostics RUB 160 million spent on healthcare support
3.7. Ensuring access to family planning services	The Course on Parenthood project for pregnancy services and preconception care Financing activities under the Way Home programme	Psychological and legal counselling to > 300 women as part of preparing pregnant women for childbirth and parenthood A parent forum was held for the first time in Cherepovets Training activities for parents were carried out as part of the Way Home Charitable Foundation programme
4 QUALITY EDUCATION  SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
4.3. Ensure equal access to technical, vocational and tertiary education, including university	Cooperation with educational institutions, career guidance programmes, attracting students of universities and vocational schools¹ for internship, employment of graduates	> 1,800 students completed internships at the Company's facilities 39 graduates of the relevant colleges were employed by Severstal The comprehensive training Severstal Vertical programme for young specialists covers > 3,000 schoolchildren and students Expansion of a network of partner educational institutions, currently encompassing 37 vocational schools and universities
4.4. Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Training events for entrepreneurs in the context of cooperation with the Urban Development Agency of Cherepovets (UDA) Implementation of educational programmes and engineering classes for schoolchildren and students	22 startupper completed a course on the fundamentals of entrepreneurship Corporate programme to train refractory technologists RUB 70 million – financing for the Advanced Engineering Schools programme

¹ A higher educational institution and a secondary vocational educational institution.

UN SDGs	Company's core areas	Key results in 2025
8 DECENT WORK AND ECONOMIC GROWTH  SDG 8 Promote sustainable economic growth, full and productive employment and decent work		
8.2. Achieve higher levels of economic productivity	Enhancement of new product types, technology upgrade, and innovations	207 new product types designed 776 thousand tonnes of new grade products shipped The Severstal Engineering unit was established to deliver promising projects jointly with customers – 22 solutions implemented
8.3. Development-oriented policies	Projects for regional economic development in cooperation with the Cherepovets Urban Development Agency; investments in enhancing the regions of presence; annual indexation of employee salaries; competitive remuneration in the regions; additional financial incentives for employees	Wages were indexed by an average of 10% > 400 events were held in key areas of the UDA
8.4. Improve global resource efficiency	Programme to optimise energy consumption and enhance own generation, recycled water use	98.4% – share of recycled water 79.7% – share of own generation in the total energy consumption of Cherepovets Steel Mill Construction of an advanced iron ore pellet production complex
8.8. Protect labour rights and promote safe and secure working environments	Enhancement of the occupational health management system, provision of safe working conditions	74% employees covered by collective bargaining agreements RUB 6.3 billion – expenses on OHS activities
8.9. Devise and implement policies to promote sustainable tourism	Advancement of industrial, domestic, and inbound tourism in the regions of presence, funding of the Museums of the Russian North programme	The Industrial Tourism Centre was launched in Cherepovets RUB 50 million allocated to support tourism programs
9 INDUSTRY INNOVATION AND INFRASTRUCTURE  SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		
9.3. Increasing the access of SMEs¹ to financial services, and their integration into value chains and markets	Purchases from SMEs, training, information support, SME investment projects follow-up, assistance in expanding the target markets for SME representatives as part of the UDA activities	21% – share of purchases from SMEs > 2,000 SMEs registered on the Electronic Business Cooperation platform

¹ Small and medium-sized enterprises.

11 SUSTAINABLE CITIES AND COMMUNITIES SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable		
11.4. Protect and safeguard the world's cultural and natural heritage	Support for the programs of the Kindness of the North Charitable Foundation for the integrated development of the cities of presence, projects to support the cultural and historical heritage of the Russian North	- Support for the first The Creativity of Regions grant competition aimed at supporting socio-cultural initiatives and unlocking the creative potential of the Russian North territories > RUB 1 billion – support for the integrated development of the cities of operation
11.6. Reduce the adverse environmental impact of cities	Reduction of pollutant emissions into the air, wastewater treatment	- RUB 9.4 billion – environmental protection expenses 58 projects were implemented under the Targeted Environmental Programme
12 RESPONSIBLE CONSUMPTION AND PRODUCTION SDG 12 Ensure sustainable consumption and production patterns		
12.5. Substantially reduce waste generation	Waste disposal reduction, waste recycling share growth	98.8% – share of waste recycling - A composite site for waste processing is operational at Cherepovets Steel Mill, where > 410 tonnes of products were manufactured using recyclables
13 CLIMATE ACTION SDG 13 Take urgent action to combat climate change and its impacts		
13.1. Strengthen resilience and adaptive capacity to climate-related hazards	Climate-related risk assessment, reduction of greenhouse gas emissions, implementation of enterprise adaptation plans, release of the annual Climate Report	> RUB 400 million – expenses on climate change adaptation activities 2 climate projects were registered
17 PARTNERSHIPS FOR THE GOALS SDG 17 Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development		
17.17. Encourage and promote effective public, public-private and civil society partnerships	Cooperation with other enterprises on sustainability issues, partnerships with NPOs and other public organisations, memberships in business associations and business unions, participation in events for exploring topical ESG issues	- Participation in the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) - Participation in the visiting meeting of the Sustainability and ESG Committee of the Managers Association

Contribution to the Russian National Goals

PBCS 74PBCS 76PBCS 77PBCS 78PBCS 79PBCS 80PBCS 81PBCS 82PBCS 83PBCS 84

PBCS 85PBCS 86PBCS 89PBCS 91PBCS 94

Company's contribution to the Russian National Goals

Goal	Key areas	Key results in 2025
Preservation of the population, strengthening health and improving the well-being of people, supporting families 	Severstal supports internal and external programmes to support health, promote a healthy lifestyle, and uphold family and parenting	- RUB 254 million – expenses to implement family and parenthood support programmes - RUB 6.3 billion – expenses to carry out OHS activities - RUB 4.8 billion – expenses to promote the health of employees and local community members - RUB 61 million – expenses to enhance the cultural infrastructure - RUB 522 million – expenses to support socially vulnerable groups of people - RUB 1.6 billion – expenses to promote mass sports among locals
Self-fulfilment of each person, unlocking their talent, and fostering a patriotic and socially personality	The Company upholds the evolution of an educational environment for schoolchildren and students and enhances volunteer activities both among employees and local residents	- RUB 167 million – expenses to support education - RUB 694 million – expenses to finance initiatives and projects aimed at fostering traditional Russian spiritual, moral, cultural and historical values - RUB 3.5 million – expenses of volunteer activities - RUB 27 million – expenses related to developing the infrastructure for culture, art, and folk art
Comfortable and safe environment for living 	Severstal delivers programmes for the integrated development of territories, as well as individual initiatives to improve the quality of life in the cities where it operates	- RUB 332.8 million – expenses to improve the housing conditions of employees and local community members - RUB 889 million – expenses related to improvement and comprehensive development of cities and other settlements - RUB 16 million – expenses to improve the road quality





Goal	Key areas	Key results in 2025
Environmental well-being 	The Company takes measures to reduce negative environmental impacts of its production activities and devises programmes for the preservation of ecosystems.	RUB 9.4 billion – expenses to implement environmental protection measures
Sustainable and dynamic economy	Severstal advances industrial tourism in the regions where it operates, supports the development of creative industries, and implements projects to enhance the tourism appeal of cities	RUB 50 million – expenses to implement projects aimed at enhancing the tourism appeal of the Russian Federation
Technological leadership 	The Company is among the leaders in integrating advanced solutions into production, collaborating with research institutes, and is developing its own engineering centre	RUB 313 million – R&D expenses
Digital transformation of the public and municipal administration, economic and social sectors 	Severstal implements programmes for import substitution of information technologies, introduction of AI-powered solutions, and enhances security of critical information infrastructure	RUB 151.5 million – expenses to ensure information security



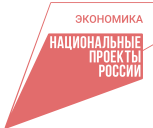
– aligned with the priority of Severstal’s business strategy

The instrument for achieving national goals is the national projects to which Severstal contributes by implementing measures and programmes across various areas of sustainable development.

Severstal is ranked in Our Contribution, the national ranking of business and NPO contribution to the achievement of the national goals and implementation of national projects. On top of that, the Company holds the National Projects Partner status awarded by the National Priorities Association¹.

¹ Following the results of Our Contribution National Award 2024–2025.

Company’s contribution to national projects

Project	Description of programmes and activities
	- Financial support for employees with children – increased amounts of birth and large family allowances - Support for educational and training programmes on parenthood by the Way Home charitable foundation – holding a programme for preparation for childbirth and motherhood, organising a parent forum
	- Support for the Professional Training federal project – first graduation of students, assistance to three technical colleges in Kostomuksha and Cherepovets in joining the project - Implementation of the Advanced Engineering School project at two partner universities in Saint Petersburg and Cherepovets – first enrollment of undergraduate students under the project - Holding the corporate Severstal for Schoolchildren event, which is an Olympiad in physics and mathematics for students in grades 10–11 - Support for the programs of the Kindness of the North Charity Foundation: - Renovation of the School of Creative Industries in Stroitel and opening the first Severstal multi-functional centre for youth career guidance on its premises - Completion of the second stage of renovation of the dormitory at the Kostomuksha Polytechnic College - Implementation of events jointly with the all-Russian public-state movement of children and youth ‘Movement of the First’
	- Support for the programs of the charity foundations: - Enhancement of Severstal’s engineering classes in metallurgy and IT for schoolchildren - Support for the Olenegorsk Mining and Industrial College – renovation, equipment supply - Building a talent pool for the metallurgical complex – entering into a targeted training agreement for students with the Peter the Great Saint Petersburg Polytechnic University
	- Support for the programs of the charity foundations: - Support for veterans of the Company and of the Great Patriotic War – assistance from Severstal volunteers - Holding competitions in table sports for people with disabilities
	- Support for the programs of the charity foundations: - Support for the construction and opening of the first miners’ square in Stroitel - Support for the construction of an indoor skating rink in Kostomuksha - Delivery of projects under agreements with the governments of the Murmansk region and the Republic of Karelia
	- Creation of the Expert Council on Biodiversity, Ecosystems, and Ecosystem Services Conservation - In 2024, the Company achieved the targets set for the Clean Air federal project for the period up to 2026 ahead of schedule - Support for the Big Arctic Clean-up Day in Teriberka with the involvement of corporate volunteers - Organisation of the municipal environmental competition 'Kind Caps' in schools, kindergartens, and institutions of additional education, culture, and sports - Holding the Clean House – Clean Planet environmental campaign of collecting recyclables from the public with the participation of corporate volunteers
	- Support for the programs of the Kindness of the North Charity Foundation: - Holding the New Year’s fairy tale festival 'Morozko' and the sports tourism festival - Promotion of industrial tourism in the regions of operation – opening of the Industrial Tourism Centre in Cherepovets, support for organising industrial tours - Support for projects intended to improve the environmental culture of the population and foster environmental tourism jointly with the Teriberka Nature Park
	Implementation of measures to simplify the participation of SMEs in procurement, reduce administrative barriers, and ensure equal competitive conditions

Participation in Organisations and Initiatives

GRI 2-28

Severstal strengthens partnerships and consolidates efforts with other organisations in achieving the UN SDGs and Russia’s national development goals. The Company contributes to business and industry associations, is a member of industry unions, and enhances cooperation with research and educational institutions.

Since 2018, Severstal has been a member of the UN Global Compact Russia by observing its principles and annually disclosing its achievements in the Integrated Report. On top of that, Severstal takes part in the Network’s events: in 2025, representatives of the Company participated in a discussion at the Saint Petersburg International Economic Forum (SPIEF) titled '25 Years of the UN Global Compact: The Potential of Media Cooperation for the Sustainable Development of BRICS in the Face of Geopolitical Challenges.'

Cooperation with business associations and unions

Industry-specific organisations	Sustainability organisations
- NP Market Council Association - World Steel Association - Russian Steel Association of Ferrous Metals Enterprises - Steel Construction Development Association	- UN Global Compact Russia - Renewable Energy Development Association - Russian Managers Association - Association of Corporate Directors of Russia - Association of Communication Directors and Corporate Publishing - Donors Forum - National Council for Corporate Volunteering - AI Alliance - Women in Modern Industries Association

Business associations
- Russian Union of Industrialists and Entrepreneurs - Chamber of Commerce and Industry of the Russian Federation - Public Council and Expert Advisory Council under the Federal Customs Service of Russia - All-Russia Public Organisation Business Russia - BAT Bureau - EAEU Business Council - European Business Association - Russian-German Chamber of Commerce

Cooperation with research and educational institutions

Research institutes
Moscow and Moscow Region - Federal State Unitary Enterprise Bardin Central Research Institute for Ferrous Metallurgy - JSC Research Centre Construction - RAS Institute of Problems of Chemical Physics - Research Institute of Steel - Federal State Budgetary Institution of Science Obukhov Institute of Atmospheric Physics of the Russian Academy of Sciences Saint Petersburg - Kurchatov Research Institute – Prometheus Central Research Institute of Structural Materials Yaroslavl region - RAS Papanin Institute for Biology of Inland Waters
Higher educational institutions
Moscow and Moscow region - Lomonosov Moscow State University - Moscow State Institute of International Relations - Bauman Moscow State Technical University - Higher School of Economics National Research University - National Research Nuclear University MEPhI - National University of Science and Technology MISIS - Moscow Polytechnic University - Moscow Power Engineering Institute - Plekhanov Russian University of Economics - Financial University under the Government of the Russian Federation - Patrice Lumumba Peoples’ Friendship University of Russia - Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation. Saint Petersburg and Leningrad region - Saint Petersburg State University - ITMO University - Saint Petersburg Mining University - Peter the Great Polytechnic University of St. Petersburg - Saint Petersburg State University of Economics Belgorod region - Belgorod State National Research University - Shukhov Belgorod State Technological University Tomsk region - Tomsk Polytechnic University Sverdlovsk region - Yeltsin Ural Federal University Vologda region - Vologda State University - Cherepovets State University Chelyabinsk region - Nosov Magnitogorsk State Technical University Ivanovo region - Ivanovo State Power Engineering University





Secondary vocational educational institutions

Vologda region

- Bardin Cherepovets Metallurgical College
- Cherepovets Technological College
- Lepekhn Cherepovets Construction College
- Cherepovets Multidisciplinary College
- Chkalov Cherepovets Forestry College

Belgorod region

- Belgorod Construction College
- Belgorod Machine Building School
- Belgorod Polytechnic School
- Belgorod Industrial College
- Yakovlevsky Polytechnic School

Murmansk Region

- Olenegorsk Mining and Industrial College

Republic of Karelia

- Kostomuksha Polytechnic College

Severstal shared its experience in enhancing the cities of operation with members of the Managers Association

In 2025, Severstal participated in the visiting meeting of the Sustainability and ESG Committee of the Managers Association in Dobrograd, where over 100 representatives of business and public organisations discussed successful practices in urban transformation.

Severstal’s representatives shared the Company’s experience in arranging cultural and educational projects and discussed its comprehensive approach to urban environment development, which improves the attractiveness of its cities of operation both for local residents and tourists. In addition, the speakers emphasised an important role of environmental projects, including landscaping, in transforming the appearance of cities and improving the quality of living conditions.

Key Stakeholder Engagement

GRI 2-12 GRI 2-28 GRI 2-29

Severstal takes account of expectations and interests of its stakeholders and, striving to build long-term relationships with them, maintains robust communications. The Company conducts stakeholder surveys as one of the main communication channels. Their outcomes make it possible to identify material topics for disclosure in the Report, and collect feedback to improve the quality and transparency of reporting.

For more details regarding stakeholder surveys and outcomes, see the Identification of Material Topics section.

Key stakeholders and forms of engagement

Group	Forms of engagement	Engagement outcomes in 2025
Shareholders and investors	▪ Holding the General Meeting of Shareholders ▪ Celebrating the Investor Day ▪ ESG disclosures ▪ Composing responses, promoting a special section on the website ▪ Consultations	▪ IFRS quarterly financial results were published ▪ Quarterly operating results were published ▪ The Annual Issuer’s Report was drawn up ▪ Material facts were disclosed on the website, including press releases on strategic events were posted ▪ In-person meetings with investors were held
Suppliers and contractors	▪ Counterparty due diligence ▪ Cooperation in developing and mastering new technologies ▪ Supplier surveys to collect feedback ▪ Support for the Industrial Market online procurement platform ▪ Streamlining contractor engagement	▪ A new differentiated pre-qualification mechanism and a simplified version of the accreditation questionnaire were introduced ▪ The Basic Contractor project for long-term cooperation is in place ▪ The Electronic Business Cooperation platform is in place to organise procurement involving SMEs (the number of orders placed increased 1.8-fold)
Customers and consumers	▪ Research of customer preferences ▪ Satisfaction assessment survey ▪ Implementation of joint projects ▪ Development of New Product Types ▪ On-site visits to major consumers ▪ Interaction in the CheckSteel mobile application	▪ A single short version of the guide on customer engagement with Severstal was drafted ▪ Annual customer satisfaction survey was held (overall satisfaction reached 97%) ▪ 11 webinars for customers were conducted on the Vmeste (Together) platform ▪ Through the optimisation of logistics services, the discipline level of external finished product delivery increased from 71% to 91%



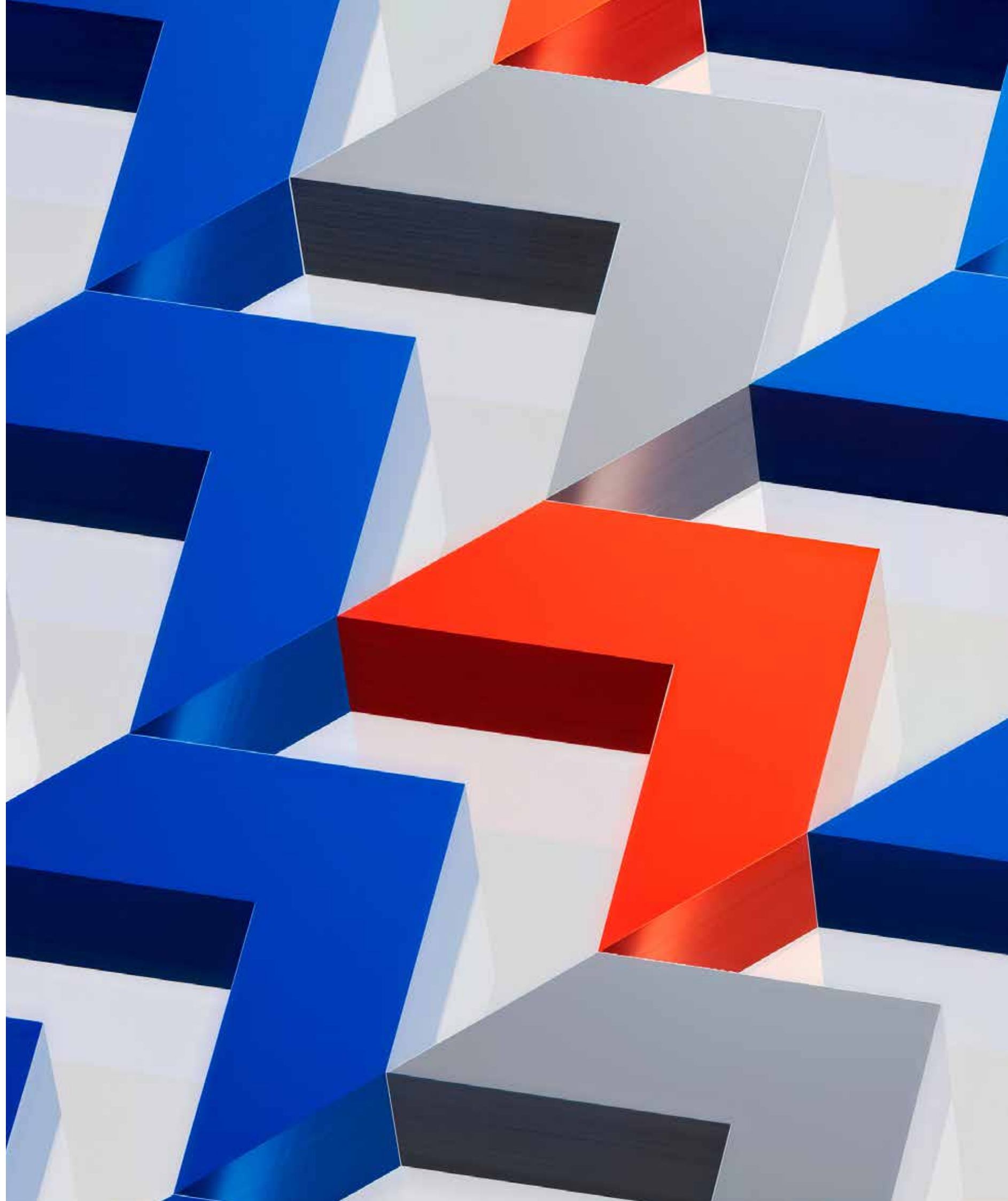


Group	Forms of engagement	Engagement outcomes in 2025
Employees	- Communication and feedback collection via various communication channels: - corporate newspaper, newsletters, and information boards - regular meetings of the management with staff - guidelines and publications for various personnel groups - satisfaction and engagement surveys - Employee training and development - Corporate volunteering enhancement	- The turnover rate reduced from 5.6% to 4.8% 5-fold increase in the number of Severstal's ambassadors - Employee engagement grew from 76% to 79% owing to the promotion of social support measures - Enhancement of the #Dlya Svoikh: With Care for Everyone programme (96% of employees believe the programme caters to their needs)
Governmental authorities, supervisory organisations	- Participation in the activities of the governmental advisory bodies - Implementation of projects under social and economic partnership agreements with the regions of presence - Partnership with regional authorities in climate change adaptation, modernisation, waste management, etc.	- Two socio-economic partnership agreements were entered into – with the governments of the Murmansk region and of the Republic of Karelia - Remitting taxes to the budgets of the regions of operation
Representatives of local communities and separate groups in the Company's regions of presence	- Integrated urban improvement - SME support - Support for education, culture and sports - Orphanage prevention and support for gifted kids - Participation in national projects - Public debates - Notifying local residents of environmental measures and takeaways - Dealing with residents' submissions and complaints	> RUB 1 billion was allocated to comprehensive urban development projects - A comprehensive development plan for Kostomuksha was drawn up - It was focused on the enhancement of creative industries in the cities of presence - Financial support was provided to > 300 projects that were implemented across 12 regions, aimed at creating an advanced urban environment, fostering social infrastructure, and supporting education and culture
Business organisations and associations	- Participation in industry-specific and other business associations' work - Conducting meetings with the participants to the Climate Memorandum titled Achieving a Low Carbon Future Together and implementing joint projects	- Cooperation as part of the Achieving a Low Carbon Future Together Climate Memorandum - The Expert Council on Biodiversity, Ecosystems, and Ecosystem Services Conservation was established - Participation in industry conferences, roundtables, and exhibitions
Non-profit and public organisations, research, cultural, educational, sports, and healthcare institutions	- Cooperation with industry-specific R&D institutes and universities for personnel training to meet to the production demands - Joint participation in, and organisation of, sponsorship and charity projects - Implementation of projects to support and enhance culture, arts and sports	31 social projects of the Way Home charitable foundation were supported across six regions of operation > 1,000 schoolchildren receive assistance under the Way to Success project



06.

Responsible Supply Chain



2025 Highlights

32%

share of purchases from local suppliers (↓1 p.p.)

21%

share of purchases from SMEs (↓1 p.p.)

97%

overall customer satisfaction with direct rolled steel supplies (flat YoY)

UN Global Compact Principles

The topic covers all the 10 principles

Material Topics

- Product quality and safety for customers

UN SDGs



Supplier and Contractor Engagement

Approach to Management

GRI 2-23

Severstal is consistently building a sustainable supply chain by applying responsible procurement principles. When selecting suppliers, the Company additionally considers their approach to managing environmental and social issues, observance of labour rights, and business ethics. This allows it to manage risks, increase the transparency of procurement processes, and strengthen partnerships with counterparties focused on long-term and responsible collaboration.

Severstal’s fundamental requirements for counterparties are set forth by [PAO Severstal's Code of Business Conduct](#) and several internal regulations governing procurement procedures. Internal regulations are revised regularly: for example, in 2025, the Procurement. Supplier Relationship Management System corporate standard was updated to include ESG qualification requirements and to strengthen approaches to risk assessment, auditing, segmentation, and supplier development.

Key internal documents related to a responsible supply chain

- Code of Business Conduct
- Procurement Development Strategy 2028
- Anti-Corruption Policy for Severstal Counterparties
- Quality Manual
- SRM¹ Regulations
- Regulations on Organisation of Audits and Inspection Acceptances of Suppliers’ Products Quality
- Regulations on Handling Consignment Materials (drawn up in 2025)
- Regulations on Comprehensive Assessment and Incentive Tools for Contractors

In 2025, Severstal reorganised its procurement management structure, setting up the Procurement Development and Methodology Centre and the Artificial Intelligence Development and Analytics Practice Area.

Procurement management structure

Business unit	Functions
Ethics Committee	Monitoring of counterparties’ compliance with the provisions of the Code of Business Conduct
Department of Process Equipment Procurement and Resource Asset Development Projects	Shaping and implementation of the technology development strategy for iron ore assets
Procurement Development Methodology Centre	Development and optimisation of unified processes, management of development projects, implementation and support of IT systems, enhancement of employee professional competencies
Artificial Intelligence Development and Analytics Practice Area	Digitalisation and automation of reporting, implementation of intelligent assistants and AI-powered solutions

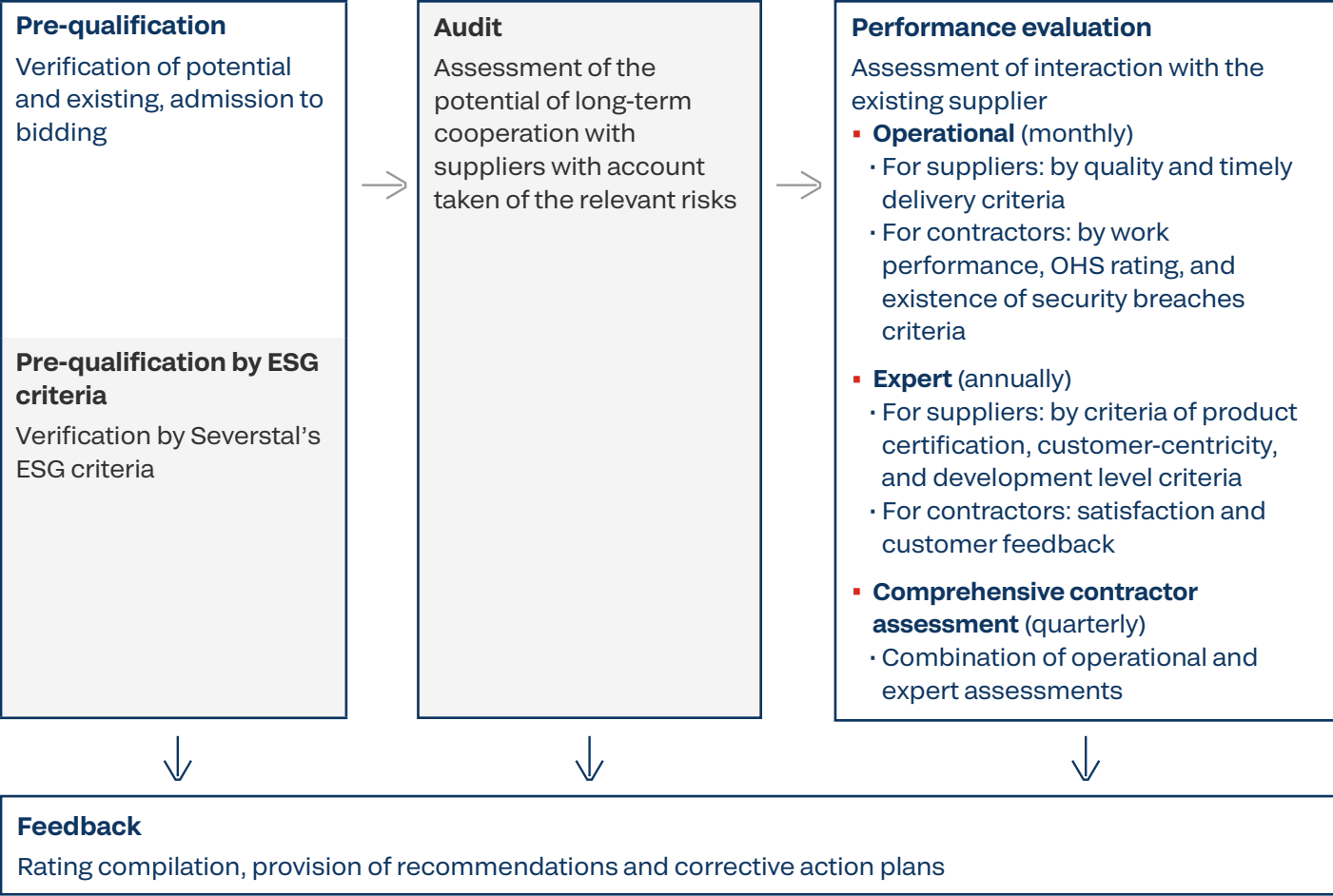
¹ Supplier relationship management system.

Counterparty Assessment

GRI 2-24

Severstal structures its supplier sourcing process in a consistent and comprehensive manner. Its approach is based on suppliers sequentially passing through key stages: pre-qualification, audit, operational and expert assessments, and engagement regarding corrective action plans. The Company cooperates solely with those suppliers that meet the Company’s requirements for quality, reliability, and stability of supplies, as well as the requirements of the Code of Business Conduct. The results of assessments and audits are a mandatory criterion in the selection of suppliers during competitive procedures.

Counterparty assessment criteria



□ – implemented as necessary

Starting from 2025, Severstal has been performing an expert assessment of suppliers once a year, and operational assessment monthly. Assessment results are generated automatically based on supplier key performance indicators. The process is fully automated, making it possible to promptly track deviations, build corrective actions, and make data-driven decisions.

In addition, Severstal carries out a comprehensive quarterly assessment of contractors based on feedback from representatives of production units and functions and with account taken of ratings on OHS metrics, the number of violations, and complaints in key areas of interaction.



On top of that, a voluntary ESG qualification mechanism is in place, covering both new and existing suppliers. Based on the results, the Company shapes an internal ESG rating, which may affect the terms of engagement. In 2025, there were no cases of termination of contractual relations with counterparties based on the results of ESG qualification.

In 2025, the unified approach to supplier and contractor pre-qualification in the SAP SRM system was replaced by a new, differentiated mechanism that factors in procurement categories and risk levels. This innovation enables the Company to automatically generate the list of required documents, significantly reducing their amount and, consequently, reducing the burden on counterparties. Severstal also introduced a simplified version of the accreditation questionnaire, making interaction with suppliers more adaptive and convenient.

GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2 GRI 14.17.9 GRI 14.17.10



Criteria for ESG assessment of suppliers

E	- Compliance with environmental laws - ISO 14001 certification, required environmental licences and permits, environmental policy, energy saving targets and programmes - Positive dynamics of environmental performance metrics (e. g. CO₂ emissions, energy efficiency, etc.)
S	- Compliance with the Code of Business Conduct - Respect for human and employee rights - Timely and fair pay and compliance with the limitation of working time laws - Compliance with statutory and Severstal’s OHS requirements - Social policy in effect
G	- Observance of the ethical conduct standards - Prohibition and elimination of all forms of discrimination, abuse and humiliation, forced and child labour - Implementation of a set of measures to ensure information security and anti-corruption

Severstal aims for long-term cooperation with counterparties, which is contributed to by the Basic Contractor project, among others. The Company makes sure that project participants have a stable workload, that the work is awarded without a tender, and that the rates are indexed annually in line with the market conditions. In the reporting year, the turnover of services purchased from basic contractors doubled to almost RUB 21 billion. In 2026, Severstal intends to set about scaling the project to its resource assets.

Procurement Risk Management

SASB EM-IS-430a.1

Severstal regularly assesses risks associated with the organisation of procurement and supplier operations and develops measures to mitigate them. For example, in 2025, the Company implemented the following import substitution measures to prevent the risk of supply chain disruption:

- implementation of AI tools to identify equivalents of inventory items and analyse market prices to ensure more accurate selection of alternatives;
- use of a mechanism for accounting interchangeable items in procurement IT systems to enable consideration of both original products and their equivalents when forming equipment maintenance and repair orders, as well as to increase procurement flexibility; and
- creation of a dashboard to analyse the equivalent selection process, which is accessible to procurement unit employees and technical experts, ensuring a unified information space.

For more details regarding Severstal’s approach to risk management, see the Risk Management section.

Procurement Staff Training

To enhance employee competencies in supplier relationship management, the Company arranges specialised training. Severstal has a comprehensive basic programme named the 'Procurement Academy' that is aimed at onboarding new hires and establishing a unified approach to procurement processes.

Basic and advanced programmes were also elaborated for specialists dealing with procurement within investment projects, focused on special aspects of contracting, risk management, and compliance with regulations. Periodically, the Company organises a series of workshops to enhance competencies in generative AI application in procurement.

In total, in 2025, more than 300 Severstal employees completed training under these programmes.

Procurement Performance in 2025

In 2025, the Company’s main areas of procurement development included digital transformation and increasing the level of process automation, covering the automation of key stages of the procurement cycle, implementation of AI solutions, and the advancement of procurement through the online platform. As a result of the work done, the level of automation of procurement processes in the reporting year more than doubled.

Severstal looked into an employee journey to identify bottlenecks in procurement processes and collect feedback from departments. Based on the study results, a roadmap of measures was compiled to harmonise user experience and enhance the efficiency of the procurement function.

Severstal’s projects to boost procurement activities

Focus area	Measures	Results for 2025
Harmonising the supplier activity assessment system	Improvement of internal supplier selection procedures in competitive procurement. Integration into the assessment system of additional parameters based on the results of previous engagement	▪ Continued work on improving approaches
Joint projects with suppliers	Projects aimed at increasing efficiency, introducing innovation, reducing costs, and strengthening supply chain resilience	▪ 13 joint projects were implemented

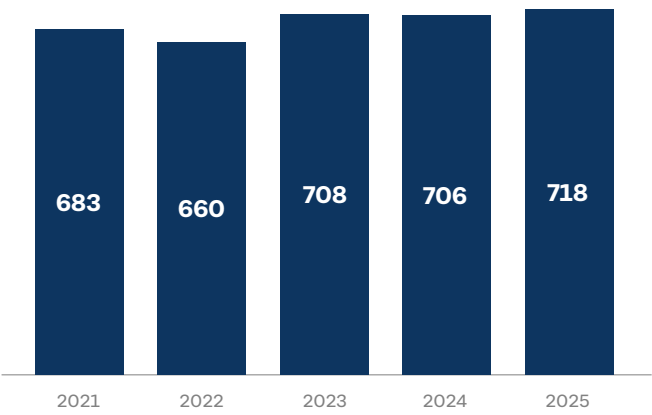


Focus area	Measures	Results for 2025
Work with key suppliers	Joint projects to bolster process efficiency and implement technological solutions to strengthen long-term cooperation	▪ Ongoing work is being done to strengthen long-term cooperation with key suppliers
Automation of procurement processes and implementation of AI tools	Projects aimed at increasing the level of operational automation, optimising, and significantly increasing the level of AI implementation in procurement processes	▪ Automation of individual stages of the end-to-end digital process from request to order placed on the SAP SRM electronic trading platform ▪ Introduction of AI-powered solutions: ▪ chatbots for suppliers and employees to search for information in knowledge bases; and ▪ meeting minutes service.

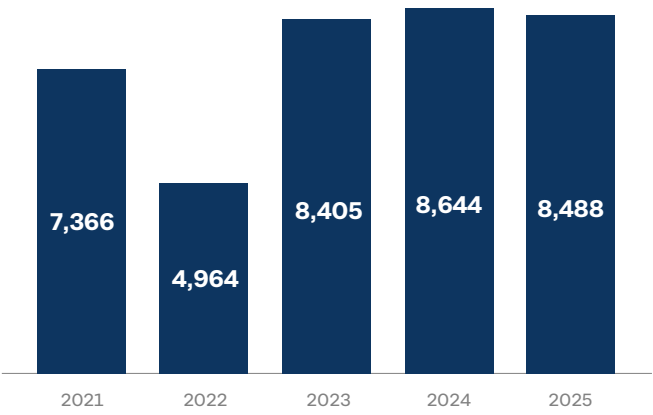
GRI 2-6

In the reporting year, Severstal's procurements amounted to RUB 718 billion, slightly above the 2024 level. The number of counterparties was also comparable to the previous year – 8,488 suppliers and contractors. In the procurement structure, a share of inventory items, equipment, and services increased by 4 p.p. to 62%, driven by the need to support large investment projects.

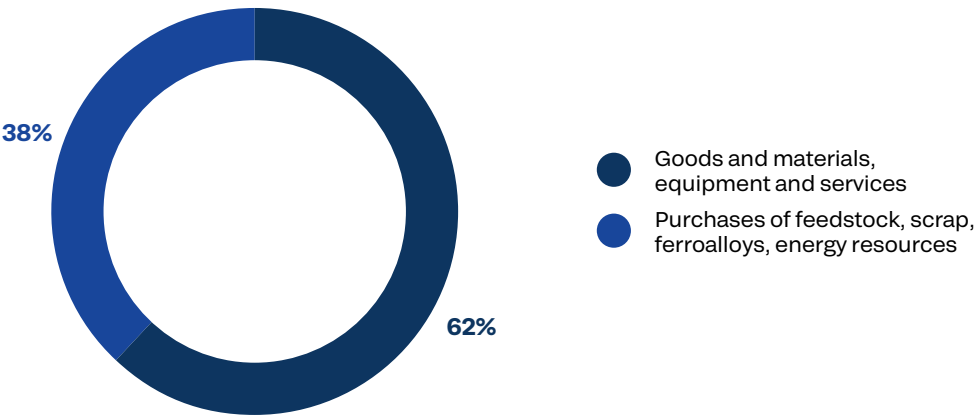
Purchases, RUB billion¹



Total suppliers and contractors, pcs²



Structure of purchases in 2025



¹ In 2024, Severstal altered the methodology for calculating the number of counterparties to include data on all of its companies and on the number of suppliers of feedstock, scrap, ferroalloys, previously excluded from the 2020–2022 calculation.
² The 2022 value was altered and differs from the one disclosed in the Consolidated Report 2023 due to changes in the methodology of calculating the number of counterparties (the total number of counterparties now takes account of the data on all Severstal Group companies, as well as on suppliers of feedstock, scrap, ferroalloys).

Procurement awards



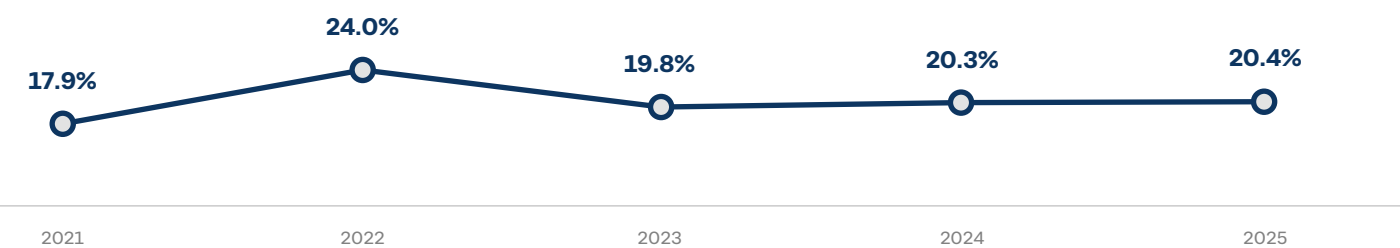
In 2025, Severstal received recognition for its robust development of supplier engagement and improvement of procurement process quality. The Company won in the Potential Unlocking category of the Competitive Procurement Leader award, which reflects, among others, its contribution to building sustainable partnerships and promoting the supplier ecosystem.

Severstal's procurement team also hit the top 5 of the procurement activity management quality rating from Expert Business Solutions, attesting to its high expertise in supply chain management and implementation of the best counterparty engagement practices.

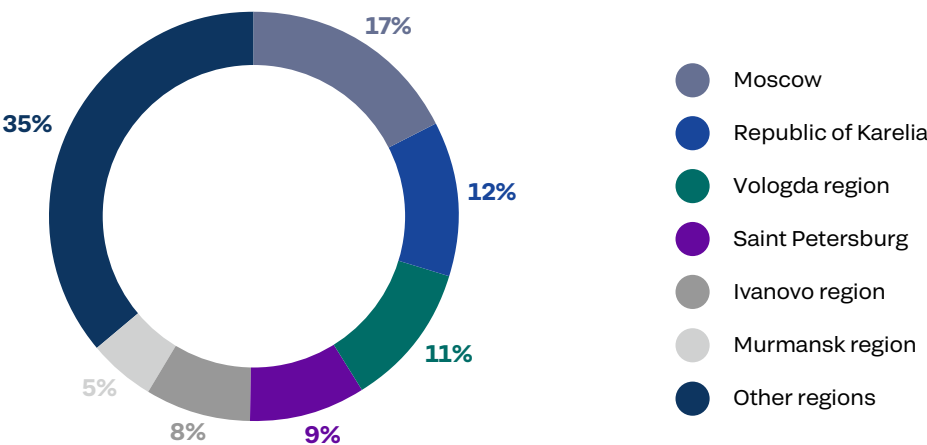
GRI 204-1

In 2025, Severstal continued its work to expand access for SMEs and local suppliers¹ to procurement procedures. The Company ensures stable demand, transparent access to the corporate market, and equal competitive conditions for suppliers. During the reporting period, Severstal integrated AI tools for in-depth analysis of the local market in order to attract a greater number of local suppliers to procurement procedures.

Share of local suppliers in the total number of suppliers²



Purchasing structure by region in 2025 (share of total purchases)³



The Company consistently supports cooperation with SMEs, helping to strengthen their financial resilience and expand their production capabilities. In 2025, the Company purchased goods and services from businesses in the Vologda region for a total of over RUB 60 billion⁴, up 14% YoY. At the same time, the amount of procurement of inventory items and services from SMEs in the region increased to RUB 40.2 billion (up 14% vs 2024).

¹ Local suppliers are those registered in the regions where the Company operates.

² The 2022 value was determined in view of the new method of calculating the number of counterparties and differs from the one disclosed in the Consolidated Report 2023.

³ Other regions include more than 70 regions of Russia and other countries.

⁴ Excluding feedstock, scrap, and ferroalloys.

GRI 204-1 GRI 14.9.5 PBCS 65 PBCS 66

32% (↓1 p.p. vs 2024)

share of purchases from local suppliers in total purchases

21% (↓1 p.p. vs 2024)

share of purchases from SMEs in total purchases

96% (↓2 p.p. vs 2024)

share of purchases of Russian goods, works, and services in total purchases

Severstal continues to implement the Industrial Cluster project jointly with the RSPP. The project is intended to support SMEs in developing products and services in demand at the Company's enterprises, including industrial testing of their developments. For example, in 2025, two enterprises held pilot tests of their products at Severstal's sites as part of the project.

Electronic Business Cooperation

The Electronic Business Cooperation platform, established by Severstal and the Urban Development Agency, consolidates information on purchases by large enterprises of Cherepovets and the Vologda region, as well as on small public contracts. Using the platform, any enterprise can independently post information about the goods and services it produces and find promising orders and partners for business development.

In 2025, over 2,000 SMEs (mainly of the Vologda region) interested in cooperation with large businesses were registered on the platform. The number of orders placed increased 1.8-fold and exceeded 231,000 by the end of the reporting year.

Plans for 2026 and Mid-Term

Severstal's supplier engagement plans cover:

- implementation of joint projects with suppliers to increase efficiency, introduce innovation, and strengthen supply chain resilience;
- application of the TCO model when purchasing machinery and equipment to ensure the optimal selection considering the entire lifecycle;
- continuation of professional competency development programmes for procurement employees, including training in the best procurement and logistics practices;
- automation of procurement routines, including through the use of AI tools;
- extensive use of AI assistants to improve the quality, speed, and transparency of procurement operations; and
- enhancement of a project to implement a differentiated approach to supplier pre-qualification subject to category specifics.

Product Quality and Safety

Approach to Quality Management

GRI 3-3

Severstal's quality management system (QMS) is focused on ensuring persistently high product quality, unconditionally meeting customer requirements, and consistently exceeding their expectations. The Company's basic principles and commitments in this area are set out in its [Quality Policy](#). The QMS functioning is governed by internal standards that establish quality management procedures, tools, and methods. The Company updates these regulations to reflect changes in internal processes and legislation on an ongoing basis.

In 2025, as part of restructuring its Technical Development and Quality Directorate, Severstal established new unit Severstal Engineering. Its functions are focused on supporting the production chain at Cherepovets Steel Mill, improving production technologies, and further transforming the product quality management system to cater to growing customer expectations.

External Audits of the Quality Management System

Severstal's main production entities are subject to regular external audits, attesting to QMS compliance with the requirements of Russian and international standards. In 2025, Severstal's entities successfully passed independent audits for compliance with standards ISO 9001:2015, IATF 16949:2016, and ISO 22163:2023. Moreover, Severstal-Metiz received certification for the first time under the new standard GOST R 58139:2024¹, and PAO Severstal received certification under API Spec. Q1 and API Spec.5 L standards.

Severstal's customers also impose specific QMS requirements. To monitor compliance with requirements and satisfy such requests, Severstal-Metiz set up a cross-functional team (CFT) of people from various units of the enterprise. The MFC is charged with the following primary functions:

- monitoring the release of new versions of specific requirements;
- joint review of specific requirements;
- decision-making on the degree of implementation of customer-specific requirements, communication with customers; and
- monitoring compliance with customer requirements.

Severstal continues its certification activities as part of the INTERGAZCERT voluntary certification system established to monitor the quality of large diameter pipe supplies. In 2025, the Company successfully passed all confirmation procedures provided for by the system.

In 2025, inspections of rolled steel for conformity with the specified directives were not conducted in the laboratories of the Quality Department due to the absence of customer requests for safety declarations. In the reporting period, there were no incidents of non-conformity with regulatory requirements and voluntary codes concerning information and labelling about the properties of the Company's products.

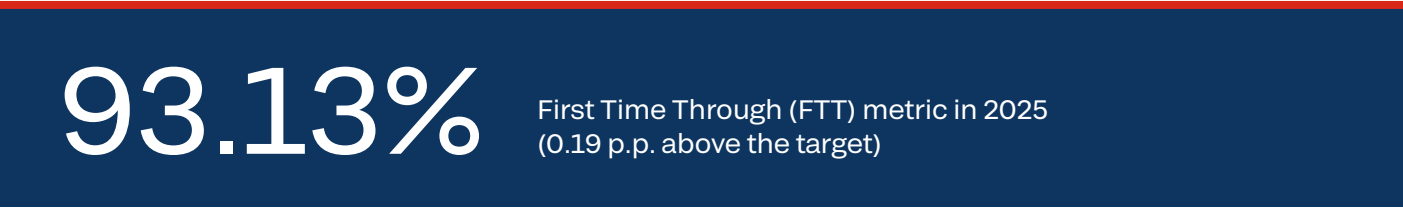
In the quality certificates issued under GOST 7566-2018, Severstal specifies complete product information: quality characteristics, chemical composition, and test results. Moreover, upon customer request, the Company provides information on the origin of feedstock and materials, as well as on the content of substances potentially hazardous to the environment.

Product Quality Improvement Measures

Severstal delivers a number of projects to improve the quality of products released.

Product quality improvement measures implemented in 2025

Project	Measures	Results for 2025
Digital certification	Delivery of works to launch the system at key production sites, upgrade of equipment to improve control accuracy, implementation of a number of retrofitting projects and development of new solutions	▪ Increase in digital certification coverage from 41% to 51% ▪ Increased employee engagement in using the system from 85% to 92%
Implementation of the Quality automated control system	Development of key system modules: incident detection, equipment status, environment for quality processes, AI-based IT assistants	▪ Commissioning of the system in three workshops ▪ Reduction of planned technology violations at the mill by 14% ▪ Reduction of critical equipment status deviations in rolling shop No. 2 by 35%
Projects on mathematical modelling of rolling equipment	Creation of a physical and mathematical model of mill 2800 to calculate production technology for rolled products with the required characteristics	Reduction of technology development time for 80% of new product types from 15 to 3 days



Ensuring Product Quality and Safety

GRI 417-1

Severstal continuously monitors safety of its products, including by performing the analysis for highly hazardous substances, and notifies customers, as and where necessary. The Company is governed by the European Union's RoHS2 and RoHS3 directives restricting the use of hazardous substances. The actual content of cadmium, mercury, and lead in the products does not exceed the established limits, and there are no other hazardous impurities.

Plans for 2026 and Mid-Term

Severstal's product quality management plans include:

- implementation of the Quality ACS into all internal quality management processes, scaling of the equipment status module; and
- increase of the first time through metric by 0.14 p.p. vs the 2025 target.

¹ GOST R 58139:2024 is the national standard of the Russian Federation named 'Quality Management Systems. Requirements for Automotive Industry Organisations.' It took effect on 1 May 2025 by order of the Federal Agency for Technical Regulation and Metrology No. 1927-st dated 17 December 2024.

Customer Relationship Management

Approach to Customer Relationship Management

Severstal consistently implements a customer-centric strategy, integrating it into all practice areas. The Company regularly explores customer needs and assesses customer satisfaction levels, introduces new products and improves services, robustly processes feedback, and addresses disputes.

Responsibility for customer relationship management issues is distributed among five specialised departments. Each structural unit is charged with certain functions, making it possible to deliver a comprehensive and high-quality customer service. In 2025, the new centre for the development of effective technological solutions Severstal Engineering became part of Severstal's customer relationship management structure. Its primary goal is to develop and promote innovative product and engineering solutions for customers.

Customer relationship management structure

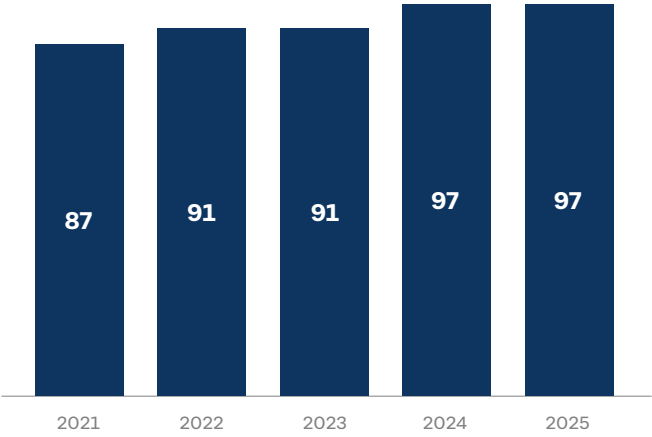
Business unit	Functions
Sales Office	- Customer coordination and engagement - Support for commercial relationships with customers
Marketing Directorate	- Customer satisfaction surveys - Preparation and execution of marketing mailings - Marketing research
Planning and Customer Service Directorate	- Drawing up documentation - Customer notification of order status - Inventory management across all supply chain stages based on forecasts and customer requests
Customer Technical Support Service	- Advice on product manufacturing and processing and on technical requirements to products - Monitoring and analysis of product quality level - Claim management
Severstal Engineering	- Market research - Development and market launch of new products and solutions - Technical support to customers

Severstal interacts with customers in accordance with internal standards for satisfaction monitoring, order management, and operational planning. Specifically for customers, the Company drafted a unified guide covering aspects of engagement with Severstal. In 2025, the guide was updated to a single short version featuring the current interaction channels and services.

Customer Satisfaction Monitoring

Severstal conducts an annual assessment of customer satisfaction levels based on the results of regular surveys. The main target indicator named 'Customer Satisfaction Index' (CSI) is composed of three components: quality, delivery discipline, and service.

Overall customer satisfaction, %



In 2025, the CSI indicator remained at a high level owing to clear planning and implementation of comprehensive initiatives:

- delivery of a programme to improve delivery discipline and service in logistics;
- transformation of the quality management system in production units and functional directorates;
- communication with customers on the part of technical divisions;
- training customers on the effective use of the Personal Profile; and
- possibility of two-way communication with customer support staff.

Customer Service Improvement

Severstal strives to make the customer engagement process as convenient and efficient as possible, to which effect it extensively enhances communication tools with a focus on the development of digital services.

Key digital customer engagement services

Customer Personal Profile	A comprehensive service for customers to control all stages of order handling
Checksteel app	An assistant to maintain record and exercise control over product quality that enables customers to assess the product quality, file requests for consultations or quality claims
Metallica 2.0 AI assistant	An in-house AI assistant for customers that advises on the Company's products, services, and offerings and contributes to sectoral exhibitions as a consultant at Severstal's booths
Ecosystem of the Vmeste (Together) expert community	It is a community for the Company's customers and partners to share experience and receive industry content. The ecosystem includes a media portal, a Telegram channel, a VKontakte group, a video studio for broadcasts with experts, webinars, and panel discussions.

The key pillars for customer service development in 2025 are:

- increasing reliability and predictability of interaction;
- enhancement of partnership solutions and industry expertise; and
- improvement of digital services and customer communications.

To raise customer awareness of its products and solutions, Severstal held 11 customer webinars on the Vmeste platform. In addition, the Company participated in five sectoral exhibitions, held 20 business events for customers, and its representatives spoke at 12 industry conferences.

Severstal at Metal-Expo 2025

Severstal participated in the Metal-Expo 2025 exhibition in Saint Petersburg, where it presented new partnership formats, technologies, and product solutions, as well as a unique new studio format of the Vmeste community for customers and partners for live communication and direct interaction with Severstal’s executives.

The Company received a winner’s diploma in the Main Event of 2025 in Russian Metallurgy category for the launch of section rolling mill 170 at Cherepovets Steel Mill – a strategically important project for the Russian manufacturing sector.

In 2025, Severstal strengthened integration of engineering expertise, service advantages, and technological solutions within a single customer engagement ecosystem.

Activities to enhance customer engagement in 2025

Focus area	Results for 2025
Development of distribution network to cater to the needs of SMEs	Sales growth of the distribution network by 9% vs 2024 due to the warehouse infrastructure advancement, increased levels of warehouse and logistics services, expanded product range, and online sales promotion
Enhancement of the Downstream sales management system	Integration of previously acquired assets into a unified customer engagement model, exchange of the best practices between assets
Optimisation of logistics services	Rise in deliveries by road by 20% compared to the previous year and increase in discipline level of external finished product delivery from 71% to 91%
Development of schemes for manufacturing and promoting products in partnership with customers	Growth in sales of products manufactured in partnership with processors by 42%
Promotion of metal treatment services for the machine building and construction sectors	Growth in the amount of metal processing services in in-house metal centres by 2% in a declining market

Plus loyalty programme

When placing orders in the Severstal Market official online store, a multi-level benefits programme is available for Severstal customers. Participants in the loyalty programme can be legal entities and individual entrepreneurs who are end consumers and processors of rolled steel. The programme offers four levels of privileges depending on the participant's status. The participant's level is recalculated monthly based on the amount of online orders over the previous three months.

In 2025, the Plus loyalty programme was recognised as the best loyalty programme in the Russian B2B market according to the international CX World Awards.

Severstal continued to consistently enhance its work with customer feedback. The Company keeps collecting feedback through monthly customer surveys. This approach allows for obtaining more accurate and reliable information. At the same time, Severstal scaled this approach to all its assets and, for fast and convenient engagement, enabled customers to leave feedback through the Personal Profile.

As a result of systematic and effective work to improve product quality, the number of customer complaints decreased by 16%.

Training and Enhancing Employee Involvement in Customer Engagement

Severstal treats employee upskilling as one of the key components of customer centricity. The Company runs a number of training programmes aimed at shaping and improving customer-centricity competencies for various categories of employees.

Training activity	Description	Results for 2025
Professional excellence programme for customer support specialists	Contains a theoretical part dedicated to basic professional skills and abilities, as well as the improvement of self-presentation skills and dealing with complicated issues during negotiations	Coverage: 50% of customer support employees The programme identified growth points for further employee advancement
Techniques of Persuasion and Argumentation workshop	Dedicated to mastering tools for structuring speech and argumentation for efficient negotiations	Participants: 112 employees
Trainings 'Customer-Centricity in Practices of a Modern Sales Department Employee' and 'Effective Communications'	Aimed at mastering the skill of recognising the interlocutor’s type to robustly address their needs and objections	Training attendees: 31 employees
Volunteers of Excellent Customer Experience project	Intended to involve managers at various levels in feedback collection through communication with customers disguised as contact centre employees	Over 150 meetings were held with the participation of more than 30 managers

Plans for 2026 and Mid-Term

- Severstal’s plans to foster customer engagement cover:
- harmonising practices of collaborative work with customers on the implementation of new product solutions and expansion of metal products applications;
 - increasing the flexibility and adaptability of engagement to customer tasks – from supply configuration to service and commercial models;
 - improvement of formats for deeper operational integration into customer business processes (synchronisation planning, joint project development, expansion of engineering and technological interaction); and
 - further development of sustainable and long-term partnerships with customers.



07.

Social Aspect

Human Rights

2025 Highlights

16,763 employees

completed the training on the principles of protecting human rights (↑3.4-fold¹)

~30%

share of women in the personnel structure (at the 2024 level)

>600 employees

completed the training on diversity and inclusion

UN 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 3.

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

Principle 4.

Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5.

Businesses should uphold the effective abolition of child labor.

Principle 6.

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

UN Sustainable Development Goals

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

¹ Against 2024.

Approach to Protection Human Rights

Severstal respects human rights, abides by related Russian and international standards, and draws up the relevant internal regulations. The core document in this domain is the [Human Rights and Community Relations Policy \(Including Indigenous Peoples and Minorities\)](#). According to the said document, Severstal strives to timely identify, assess, and minimise risks related to human rights abuses in its dealings with the staff, local communities, including indigenous peoples and minorities, and with business partners.

Severstal identifies its employees, personnel of contractor entities, and local residents living in the vicinity to the Company’s production sites as groups that are mostly exposed to human rights risks.

[For more details regarding human rights risk management, see the Risk Management section.](#)

Issues of observing human rights are addressed by managers at all levels. Top managers deal with such matters at the meetings of the Nomination and Remuneration Committee and of the Safety and Sustainability Committee under the Board of Directors. At the enterprise level, this matter falls within the scope of responsibility of HR directors.

Key human rights documents

Internal

Human Rights and Community Relations Policy (Including Indigenous Peoples and Minorities)

External

Generally accepted international regulations:

UN Global Compact Principles

Universal Declaration of Human Rights;

International Covenant on Civil and Political Rights;

International Covenant on Economic, Social and Cultural Rights;

ILO Declaration on Fundamental Principles and Rights at Work;

ILO Forced Labour Convention (No. 29) and Abolition of Forced Labour Convention (No. 105);

Voluntary Principles on Security and Human Rights (VPSHR); and

Guiding Principles on Business and Human Rights.

Legislation of the Russian Federation

Constitution of the Russian Federation;

Labour Code of the Russian Federation;

Federal Law dated 19 June 2000 No. 82-FZ on the Minimum Wage; and

Federal Law dated 30 April 1999 No. 82-FZ on Guarantees of Rights of Indigenous Minorities of the Russian Federation.

Other external documents followed by Severstal:

Social Charter of Russian Business (the Company joined the initiative pursuant to its membership in the Russian Union of Industrialists and Entrepreneurs).

Respect for Human Rights at Work

Severstal undertakes to observe labour rights of staff, abides by the principle of zero tolerance to discrimination in any forms whatsoever, and ensures the respect for and protection of other employee rights.

GRI 2-30 GRI 402-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 410-1 GRI 14.14.1 GRI 14.17.6 GRI 14.18.2 GRI 14.19.2 GRI 14.20.2 PBCS 57

Severstal’s obligations to observe human rights at work

Aspect	Obligation
Notification of changes to the Company’s activities	Pursuant to the Labour Code of the Russian Federation, the minimum notice period to notify employees of any changes to the activities is two months
Duration of working time	Severstal places special emphasis on robust employee working time management, adhering to the principle of standard labour. This approach enables employees to balance professional activities and personal life
Prevention of forced and child labour	Severstal strictly follows the legislation of the Russian Federation on child and forced labour and does not tolerate any such cases either at its own facilities or with counterparties. The Company does not hire minors for work in harmful or dangerous working conditions. Minors are hired during the summer period for positions as assistants; their activities are limited to light labour, in compliance with all provisions of labour legislation for this age category. In 2025, there were no material risks of using child or forced labour in the Company’s and its suppliers’ divisions
Employment of people with disabilities	In tune with the labour legislation of the Russian Federation, the Company has established quotas for employing disabled people. Severstal recruits such employees through employment centres and renders assistance in their employment. In 2025, the Company employed 244 persons with disabilities, 24 of whom were hired in the reporting year. Employees with disabilities include specialists, consultants, developers, planning managers, cleaners, couriers, etc. The Company equips their workplaces with account taken of their health condition and in line with the rehabilitation card
Engagement with labour migrants	The Company respects human rights and does not tolerate any form of discrimination when hiring labour migrants. At the same level of expertise, they are provided with a comparable level of income.
Security and human rights	Severstal is guided by the Voluntary Principles on Security and Human Rights and ensures the security of offices and production facilities through a private security company. Its employees shall be aware of and observe their job instructions and the Regulations on Access and Site Security Regimes at Severstal. These documents prohibit any actions that may humiliate the human dignity of the Company employees or visitors to its facilities.
Prevention of harassment	The Company demonstrates zero tolerance to harassment and other forms of abusive behaviour. The Company timely responds to the relevant complaints and conducts internal investigations
Right to freedom of association and collective bargaining	Severstal observes employee rights to association, including the right to join trade unions and contribute to collective bargaining. In 2025, the Company did not identify any divisions and suppliers exposing the right to freedom of association and collective bargaining to significant risks. For more details regarding trade union activities, see the HR Management section.

¹ In defining forced labour and its forms, the Company is guided by International Labour Organisation’s Forced Labour Convention (No. 29) and Abolition of Forced Labour Convention (No. 105).

Observing the Rights of Indigenous Peoples and Ethnic Minorities in the Regions of Presence

GRI 14.10.4 PBCS 50

Severstal pays special attention to protecting the rights of indigenous peoples and ethnic minorities. The Company upholds initiatives aimed at preserving cultural heritage and takes account of social and cultural characteristics of regions when elaborating local community enhancement programmes.

Severstal builds relationships with residents of regions based on the principles of open dialogue and recognises their right to receive information about the Company’s operations. To protect the rights of local communities, the Company involves their representatives in the discussion of projects at early stages of their implementation – in particular, by arranging consultations and public hearings. For example, in the reporting year, the Company held public hearings on environmental issues twice and organised seven meetings with residents of the Murmansk region in the format of enterprise CEO’s holding open office hours.

In 2025, the Company received no complaints associated with the infringement of rights of the locals, minorities or ingenious peoples.

[For more details regarding interaction with minorities, indigenous peoples, and local communities, see the Contribution to the Development of the Regions of Presence section.](#)

Approach to Human Rights Management in the Supply Chain

GRI 409-1

Severstal builds interaction with business partners in accordance with the Code of Business Conduct and the Employee Code of Conduct, which prohibit any forms of abusive or humiliating treatment of employees and partners. In addition, the Company’s counterparties shall be introduced to the Human Rights and Community Relations Policy (Including Indigenous Peoples and Minorities).

The requirements for observing human rights are included in a standard contract with Severstal’s suppliers and contractors. On contracting, counterparties confirm that their activities are aligned with the requirements of Russian laws and international regulations on human rights. This approach allows the Company to minimise risks of abuses in this area.

[For more details regarding interaction with minorities, indigenous peoples, and local communities, see the Contribution to the Development of the Regions of Presence.](#)

Gender Equality and Prevention of Discrimination

GRI 406-1

Pursuant to the Labour Code of the Russian Federation, Severstal restricts involving women in works connected with dangerous and harmful conditions. At the same time, the Company adheres to the principle of gender equality: decisions on hiring and career advancement of employees are made solely on the basis of their professional and business qualities. In 2025, no cases of discrimination by gender were recorded within the Company.

GRI 405-1 PBCS 25 PBCS 49

Share of women at Severstal
30% – total share in personnel structure
30% – share among the managerial staff
55% – share among the engineering staff
21% – share among the blue-collar staff

In 2017, the Company established the Women’s Club, the first in the Russian steel industry and one of the largest among domestic companies. The club arranges corporate events to support women and boosts cooperation with other women’s business communities. The club discontinued its work in April 2024 for the purpose of relaunching it.

Since 2021, Severstal has been a member of the Women in Modern Industries association and extensively contributes to its initiatives. In the reporting year, the Company became a general partner of the association and the Talented Woman in Modern Industries 2025 award. Company’s female employees also participated – over 40 employees submitted applications, of which 11 reached the finals and three won.

Prevention and Notification of Human Rights Violation

To prevent human rights violations, Severstal trains employees on corporate standards of conduct. In addition, in 2025, the Company organised training on one of the topics related to diversity and inclusion – special aspects of working with different generations. On this topic, an electronic course was rolled out in 2025, and additional training was held in the form of webinars as part of the Knowledge Week for a wide range of employees, as well as intensive and expert sessions for managers.



The Company has a reporting system in place that allows for the timely identification of potential violations and the taking of necessary measures – both corrective, with respect to violators, and preventive, to avoid similar cases in the future. Communication channels are in place for reporting potential violations, ensuring the confidentiality and anonymity of submissions:

- Unified Hotline to accept complaints and grievances to an electronic mailbox and a dedicated channel for confidential calls; and
- form to contact the Ethics Committee (by email or regular mail).

GRI 406-1

In the reporting year, the Ethics Committee reviewed 10 submissions regarding potential violations of the Employee Code of Conduct. For all confirmed cases, the committee prepared recommendations to remedy the situation or instructed to take measures against the violators and notified management of the relevant departments.

The complaints received via the Ethics Committee’s channels and the Unified Hotline in 2025 did not contain information regarding cases of employee discrimination by race, gender, religion or other similar grounds.

For more details regarding the Unified Hotline operation and feedback mechanisms, see the Business Ethics and Anti-Corruption section.

¹ The training is part of the Code of Conduct programme, which covers the issues of observing human rights.



HR Management

2025 Highlights

53,662 people 

average headcount (↑6%¹)

4.8% 

undesirable staff turnover rate
(↓0.8 p.p.)

RUB 159 thousand

average salary at Severstal

UN Global Compact Principles

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

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

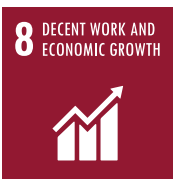
Principle 5. Businesses should uphold the effective abolition of child labour

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

Material Topics

- Decent working conditions
- Human capital development

UN SDGs



Approach to HR Management

GRI 3-3 GRI 14.17.1

Employee well-being is among key factors in Severstal's success and sustainable development. The Company creates opportunities for employee professional growth and competency building, provides a comfortable and safe working environment, and offers decent labour conditions.

The Company takes an integrated approach to HR management: it distributes areas of responsibility among departments and regularly updates internal regulations in accord with statutory requirements and best practices.

Key HR management internal documents

- Employee Code of Conduct
- Whistleblowing Policy
- Personnel Recruitment and Onboarding Regulations and Recommendations;
- Personnel Training and Development Regulations and Recommendations;
- Regulations and Recommendations on the Dialogue on the Personnel Goals and Assessment; and
- Payroll Policy
- Regulations on Incentivising Employees with Corporate and External Awards

HR management structure

Board of Directors

- HR management and control



Management Board and CEO

- Review and approval of the HR Strategy Report
- Evaluation of the selected management approach efficiency



Remuneration and Social Benefits Department

- Administration of the remuneration and benefits system, HR analytics

HR Support Department

- HR administration at Severstal's enterprises

Digitalisation Department

- Advancement of employee digital services and HR performance improvement
- Implementation of the product approach to HR processes

Talent Attraction Department

- Harmonising employee and job applicant experience, monitoring performance metrics (NPS, CSI, engagement, turnover rate)

Talent Management Department

- Ensuring timely and sufficient expertise, acquiring and developing talent, team work
- Provision of advanced digital tools for employee competency and career building

Employer Brand Development Department

- Implementation of projects to make the employer's brand more attractive
- Engagement surveys and other sociological studies
- Volunteering enhancement

Organisational Performance Department

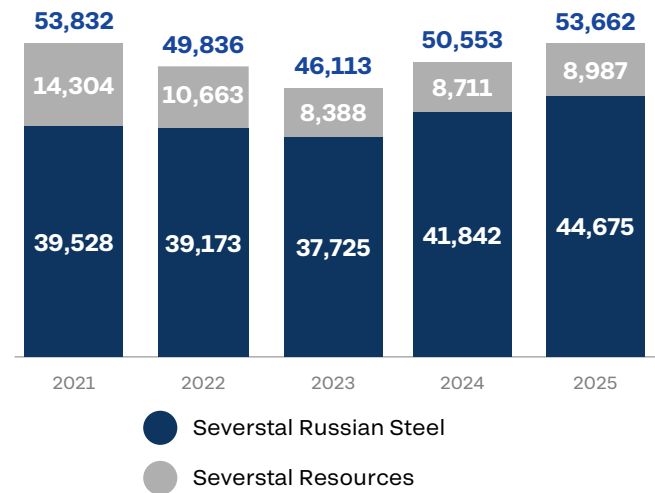
- Organisational development, budget planning coordination

¹ Hereinafter, against 2024.

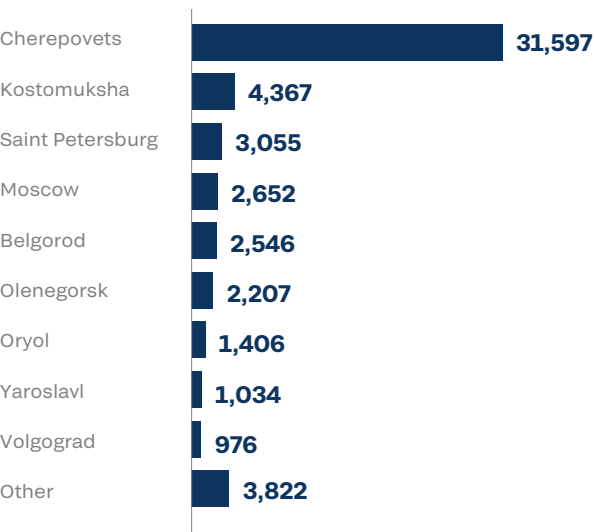
GRI 2-7 SASB EM-MM-000.B PBCS 21

In 2025, Severstal’s average headcount amounted to 53,662 people, up 6% YoY. An increased headcount is driven by higher production volumes. The overwhelming majority of employees work full-time (99%) and under permanent employment contracts (97%). The majority is employed by the Severstal Russian Steel segment (83%).

Average headcount by segment, people



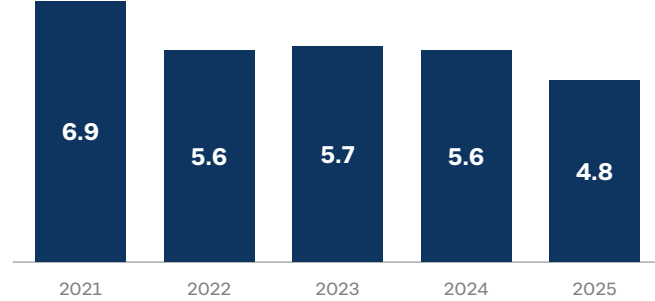
Average headcount in 2025 by city, people



GRI 401-1

In the reporting period, the Company hired 6,784 new employees, of which 1,934 are women (29%) and 4,850 are men (71%). In 2025, the rate of undesirable (voluntary) staff turnover¹ decreased significantly to 4.8%, largely due to the Company’s new approach to building its employer brand and the implementation of a large-scale employee social support programme.

Turnover rate, %

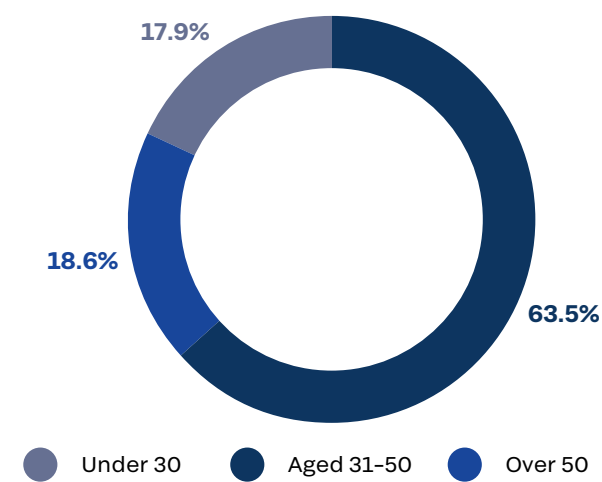


GRI 405-1

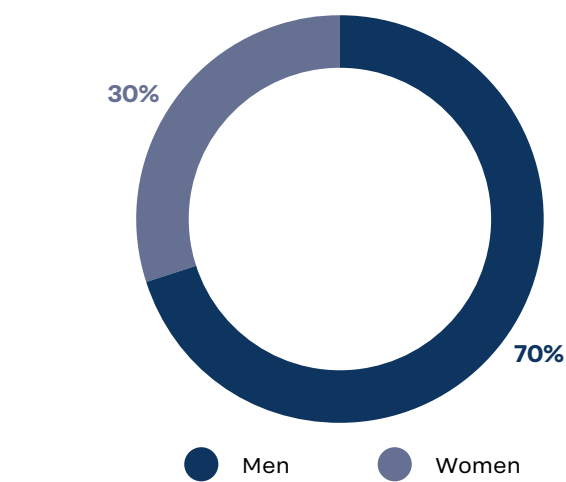
Severstal follows the principle of zero tolerance towards discrimination in any form, provides equal working conditions and equal pay for work of equal value for all employees, regardless of their gender, age, health status, ethnicity, religion, and other factors. The Company fosters an inclusive work environment and upholds diversity in its workforce, including people with disabilities. In 2025, the number of disabled employees was 244 people, or 0.46% of the total headcount. The Company strictly adheres to requirements for equipping workplaces and arranging work schedules for this category of staff.

PBCS 25

Staff composition by age as of December 2025, %



Staff composition by gender as of December 2025, %



Men constitute the majority of Severstal employees (70%), due to the metals sector specifics. Nevertheless, in recent years, a share of women in the Company has been steadily increasing across all employee categories. This growth is particularly noticeable among engineering staff – in 2025, a share of women in this category increased by 12% vs 2024, exceeding 55%. Severstal creates equal working conditions and career advancement opportunities for women. In the reporting period, a share of female managers remained at the 2024 level of 30%. For more details regarding the gender balance management and support for women at Severstal, see the Human Rights section.

For detailed quantitative data regarding headcount and personnel structure, including by category, see Appendix 6.

Personnel Attraction and Onboarding

Development of the Employer’s Brand

Severstal ranks among the leaders of the best Russia’s employer ratings

In 2025, Severstal once again achieved high positions in major employer ratings. According to Forbes, the Company was awarded the gold status, and in the RBC rating Severstal was included in the first group.

The Company became the first among metals companies in the hh.ru Russian Employers Rating 2025 (13th place overall). On top of that, Severstal ran first in the sub-rating of companies with the most highly developed HR processes.



¹ Undesirable staff turnover – number of employees quitting the Company voluntarily (other than retired employees, relocated employees or those who quit for family reasons) / average headcount

Severstal implements a variety of programmes and initiatives to acquire highly qualified personnel to the Company, both experienced and young specialists.

For example, the Company continues a large-scale project to relaunch its employer brand aimed at creating a new human-centric image of an industrial company and contributing to the implementation of the business strategy 2024–2028. The foundation of the brand strategy is expressed by the formula: **‘We connect different people, professions, points of view, and approaches to achieve more together.’ This idea is briefly conveyed by the motto ‘Different People. One Character,’** which shows that both work and the individual are valued here. The Company is breaking the image of a ‘harsh factory,’ thus demonstrating that at Severstal one can be oneself without erasing their individuality.

As a result of project implementation, brand awareness increased by 11 p.p. across Russia, and attractiveness went up by 12%. At the same time, brand attractiveness for the blue-collar target audience increased by 14% across Russia and by 30% in the Vologda region, which is key for Severstal. In total, the new HR brand positioning campaign reached over 150 million users.

Main objectives of the employer brand relaunch



Implementation of the ‘Different People. One Character’ philosophy, which transforms diversity and individuality into a competitive edge



Increasing employee engagement and well-being through the creation of a support system, flexible benefits, and development tools where employees feel valued and cared for



Acquiring and retaining talent – harmonising the job applicant and employee journey, updating referral and youth programmes, enhancing a culture of empathetic leadership

For more details regarding the employee support system, see the [Dlya Svoikh: With Care for Everyone Well-Being Programme section](#).

Different People. One Character

In 2025, Severstal delivered the Different People. One Character communication strategy. As part of the strategy, an image-making manifesto video was created with the following key idea: **no successful business can develop without people – the more diverse the team, the stronger the company**. Severstal was the first industrial employer in Russia to show its image manifesto video in cinemas as a pre-show¹. This video was also posted on Rutube.

In addition, Severstal rolled out a federal outdoor advertising campaign featuring Company employees as the heroes of the banners. Based on their stories, a series of articles was drawn up and published in Russian Railways magazines, on the Yandex.Dzen platform, and in internal communication channels. Through live stories, the campaign’s core idea was uncovered: there stands a person with a unique background behind every profession.

>150,000 cinema visitors in 11 cities saw the advertisement

>1.1 million people watched the video on Rutube

>60 outdoor advertising banners in 12 cities

#Severstal_with_love

Severstal engages employees in employer brand promotion and, to this effect, boosts the #Severstal_with_love ambassador community. Company ambassadors take media training, extensively share stories about working for the Company and corporate life on social media, and contribute to challenges.

600 ambassadors (↑ 5-fold vs 2024)

>13,000 posts written by ambassadors

>8.2 million views of publications

¹ A caption that is demonstrated before films in cinemas.

Bring a Friend

Severstal has a referral programme that involves employees in looking for new hires. Employees can recommend their acquaintances for job openings. In 2025, the programme was extended to cover all business units, a one-stop-shop system for receiving recommendations was set up, and programme administration was centralised through the call centre and shared service centre.

The programme became more flexible, with a breakdown by professional groups and bonus differentiation depending on the complexity of employee recruitment. Payouts for the most valuable recommendations reach RUB 45,000.

19% – share of hires through the referral programme in the 2025 total (up 7% vs 2024)

26% of recommended candidates were hired in 2025 (↑ 2-fold vs 2024)

As part of employer brand promotion efforts, the Candidate Journey Map (CJM) was reviewed. It became the primary tool for enhancing candidate engagement with the Company and increasing recruitment performance. In 2025, a product approach was implemented in the CJM, hiring timelines were harmonised, and communication quality was improved. This allowed for reducing time loss in recruitment, increasing transparency and convenience of job seeker engagement, and establishing a seamless transition to new hire onboarding.

From 44 to 31 days – average reduction in employee search time in 2025 owing to CJM improvements

Closer Than Steel

In 2025, Severstal launched the Closer Than Steel project. It is intended to compile a single chronicle of all the Company’s dynasties. Over 300 families have already shared their stories. The total work experience of the largest among them exceeds 500 years.

In the anniversary year of Cherepovets Steel Mill, a photo exhibition of metallurgical dynasties titled 'Different Generations. One Character' was arranged on the city square in Cherepovets. Over 100 people attended the exhibition opening, including Severstal veterans. After the exhibition ended, the exhibition displays were installed near specialised educational institutions and then moved to Cherepovets Steel Mill’s production units. This enabled thousands of Cherepovets residents to see the exhibition.

During the project, the Home Plant 2.0 programme was updated. As part of this programme, employee relatives visit the production sites. Excursions take place weekly and cover a visit to the Museum of Metallurgical Industry, a tour of the blast furnace and family members’ workplaces, as well as writing wishes on special postcards.

>300 families were included in Severstal’s dynasty chronicle

>40 excursions were held under the Home Plant 2.0 programme

~950 relatives took part in Home Plant 2.0 excursions

95% of visitors are happy with the excursions



The industrial tour on Cherepovets Steel Mill was recognised as the best excursion route in the Open Industry competition held under the auspices of the Agency for Strategic Initiatives (ASI) and the Ministry of Industry and Trade of the Russian Federation

In 2025, the Company continued to expand the list of professions whose representatives can work on a rotational basis, in order to foster recruitment performance. The first rotation launch took place in Oryol, Shchekino, and Obninsk. Over the reporting period, 454 employees were hired (1.9-fold vs 2024), including expansion of rotation at Yakovlevskiy Mine (23 employees) and in the Downstream segment (203 employees), which attests to the efficiency of this approach.

Young Talent Acquisition

To acquire young specialists, Severstal has for many years been building partnerships with higher, secondary vocational, and general educational institutions. The Company arranges employer-sponsored education in universities and colleges, internships and on-the-job training for students with the option of subsequent employment, and contributes to career guidance and educational events promoting heavy industry as a promising workplace for the youth.

To provide for an influx of highly educated and motivated young people, the Company has created a comprehensive training system for young specialists named ‘Severstal Vertical.’ It provides for continuous improvement in the quality of education, the ability to identify gifted schoolchildren and students, and encourages an increased prestige of key metallurgical professions.

For more details regarding the universities and vocational schools, with which Severstal cooperates, see the Sustainability Management section.

The Severstal Vertical project **ran second in the Contribution to the Future category** of the Graduate Awards 2025 professional competition

Severstal Vertical’s key youth training programmes

Programme	Scope	Description	Results for 2025
Internships for students			
IT HUB	14 cities	Internship programme for students and graduates in IT majors	39 attendees from 26 educational institutions 29 interns employed
Steel Hub	Vologda region, Cherepovets	Programme for HiPo engineering graduates, enabling them to become a manager or expert within 1.5–2 years	16 attendees 71% employed
On-the-job training for students			
University/ college training	8 cities	Practice-oriented approach to training in blue-collar professions and majors implemented through individual programmes and support for coursework and graduation papers	1,868 students received on-the-job training at the Company’s facilities
Programmes for schoolchildren			
Engineering classes	Cherepovets, Kostomuksha, Olenegorsk, Stroitel	All projects run under a unified methodology across all regions of operation	>1,000 schoolchildren are covered by the activities

In 2025, Severstal implemented the following programmes of cooperation with educational institutions:

Educational institutions	Activities and outcomes in 2025
Schools	- Severstal for Schoolchildren corporate academic competition, included in the list of competitions of the Ministry of Education of the Russian Federation - Technology lessons, career guidance tours - Engineering classes - Sirius classes
Secondary vocational educational institutions	- Professionals case championship and championship - Arranging excursions to industrial sites - Doors Open days - Internships - Professional excellence competitions - Educational and production complexes within the structure of colleges, where students gain initial skills by dealing with production orders - Early onboarding and employment system for college students (39 graduates were employed in 2025)
Higher educational institutions	- Pulse of Metal – corporate educational spaces - Case championship - Internships - Public lectures - Days of higher education institutions at Severstal’s facilities - Severstal’s engineering schools - All-Russian academic competition for students ‘I am a Professional’ - Corporate training program for refractory technologists (first and second year students are trained)

> **RUB 200 million** allocated by the Company to support specialised educational institutions

>**3,000 schoolchildren and students** are covered by the Severstal Vertical system

1,909 university and college graduates were employed by the Company

New educational spaces were launched in **3 universities, 5 colleges, and 6 schools**

Professionalitet (Professional Training) federal project

In 2025, with the support of Severstal, three colleges joined the Professionalitet project: the Kostomuksha Polytechnic College, the Chkalov Cherepovets Forestry Mechanical College, and the Lepekhin Cherepovets Construction College. The first graduation took place in the Metallurgy and Machine Building clusters, with over 50% of graduates immediately employed by the Company.

919 people graduated in 2025

575 applicants enrolled in three new clusters: Fuel and Energy Complex, Construction, Tourism and Services

> **RUB 116 million** allocated for the project’s enhancement in 2025

МОЛОДЁЖЬ И ДЕТИ
НАЦИОНАЛЬНЫЕ
ПРОЕКТЫ
РОССИИ

New Hires Onboarding System

Severstal has an onboarding system for new hires, which includes training activities and mentor support. The specialised mobile Flow.Onboarding (formerly SNAMI) application contains all the necessary information for a successful start at work. In 2025, an audit of the onboarding process was held, whereupon improvements were introduced to the system.

Onboarding system improvement

Onboarding system elements	Description	Activities and outcomes in 2025
Flow.Onboarding application	The application constitutes an interactive quest: new hires take training tests, gain access to materials and case studies, and meet with the Company representatives	- Five new business units were connected to the application - Recommendations for executives and mentors were added, and reference information was detailed 4.6 out of 5 points – average score of Flow.Onboarding among new hires
Mentoring system	Experienced employees act as mentors, sharing their knowledge, assisting with any issues, and providing professional training to new hires	- The mentor motivation system was improved: the bonus payment period was halved - A mentor training programme was elaborated for blue-collar specialists - The Mentor Council pilot project was rolled out, which is an informal association of mentors who will enhance the onboarding system in their units >1,000 new mentors participated in two Company forums 426 people took part in the first corporate mentoring championship - A mentor team took part in an intercorporate mentoring championship. The team captain ran third in the captains' competition

Payroll

GRI 202-1GRI 405-2PBCS 19

A competitive salary level is crucial both for ensuring employee well-being and for acquiring and retaining high-calibre personnel. Severstal constantly monitors salary levels in the regions where it operates, assesses the minimum wage (MW), takes account of the economic situation and inflation rate, and in reliance upon this data, ensures a decent level of salaries and wages for its staff.

The Company indexes wages annually: in 2025, they were increased by an average of 10%. Revision of individual employee salaries is determined based on their personal performance and the level of remuneration for work in the relevant position in the labour market. In the reporting period, the Company allocated an additional budget to increase the salaries of foremen and for targeted increases for blue-collar and white-collar¹ staff.

¹ Managers, professional staff, office staff.

Payroll principles are common for all Severstal employees, regardless of gender, age, and other attributes. The payment procedure and incentive mechanisms are reflected in the following documents:

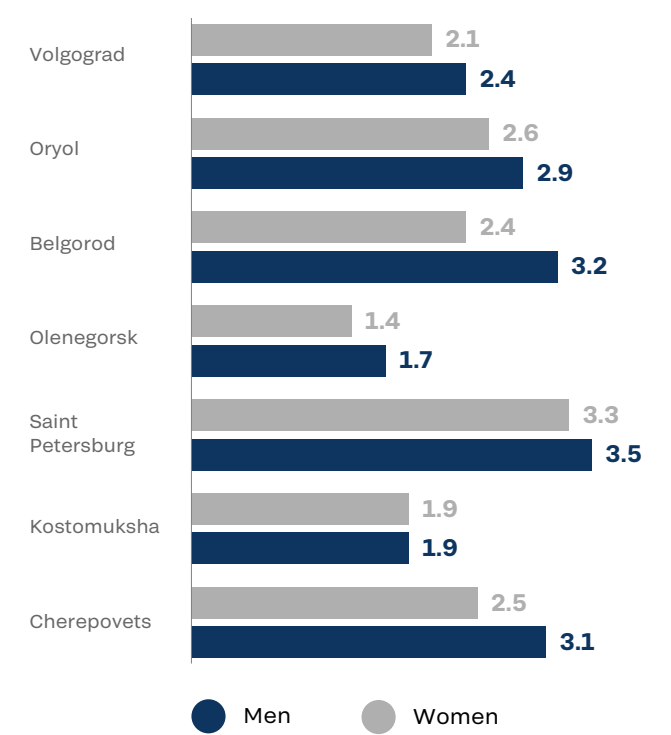
- Regulations on Remuneration and Bonuses for PAO Severstal Employees;
- Regulations on Annual Bonuses for PAO Severstal Employees; and
- Regulations on Annual Bonuses for AO Severstal Management Employees.

The Company has annual and monthly bonus systems, which cover 100% and approximately 70% of employees, respectively. The financial incentive system also entails an annual performance bonus. For executives, a long-term incentive programme (LTIP) is in place.

In 2025 – in honour of the 70th anniversary of Cherepovets Steel Mill – the Company paid a bonus of RUB 50,000 to employees ensuring the mill operation. In honour of the 60th anniversary of Severstal-Metiz, the Company paid employees nearly RUB 2.5 billion.

In the reporting year, the payroll increased by 17.5% to reach RUB 102.8 billion.

Ratio of standard entry-level salary (blue collars) to MW in the cities of presence¹ in 2025²



Employee Engagement

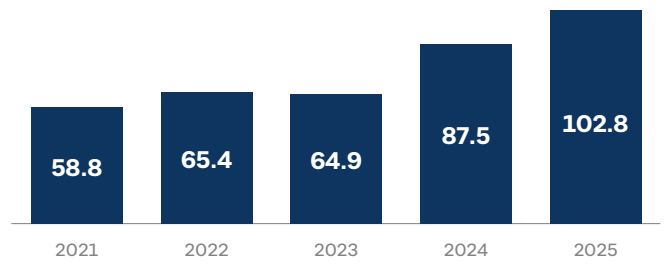
To identify growth points and analyse personnel engagement, Severstal holds an annual Severstal Pulse survey. In 2025, it was held completely online, ensuring the anonymity of all participants. In the reporting period, a new record was set: 97% of personnel (49,855 people) participated in the survey, up 5% versus 2024. The survey results showed an increase in employee engagement by 3 p.p., with the indicator reaching 79%.

Moreover, in 2025, the Company conducted an in-depth study of the experience of employees playing key roles at its facilities. Six focus groups were set up from among the employees, with whom 181 interviews were conducted. Based on the outcome of the study, the core problem areas were

¹ Rosstat data.

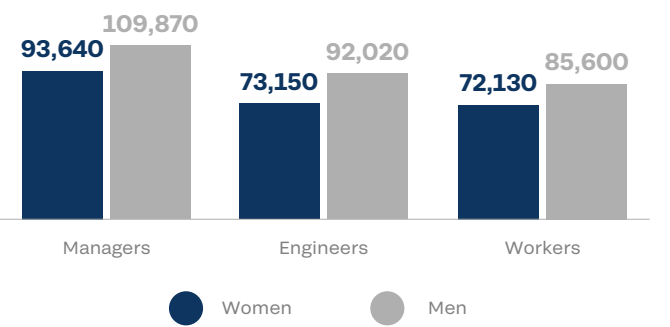
² A significant gap in the values of past periods in Olenegorsk, Kostomuksha, and Cherepovets is due to the fact that previously, the regional coefficient and northern allowances were not applied to the MW in these regions.

Payroll dynamics, RUB billion



The Company ensures equal pay for work of equal value and does not tolerate discrimination in setting wages. The existing differences are due to the fact that women are not represented in all positions available at the Company. In addition, the legislation restricts women’s labour in certain professions with particularly heavy and harmful working conditions.

Standard entry-level salary by gender and employee category in 2025, RUB



For detailed quantitative data regarding remuneration levels, including by category, see Appendix 6.

79%

employee engagement, up 3 p. p. YoY

Severstal Pulse survey results

Engagement by division, %	2022	2023	2024	2025
Yakovlevskiy Mine	77%	76%	82%	70%
Olcon	76%	69%	79%	76%
Karelsky Okatysh	73%	72%	76%	72%
Severstal-Metiz	80%	78%	77%	80%
Severstal Russian Steel	82%	72%	74%	80%
Severstal as a whole	80%	74%	76%	79%

Social Partnership

GRI 401-2 GRI 407-1 GRI 14.17.4 GRI 14.20.3 PBCS 33

To provide for labour rights of its employees, Severstal has established a social benefits package. It covers statutory guarantees and benefits, as well as extra social support measures that are outlined in the collective bargaining agreement. Such measures span all employees, regardless of the type of their employment contract¹.

The Company respects the right of its employees to freedom of association, to set up trade unions to protect their interests, and to hold collective bargaining. In 2025, no risks of infringing this right were identified at the Company's enterprises or among its suppliers. In the reporting year, no strikes or lockouts involving employee, and no associated production downtime were recorded.

Severstal operates the primary organisation of the Mining and Metallurgical Trade Union of Russia, which represents employees. In the reporting period, commissions were established to extend the terms of collective bargaining agreements at the enterprises of key resource assets: Yakovlevskiy Mine and Olcon. As a result, the collective bargaining agreements were renewed, and representatives of the employer and trade unions agreed to expand social guarantees for employees and increase the amount of benefits and financial assistance.

GRI 2-30 SASB EM-MM-310a.1 SASB EM-IS-310a.1

Collective bargaining agreements are in effect at **12** Severstal business units
74% of the Company's employees are covered by collective bargaining agreements

¹ With the exception of those working under civil law contracts.

Dlya Svoikh: With Care for Everyone Well-Being Programme

GRI 401-2 PBCS 28

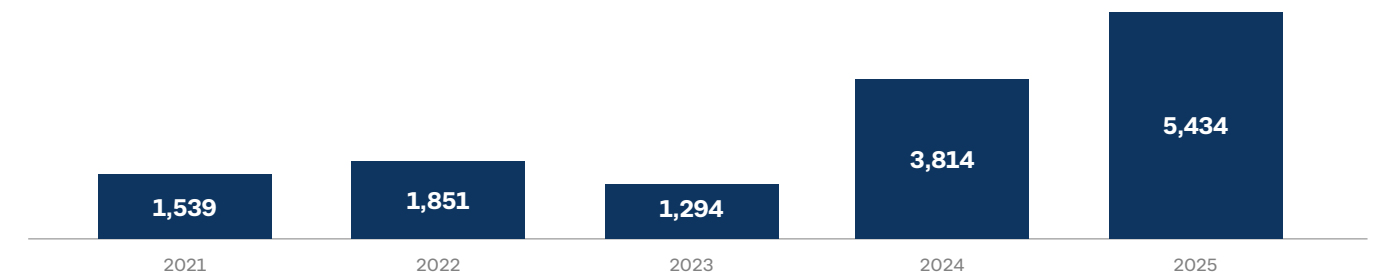
Severstal has been running and fostering the Dlya Svoikh: With Care for Everyone programme to improve the quality of life of employees and their families. The Company not only provides a set of benefits and advantages but builds a system in which every employee feels the employer's care and support.

The programme is made up of six main pillars: My Health, My Choice, My Finance, My Surroundings, My Environment, and My Development. All of them are aimed at setting up a positive and comfortable environment that allows every employee to feel valued and significant, bolstering the staff well-being and welfare, as well as their professional and personal development.

RUB **5,4** billion

Severstal's social security costs¹ in 2025, up 42% YoY

Social security costs², RUB million



Dlya Svoikh: With Care for Everyone:

- Grand Prix of the People Motivation Award – Best Employee Support Programme
- WOW!HR Business Award – Best Employee Well-Being Project

96% employees believe that the programme caters to their needs

77% – level of satisfaction with social benefits

For detailed quantitative data regarding the structure of personnel-related social costs, including by category, see [Appendix 6](#).

¹ Such costs cover expenses on insurance (voluntary health insurance and accident insurance), the Flexible Benefits programme, health resort and wellness programmes, compensation for healthy nutrition, sports and cultural events, financial assistance, targeted loans, maintenance of social facilities, and trade union maintenance

² On top of statutory obligations.

Dlya Svoikh: With Care for Everyone programme's pillars

My Surroundings - Volunteering - Family recreation programmes - Cultural and family activities	My Health - VHI programme - Compensation of healthy nutrition - Health resort treatment - Steel Lifestyle healthy lifestyle programme - Corporate sports - Dobroservice support programme	My Finance - Short-term lending - Accumulation programme - Compensation of mortgage interest - Financial assistance - Financial literacy programme
My Choice - Flexible benefits #Dlya Svoikh points - Discount programme	My Development - Training programmes and opportunities - Career building principles and tools. Recognition programme	My Environment - Workplace amenities - Remote work opportunities

To engage as many employees as possible in the programme, the Company sends weekly news about the programme via social media, airs a TV programme, releases special issues of the Severstal newspaper and the #Dlya Svoikh themed magazine. Live broadcasts, meetings with teams, and webinars are held on a constant basis. Over 1,300 Company employees participated in the #Dlya Svoikh 2025 Demo Days.

PBCS 37PBCS 82

My Surroundings			
	Description	Measures and changes in 2025	2025 key figures
Family recreation programmes	Employees can relax at the corporate recreation centre on preferential terms	Large-scale renovation work was carried out at the recreation centre	90% of the voucher cost is compensated to employees 7,857 people relaxed under the family recreation programme
Cultural and family activities	Cultural events and family-oriented initiatives are regularly held	- The following activities were held: Family of Metallurgists/Minors/Miners corporate competitions, Humour Festival and Singing Severstal creative competitions, other concerts and show programmes - Various professional excellence competitions were regularly held	~ 600 cultural, mass, and sports events were held 100 professional excellence competitions were organised 1,672 participants in internal and external professional excellence competitions



	Description	Measures and changes in 2025	2025 key figures
Volunteering	Employees extensively participate in volunteer activities in various areas. The Company creates conditions for volunteers to boost and implement initiatives, and interacts with other volunteer communities. A special section for volunteers was added to the Employee Personal Profile and the Intranet, a column in the corporate newspaper and a channel in the corporate messenger were introduced	- New regions are involved in volunteer activities: Yakutsk, Krasnodar, Mineralnye Vody; the work resumed in Yakovlevo - Round tables and meetings with volunteers were held in the Vologda and Yaroslavl regions - The following educational projects and competitions for volunteers were implemented: School of Social Design, School of Corporate Volunteering Ambassadors, Grant Competition, Volunteer of the Year - As part of the National Council for Corporate Volunteering (NCCV), the Company participated in the School of Corporate Volunteering Ambassadors and the Corporate Volunteering: People at the Centre of Social Change International Forum.	> 5,000 employees contribute to volunteer projects > 600 volunteer campaigns were held > RUB 3.5 million – expenses of volunteer activities > 1,100 volunteers received non-financial motivation points 95% – employee satisfaction with volunteer activities 47 volunteers graduated from the School of Social Design - RUB 600,000 allocated for the implementation of 14 projects at the Grant Competition

Activities involving corporate volunteers in 2025

Area	Measures	Outcome
Children support	Educational and preventive lectures, creative and sports workshops, support for children with disabilities	178 campaigns ~ 600 volunteers
Helping the elderly	Concerts and workshops for veterans, household assistance, and digital literacy training	94 campaigns > 150 volunteers
Environment	- Clean-up events, tree planting, reforestation - Participation of volunteers in the all-Russian Chistyabr competition, Cherepovets Environmental Festival	114 campaigns in 19 regions > 1,000 volunteers
Landscaping the cities of presence	Care of urban areas, planting flower beds, improvement of squares and historical sites	42 events > 400 volunteers
Intellectual (pro bono) volunteering	Assistance to families in challenging situations, speech therapy and career guidance sessions	> 150 volunteers 80 events
Event, sports, and other volunteering	- Organisation of events for the 70th anniversary of Cherepovets Steel Mill - Organisation of major sports events	> 100 events > 300 volunteers

For more details regarding charity and sponsorship projects, see the Social Investments section.

My Health

	Description	Measures and changes in 2025	2025 key figures
Voluntary health insurance (VHI)	VHI covers doctor’s appointments, including dentists, medical procedures and tests, telemedicine services, vaccination opportunities, and inpatient treatment. VHI contracts are entered into with employees from the first month of work¹	- As requested by employees, regional VHI programmes were combined into a single programme by federal district - Over 6,000 employees of the Cherepovets site were transferred to risk insurance	100% of employees are covered with insurance > 49,000 employees benefited from the VHI programme > 17,700 Cherepovets Steel Mill employees benefited from dental services 4.75 out of 5 points – satisfaction with the VHI programme > 10,000 employees attended 30 webinars on VHI
Health resort treatment	The Company provides employees with preferential vouchers for health resort treatment, and their children with vouchers for recreation in health camps in the regions of operation. Employees engaged in work with harmful and dangerous factors are allocated 14-day vouchers outside their region of residence in accordance with healthcare advice and the health resort’s profile Free children’s vouchers are issued to children of participants in the Special Military Operation (SMO) and large families	- A pilot project was launched for Karelsky Okatysh’s employee children at a health camp in the Vologda region - The Social Insurance Commission annually updates the list of recommended health resorts based on audit results - Participation in the development of the Sanis health resort Kostomuksha	> 1,700 employees received local health resort vouchers > 1,200 employees received suburban health resort vouchers > 4,100 children went to children’s camps > 25 suburban health resorts are offered to employees for recreation > 700 free vouchers to children’s camps were allocated to children of SMO participants and large families
Compensation of healthy nutrition	The programme provides employees with compensation for the cost of lunch, and for those working remotely – a certificate for grocery purchases or points that can be exchanged for healthy nutrition	- The lunch cost compensation was indexed by 10% - The product range in vending machines was expanded - The programme was extended to employees of new facilities	68% of Company employees benefit from the programme 1.7 million full-course meals were compensated to employees



	Description	Measures and changes in 2025	2025 key figures
Steel Lifestyle healthy lifestyle programme	The programme covers the Health Days held twice a year, online healthy lifestyle marathons on the Cross Team platform, local healthy lifestyle activities A calendar of events, healthy lifestyle content, as well as communication with like-minded people and participation in marathons are available on the Cross Team platform	- The Health Days geography expanded to 11 cities - As part of the Health Days, employees received vaccinations against seasonal diseases, functional diagnostics, and consultations with general practitioners and specialised doctors, including an oncologist - A series of webinars on stress resistance, sleep patterns, and nutrition was held	8,600 employees passed cancer diagnostics 17,800 employees were vaccinated against seasonal diseases > 1,000 employees use the Cross Team platform 83% – employee satisfaction with the Health Days
Dobroservice support programme	Employees can seek help from a lawyer, psychologist, healthy lifestyle advisor, financial expert, veterinarian, or coach	Training events on psychological well-being were held, a mobile team of psychologists was available during the Health Days, stress and burnout measurements were conducted	85% – satisfaction with the programme 6,113 consultations were received 4.89 out of 5 points – employee rating of the service
Corporate sports	The key areas of sports support are: - Support for sports activities: rental of sports facilities, co-financing of membership fees, online training - Corporate competitions and sports days - Participation in external tournaments, holding a grant competition for employee participation in tournaments - Non-financial support for healthy lifestyle ambassadors - Sports activities for children	- The Company improved the terms of the grant competition and upheld employee athletes - Winter sports festivals, a sports tourism festival, the Metallurgical Run, and a cycling race were held - Employees took part in a number of major events: the Moscow Marathon, the Race of Heroes extreme run, the all-Russian half marathon ZaBeg. RF, etc.	37% of employees regularly engage in sports with the Company’s support ~ 13,000 people took part in sports events 12 championships in various sports were held > 200 employee children participated in workshops and mini-tournaments in chess, rock climbing, badminton, and darts



¹ VHI contracts with SSC and Downstream segment employees are entered into once their probationary period is over.

My Finance			
	Description	Measures and changes in 2025	2025 key figures
Compensation of mortgage interest	The Company compensates 50–75% of employee mortgage interest for a period of 10 years, with a total amount not exceeding RUB 3 million. Priority is given to blue-collar workers, those holding critical and hard-to-fill positions in production, those demonstrating high performance, etc.	As part of the new stage of the programme, an extra 1,500 people were selected to receive compensation for mortgage interest	- RUB 11,000 – average compensation amount 3,000 employees – programme participants in 2024–2025
Accumulation programme	Employees can purchase Severstal bonds at a price of RUB 1,000 each	Management determines the coupon yield rate	> 1,010 employees are holders of bonds
Short-Term Lending programme	Employees can receive a short-term loan ranging from RUB 10,000 to one month’s salary for a period of up to six months	Loans are provided upon employee applications	> 7,700 applications were approved
Financial assistance	Financial assistance is rendered in challenging situations, such as returning to work after military service, death of a close one, guardianship, etc. For young specialists, relocation assistance, compensation for travel expenses, housing, and settling into a new place are provided¹. To support family and traditional values, payments are provided for the child birth, parental leave, support for parents with many children, payment for kindergarten for single parents, and an allowance for first-graders for the school year start	- The amount of relocation assistance for young specialists was increased to RUB 40,000 - Approaches to financial assistance for employees with family responsibilities were standardised - Payments for the child birth and for parents with many children were increased - A new monthly payment upon returning from parental leave until the child reaches the age of three was introduced - The amount of one-time payment at the child birth was increased and ranges from RUB 15,000 to RUB 28,640	~ 300 employees received financial assistance in challenging situations > RUB 51 million was paid to employees with many children > RUB 16 million was received by employees returning from parental leave 1,031 employees took maternity/paternity leave

¹ According to the Regulations on Organising Work with Students, Graduates and Young Professionals.

My Choice			
	Description	Measures and changes in 2025	2025 key figures
Flexible benefits	Employees gain access to the platform where they can spend allocated funds (RUB 20,000) on goods and services from the following categories: ‘Fitness and Sports,’ ‘Charity,’ ‘Medicine and Health,’ ‘Continuing Education,’ ‘Insurance,’ ‘Children, Recreation, Hobbies’	- New categories were added: ‘Children,’ ‘Goods,’ ‘Prepaid Cards,’ and ‘Pharmacies’ - The number of service providers increased, including local ones - The most popular categories among employees were ‘Fitness,’ ‘Prepaid Cards,’ and ‘Travel.’	97.8% of employees made use of the benefit > 600 providers from the project start 203,000 orders executed 87% – employee satisfaction with the benefit
#Dlya Svoikh points	Employees receive non-financial rewards for prize-winning places in professional excellence competitions, work on Kaizen teams, mentoring, student training programmes, leadership in volunteer movements and participation as brand ambassadors, identification of safety incidents, and participation in internal and external competitions	- Points were introduced instead of chips - An option was introduced to transfer points to the Flexible Benefits platform for spending - A section on non-financial motivation was implemented in the HR Personal Profile with a history of points accrual	> 8,700 employees participated in the programme > 90 types of rewards from the project start > 20,400 rewards received 87% – employee satisfaction with the benefit
Discount programme	Employees can take advantage of special offers and discounts from Company partners	- The discount platform interface was improved - The number of providers, including local ones, was increased - Webinars about the programme were held	> 53,000 employees have access to the platform > RUB 21 million saved by employees thanks to discounts 84% – employee satisfaction with the benefit

My Development

	Description	Measures and changes in 2025	2025 key figures
Training programmes and opportunities	The corporate training system covers all categories of employees and includes the following focus areas:	Functional competency matrices for sales managers and technologists were drawn up	RUB 485 million spent on employee training 93% – share of employees involved in training 31 hours – average duration of training per employee
	Professional training	- Programmes to improve technological competencies of managers and engineers and a training programme for service specialists in mining equipment maintenance were delivered - Practice-oriented training programmes were launched for repairmen and electricians - A personnel training programme was rolled out for the pellet production unit in Cherepovets - Training grounds were opened to train maintenance personnel in Cherepovets and Olenegorsk with the annual capacity of up to 2,300 people	> 51,000 man-courses of training in improving technological capabilities - RUB 153 million budgeted for training in improving technological capabilities > 3,900 man-courses for blue-collar professions 29,800 man-courses of training for white-collar staff - Additional training tools developed for 12 professions - Training programmes updated for 30 professions - Training duration optimised for 15 professions
	Training in external educational institutions	- Programmes for boosting strategic, leadership, and professional competencies for the top management programme were supported - In cooperation with Skoltech, the Workshop of Innovative Ideas was launched for employees responsible for product innovation development	> RUB 7.7 million – costs for external training of managers > RUB 3.7 million – costs for employee training in external programmes and participation in conferences - Up to RUB 5 billion – potential effect from innovations proposed by training participants
	E-courses and VR	- New e-learning courses and VR/3D simulators were elaborated - Nine focus areas were included in the catalogue of the Metasphere immersive training management platform	211 e-courses were developed 117 VR simulators were developed 2,578 people completed training on 168 Metasphere simulators 92 new Metasphere simulators were launched



	Description	Measures and changes in 2025	2025 key figures
Training programmes and opportunities	Enhancement of managerial, personal and business competencies	- A comprehensive relaunch of the portfolio of training programmes for managers of office and production units was performed - The following key management programmes were held: Achieving More Together programmes based on the Leader.Profile leadership competency model, Empathetic Leadership and Personnel Retention intensive courses - Basic programmes for managers were held at different levels: Manager School and Master School (for line managers), Workshop Leader Evolution (for workshop heads), Coaching Approach in Management (for senior management) - The following programmes were delivered for talent pool members: Severgroup Leaders, Steel Talent Pool for TOP 4000, TOP 1000, TOP 100, customised programmes for downstream assets - The Knowledge Week was held for a wide range of employees	> 3,000 managers completed training > 1,500 managers participated in the Leader.Profile programme > 4,300 employees participated in the Knowledge Week, consisting of > 20 interactive webinars > 1,000 managers participated in the Empathetic Leadership intensive course
	Severstal Teachers internal expert programme	Internal experts contributed to creating educational products for Company employees	108 certified internal experts 124 unique training programmes ~ 6,500 employees covered by training programmes
	Development of functional competencies	- Programmes were implemented for various functional areas: innovative technologies, HR, procurement, maintenance, etc. - Trainings on improving negotiation and public speaking skills, training on stress management and leadership were held - Functional competency matrices for sales managers and technologists were drawn up	> 400 participants in negotiation skills improvement events > 150 employees completed stress management training 85% – satisfaction with the stress management programme





Career building principles and tools. Recognition programme	Description	Measures and changes in 2025	2025 key figures
	The employee goal-setting and performance review system includes 360 degree assessment, personnel committee meetings, and career meetings between managers and employees	- Assessments using the 360 degree method are held regularly - Regular meetings are held in the Discussions of Goals and Discussions of Career formats to discuss goals, motivate employees for career growth, and create personalised development paths	18,104 managers and specialists were reviewed under the 360 degree method 52,505 persons participated in Discussions of Goals
	Talent pool	A programme for self-nomination to the foreman talent pool was rolled out	89% – level of coverage of employees at the CEO 3 level and above by the talent pool
	HR Committees	The HR Committee meetings are held regularly, passing resolutions on the appointment of key managers and the inclusion of employees in the talent pool. For members of the talent pool, the Committees draw up individual development plans	250 HR Committee meetings were held 4,600 candidates were considered for inclusion in the talent pool
	Recognition programme	For achievements, the best employees are awarded national, departmental, and corporate awards	> 11,000 people received corporate awards 647 employees received external awards - payments for 10, 20 years of service, etc., in the amount of RUB 50,000 were introduced

For detailed quantitative data regarding the amount of training and related costs, see Appendix 6.

Severstal became the winner of the Digital Training of Production Personnel 2025 international competition in the following categories:

- Best Experience in Implementing SIKE¹ Training Systems
- Best Photo of the Educational Process
- Best Learning and Growth Story



Severstal won the Mining and Metals Company of High Social Performance sectoral competition² in the Personnel Development category.



¹ SIKE is a brand of Corporate Systems Plus LLC, a company that develops training systems for training personnel of industrial enterprises and students with engineering majors

² The competition is held annually by the Association of Industrialists of the Mining and Metallurgical Complex of Russia (AMROS) and the Mining and Metallurgical Trade Union of Russia in coordination with the Department of Metallurgy and Materials of the Ministry of Industry and Trade of the Russian Federation.

Plans for 2026 and Mid-Term

- Severstal’s HR management plans include:
- Implementation of a communication strategy aimed at increasing the recognition and attractiveness of Severstal’s employer brand for different target audiences, as well as the enhancement of partnership initiatives that promote blue-collar professions.
 - Launch of gamified digital special projects aimed at improving the Company’s image among young people and increasing the attractiveness of working in the metals sector.
 - Elaboration of the Volunteer Code and implementation of a mandatory training course for Company volunteers.
 - Increasing the number of active volunteers and volunteer campaigns by 10% by expanding the project geography and promoting volunteer activities.
 - Implementation of over 20 initiatives aimed at fostering employee acquisition and onboarding, including the digitalisation of individual CJM steps and integration of AI assistants.
 - Harmonisation of the competency assessment system for blue-collar workers and improvement of managerial skills of production executives: a development programme for foremen, foreman summits, and a conference for workshop heads.



Contribution to the Development of the Regions of Presence

2025 Highlights

RUB **7.3** billion 

social investments (↓ 3%)

RUB **>18.7** billion

tax and non-tax payments for the key regions of presence (↓ 47.5%)

UN 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.

Material Topics

- Development of the regions of presence
- Economic performance

UN Sustainable Development Goals

3

GOOD HEALTH AND WELL-BEING



4

QUALITY EDUCATION



8

DECENT WORK AND ECONOMIC GROWTH



9

INDUSTRY, INNOVATION AND INFRASTRUCTURE



11

SUSTAINABLE CITIES AND COMMUNITIES



17

PARTNERSHIPS FOR THE GOALS



Approach to Management

GRI 3-3 **GRI 14.9.1**

Severstal’s operations are instrumental in the social and economic development of the regions where it operates, especially in small industrial towns where the Company is a major employer and consistently implements social programmes. Severstal creates jobs, initiates the elaboration of integrated urban development programmes and supports their delivery, runs social and charitable projects, and invests in the improvement of regional infrastructure. The integrated management of social investments is governed by the Company’s established organisational structure, which features a clear distribution of responsibilities among departments.

Social investment management structure	
Business unit	Functions
Sustainability and Brand Directorate of the Managing Company	- Initiation and financial support for external social programmes for residents of the regions of presence - Elaboration of the social investment methodology and strategy - Company-wide coordination of the programmes and projects delivery
Heads of functions	Stakeholder engagement, including local communities, authorities, and mass media as part of implementing external social programmes in the regions of presence
HR directorates at the Company’s enterprises	
Investor communication and engagement directorates at the Company’s facilities	

Severstal’s approaches to interaction with local communities, including indigenous minorities, are outlined in the Company’s internal documents drawn up subject to national laws and international regulations.

Key human rights documents
Internal Corporate Social Responsibility Policy External Social Programme Management Policy Human Rights and Community Relations Policy (Including Indigenous Peoples and Minorities) Corporate Standard for the Management of Sponsorships and Charitable Activities External - Unified Plan for Achieving the National Development Goals of the Russian Federation for the Period up to 2030 and for the Planning Period up to 2036 - Federal Law dated 30 April 1999 No. 82-FZ on Guarantees of Rights of Indigenous Minorities of the Russian Federation

Each and every year, the Company’s efforts to improve the regions of presence gain recognition of the professional community and rating agencies. Both Severstal’s systematic programmes and individual initiatives are awarded.

Severstal’s and partners’ significant awards in terms of developing the regions of presence in 2025

Competition	Award
Our Contribution national award	Severstal is a finalist and holder of the Partner of National Projects’ status. Among the projects presented are Severstal’s regional development programme and engineering classes
Leaders of Responsible Business national award	Severstal is a winner of the award and of the for contribution to the sustainable development of territories, creation of a favourable living environment for the people in the regions of presence category for its social investment programme and the integrated development programme for Cherepovets
Corporate Charity Leaders	- Severstal holds the highest A+ category. - Its social investment programme, Choose Life project, and the Child Support in Family Service of the Way Home foundation are winners in special categories
It’s All about the People competition	Severstal is a winner in the Local Community Development category for its social investment programme
All-Russian Leaders of Russian Business: Dynamics, Responsibility, Sustainability 2024 competition (RSPP)	Severstal is a winner in the for Preserving Historical Memory, Cultural Heritage and Developing Patriotic Culture category for its projects in patriotic education, cultural heritage preservation, and spiritual development
First MINEX mining award	Severstal’s social investment program is a winner in the best sustainability project category
Open Industry programme of the Russian Ministry of Industry and Trade and ASI	Severstal is a winner of the competition for its Company’s industrial tour and the Home Plant programme dedicated to the 70th anniversary of Cherepovets Steel Mill
Creative Travel Awards international programme within the VIII International Divo of Eurasia Festival	- Severstal’s projects are prize winners in the following categories: - Best Innovative Project Developing Industrial Tourism – the Steel Route industrial tour - Best Creative Event of the Year in Tourism – the theatrical programme of the Centre of Metallurgical Industry titled ‘We are the Legacy of the Great Academician’
Russian Organisation of High Social Efficiency national competition (federal stage)	Severstal is a winner in the For the Contribution of Social Investments and Charity to Territorial Development category for its social and charitable programmes implemented in the Vologda region in 2024
IV All-Russian Leader of Corporate Donorship competition	Severstal is a winner in the For the Contribution of Social Investments and Charity to Territorial Development category for its social and charitable programmes implemented in the Vologda region in 2024

Community Engagement Mechanisms

GRI 413-1GRI 14.10.1SASB EM-MM-210b.1

Severstal’s consistent approach to community engagement enables the Company to establish a productive dialogue and factor in the needs of all stakeholders. The Company plans social investments in close cooperation with local government officials in the regions, holds consultations with local residents, and looks into their needs. In addition to holding meetings and consultations, Severstal extensively boosts feedback mechanisms by providing local residents with several channels for submissions and reports, including regarding potential violations:

- corporate website;
- Company’s social media accounts; and
- official pages of the heads of Severstal’s divisions and segments, as well as of the CEO of PAO Severstal, on social media.

When planning projects, the Company normally sets up working groups composed of representatives of local authorities, NPOs, cultural and educational institutions, associations and community groups in the region of presence. Moreover, to assess Severstal’s appeal as an employer and performance of its social initiatives, the Company carries out annual sociological surveys as part of its monitoring of social sentiment.

When expanding production and commissioning new production sites, the Company conducts mandatory audits in accordance with the law. In case of revealing the need to relocate local residents, Severstal undertakes to consult with them accordingly. As at year-end 2025, no such situations occurred.

Severstal also engages local communities in making decisions as of whether to close its sites, and assumes responsibility for the development of territories even after the closure of operations. These principles are set forth in the Company’s internal policies.

Social Investments

GRI 203-1GRI 413-1GRI 14.9.3

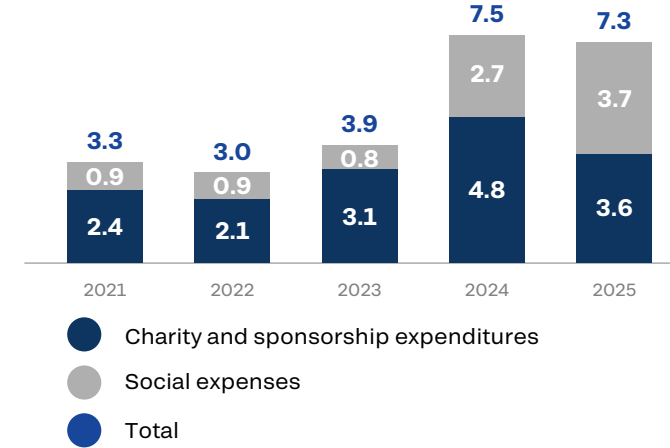
In 2025, Severstal’s social investments in the regions of presence decreased slightly (by 3%) to RUB 7.3 billion.

At the same time, the structure of investments changed: a share of social expenditures increased to 51% (+15 p.p. vs 2024) due to a significant increase in spending on supporting the health of employees and their families, as well as on the improvement of the Torovo holiday centre. Charity and sponsorship expenses declined by 25%.

The key components of social investments in 2025 were infrastructure development and urban improvement, support for sports, culture, and creative industries, as well as assistance to socially vulnerable groups.

PBCS 35

Social investments¹, RUB billion



Charity and sponsorship programmes by focus areas, RUB million

GRI 203-1PBCS 35

Focus area	2021	2022	2023	2024	2025
Sports	1,113	1,053	1,057	1,318	1,565
Support for public and business organisations	385	121	209	704	124
Contribution to infrastructure development and landscaping	372	126	1,537	710	878
Culture and creative industries	161	193	78	346	371
Support for socially vulnerable groups	110	107	131	1,175	260
Education	109	89	42	176	197
Healthcare	32	7	5	91	160
SME support	12	8	14	15	22
Public environmental activities	5	17	14	18	16
Other	101	426	40	236	1
Total	2,400	2,147	3,127	4,789	3,595

Severstal is delivering >300 projects across 12 regions, aimed at creating an advanced urban environment, fostering social infrastructure, and supporting education, culture, and local communities.

¹ The data is presented in conformity with the IFRS consolidated financial statements. Social expenditures cover social support costs.

Urban Environment Development

Severstal takes an integrated approach to the development of its key regions of operation by initiating, elaborating, and facilitating the implementation of integrated development programmes for three cities – Cherepovets, Kostomuksha, and Olenegorsk. With the Company’s participation, a master plan, being a strategic programme outlining key projects for the creation and development of urban infrastructure, economic development, and modernization, is drawn up for each of these cities. Throughout the duration of the master plan, these projects are prioritised based on their significance, resource availability, and the needs of residents.

The implementation of projects provided for by the master plans is ensured through various financing mechanisms: direct financial support from Severstal, co-financing, and the raising of other public and private investments. The Urban Development Agency, established by Severstal, facilitates the search for partners and sources of financing.

Upon completion of the projects, their effectiveness is measured through the Company’s monitoring of social sentiment and external assessments of the urban environment quality. Issues identified and resident requests are considered for further project prioritisation and implementation.

In other regions of operation where the Company’s facilities are not backbone and where no integrated urban development work is being carried out, Severstal

supports the implementation of individual social programmes and projects that cater to the needs of local residents and regional authorities. Such requests and needs are identified based on the results of social sentiment monitoring, as well as through stakeholder submissions received via feedback channels.

Planning of Integrated Urban Development Programmes

Being a framework strategic document, the master plan defines the focus areas for the city’s spatial development for 10–15 years or more. It outlines project proposals within five strategies: social, engineering and environmental, and transport infrastructures, urban development, management, and economy. This approach allows for a comprehensive transformation of the urban environment.

When drawing up master plans, the current development strategies of the city, region, and Company are factored in, and their preparation involves active stakeholder engagement. This includes sociological research, expert discussions, strategic sessions, interviews with representatives of local authorities, businesses, etc. The implementation of master plans constitutes a fairly flexible process: projects are prioritised on an annual basis, the results of implemented activities and feedback from residents are tracked, and a future action plan is updated based on these inputs.

Status of master plan development

City	Development status
Cherepovets	Developed and approved in 2021, currently at the implementation stage
Kostomuksha	Developed, awaiting comments and amendments. In January 2026, the master plan was presented to the head of the Republic of Karelia; in February, public discussions were held with local residents ¹
Olenegorsk	Development began in autumn 2025. Initial meetings of the master plan developers with representatives of local authorities and city residents were held, and a certain amount of research work was completed. Completion of development is scheduled for mid-2026

The development of master plans for Cherepovets, Kostomuksha, and Olenegorsk was financed by Severstal. A distinctive feature of the Kostomuksha master plan is its focus on identifying and preserving the city’s identity, its strengths and historical heritage, as well as the elaboration of several scenarios for the city’s target state with different amounts of investment and expected effects for both the city and the Company.

Activities as Part of Integrated Urban Development

In 2025, as part of integrated urban development, the Kindness of the North charitable foundation, with the support of Severstal, delivered a number of projects in Cherepovets, Kostomuksha, and Olenegorsk focused on territory improvement, upgrade and construction of sports facilities, support for culture, sports, etc.

¹ A significant event beyond the reporting period.

Urban environment development projects in 2025

City	Projects	Outcome
Cherepovets	▪ Renovation of the railway station complex (square and adjacent park)	▪ An area of > 70,000 sq m was improved
	▪ Reconstruction of the Gritinskaya Gorka skiing complex	▪ The design and working documentation was drawn up ▪ The site was prepared for the construction of a sports school building, equipment rental facility, and a functional sports centre
	▪ Implementation of a new focus area for the development of creative industries For more details regarding the new focus area, see the Enhancement of Creative Industries chapter	
Kostomuksha	▪ Master plan development (second stage)	▪ The master plan was developed and presented in early 2026, with discussions ongoing
	▪ Construction of a covered ice rink	▪ Work was completed on construction site preparation and foundation installation. The necessary equipment for the rink was purchased
	▪ Repair and improvement of the Akhvenyarvskie Stones memorial	▪ Reconstruction work was completed, and an official opening ceremony for the renovated memorial took place
	▪ Purchase of high-tech equipment for Interdistrict Hospital No. 1	▪ A new batch of medical equipment was purchased
	▪ Renovation of the polytechnic college dormitory	▪ The second stage of renovation is nearing completion
	▪ Holding of cultural events, exhibitions, film programmes	▪ The traditional international arts festival, Northern Theatre Seasons, exhibitions, workshops, and training for culture professionals were held
Olenegorsk	▪ Elaboration of a master plan	▪ Elaboration started in autumn 2025
	▪ Equipping the Engineering Classes and the Fundamentals of Security and Defence of the Motherland classes	▪ Work on equipping the classes was completed
	▪ Installation of architectural and artistic lighting in the central part of the city	▪ Work started on elaborating a lighting master plan for the city
	▪ Equipping educational institutions with video surveillance systems, access control and management systems	▪ Contracts were entered into with a supplier for delivery, and equipment installation is nearing completion in seven institutions
	▪ Replacement of exercise equipment on Mineralnaya Embankment	▪ Work on replacing the exercise equipment was completed
	▪ Replacement of exercise equipment on Mineralnaya Embankment	▪ The Morozko New Year’s fairy tale festival, a soldiers’ song festival, and the festival of Sami music and culture were held
	▪ Repair of premises and purchase of furniture and equipment for the Olenegorsk Mining and Industrial College	▪ Renovation and equipment purchase were completed



¹ Among others, investments in integrated urban development projects include expenditures on supporting the healthcare sector, creative industries, and sports.

Agreements with the governments of the Murmansk region and the Republic of Karelia

In 2025, Severstal entered into two socio-economic partnership agreements on the SPIEF¹ sidelines – with the governments of the Murmansk region and of the Republic of Karelia. Under those agreements, the regions will render support to social projects of the charitable foundation supported by Olcon and Karelsky Okatysh, including the elaboration and implementation of master plans for the development of Olenegorsk and Kostomuksha.

Enhancement of Creative Industries

In the reporting year, the enhancement of creative industries became a separate focus area for improving the quality of the urban environment, including as part of integrated urban development. Work in this area involves creating conditions for unlocking the creative potential of city residents, boosting the creative infrastructure, and setting up creative communities.

In 2025, Severstal focused on promoting creative clusters in the Vologda and Belgorod regions, as well as on creating conditions for training new personnel in this domain. Such projects are delivered by the Kindness of the North charitable foundation with the support of Severstal.

Key projects and activities for the enhancement of creative industries in 2025

City	Projects and activities	Outcome
Cherepovets	Creation of the Vereshchagin Hub art estate	An architectural and design project for the future cluster was drawn up
	Elaboration of a strategy for creative municipal development	A residency for creative Cherepovets was organised, where more than 50 experts – representatives of creative professions – determined the key areas for the city’s development and shaped project ideas and proposals
	Setting up a creative community	- Implemented: Creative Tourism Factory, a strategic session on the creation of the Vereshchagin Hub art estate - The first meeting of participants of the city’s new creative community (> 45 participants) took place - The first part of a lecture series on the development of creative initiatives was held - The launch of a digital platform for interaction among the city’s creative leaders was scheduled
	Holding cultural events in new, experimental formats	- Udarny Festival for the Russia Day and the Cherepovets City Opening Day (> 100,000 visitors) - Rock-na-Sheksne festival and competition (30 musical groups – competition participants, > 100,000 festival attendees) - Thank You, Ivan Andreevich! theatrical promenade through the city’s historical centre (> 6,000 participants) - Sanki Fest winter festival with sledding (300 participants)
Stroitel (Yakovlevskiy district)	Creation of a School of Creative Industries to teach schoolchildren in six creative disciplines	- The amount of RUB 25 million was spent on co-financing for the renovation of the former cinema building, which now houses the School of Creative Industries - On the basis of the school, the region’s first Severstal multifunctional centre was opened for career guidance of young people and extracurricular activities for students of engineering classes

¹ Saint Petersburg International Economic Forum.

At the initiative of the Kindness of the North charitable foundation and with the support of Severstal, the Creativity of the Regions grant competition was launched in 2025, aimed at supporting socio-cultural initiatives and unlocking the creative potential of the territories of the Russian North. Applications are submitted by authors of the projects implemented in the Republic of Karelia, the Murmansk and Vologda regions. The event covers five focus areas: comfortable and healthy urban environment, new local history and local identity, innovations in culture, creative activists, and cultural programme.

The new competition stirred interest among entrepreneurs, non-profit organisations, and municipal institutions: within seven weeks of the application campaign, 99 applications were received from 14 constituent entities of the Russian Federation.

A series of ten training webinars on social project design was held for participants. The competition jury selected 35 winning projects, which received funding.

Urban Environment Quality Monitoring and Assessment

Severstal tracks the efficiency of its social investments and the quality of life in its operating cities on an annual basis. To this effect, the Company annually monitors social sentiment in its operating cities through population surveys and compares the dynamics of changes with the results of independent studies, such as the Urban Environment Quality Index of the Russian Ministry of Construction and the Quality of Life Index of Cities where Companies Operate by the National ESG Alliance.

In 2025, Severstal assessed social sentiment in the cities of Kostomuksha, Olenegorsk, Cherepovets, and the Yakovlevskiy district, measuring indicators across several areas:

- comfort of living in the city;
- impact of the Company’s social projects on the city’s appeal and their benefit to the city;
- assessment of the economic and political situation; and
- perception of Severstal as a socially responsible business and attractive employer.

Based on the results of social sentiment monitoring, positive dynamics were recorded in assessments of living comfort:

- in all cities (except for the Yakovlevskiy urban district), a large and growing proportion of the population (> 77%) considers their city beautiful and well-maintained; and
- over 70% of the population in all cities (except for the Yakovlevskiy urban district) agree that in recent years, urban improvements have been in place in their cities.

On top of that, through monitoring, the Company identifies problem areas: in 2025, the healthcare sector (in all four cities) and the perception of the environmental situation in Cherepovets continued to be major concerns.

In 2025, based on the analysis of internal and external studies, positive dynamics were noted in the following areas:

- implementation of integrated development programmes for operating cities significantly improved the cities’ ratings in various urban environment quality indices;
- according to independent studies, the Company’s operating cities are distinguished by high quality of life standards and resident demands, who compare them to capitals rather than nearby towns; and
- locals recognise and highly appreciate Severstal’s contribution to improving the comfort of living and the attractiveness of its operating cities.

Following the research results, the Company updates its list of social and charitable programmes, as well as the prioritisation of integrated urban development projects with account taken of the problem areas identified and the requests of local residents.

Assessment of the impact of the Sovetsky Avenue reconstruction on the comfort and tourist appeal of Cherepovets

In 2025, Severstal completed a study aimed at assessing the impact of the reconstruction of the Sovetsky Avenue, the main historical avenue of Cherepovets, on the quality of life and tourist appeal of the city. The avenue reconstruction implemented in 2023 by the Kindness of the North charitable foundation with the support of Severstal included a set of measures for landscaping, greening, restoration of architectural monuments, and infrastructure upgrade. Their goal is to improve the comfort of the pedestrian environment, strengthen the historical identity of the city centre, and boost the development of tourism and local business.

To assess the achievement of expected social effects of the reconstruction, the research was done from 2023 to 2025 across three areas.

Area of research

Outcome

Analysis of the opinions of city residents, business representatives, and city visitors regarding the reconstruction in terms of:

- ease of movement for pedestrians, cyclists, and motorists;
- aesthetics and beautification;
- impact on business and accessibility of shops/café’s; and
- overall impression and willingness to recommend the location, etc.

- **60-70%** – positive feedback: noting increased pedestrian comfort, emphasis on aesthetics and historical elements, landscaping
- **20-25%** – mixed feedback: acknowledging the advantages but pointing out transportation and logistical disadvantages
- **10-15%** – negative feedback: mainly from motorists and businesses dependent on truck access

An increase in pedestrian traffic and time spent on the avenue is noted

Analysis of the tourist flow dynamics in the city and attendance of museums located on the avenue

- **↑24%** – growth in the number of tourists and sightseers for 2023–2025 (from 540 thousand to 672 thousand people)
- **>60,000 people** – average annual increase in tourists and sightseers

The number of events on the Sovetsky Avenue has increased: new annual city festivals and local thematic excursion routes are being held

Analysis of the dynamics of economic indicators of catering establishments located on the avenue

- **↑37.4%** – average revenue growth in 2024–2025
- **↑ up to 11%** – average revenue growth in 2025 (the decrease is due to the general socio-economic landscape)
- **↑9.2%** – average growth in taxes and fees in 2023–2024: a moderate tax growth rate indicates stability of tax collections to local budgets

Most enterprises have increased investments in their properties on the avenue by completing external repairs and restoration of façades and annually decorating the spaces for holidays and new seasons

After the reconstruction, the Sovetsky Avenue is confidently moving towards the status of an exemplary urban space and is already demonstrating significant performance: the pedestrian environment has become noticeably more comfortable, the tourist appeal of the city has grown significantly, and business activity has particularly revived in 2023–2024. Following the study results, Severstal identified measures to eliminate the identified shortcomings in terms of optimising the transport scheme, establishing dialogue with businesses on logistics and accessibility of facilities, etc.

Charity and Sponsorship

Important pillars of Severstal’s social investments are charitable projects delivered by charitable foundations and sponsorship.

Support for Families

Severstal renders support to the most vulnerable categories, being families and children in challenging situations. With the support of Severstal, this work is done by the Way Home charitable foundation, whose programmes are designed to prevent social orphanhood, uphold families with children with disabilities, socialise adolescents with deviant behaviour, support and develop gifted and talented children.

2025 highlights of the Way Home charitable foundation

31 social projects in six regions of presence
> 27,000 people received assistance

Key activities under the Way Home programme in 2025

Focus area	Activities and outcomes
Comprehensive assistance to families with minor children in crisis situations	▪ 2,236 families in crisis situations received various services from the foundation (psychological, legal, social, targeted in-kind assistance) ▪ For 1,962 children from 1,064 families, favourable and safe conditions for life, health, and development were created
Support for families raising children with special needs	▪ 319 families raising 379 children received services from psychologists, speech therapists, special education teachers, and family club organisers ▪ 34 families raising 35 children with severe multiple developmental disabilities received the Respite service ▪ RUB 115,000 allocated for rehabilitation equipment for children with disabilities and accommodation services during the rehabilitation period
Prevention of delinquent behaviours in minors	▪ 427 adolescents received various services within this focus area ▪ 202 adolescents changed their behaviour to socially approved behaviour ▪ 91 adolescents gained work experience
Organisation of infrastructural development spaces for useful and educational leisure for children and adolescents	▪ Six youth development spaces operated in Cherepovets and the Cherepovets district ▪ 518 adolescents attended events at the youth spaces, with positive changes noted in 470 of them ▪ A methodological guide for specialists on creating youth development spaces was published
Parent education and training	▪ 5,157 parents took part in webinars ▪ 455 parents completed offline and online training courses ▪ 313 pregnant women received preparation for childbirth and motherhood ▪ The first Way Home parent forum was held in Cherepovets, dedicated to various aspects of parenthood and family relationships
Assistance to families of participants in the special military operation (SMO)	▪ 140 families (205 children) of SMO participants received psychological, legal, and humanitarian assistance ▪ 190 families of the fallen received psychological support

The foundation is boosting a volunteer movement to help families in need. In 2025, 434 volunteers took part in volunteer campaigns, including 148 Severstal employees. Volunteers rendered the necessary assistance to more than 700 children from 330 families.

For more details regarding Severstal’s corporate volunteering, see the [HR Management section](#).

Support for Education and Talented Youth

Severstal consistently enhances the educational environment and supports talented youth in its regions of operation by upgrading infrastructure, implementing joint projects with universities and colleges, and upholding students. At the same time, the Way Home charitable foundation supports gifted schoolchildren through the Way to Success programme. The programme’s core activities include a thorough study of subjects, preparation for the academic competitions, project and research activities based on Severstal’s case studies, trainings in soft skills, and advanced training for teachers.

Support for education in 2025

Project	Description	Outcome
Way to Success programme		
Way to Success project	▪ Creating conditions for motivated, gifted, and talented school students to obtain advanced knowledge	▪ > 1,000 schoolchildren are participants of advanced tracks, > 400 kids participated in preparing for academic competitions ▪ 173 teachers enhanced their expertise
XXI Century Engineer project and research programme	▪ Enabling schoolchildren to deliver applied research and projects aimed at accomplishing topical technological and production tasks	▪ 63 schoolchildren contributed to the development of 16 applied projects
Enhancement of soft skills	▪ Trainings and team games for the advancement of schoolchildren’s skills	▪ 228 schoolchildren took part in skills development trainings ▪ 119 kids participated in soft skills development trainings
Educational events for teachers	▪ Training and development of teachers through the involvement of regional and federal experts	▪ 173 teachers completed courses with invited instructors
Severstal for Schoolchildren academic competition	▪ Academic competitions in physics and mathematics are held among students in years 10–11. For the 2025–2026 academic year, the competition was included in the list of academic competitions of the Ministry of Education of Russia, which entitles winners and awardees to receive additional points upon admission to partner universities	▪ 636 schoolchildren – participants in the qualifying round ▪ 34 participants in the in-person round of the competition ▪ 12 winners and awardees
Other projects		
Experimental educational programme of the Advanced Engineering School in Cherepovets	▪ The programme is established at the Cherepovets State University and Peter the Great Saint Petersburg Polytechnic University and covers two levels of professional higher education	▪ The first intake of students for bachelor’s degree programmes was conducted: 192 students admitted ▪ RUB 70 million – programme funding
Engineering classes	▪ The programme is aimed at early career guidance for schoolchildren and the enhancement of engineering expertise and operates in Cherepovets, Kostomuksha, Olenegorsk, and Stroitel	▪ The second engineering class focused on mining was opened in Stroitel ▪ RUB 30 million allocated for renovations ▪ 393 schoolchildren study in 14 classes ▪ A motivation system for teachers implementing the Engineering Classes project in Cherepovets was developed and implemented: 38 teachers received payments

Project	Description	Outcome
Support for universities	▪ The Company supports universities in doing research, organising conferences, institutional development, and teacher training	▪ Support was received by the Cherepovets State University, the Graduate School of Management of St Petersburg State University, the European University in St Petersburg, etc.
Support for the All-Russian Public-State Movement of Children and Youth ‘Movement of the First’	▪ Severstal is a member of the Board of Trustees of the Movement of the First and an active participant in events: Company employees hold industrial tours and metallurgy lessons for children	▪ > 20 industrial tours and 50 metallurgy lessons held for > 2,500 children in Cherepovets, Kostomuksha, Olenegorsk, and Yakovlevo ▪ With the Company’s support, a Gathering of Young Naturalists was held in Murmansk with the participation of 250 schoolchildren and students from 25 regions of Russia

Support for the Healthcare Sector

In partnership with charitable foundations, Severstal renders support to healthcare institutions by financing the purchase of advanced equipment, and also collaborates with medical centres and charitable foundations to promote innovative approaches to the treatment of complex diseases and to raise public awareness about them.

Support for the healthcare sector in 2025

Project	Description	Outcome
Project for innovative treatment of malignant brain tumours	▪ Under the agreement with the EMC Blagodeyanie and Kindness of the North charitable foundations, the Company renders charitable support to a project for the application of an innovative approach to the treatment of glioblastoma in the regions of Severstal’s operations	▪ The cooperation agreement was entered into in 2025 ▪ Five patients had surgeries
Annual programme for supporting children’s healthcare	▪ In Cherepovets: annual financial support is rendered to Vologda Children’s Regional Hospital No. 2 for the purchase of equipment	▪ Funds were allocated for the purchase of equipment for newborn audiological screening and advanced surgical instruments
Purchase of equipment for healthcare institutions	▪ In Kostomuksha: purchase of high-tech equipment for Interdistrict Hospital No. 1 ▪ In Oryol: participation in a charitable project of the Chamber of Commerce and Industry of the Oryol Region for the purchase of medical equipment for the Kruglaya National Medical Research Centre	▪ High-tech equipment was purchased: a complex for radiological examinations, an anesthesia machine, a new dental unit, etc. for the hospital in Kostomuksha ▪ An ultrasound scanner was purchased for the ophthalmology department of the Kruglaya National Medical Research Centre
Project for the prevention of self-destructive behaviours in minors	▪ In Cherepovets, annual testing of students in years 8–10 is held to identify the risk of self-destructive behaviours. Afterwards, children identified as having a high risk receive psychological assistance	▪ Diagnostics were conducted on 6,454 minors ▪ Psychological assistance was received by 424 adolescents ▪ The risk was mitigated in 344 adolescents; the remainder remain under follow-up

Support for Sports and Healthy Lifestyle

Severstal upholds professional and amateur sports in the regions of presence and creates conditions for going in for sports and for maintaining a healthy lifestyle among local residents.

Support for sports in 2025

Focus area	Description	Outcome
Equipment for educational institutions and improvement of urban spaces	▪ In Cherepovets: development of sports infrastructure at the Station Square ▪ In Stroitel: opening of a multifunctional sports ground on the territory of the Yakovlevskiy Polytechnic School	▪ Pedestrian routes and a running track were created, three workout complexes and outdoor exercise equipment were installed ▪ RUB 1.5 million – funding for the development of the sports ground in Stroitel
Support for hockey	▪ In Cherepovets: Severstal is the general sponsor of Severstal’s hockey club and founder of the children’s hockey school	▪ RUB 1.4 billion – funding ▪ ~ 550 children attend the hockey school
Support for other winter sports	▪ In Kostomuksha: support for the finals of the biathlon Anna Bogaliy Cup ▪ In Olenegorsk: support for all-Russian and regional speed skating competitions	▪ 355 participants in biathlon competitions
Support for boxing and triathlon	▪ In Cherepovets: support of the boxing tournament in memory of Ivan Bardin (member of the USSR Academy of Sciences) and the Energy of the Russian North triathlon festival	▪ 116 athletes from 30 Russian regions participated in the boxing tournament in Cherepovets ▪ > 1,300 athletes from 38 Russian regions attended the Energy of the Russian North festival
Support for board games	▪ In Olenegorsk: support for competitions in board games for disabled people	▪ > 75 participants at the competitions in Olenegorsk

Support for Culture and Arts

Severstal provides regular financing for programmes to assist museums and theatres, acts as a sponsor of festivals, and supports creative associations. With the support from Severstal, such activities are carried out by the Kindness of the North charitable foundation, tasked with enhancing the human potential and territories by shaping and catering to the needs for the best social, cultural, and educational practices. In the context of cooperation with the said foundation, Severstal contributes to the implementation of the Museums of the Russian North programme, which covers the advancement of the sustainability agenda of the northern regions of the country through support of cultural initiatives and improvement of the professional excellence of museum specialists.

Support for culture and arts in 2025

Project	Description	Outcome
Projects of the Kindness of the North foundation		
In Glory of the Feat: Art at War	▪ An exhibition of graphic works by frontline artists from the Great Patriotic War, a film programme featuring films by frontline directors, theatrical readings of frontline letters, and performances of wartime songs	▪ Implemented in Kostomuksha and Olenegorsk
Exhibitions of the Andriyaka Sisters. Continuity of Generations project	▪ Opening of the Andriyaka Sisters. Continuity of Generations art exhibition	▪ The exhibition opened for the first time in Oryol
Other		
Support for film, music and theatre festivals and competitions	In Olenegorsk: ▪ Morozko New Year’s fairy tale annual festival ▪ Annual festival ‘I meet with my friends from the war, so that the thread of memory will not be interrupted...’ In Kostomuksha: ▪ International arts festival in Kostomuksha In Cherepovets: ▪ Northern Rhapsody international competition of wind and percussion performers ▪ Native Vologda Region city folklore festival ▪ Time of Bells rock festival	▪ Cultural education opportunities for local residents ▪ 2,000 musicians from five countries – participants in the Northern Rhapsody competition
Support for museum exhibitions	▪ Support for organising exhibitions at the Russian Museum, the Tretyakov Gallery, the Pushkin Museum of Fine Arts, etc.	▪ Rendering regular support at the level of federal projects and regionally
Northern Theatre Seasons	▪ Performances by the leading national theatres and training for students of creative majors	▪ > 4,500 spectators from four cities ▪ 120 students received training
Style of Steel competition of creative projects	▪ The competition participants – schoolchildren and students – created their works inspired by the Beauty of Hot Metal exhibition and the exhibition of Vasily Vereshchagin’s paintings	▪ > 50 participants ▪ The winners were awarded certificates for travel in Russia
Supporting cultural institutions	▪ Renovations in three cultural institutions in Cherepovets ▪ Reconstruction of premises, renovation and re-equipment of classrooms in children’s art schools in Cherepovets	▪ RUB 2 million – annual funding in Cherepovets

Support for Residents of Border Areas

In 2025, Severstal provided support to employees and their families in the Belgorod region by allocating funds to charitable foundations for a number of activities:

- launch of weekend trips for employees and their family members: 780 people went on trips along the key tourist routes of the Central Federal District;
- operation of a club for childcare during parents' working hours at the plant: ~ 33 attending children;
- training for employee kids at an online school: 1,297 certificates were received by employees;
- relocation from shelled areas of the district: 134 families benefited from rental compensation; and
- one-time payments to employees in the amount of one month's salary.

Support for Retirees

Severstal facilitates support for retirees through cooperation with charitable foundations and veteran organisations, as well as through the implementation of related activities. Thus, the Company renders financial support for the Blago charitable foundation, which helps low-income groups, organises events for the social adaptation of pensioners, and implements targeted social projects.

In turn, the Company's enterprises carried out a number of activities for veterans and retirees. In 2025, Karelsky Okatysh congratulated veterans of the Great Patriotic War and equivalent persons on the Victory Day. Volunteers from Severstal's Kolpino production site took part in the Clean Windows campaign, washing the windows of 18 elderly people.

In this regard, the Company rendered support for charitable and other projects worth RUB 242 million in 2025.

Contribution to the Social Development of the Regions of Presence

GRI 3-3 GRI 201-1

Being one of Russia's largest metals companies, Severstal produces a direct and indirect impact on the economies of the regions where it operates. Such impact takes the forms of replenishing the budget through tax and other statutory payments to the state and of making investments in boosting certain practice areas.

Direct economic value generated and distributed, RUB million

	2024	2025
Direct economic value generated		
revenue	869,337	732,968
Economic value distributed		
Total:	1,043,674	644,623
operating costs	619,203	461,638
salaries and social contributions	118,852	137,280
payments to capital providers	267,835	29,307
payments to the state	30,261	9,085
investments in social and charity projects	7,523	7,313
Economic value retained	-174,337	88,345

Tax Payments

GRI 203-2 GRI 207-1 GRI 207-2 GRI 207-3

Severstal abides by tax laws in full by discharging its tax obligations and benefiting from applicable federal and regional tax incentives.

The Company's approach to its tax policy is laid down by the internal document titled 'Information on the Organisation of the Internal Control System' that provides for the transparency of Severstal's operations for stakeholders, correct accounting of tax payments, and statutory compliance.

Responsibility for compliance with the tax policy is distributed among several functional units and covers both the operational discharge of tax obligations and elements of strategic tax risk management. As part of the internal control system, the Company regularly monitors tax risk factors and takes measures to mitigate them.

Organisational tax management structure

Business unit	Functions
Tax Department	▪ Elaboration and implementation of the Company's tax policy ▪ Ensuring compliance with tax laws
Shared Service Centre	▪ Maintenance of accounting and tax records ▪ Preparation of tax reports ▪ Meeting deadlines and strict compliance with requirements when submitting tax documentation ▪ Tax monitoring and support for tax audits ▪ Control over the correctness of tax calculations and timely remittance of taxes
Internal Audit Service	▪ Regular verifications of compliance with the tax policy and internal control procedures in the area of taxation ▪ Identification of tax risks and advice on their mitigation
Legal Department	▪ Legal review of tax consequences of transactions ▪ Contribution to resolving tax disputes and liaison with tax authorities (as and where necessary) ▪ Rendering support in the event of changes to the regulatory framework

The Company liaises with tax control and supervisory authorities to monitor compliance with tax laws. Severstal employees are members of the RSPP tax working group and chair the Finance and Economics Commission of the Russian Steel Association, where they share their expertise in taxation as part of lawmaking. In 2025, they participated in discussions on issues on the organisations' working agenda.

In 2025, the total amount of remittances from Severstal's enterprises to the budgets of key regions of operation decreased by 59%, amounting to over RUB 14.5 billion.

Tax and non-tax payments by the key regions of Russia, RUB million^{1,2}

2021	2022	2023	2024	2025
60,179	23,867	52,140	35,678	18,726

Promotion of Entrepreneurship and Territorial Potential

Support for SMEs in the regions of operation is an important pillar of the Company's territorial development efforts. A key participant in such Severstal's efforts is Autonomous Non-Profit Organisation Urban Development Agency (UDA) in Cherepovets, of which Severstal is the founder. In the reporting year, the UDA continued to implement projects aimed at attaining sustainable economic development of territories in the Vologda region and the Republic of Karelia

>400 events

were carried out across the key areas: training for entrepreneurs, enhancement of cooperation and business partnerships, promotion of interaction between businesses and the government, improvement of tourist appeal, and information support.

¹ The volatility of tax and non-tax payments is driven by the volatility of the Company's income and expenses and changes in law in the form of an increased tax burden.
¹ The values by region of presence are to be found in Appendix 5.

Key activities of the Urban Development Agency in 2025

Focus area	Measures	Outcome
Training events	- Fundamentals of Entrepreneurship course for first-time entrepreneurs - UDA Classes educational project for students in year 10	22 course participants, including 17 people who registered a business after the course completion 32 schoolchildren developed business plans
One-stop-shop investor support	A programme to attract private investors for the implementation of projects aimed at diversifying the economy and improving the urban environment comfort. An end-to-end project support is provided – from idea to commissioning	> RUB 1.5 billion – investments raised to the economies of the regions of operation
Business events	Economics of Cooperation: Opportunities and Prospects partner forum intended to strengthen cooperation among small, medium, and large businesses and to seek opportunities for automation and AI application	> 200 forum participants
Industrial tourism	- Launch of the Proftours project, which is a series of career guidance excursions to the city’s industrial enterprises for students in years 8–10 - Launch of the Industrial Tourism Center, being a hub for tourists, youth, and active city residents. - The centre is tasked with booking excursions to leading production facilities in the city of Cherepovets and the Vologda region	- Ten tours were held for 20 people - Ten industrial routes were developed in Cherepovets

Contributing to Minorities and Indigenous Peoples

GRI 411-1 GRI 14.11.1 GRI 14.11.2 GRI 14.12.1 GRI 14.12.2 GRI 14.12.3

In its operations, Severstal annually monitors the degree of its impact on minorities and indigenous peoples in the regions of presence. In the reporting year, there were no cases of their forced resettlement, of abusing their rights, including the rights to land and resources, or other similar conflicts.

For more details regarding the observance of human rights, see the Human Rights section.

Minorities and indigenous peoples live in two regions of the Company’s presence. The Republic of Karelia is home to Veps, Karelians, and local ethnic groups of indigenous Russians – Zaonezhans, Pudozhans, and Pomors. In the Murmansk region, the only officially recognised indigenous minority are the Sami.

Support for minorities and indigenous peoples in 2025

Activity	Outcome
Karelians	
Unique interactive game about Karelia	With the support of Severstal, the Sreda cultural development centre invented a second-to-none interactive game about Karelia titled ‘Tolkku-Polku’ that is translated from the Karelian language as a ‘smart path’ (the game board is located underfoot; it is not a board game). In spring 2025, the game was presented to local residents, and it was also included in the festive programme for the Children’s Day and the 405th anniversary of the village of Voknavolok



Activity	Outcome
Sami	
Festival of Sami music and culture	Assistance to the Kola Sami Association in holding a traditional festival of Sami music and culture in Olenegorsk
Publication of a collection of works by the Sami dedicated to the victory in the Great Patriotic War and the heroism of the Russian army and people in the SMO	Funding for the publication of a collection of works about the Great Patriotic War and the heroism of the Russian army and people in the Sami language. The collection presentation is scheduled for 2026

Plans for 2026 and Mid-Term

Vologda region:

- continued implementation of the integrated development project for Cherepovets: reconstruction of the Gritinskaya Gorka skiing complex and creation of a hub for creative city residents – the Vereshchagin Hub art estate;
- continued funding of the Way Home charitable foundation, delivery of programmes aimed at supporting families and children in challenging situations, preventing social orphanhood and juvenile delinquency, and developing gifted children in the Company’s regions of operation;
- support for federal sports events – funding for the Severstal hockey team and a professional children’s hockey school in Cherepovets, the national boxing tournament in memory of Ivan Bardin (member of the USSR Academy of Sciences), and triathlon competitions;
- support for educational institutions (including as part of the Professionalitet (Professional Training) and Advanced Engineering School federal projects, engineering class enhancement) and cultural institutions; and
- support for initiatives of local residents and public organisations through a grant competition..

Republic of Karelia:

- support for the implementation of the integrated development programme for Kostomuksha: creation of the Urban Development Agency in Kostomuksha, co-financing of the skating rink construction, improvement of the Lenin Square, holding cultural festivals, support for sports events, and creation of a sports and play ground as part of the Sportive Childhood project;
- support for the Professional Training federal project; and
- creation of an engineering class at the Kostomuksha gymnasium..

Murmansk region:

- continued implementation of projects under the agreement with the government of the Murmansk region;
- support for territorial improvement, culture, sports, education, public organizations;
- enhancing engineering classes; and
- support for the Teriberka natural park, promotion of environmental volunteering.

Belgorod region:

- support for the improvement of the territory adjacent to the building of the School of Creative Industries;
- implementation of one of the stages of the seamless employment track program at Yakovlevskiy Mine: mentoring of a kindergarten and renovation of one of its premises, enhancement of engineering classes;
- support for the renovation of a city basketball court in Stroitel;
- support for the landscaping project of the Sretensky park;
- increasing mid-term support for seamless track institutions; and
- opening of new sports facilities in the medium term.

Saint Petersburg:

- support for the improvement of the Kolpino district territory; and
- support for volunteer and environmental initiatives aimed at infrastructure improvement.



Occupational Health and Safety

2025 Highlights

100%

enterprises certified under ISO 45001 (at the level of 2024)

0.64

LTIFR among Company employees (↑ 33%¹)

RUB 6.3 billion

expenses of OHS activities (↓ 11%)

UN Global Compact Principles

Principle 3. Businesses should make sure that they are not complicit in human rights abuses

Material Topic

- Occupational health and industrial safety

UN Sustainable Development Goals

3

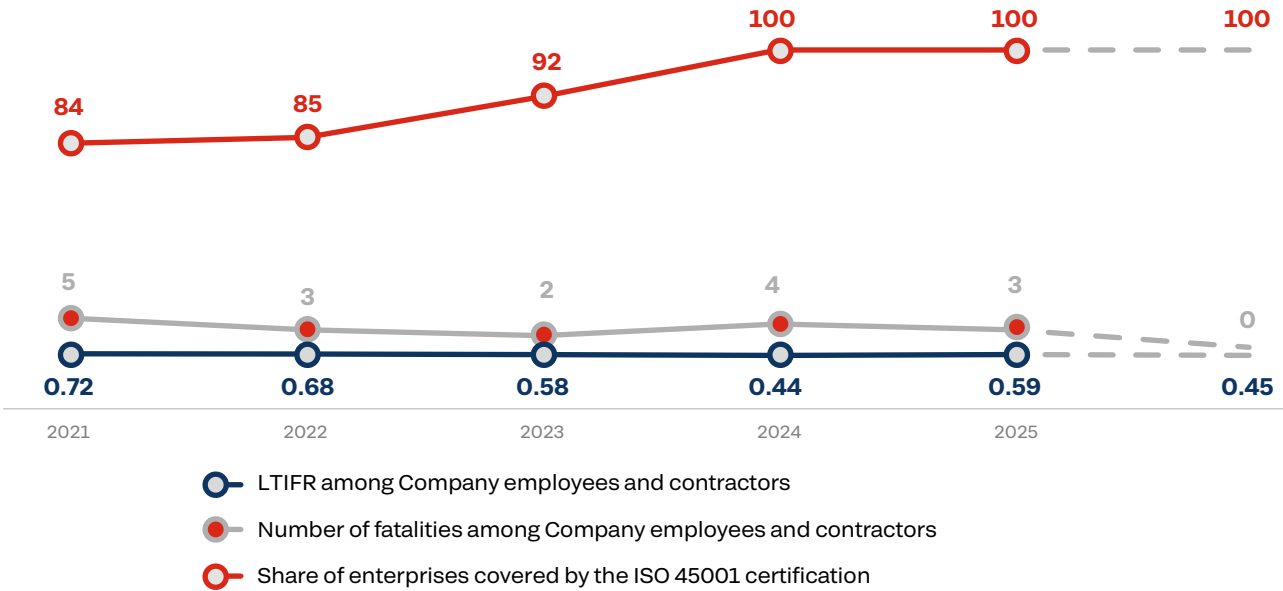
GOOD HEALTH AND WELL-BEING

8

DECENT WORK AND ECONOMIC GROWTH

Approach to Occupational Health Management

Progress in attaining the goals of Severstal's Sustainability Strategy 2028¹



Strategy 2028 goal	Progress in 2025	Achievement status
0.45 Work-related injuries (LTIFR) among Company employees and contractors	0.59 LTIFR among Company employees and contractors (↑ 34% against 2024)	▶▶
0 Fatalities among Company employees and contractors	3 Fatalities (↓1 case against 2024)	▶▶
100% Enterprises certified under ISO 45001	100% Enterprises certified as at the end of 2025 (flat YoY)	☒

☒ - goal achieved ☐ - goal not achieved ▶▶ - in progress

¹ Hereinafter, against 2024.

¹ A share of certified enterprises for each year is calculated net of assets acquired in the reporting year.

Severstal strives to be an international leader in safety among mining and metals companies and to maintain a consistently low level of injuries. To achieve this goal, the Company regularly analyses occupational accident statistics, trains employees based on the data obtained, develops the key employee skills necessary to ensure safe working conditions, and adheres to the Safety Above All principle.

Severstal has established and is constantly improving a vertically integrated occupational health and safety management system (OHSMS). OHSMS performance is ensured through the involvement of top management and all employees in the system’s processes.

The Safety and Sustainability Committee under the Company’s Board of Directors reviews the key occupational health and industrial safety (OHS) indicators, goal achievement progress, principal workplace safety issues, and measures to address them.

Separate production safety committees operate at the levels of the Company, segment, facility, and shop to perform day-to-day OHS management locally. Each business unit determines the frequency of its meetings on its own.

Levels of production safety committees

Company	Frequency: quarterly Members: facility directors, OHS director, and functional directors of the Company Business transacted: resolution of strategic OHS issues, identification of areas requiring change, budget approval
Segment	Frequency: quarterly Members: production directors, head of OHS service at the facility, heads of functional areas, trade union representatives Business transacted: resolution of operational OHS issues at the segment level, adjustment of targets
Facility	Frequency: monthly Members: shop managers, heads of OHS services at the facilities, heads of functional areas, trade union representatives Business transacted: resolution of operational OHS issues at the facility level, integration of shop issue registers, and cascading to higher levels (as and where necessary)
Shop	Frequency: fortnightly Members: foremen, production risk management managers, trade union representatives Business transacted: resolution of current production safety issues, with the compilation of issue registers and cascading to higher committee levels

The Occupational Health, Safety and Environment Directorate coordinates the Company’s OHS efforts and renders methodological assistance to managers at all levels.

Enhancement of new assets

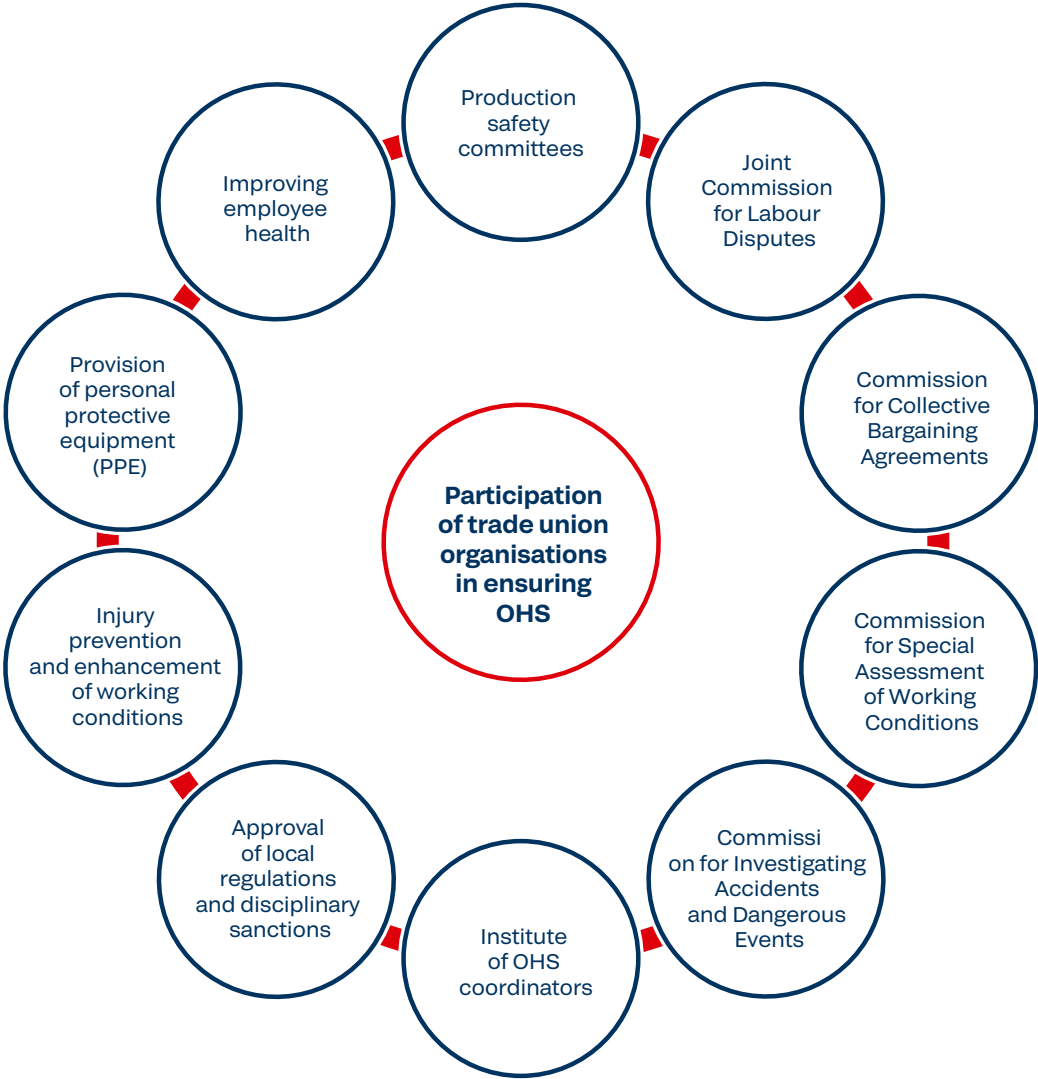
During the reporting period, Severstal worked on integrating new assets – A GROUP, Ventall Steel Solutions, Severstal Steel Towers, Severstal Steel Structures – into the common OHSMS. As part of these activities, the Company, among others, organised regular collection of information from employees through roundtables and ensured transparency in incident recording and documentation of identified deviations with the development of corrective actions.

Process of integrating new assets into Severstal’s OHSMS

Completed - Local regulations setting forth the requirements and functions of managers and employees in the key OHS areas - Procedure for holding audits and inspections by OHS function employees and local managers - Safety management committees and roundtables - Occupational Health and Safety Control software system (OHS Control SW system) - Incident recording and investigation system	On track Risk assessment procedure regarding routine work risks and assessment of critical safety barriers (CSB)	Scheduled for 2026 - Leadership rounds - SOVA
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In terms of OHS, employees are represented by trade union organisations (trade unions).

Participation of trade union organisations in ensuring OHS



The trade union enhances a public movement of OHS coordinators among employees in blue-collar professions. They cooperate with production risk managers and heads of shops, take special training, conduct preventive work among personnel, and make use of corporate tools in their activities. One of such tools is the OHS Control SW system¹, where safety observations, inspection results are recorded, and the implementation of corrective actions is monitored.

In 2025, as part of the OHS Control SW system harmonisation, Severstal conducted pilot operation of additional modules: designer of operational documentation, designer of occupational safety instructions, work permits, and accounting of accidents, incidents at technical devices, in buildings and structures.

Occupational Health and Safety Management System (OHSMS)

GRI 3-3 GRI 403-1 GRI 403-4 GRI 403-8 GRI 14.16.2 GRI 14.16.5 GRI 14.16.9

Built in reliance upon the provisions of the ISO 45001 international standard and the legislation of the Russian Federation, the OHSMS spans all employees and contractors of the Company. The system’s core document – [Occupational Health and Safety Policy](#) – outlines the Company’s commitments and employee responsibilities in this domain. Such responsibilities include identifying hazardous factors, notifying management of risks and workplace incidents, and discontinuing operations whose performance threatens the life and health of employees and contractors.

Key internal OHS regulations
- Occupational Health and Safety Policy - Corporate Occupational Health and Safety Strategy - Corporate Safety Leadership and Commitment Standard - Corporate Contractor Safety Management Standard - Corporate Professional Risk Management Standard, including the Basic Life Saving Rules (updated in 2025) - Corporate Operational Notification and Internal Investigation of HSE Incidents Standard

Severstal annually approves production safety targets for individual facilities and the Company as a whole, as well as individual production safety goals for managers at various levels of responsibility. The targets of facilities and the Company include, among others, reducing and achieving the established LTIFR level and decreasing the number of potential fatalities. For top management, the Company makes use of LTIFR as an indicator for achieving individual goals and takes account of the absence of fatalities, and for managers at the head of shop / foreman level – a safety rating.

¹ Occupational Health and Safety Control software system, which brings together all Company employees and contractors into a single information field.

The Company intends to continue investing in the promotion and improvement of OHS Control SW system modules to enhance their quality and ease of use.

In order to advance personnel expertise, Severstal holds training for members of groups involved in pilot operation, as well as mass user training during the transition to trial operation. In addition, in the event of module modifications, the Company arranges focused training with an emphasis on the changes made. For example, in 2025, members of the pilot group took training on the accounting of accidents, incidents at technical devices, in buildings and structures module. In total, as at the year-end, the number of OHS Control SW system users exceeded 33,000 employees from 28 Company facilities and 6,500 from 867 contractor entities.

Continuous Improvement project

In 2025, as part of the OHSMS transformation, the Company set about implementing a pilot project 'Continuous Improvement' in three production shops of Severstal's main production facility.

The project is focused on refining changes to key OHS tools: internal incident investigation, management committees, conducting audits and inspections, working with the Idea Factory, passing pre-shift testing, frequency of repeat briefings, monitoring critical safety barriers, etc.

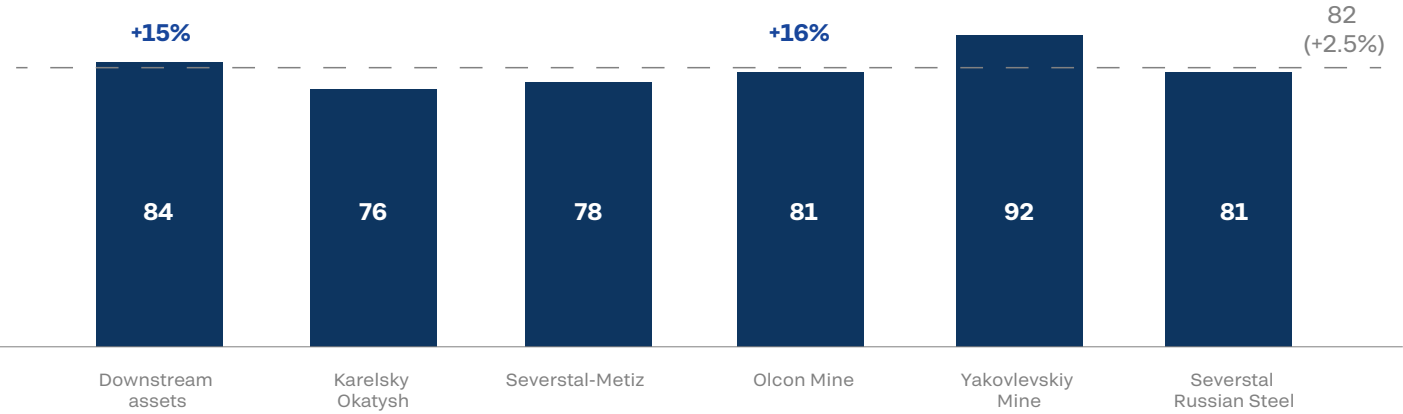
Following the pilot results, Severstal drafted proposals for amending the internal documents of its facilities and the Company in general.

The Company’s OHSMS is certified for compliance with the ISO 45001¹ international standard. In 2025, Severstal Steel Solutions and Severstal Steel Towers were recertified.

For internal assessment and confirmation of the efficiency of the OHSMS, Severstal is guided by the Corporate Occupational Safety Monitoring Standard. With the frequency laid down by the standard, accountable persons perform monitoring through personal presence at industrial sites and by analysing the video surveillance system.

In 2025, the Company updated the assessment module for internal audit of the OHSMS development level for shops and sections². The module evaluates performance of both standard (badge and work permit systems, risks, etc.) and new (CSB control, leadership round, incident investigation, etc.) occupational safety tools directly at workplaces. Depending on the scale of facilities, such audits are conducted either by specially designated internal OHSMS auditors or by OHS function specialists. For shops and sections that, based on the audit results, fall into the red zone, repeat audits are scheduled after corrective actions have been implemented.

Average OHSMS performance score for the key facilities and Company as a whole in 2025, points



For 2025, the level of OHSMS development increased by 2.5% (82 points) against 2024 (78.4 points). This is due to an increased number of audits held and an expansion of the sample, which ensured a more uniform and representative distribution of assessments and increased the objectivity of final assessment of the safety system status.

The following tasks were noted as requiring completion:

- harmonise the approach to assessing the audits in order to improve the comparability of results, transparency of conclusions, and manageability of corrective actions;
- ensure uniform assessment criteria and a unified approach to interpreting points and the causes of deviations; and
- perform regular analysis of results over time by business unit, audit type, and key safety areas.

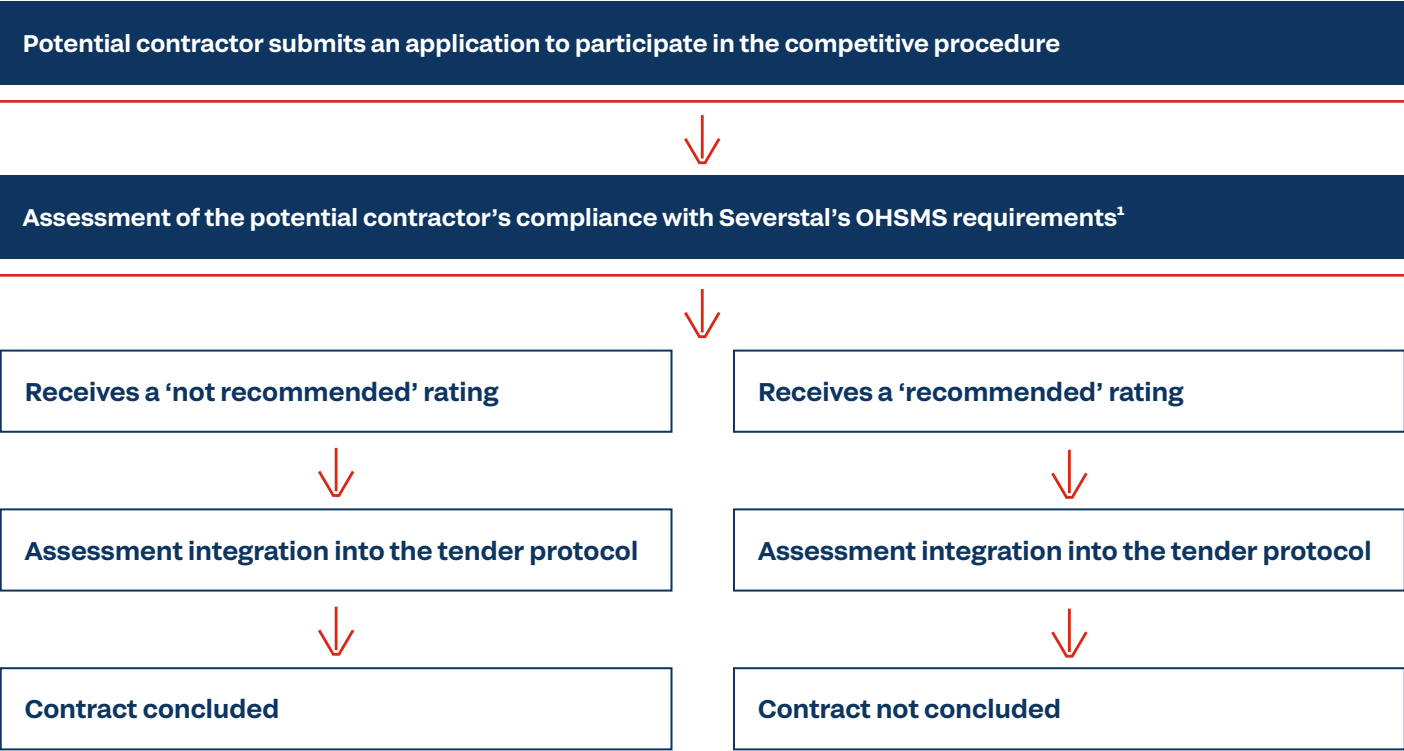
¹ Net of assets acquired in the reporting year.
² The assessment module for contractor entities remained intact.

Safety Management of Contractor Entities and Third Parties

GRI 3-3 GRI 403-1 GRI 403-4 GRI 403-5 GRI 403-7 GRI 14.16.1 GRI 14.16.2 GRI 14.16.5 GRI 14.16.6 GRI 14.16.8

Alongside the safety of its own employees, the safety of contractors working on behalf of the Company is crucial for Severstal. The Company imposes high safety requirements when sourcing contractors and in the course of working with them, performs onboarding of new contractor entities, identifies areas for OHSMS enhancement for the existing contractors, and encourages such enhancement.

Procedure for assessing potential contractors



Severstal sends monthly information to contractors on safety risks identified during OHSMS audits and exercises control over their elimination or mitigation.

In the reporting year, the Company introduced automatic imposition of fines for violations of OHS requirements: violations committed by employees of contractor entities recorded by Severstal’s internal auditors in the OHS Control SW system are transferred to SAP on a monthly basis. Complaints against contractors are drawn up by the Shared Service Centre.

Since 2024, Severstal has had a procedure for supervising contractors at large investment facilities by efforts of Company employees. For example, the overhaul of blast furnace No. 4 was completed without occupational injuries, and construction of a pellet production unit is currently proceeding successfully.

Contractors can also use the Personal Profile in the OHS Control SW system. As at the end of 2025, 100% of contractor entities performing long-term/recurring work on the Company’s premises were connected to the system.

Severstal holds quarterly in-person meetings with contractors at the level of the OHS director and the director of contractor development. In individual structural units, management committees operate at the production director level with the participation of heads of contractor entities. During such meetings and sessions, the Company, jointly with contractors, discusses injury and accident statistics, identified violations of safety requirements, results of joint leadership rounds, changes to local OHS regulations, and implemented safety projects. All these indicators affect the rating of contractor entities.

The Company has a unified methodology for conducting behavioural safety audits when taking dangerous actions applicable both to contractors and to its own employees. All materials are entered into the OHS Control SW system.

¹ The process of recording OHS assessment results of the competitive selection was automated in 2025.

In order to enhance contractor entities, Severstal holds their training under two programmes (Corporate Production Safety Requirements and Occupational Health and Safety Requirements for Workers Performing High Hazard Works), as well as assessment of practical skills in working at height at Severstal’s training sites. In addition, in 2025, the Company introduced testing of newly appointed work supervisors on their knowledge of basic requirements when organising work. Special emphasis was placed on the organisation of earthworks.

53 (86%) new contractor entities completed the onboarding procedure. No cases of injuries occurred.

177 (58%) problem contractor entities were covered by development activities. One recordable injury was sustained by an employee of the contractor entity that was in the process of development.

0 recordable injuries occurred during the implementation of large investment projects covered by supervisor oversight.

100% of contractor entities across all business units are automatically subject to fines for violating production safety requirements.

2,526 managers involved in production control completed corporate training: 2,358 of them passed a verbal knowledge check on the first attempt.

5,826 contractors underwent readiness assessment for working at height at Severstal’s training sites.

1,849 contractors underwent testing of newly appointed work supervisors on their knowledge of basic requirements when organising work.

GRI 403-7 GRI 14.16.8

In 2025, Severstal included in the contract template with third parties (lessees) requirements for mandatory compliance with the Corporate Production Safety Requirements for Contractor Entities and Organisations Providing Services.

GRI 413-2 GRI 14.10.3

According to an independent risk assessment, accidents that pose a threat outside the organisation are possible at PAO Severstal. Destruction of a hydrogen receiver, air separation unit, oxygen pipeline in the oxygen shop, and hydrogen pipeline at TPP-SBS¹ of energy production followed by an explosion in all cases may lead to destruction of facilities outside the production site. The blast zone from explosions in the oxygen shop covers the facilities of an industrial gas manufacturer located on Severstal’s premises, the Museum of Metallurgical Industry, tram lines, and a public road. In the event of a hydrogen explosion at TPP-SBS, the facilities of AO Severstal-Metiz fall into the blast zone. The number of injured among the population is assessed as unlikely, and no fatalities are projected.

In the event of accidents related to the destruction of dams or slurry pipelines of ash and sludge storage facilities No. 1 and No. 2 of PAO Severstal, flooding of the adjacent area and negative impacts on water quality in nearby water bodies are possible.

As a result of a potential dam breach of the tailings storage facility of AO Karelsky Okatysh, flooding of adjacent areas is possible.

In the event of an accident at the tailings storage facility of AO Olcon, flooding of a 154-metre section of the St Petersburg–Murmansk highway and negative impacts on water quality in the nearby Staroye Lake are possible.

¹ Thermal Power Plant – Steam Blower Station.

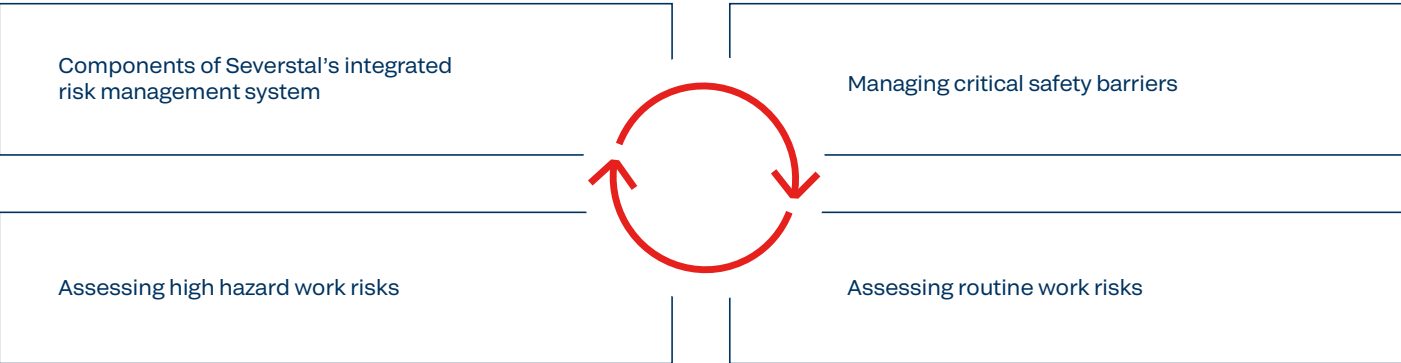
Occupational Health and Safety Risk Management

GRI 403-2 GRI 403-9 GRI 14.16.3 GRI 14.16.10

Severstal implements an integrated approach to OHS risk management. In the reporting period, as part of acting on lessons learnt related to the occurrence of risk when working with oxygen, the Company revised the Corporate Occupational Risk Management Standard, specifically:

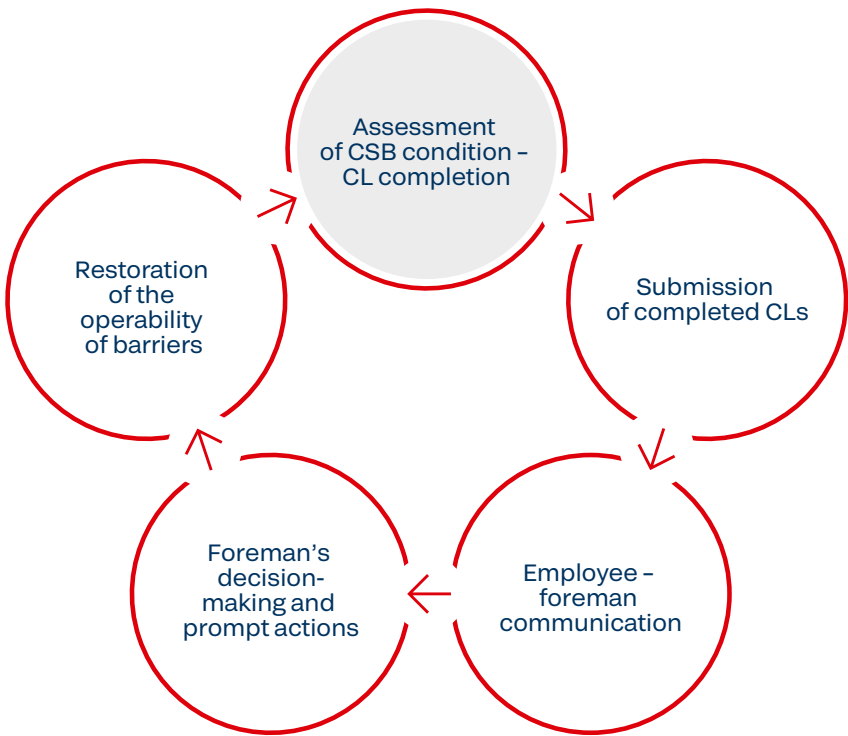
- took account of aspects related to the introduction in 2024 of a new basic life saving rule, as well as the implementation of CSB control procedures when performing work on a shift-by-shift basis and when organising high-risk work on oxygen equipment; and
- adjusted the risk assessment form based on feedback from departments and contractor entities (adding to the hazard of working with oxygen, adjusting the hazards of electric current, moving or rotating machinery, suffocating or poisonous gases, moving transport).

Components of Severstal’s integrated risk management system



In terms of risk management, Severstal places its primary emphasis upon the top 10 fatal risks and applies CSBs to mitigate them. Enterprise employees carry out shift-by-shift control of CSBs, and the OHS Control SW system provides centralised management of information about all applied barriers and its storage.

Diagram of critical safety barrier control at the Company’s facilities



Since 2024, Severstal has been applying a new procedure for risk assessment of routine works. In 2025, the Company performed such an assessment for over 45,000 types of works, identifying works with low, medium, and high levels of risk. At the same time, Severstal elaborated organisational and technical measures for hazards with a high level of risk. The result was a reduction in the number of high-risk work types by 2,500.

To assess the risks of high-hazard work, the Company makes use of two formats of risk assessment forms: electronic and paper. The format of the form used in each business unit is impacted by the availability and quality of the Internet connection – with a stable connection, the electronic format is preferred.

Severstal’s top 5 OHS risks and measures to manage them In 2025

Cargo handling

- Equipping crane cabins with video recorders to monitor operator actions (ongoing into 2026)
53 crane cabins equipped with video recorders in Severstal Russian Steel in 2025
- Implementation of a pilot project to assess the qualifications of crane operators with little work experience (scheduled for 2026)
- Extra training for persons responsible for the safe execution of work using lifting equipment (ongoing into 2026)
- Improving the ergonomics of crane operators’ workplaces by replacing the seats
Seats replaced at 32 crane operators’ workplaces at Severstal Russian Steel in 2025
- Equipping magnet cranes with uninterrupted power supplies to hold cargo on the magnet in the event of a sudden power failure of the crane (ongoing from 2025)
- Installing second limit switches on crane hoisting mechanisms to duplicate the function of hoisting mechanism disconnection when the suspension reaches the topmost position (ongoing from 2025)
- Implementing the scheme of picking up cargo by an electric motor on cranes with a frequency drive to avoid cargo lowering in case of brake failures (ongoing from 2025)

Moving transport

- Equipping newly commissioned dump trucks with a body lift system that limits speed until the cargo platform is fully lowered
- Equipping vehicles with video recorders with an analytical subsystem and cameras facing forward and towards the driver
39 recorders with an analytical subsystem were installed on vehicles of the transport management department of PAO Severstal in 2025
- Development of an application for compiling electronic waybills
- Implementation of video monitoring of driver performance
- Equipping dump trucks with a driver fatigue control system
50 dump trucks equipped with a driver fatigue control system at Olcon in 2025
- Installation of the ATLAS Life Line visual indication system for potentially dangerous zones of mining transport equipment operation



Electric current

- Creation of a practical training and professional development centre for electrical personnel (scheduled for 2026)
- Implementation of digital tools for electronic documentation processing, as well as for processing results of accident investigations in electrical installations within the OHS Control SW system for systematic analysis of their causes and monitoring of action implementation (ongoing from 2025)
- Pilot project to provide electrical personnel with portable video recorders (ongoing from 2025)
200 portable video recorders purchased for PAO Severstal in 2025
- Replacement of cable lines routed underground and through underground structures with cable galleries and trestles to improve power supply reliability, eliminate risks of damage during earthworks, and enhance accessibility for inspections, maintenance, and repair
- Implementation of measures to replace 10 kV high-voltage cells with cells having isolated compartments to rule out risks of fire hazards
- Visualising and signalling of vehicles approaching active power transmission lines

Material collapse

- Continuous scanning of hazardous areas of quarry walls with a ground-penetrating radar
- Preventing personnel access to hazardous areas by blocking roads
- Planning of extraction operations in hazardous areas
- Purchase of a modular radar to record rock movement in the real time mode and providing timely warning notifications of any impending collapse
- Installation of wireless control on tunnelling machines
5 tunnelling machines switched to wireless control at Yakovlevskiy Mine in 2025
- Supplementing the mandatory training programme with video materials on scaling¹, holding practical classes for the underground group during the induction briefing

Rail transport

- Overhaul of railway tracks and switches with an increased share of reinforced concrete grid laying, including on mixer carrier routes
18 km of railway tracks and 70 switches underwent overhaul at PAO Severstal in 2025
- Implementation of a safety chat², which records identified violations directly on and near railway tracks with monitoring of the implementation of each deviation
- Implementation of regulations on monthly commission inspections of railway stations, recording identified deficiencies in a mobile app to strengthen control over current maintenance work on railway tracks. Geodetic surveying of railway tracks to update geodetic documentation and monitor track condition, identifying deformations and deviations
- Implementation of VR training and special programmes for simulating work situations and practical sessions to improve employee qualifications

¹ The process of removing insecurely fastened rock pieces (loose rocks) from the roof and sides of mine workings using a special tool to prevent their collapse.

² Movement Safety Chat of the Rolling Stock Shop and Rail Transport Operations Shop. Transferred to the Synapse corporate messenger since 2026.

Completed risk management activities in 2025

Facility	Project
Severstal Russian Steel	▪ Fire alarm, notification, and automatic fire extinguishing data were added to the engineering status assessment module Result: processes of planning, work preparation, review of results, and elimination of deficiencies based on the assessment of fire safety systems were automated ▪ As part of enhancing unmanned technologies, projects were completed to convert crane No. 1 in sinter plant No. 3 to radio control, crane beam No. 71 in the coke chemical equipment repair shop, as well as the introduction of a dismantling robot for cleaning the under-arch zones of metallurgical units in the steelmaking equipment repair shop
Severstal-Metiz	▪ The process of issuing keys for equipment was automated Result: electronic systems simplified the work of foremen and accelerated the obtaining of operating rights for various devices by several times. At the same time, reliability of equipment operation control increased: the possibility of equipment use by an employee who does not have access to operation was ruled out. ▪ Speed control systems for vehicles were implemented in wire rod shop No. 1, which minimise speed limit violations and injuries.
Olcon	▪ Work started on implementing a driver monitoring system: equipment was installed on 50 dump trucks. The system began identifying deviations in test mode, with a primary focus on violations of basic life saving rules and the fatigue, distraction, phone call protocols, as they directly affect the safety of both the employee and their colleagues
Karelsky Okatysh	▪ 25 lighting masts with mobile transformer substations were installed Result: all active development zones are now fully illuminated (previously only shift change areas, transfer points, and partially the upper horizons were illuminated) ▪ Configuration of automated control of slewing platforms for remote adjustment of illumination at any point is planned

Digital consultant

To mitigate production risks and ensure personnel safety, Severstal develops and extensively applies digital tools. In 2025, the Company implemented an AI-powered digital consultant tasked with harmonising the approach to classifying OHS violations.

The implementation of the new tool proceeded in several stages, the main of which included:

- analysis of data and needs for classifying OHS violations;
- development and integration of the AI model into the OHS Control SW system, training it on historical violation records, model testing; and
- implementation of a user interface with recommendations on the most popular sections and types of violations.

Effects of implementing the digital consultant:

- introduction of a consistent classification of violations;
- improvement in the quality of analytical reporting and sampling by violation type; and
- increased user engagement and satisfaction due to a simpler and more intuitive interface.

Future steps include enhancing the accuracy of recommendations and implementing the digital consultant into other OHS Control SW system modules.

SOVA

Since 2024, Severstal has been implementing the large-scale SOVA project – an automatic alerting and visualisation system based on computer vision technology. Its main purpose is monitoring, alerting, and forecasting of adverse situations in hazardous zones and during work in production areas, as well as monitoring the use of PPE.

In 2025, Severstal conducted pilot operation in three pilot shops. Following the results, the Company decided to develop uniform standards and approaches to the interpretation of violations recorded by the machine vision system, as well as to focus on reducing recurring violations and working with repeat violators. In total, as at the year-end, 570 cameras were connected to the system, and target scenarios were configured for 376 cameras at Cherepovets Steel Mill. This made it possible to increase the number of identified OHS violations in covered locations by 21%.

Youth safety hackathon

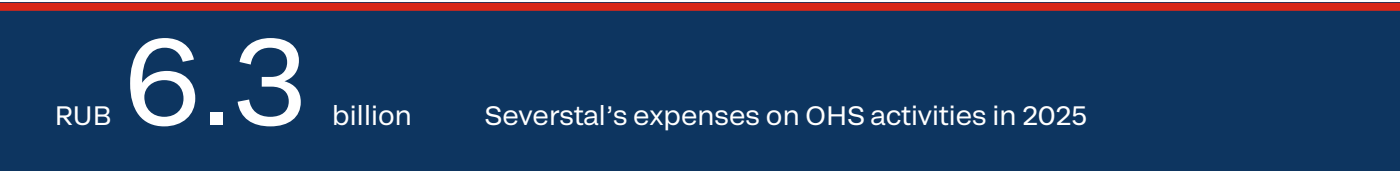
In 2025, based on the results of the Severstal Pulse survey, the Company held a hackathon¹. The purpose of the event was to identify practices for reducing injuries and to explore the opinions of the younger generation regarding safe work.

The hackathon was attended by employees of coke agglomeration / blast furnace, steelmaking, flat rolled production, and Severstal-Metiz, as well as trainee students from the Cherepovets Metallurgical College. The teams looked into four key questions:

- Is safety a duty or part of the job?
- Why are we silent about problems?
- How to transfer safe work skills to newcomers?
- How to report poor conditions?

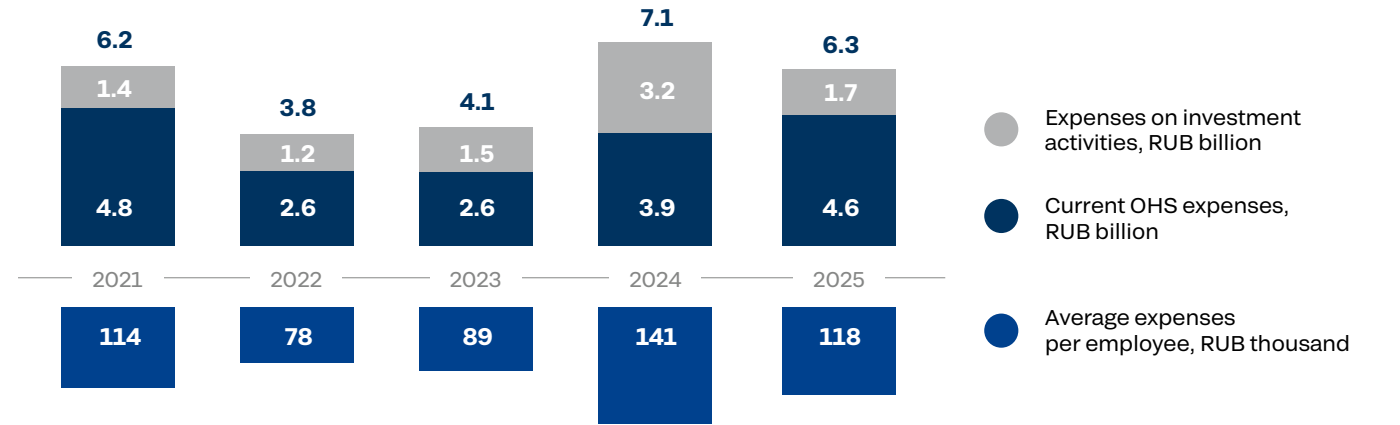
The results of the discussions and ideas of team members were reflected in the action programme for improving the OHS system for 2026.

PBCS 27



In 2025, the amount of expenses reduced by 11% YoY, driven by the cost optimisation for separate practice areas. Expenses per employee decreased from RUB 141,000 to RUB 118,000.

OHS expenses¹, RUB billion



¹ A special format of competitions, where participants develop a solution to a given task within tight deadlines.

GRI 403-2 GRI 14.16.3

Severstal looks into every occupational safety incident to identify the root causes and elaborate measures to avoid and prevent similar situations in the future. In 2024, the Company updated its corporate standard on prompt notification and internal investigation of incidents, triggered by changes to the list of root causes of incidents.

Occupational Health and Safety Training

GRI 403-5 GRI 14.16.6 SASB EM-MM-320a.1

Severstal’s approach to personnel OHS training rests on the requirements of national laws and takes account of the Company’s industrial safety risks. The personnel complete mandatory training and additional corporate training.

Primary training of new hires is held as part of induction briefings. In 2025, the Company converted induction briefing for personnel into a face-to-face conversation format (including with the involvement of interpreters for foreigners) and – to improve the accessibility of materials – arranged testing upon training completion through the AllForms service (which supports nine foreign languages).

Severstal determines the training needs of each employee in accordance with their profession and job functions. The employee and their direct supervisor receive an electronic notice of the assigned training course, whereupon the employee completes it in the SAP Personal Profile. A failure to complete the training within the specified deadline results in suspension from work. In such a case, the employee’s direct supervisor receives a notice with a template for a work suspension order.

To assess the efficiency of training, Severstal has introduced feedback questionnaires and tracks the employee’s willingness to recommend the training to colleagues. At the same time, the Company’s Residual Knowledge Assessment project is at the stages of completion. Shortly after completing the training, the employee is assigned a test. The Company analyses the results and, if necessary, makes changes to the training programmes.

Over the reporting period, Severstal introduced the following new safety training practices:

- Launch of centralised training on occupational safety, first aid, and PPE use for new hires prior to the start of internship and authorisation for independent work, as required by the current legislation.
- Launch of training on the new Compass educational platform to replace the current platform in the SAP system for Downstream assets employees, and gradual transition of training for all employees of Severstal’s facilities to this platform.
- Conversion of electronic OHS training courses into digital diaries to facilitate tracking of each employee’s training path. The training programme includes a theoretical course and testing. Before the transition to digital diaries, these stages were separate, and employees could complete only the theoretical part, skipping the testing stage; moreover, the format for signing the electronic protocol after the test was inconvenient. The digital diary combines all these stages into a single course, making it possible for the employee to clearly see all the steps they need to complete as part of the training programme.
- Launch of training for mentors on OHS requirements at Yakovlevskiy Mine: mentors gain skills in working with students/interns subject to specific characteristics of different generations of employees and their age.
- Launch of in-person first aid training at the enterprises of Severstal Steel Solutions and Severstal Kanaty through the accredited training centre of AO Severstal Management. This removes the need for training at external training centres and reduces overall training costs.

On top of that, for robust engagement of new employees and those appointed to positions, Severstal continued training personnel under the existing corporate programmes.

Results of training under corporate programmes in 2025

See and Act course ▪ 5,256 participants ▪ 8 facilities ▪ In-person participation ▪ Category: blue-collar workers ▪ Skill mastered: ability to identify hazards on the example of routine operations	See in a New Way course ▪ 495 participants ▪ 8 facilities ▪ In-person participation ▪ Category: production foremen ▪ Improvement of leadership skills	Frame (Ramka) tool ▪ 1,996 participants ▪ 495 contractor entities ▪ In-person participation ▪ Category: employees involved in production control ▪ Skill mastered: ability to identify deviations and apply measures to eliminate hazards
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In the reporting year, Severstal introduced the Frame programme into the training process on corporate requirements for employees of contractor entities. The purpose of the tool is to enhance employees’ ability to focus attention on hazardous areas of production and eliminate the habituation effect. The programme promotes a deeper awareness of production risks, increased personnel engagement in safety issues, and the development of correct responses to dangerous situations.

Average duration of training¹ per employee in 2025:

- blue-collar workers: 30 hours
- managers and specialists: 120 hours
- contractors: 20 hours

Severstal continues to advance the practice of using VR technologies for personnel training. In 2025, the Company developed ten 3D models for working with equipment and devices, including fall arrest harnesses, gas cutters, gas cylinders, etc. Innovations also included the release of 11 animated videos covering such topics, as the procedure for performing cardiopulmonary resuscitation, reconstruction of injuries and incidents, fire safety training for conference rooms, OHS requirements when using lifts (aerial platforms), and performing earthworks.

Multifunctional training centre

In 2025, the multifunctional training centre of Cherepovets Steel Mill implemented a number of changes in personnel OHS training procedures. The plant updated the Corporate Industrial Safety Training Standard. The following key changes were introduced:

- annual unscheduled OHS knowledge checks/assessments for managers and specialists;
- visual diagrams of personnel OHS authorisation, describing the sequence of internship stages based on the terms of employment contracts with employees; and
- amendments to fire safety briefings and training regarding the format of fire safety briefings for office staff, requirements for briefing logbooks, and training for employees responsible for maintenance and repair of internal and external fire-fighting water supply systems.

Significant changes affected the training process for production managers, which was also reflected in the updated standard:

- training is held by production trainers, who are managers with many years of production experience;
- implementation of an OHS training ground at one of the facility’s shops, where managers master practical skills in organising high-risk work, which increased the percentage of those passing the OHS exam on the first attempt;
- launch of post-training support: practical training with field visits to production facilities for first-time course participants; and
- implementation of a new knowledge testing format: employees must explain how to organise work and complete documentation based on real-life situations.

At the request of production managers, the plant implemented a series of training events on improving soft skills in various formats: webinars, team sessions, trainings, and workshops. The key training topics were enhancing team effectiveness, boosting leadership qualities, decision-making under uncertainty, and promoting communication skills. A total of 176 managers completed the training.

In addition, in the reporting year, the Company organised new training programmes for contractor entities, divided into listener categories: repairs and investments, outsourcing, and transport companies. Dividing training programmes by listener category helps focus on key topics for each group, making the training more effective. For example, programmes for repair and outsourcing organisations include the topic of organizing high-risk work, whereas this topic is absent from other programmes, since such work is not performed.

Safety Culture

GRI 403-2 GRI 403-4 GRI 14.16.3 GRI 14.16.5

An important factor contributing to the reduction of injuries is the well-established safety culture at Severstal. Its stable development within the Company is facilitated by communication campaigns, training events, and increasing personnel motivation for safe behaviour.

The Leader’s VZOR programme run by the Company encompasses all levels of production management and is aimed at changing a behavioural model of each manager in production safety issues¹.

172 managers completed training under the Leader’s VZOR programme in 2025.

156 roundtables and **2,198** management committee meetings were held.

262 work stoppages were registered across all business units during the reporting period.

7,751 leadership rounds were performed.

Individual coaching sessions

In 2025, as part of the Leader’s VZOR programme, the Company rolled out individual coaching sessions for shop heads. Cherepovets Steel Mill and Yakovlevskiy Mine assigned trainers to each unit, who, together with accountable employees, held management committee meetings, leadership rounds with shop heads, shift handover meetings, and monthly meetings. In addition, the activities entailed monitoring with risk managers, OHS coordinators, and shop heads.

Following the results of a set of activities, the enterprises received positive feedback. Shop heads and foremen demonstrated a more robust understanding of the goals and methodology for holding leadership rounds, which enabled them to set up actions more effectively. The overall result was a reduction in the percentage of concealment of negative observations.

The Severstal Pulse annual corporate study in 2025 demonstrated that the average score for the Safe Behaviour Culture index corresponds to the level of performance (> 80%), and it increased from 83% to 89% compared to 2024. The highest score was received by the Clarity of Actions criterion (93%), while the lowest scores were for the Safe Conditions and Safety Priority criteria (86% each).

To further improve metrics, the Company implemented the following measures:

- replacement of personal protective equipment (PPE) with higher quality items (gloves, boots);
- creation of a stock of non-standard size PPE;
- expansion of the PPE Feedback option in the HR Personal Profile to cover employees of iron ore assets and Severstal Distribution, and placement of QR codes for quick feedback on PPE quality at workplaces in Downstream assets; and
- change in the algorithm for issuing questions in the Pre-Shift Examiner testing for workers and managers: users gained access to all mandatory questions at once, which is especially convenient after a long absence.

¹ The average duration of training during the year depends on the category and functional responsibilities of trainees.

¹ I am the leader: Involve, Declare, Provide, Develop.

Severstal continues to operate and enhance the Safety Volunteers¹ movement. In 2025, the total number of volunteers exceeded 515 people.

The Company also operates a strong system for collecting and monitoring feedback on OHS issues, where one of the information channels is the Unified Hotline service. In the reporting year, the hotline received 149 OHS submissions, which were promptly handled and primarily related to:

- PPE provision;
- organisation of pre-shift testing;
- traffic rule violations on enterprise territory;
- violations of smoking requirements in undesignated areas; and
- breaches of occupational safety requirements in the workplace.

The categories of recorded submissions confirm an active position of employees in matters of ensuring industrial safety. Moreover, in 2025, a specially created QR code appeared on the work permit form for sending messages about problems and unimplemented measures that might threaten the life and health of personnel.

The Company is currently developing a service that allows reporting a problem through the HR Personal Profile, tracking responsible persons and deadlines for each activity, as well as leaving feedback after the problem has been addressed.

To maintain positive employee motivation, Severstal operates a system for collecting and implementing personnel suggestions – the Idea Factory, which has separate categories for safety and hazard. In 2025, 15,645 ideas were submitted to the Safety category (21% of the total number), of which 7,379 were successfully implemented (up 7% YoY).

In the Hazard category, 7,655 submissions were recorded. As of 1 July, this category was removed

from the Idea Factory, and hazards began to be recorded in the OHS Control SW system. The best implemented measures are documented in the Best Practices Database, with the possibility of replicating them to other units. During 2025, 292 such practices appeared, the majority of which were marked by users for replication in their units.

The Company rewards employees for their OHS achievements through the Best Safety Team category. In 2025, 87 teams consisting of a total of 1,971 employees were included in this category.

CoLanguage (SoYazyk) in occupational health and industrial safety

Severstal continued implementing a project to create a communication environment that builds employee commitment using CoLanguage².

In 2025, the Company completed the first stage of the communication campaign roadmap for 2025–2026, which entailed the elaboration of videos involving its own operational staff. Subsequently, the videos were reviewed with the participation of engineering and technical employees in the format of roundtables and safety management committees.

Severstal also rolled out the Izolenta channel of the OHS director in the Synapse corporate messenger. In total, as at the year-end, the Company had created 11 regular sections in the Izolenta channel (including news, tips, PPE, injuries, best practices, etc.) and plans to further expand the range of topics. A positive trend is noted in the number of subscribers to the Izolenta channel, including among production employees.

Health Protection

GRI 403-3 GRI 403-6 GRI 14.17.4 GRI 14.16.7

Severstal implements comprehensive measures to strengthen and maintain employee health, including with account taken of the risks of occupational diseases occurring due to special aspects of the mining and metals sector.

Olcon and Yakovlevskiy Mine have their own health centres. Most other sites, including Cherepovets Steel Mill and Severstal-Metiz, interact on an outpatient and inpatient basis (including the provision of emergency medical care) with local healthcare institutions as part of compulsory or voluntary health insurance (VHI).

To improve the quality of medical services provided under the VHI programme, Severstal continuously liaises with the insurance company and expands the VHI programme for rotational personnel, so that medical care becomes possible not only in the Company’s operating cities but also in the employee’s region of permanent residence.

For more details regarding voluntary health insurance of employees, see the HR Management section.

In the reporting year, Karelsky Okatysh established its own medical service, which, in addition to medical checkups, provides training in first aid for chemical burns and eye injuries.

Moreover, Severstal continues to automate the procedure for conducting pre-trip medical checkups. The Company installs terminals of the electronic medical checkup system in the health centres of Karelsky Okatysh and Olcon. Such medical checkups help identify diseases and conditions that prevent the performance of work duties, including the influence of alcohol, drugs, or other toxic substances. It is of particular importance that they enable early detection of cardiovascular system diseases and avoidance of serious health disorders and their consequences, which can lead to deterioration of well-being or accidents.

Yakovlevskiy Mine, in addition to the standard work of health centres, ensured the operation of a relaxation room and a massage room on the enterprise premises, organised the distribution of oxygen cocktails, and visits by psychologists. In the reporting year, the plant held health days and donation campaigns, fostered physiotherapy procedures, and supported the operation of Health Trains^{1/}.

In 2025, Olcon elaborated health and rehabilitation programmes so that employees could maintain muscle tone and improve overall well-being. The plant provided them with exercise equipment – installing a treadmill, a strength bench for abs, a leg press machine, and an exercise bike. Over 180 employees of the facility underwent treatment at Olcon’s health resort.

Severstal places special emphasis on informational work on the prevention of infectious and seasonal diseases and the promotion of a healthy lifestyle. For example, in 2025, Olcon held championships in cross-country skiing, swimming, cyclocross, pair trail running, table tennis, as well as tournaments in yukigassen, futsal, streetball, floorball, volleyball among women’s teams, and the Steel Press competition. For its employees and their family members, the enterprise organised memorable family sports holidays – both indoors and on the water. In total, more than 700 employees participated in Olcon’s sports events.



The amount of expenditures in 2025 increased by 31% YoY owing to a rise in the flow of funds directed by employees from Flexible Benefits virtual wallets to pay for medical services.

Occupational Morbidity Prevention

GRI 403-10 GRI 14.16.11

To identify workplaces with an increased risk of developing occupational diseases, the Company regularly conducts a special assessment of working conditions. To detect general and occupational diseases at an early stage, employees engaged in workplaces with harmful working conditions and/or performing certain types of work take preliminary and periodic medical examinations. Employees who have worked in harmful working conditions for five years (and thereafter every five years of such service) undergo periodic medical examinations at the Occupational Pathology Centre.

In addition, Severstal employees are entitled to receive health resort treatment depending on the recommendations upon the results of medical checkups.

¹ The volunteer’s main role is to inspire by personal example and help colleagues work safely.

² It is a concept entailing the creation of a human-centric safety communication system and the enhancement of empathic leadership skills of managers who are agents of change at production sites.

¹ A mobile medical polyclinic that travels to remote regions for free examinations and consultations with specialists, as well as for diagnostic testing.

Share of workplaces with harmful working conditions as at the end of 2025

	Share of workplaces with harmful working conditions	Key factors contributing to harmfulness
Cherepovets Steel Mill	61%	- Strongly fibrogenic aerosols - Noise - Arduous work - Vibration
Severstal-Metiz	57%	- Noise - Arduous work - Chemical factors - Micro-climate parameters
Karelsky Okatysh	56%	- Noise - Vibration - Arduous work
Olcon	55%	- Noise - Vibration - Arduous work - Strongly fibrogenic aerosols
Yakovlevskiy Mine	46%	- Micro-climate parameters - Noise - Strongly fibrogenic aerosols - Light environment parameters - Arduous work

Severstal constantly implements measures to reduce the level of exposure to harmful production factors and their impact on personnel. The Company carries out periodic repair and maintenance of existing equipment, installation, repair and maintenance of ventilation and aspiration systems, provides workers with PPE and monitors their use, and arranges a rational work and rest schedule.

In 2025, the enterprises implemented a set of measures to reduce exposure to harmful factors:

PAO Severstal - purchased new hydraulic pullers - purchased mobile ventilation units - inspected the air conditioning system of crane No. 12 - acquired anatomical seat cushions - installed closed control posts for the slitting unit - installed ergonomic chairs at hot rolling mill control posts - replaced air conditioners	Karelsky Okatysh - replaced the fleet of dump trucks, locomotives, and fuel tankers - acquired a room for the pumping unit operator of the ore department - replaced a lathe in the vehicle repair section
Olcon - reconstructed the aspiration system of the crushing and beneficiation plant (CBP) - installed a noise-absorbing utility room at the ore and rock crushing section of the CBP - purchased mobile aspiration systems for welding work outside stationary stations at the CBP and in the repair department - provided loaders with support belts - conducted and continues to conduct testing of the ProExo exoskeleton in the Super Light configuration and the Hard Hand wrist exoskeleton for electricians engaged in power supply to quarries	

Activities scheduled for 2026

PAO Severstal - restoration of the functionality of ventilation and aspiration systems - installation of mobile filter units with exhaust devices at welding work sites and local exhaust systems - repair and inspection of equipment (machine tools, rail tracks, conveyor rollers, glazing and seals of bulldozer cabins)	Severstal Steel Structures installation of a shop-wide ventilation system	Olcon continued reconstruction of the CBP aspiration system
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Emergency Preparedness

GRI 3-3GRI 14.15.1GRI 14.15.4

The specific features of Severstal’s production activities, the operation of hazardous production facilities (HPFs), and the territorial location of its enterprises determine the likelihood of accidents, incidents, natural and man-made emergencies. To this effect, the Company, in compliance with the requirements of Russian laws, draws up and regularly updates action plans for non-routine situations, ensuring the readiness of forces and means, including in conditions of electronic warfare.

At all facilities, including at Severstal’s mining sites¹, the Company has mandatory planning documents in place – HPF emergency response plans (ERP) and spill prevention, control, and countermeasure plans (SPCCP).

Annually, the Company holds comprehensive emergency response and firefighting drills for employees focused on real emergency situations described in the enterprises’ local documents (ERP and SPCCP).

Severstal involves professional and non-staff emergency rescue teams, as well as medical staff from internal health centres and external medical

organisations, in the preparation and performance of these activities. Representatives of state supervisory bodies – the Russian Ministry of Emergency Situations, Rostekhnadzor, and other agencies – participate in large-scale drills.

The Company uses local warning systems to notify enterprise employees and local residents of the occurrence of an accident or emergency. These systems ensure round-the-clock information exchange with regional and municipal dispatch services regarding the threat and occurrence of emergencies.

To prevent accidents at HPFs, Severstal continued the transformation of the process for assessing the condition of technical devices – elaborating additional requirements for industrial safety reviews, auditing expert organisations, and identifying basic expert organisations. The result has been the application of a unified approach to carrying out industrial safety reviews on all types of facilities, except for main equipment² (scheduled for 2026), and the prevention of accidents and incidents on process pipelines in 2025.

¹ For which the elaboration of these documents is mandatory.
² Main equipment includes furnaces, ladles, coke batteries, etc.; other equipment covers lifting equipment, pressure vessels, process pipelines, etc.

Progress and Performance

Occupational Injuries

GRI 403-9 GRI 14.16.10 SASB EM-MM-320a.1 SASB EM-IS-320a.1 PBCS 29 PBCS 30

In the reporting year, Severstal experienced three fatalities:
two Company employees and one employee of a contractor entity died. Eleven employees and eight contractors suffered severe injuries.

The fatal injury rate among Company employees (0.021) decreased compared to the previous year (0.034). The severe injury rate increased from 0.08 to 0.12. The contractor fatality rate decreased from 0.024 to 0.019 and the severe injury rate increased from 0.12 to 0.15.

- Main causes of fatal and severe injuries are:
- the motivation system is not aimed at nurturing an OHS culture;
 - managers do not possess sufficient skills to identify risks;
 - deficiencies exist in arranging procedures for dealing with organisational and technological documentation;
 - the process of addressing safety requirement violations is ineffectively structured;
 - low level of culture in organising and performing high-risk work; and
 - insufficient coverage of repair facilities by basic contractors and the resulting low level of influence over non-recurrent contractors.

A group accident occurred involving employees of a contractor entity at Cherepovets Steel Mill while performing works using a hydraulic aerial lift: a collision between an electric overhead crane moving along the bay and the hydraulic aerial lift basket. As a result of this collision, two contractors in the basket fell with it from a height of 14 metres. One sustained injuries incompatible with life, and the second one sustained severe injuries. Following the investigation, the root causes of the incident were identified, and the Company implemented corrective measures:

- a function was introduced into the electronic work permit system granting work authorisation only after a photo confirmation of the completion of preparatory measures;
- a prohibition was introduced into the occupational safety instructions on the use of mobile devices for Internet access, headphones and other headsets for personal purposes during work performance; and
- the matrix of distributing OHS functions was revised, specifying the responsibilities of managers at all levels.

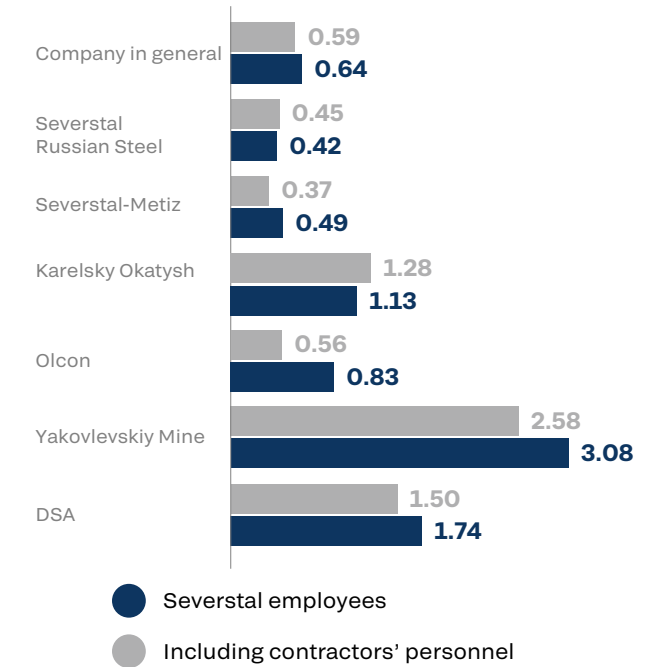
¹ Main equipment includes furnaces, ladles, coke batteries, etc.; other equipment includes lifting equipment, pressure vessels, process pipelines, etc.

A slag-metal accretion weighing approximately one and a half tonnes fell from the ladle shell onto the employee, resulting in their death. The Company implemented the following corrective measures:

- made changes to production processes to minimise the formation of accretions and set up inspection areas for steel ladles, which will eliminate personnel being in the hazardous zone;
- improved management processes: explored injury scenarios in the ladle preparation shop, implemented measures to identify hazards, assess and mitigate risks in workplaces within the shop, and organised training for shop heads to enhance skills to ‘see differently’ and analyze their own work and their team’s work in terms of production safety.

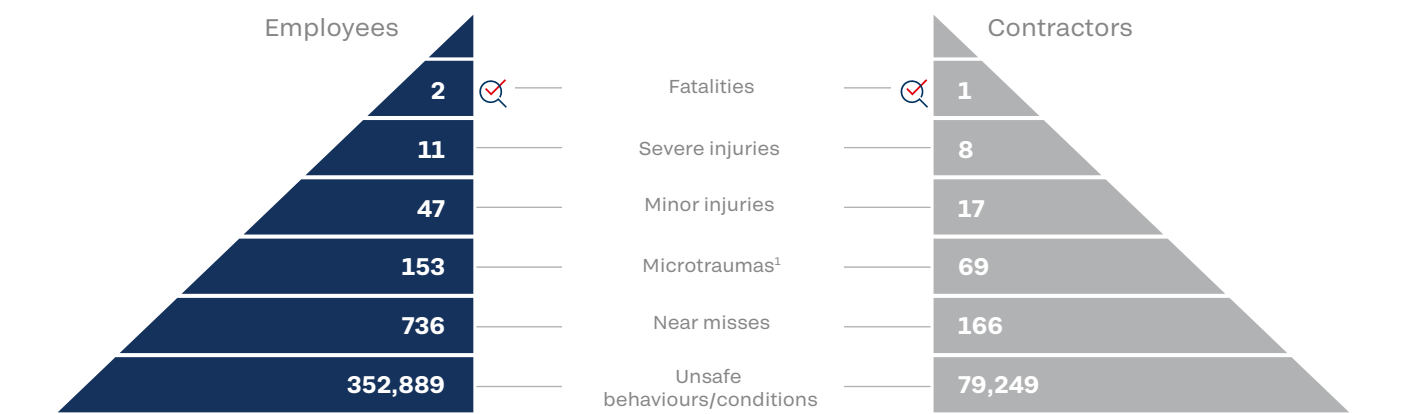
A fatality occurred involving a crawler crane operator at Olcon as a result of the crane spontaneously rolling backwards down a slope. Having struck a fragment of rock, the crane overturned, causing the worker to be crushed inside the cab and sustain fatal injuries. The investigation of this case is ongoing.

LTIFR¹ across employees of the key assets and contractors in 2025

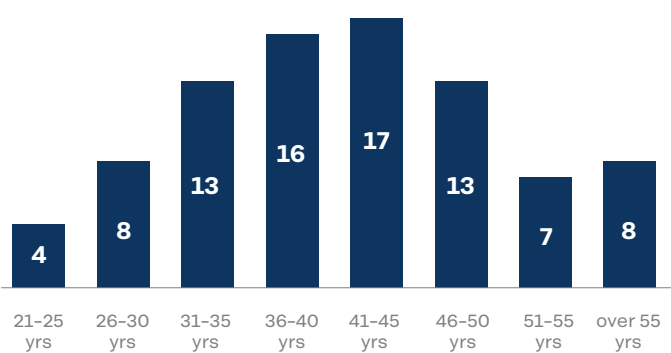


In 2025, a total of 60 Company employees and 26 contractors suffered from occupational accidents (in 2024 – 43 employees and 14 contractors). The Company attributes an increase in the injury rate in the reporting period to low efficiency of escalating and resolving safety issues, as well as low adaptability and relevance of the existing OHSMS tools in production facilities, and intends to implement measures to eliminate these factors.

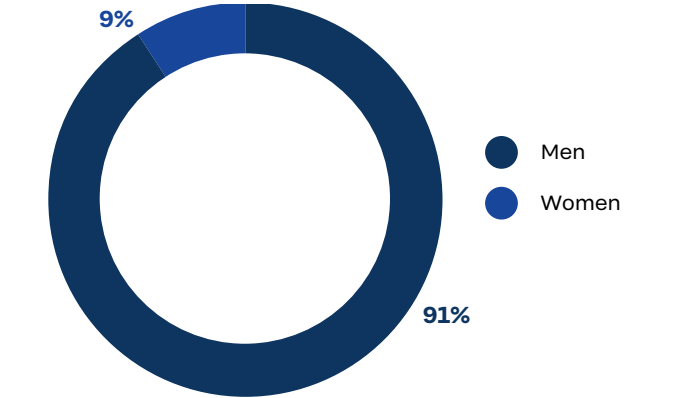
Dynamics of employee and contractor incidents in 2025



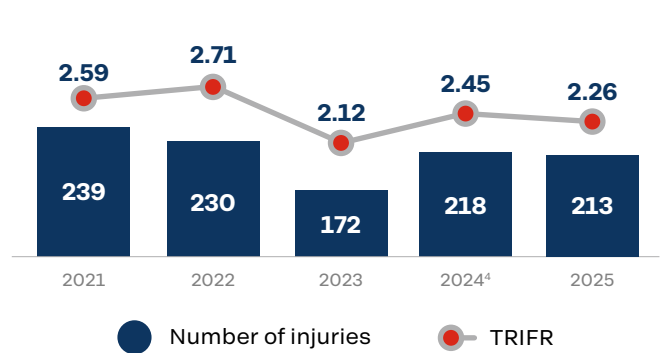
Number of injured employees and contractors by age in 2025



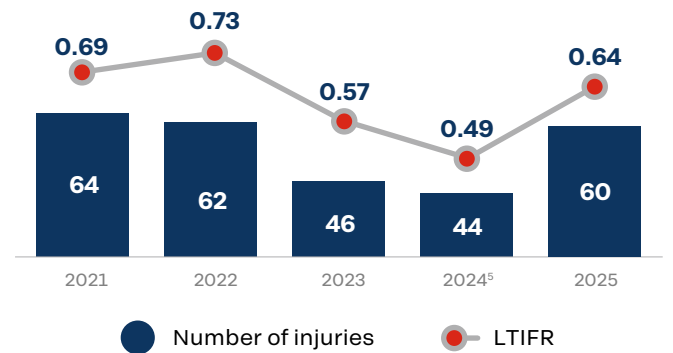
Number of injured employees and contractors by gender in 2025, people²



Employee TRIR³

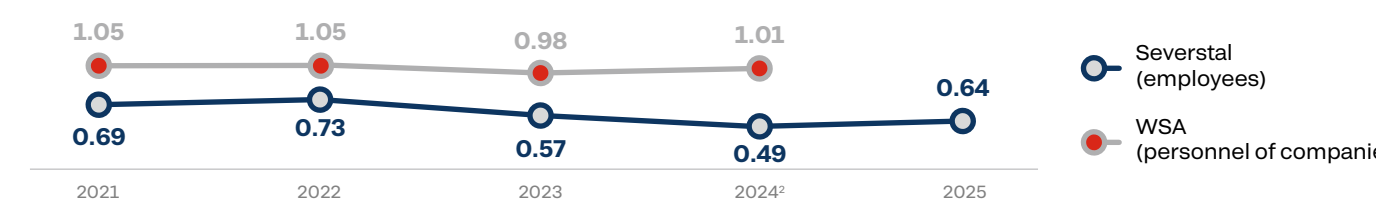


Employee LTIFR³

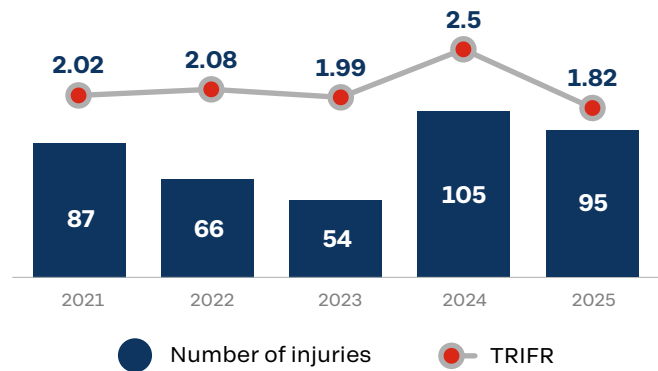


¹ Microtraumas are understood as non-lost-time injuries. This Report takes account of only those microtraumas that required medical care.
² Men – 78 individuals, women – 8 individuals.
³ The injury frequency was calculated per one million hours of work time.
⁴ The TRIR values and the number of injuries for 2024 were adjusted due to the inclusion of one injury case that had not been included in the calculation of the indicators disclosed in the Integrated Report 2024 (previously 2.44 and 217, respectively).
⁵ The LTIFR values and the number of injuries for 2024 were adjusted due to the inclusion of one injury case that had not been included in the calculation of the indicators disclosed in the Integrated Report 2024 (previously 0.48 and 43, respectively).

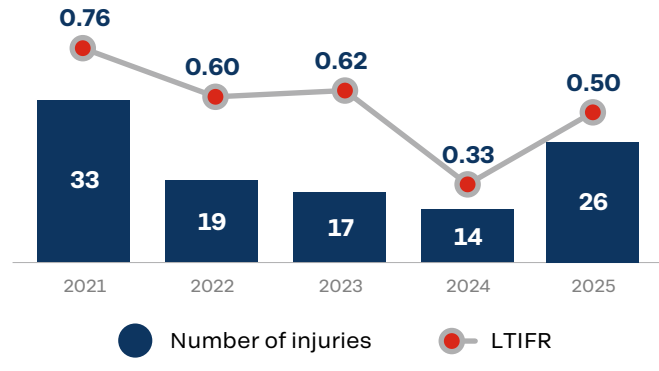
Severstal’s LTIFR vs the World Steel Association average¹



Contractor TRIR³



Contractor LTIFR³



Occupational Diseases

GRI 403-10 GRI 14.16.11

In 2025, occupational diseases were recorded with 40 Severstal employees.

Number of occupational diseases⁴

	2021	2022	2023	2024	2025
Severstal Russian Steel	14	7	7	7	14
Karelsky Okatysh	14	23	21	26	12
Olcon	16	16	20	26	9
Yakovlevskiy Mine	0	1	0	1	5
Company in general	44	47	48	60	40

The largest share of recorded occupational diseases falls on diseases of the musculoskeletal system, hearing organs, and respiratory organs.

The greatest number of occupational diseases is directly related to the following professions: crane operator, excavator operator, mining machine operator, dump truck driver, loader driver, and mine development worker (tunneler). An increase in the incidence rate in certain business units is owing to the low quality of medical checkups, as well as the increasing age of employees and length of service in harmful working conditions (over 15 years). The positive dynamics in the remaining business units are associated with the upgrade of equipment or acquisition of new equipment, an improvement in the quality of investigations of occupational diseases, and an annual increase in the number of employees sent to health resort treatment following the results of medical checkups.

Accidents and Incidents

GRI 14.15.3

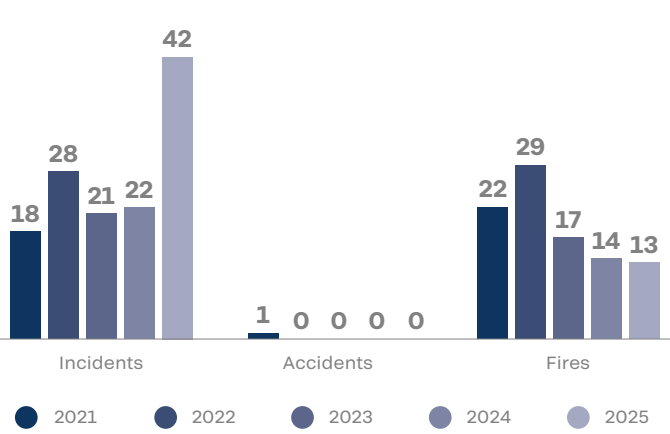
In 2025, there were no accidents, emergencies, or road traffic incidents involving spillage or dispersal of transported products at Severstal’s enterprises.

The most serious incident in 2025 was a coke gas release followed by ignition in coke shop No. 2 of coke agglomeration / blast furnace process at Cherepovets Steel Mill, which occurred during work to replace the valve box of the gas outlet standpipe of the coke battery.

As a result of the incident, two workers performing the valve box replacement work were injured. The incident investigation identified the immediate cause – an increase in pressure in the return coke gas pipeline system. The root cause was the absence of measures to establish and maintain the required pressure in the gas collectors and the return coke gas pipeline system when performing work on the gas outlet standpipe.

As compensatory measures, the Company devised a procedure for performing work on the gas outlet standpipe with account taken of measures to maintain the required pressure in the gas collectors and the return coke gas pipeline system.

Critical incidents at the Company’s facilities, pcs..



Plans for 2026 and Mid-Term

Severstal’s OHS plans include:

- establishing a transparent process for tackling safety issues;
- changing the safety motivation system;
- providing workers with simple and clear instructions adapted for different generations;
- changing approaches to dealing with violators;
- ensuring safety when working with contractors;
- increasing the level of safety when working with lifting equipment; and
- scaling up the SOVA project.

¹ The 2025 World Steel Association data were not available at the time of compiling this Report.
² The LTIFR values and the number of injuries for 2024 were adjusted due to the inclusion of one injury case that had not been included in the calculation of the indicators disclosed in the Integrated Report 2024 (previously 0.48 and 43, respectively).
³ Main equipment includes furnaces, ladles, coke batteries, etc.; other equipment includes lifting equipment, pressure vessels, process pipelines, etc.
⁴ Previously, up to and including 2023, Severstal Russian Steel provided information only for Cherepovets Steel Mill and Karelsky Okatysh – excluding OOO Severstal Steel Structures (formerly OOO CTA). No occupational diseases were identified at Severstal-Metiz during the specified period.



08.

Environmental Impact

Climate Change

2025 Highlights

25.08

million tonnes of CO₂e

gross Scope 1 and 2 GHG emissions
(↑ 4.8%)

14.24

million tonnes of CO₂e

gross Scope 3 GHG emissions
(↑ 5.6%)

2.101

tonnes of CO₂/tonne of steel

GHG emissions intensity (↓ 3.6%)¹

RUB 401

million

climate change adaptation expenses

RUB 87.8

million

decarbonisation expenses

Material Topic

- Climate change and energy efficiency

UN Global Compact Principles

Principle 7. Businesses should support a precautionary approach to environmental challenges.

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

Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

UN Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Severstal discloses climate change-related information in accordance with the recommendations of the International Sustainability Standards Board (ISSB) of the IFRS Foundation (IFRS 2). The Company annually releases the Climate Report detailing the implementation of the climate agenda.

Approach to Management

GRI 3-3 GRI 14.1.1 GRI 14.2.1

Ferrous metallurgy is one of the most carbon-intensive economic sectors, which is why climate management remains permanently relevant for Severstal. The Company consistently analyses climate-related risks and opportunities, implements measures to reduce GHG emissions, releases green products (including goods that facilitate adaptation to climate change), and applies green financing instruments.

In administering climate change issues, Severstal relies upon the requirements of Russian and international laws, industry standards, and internal regulations. In 2025, their list remained intact.

Key climate change regulations

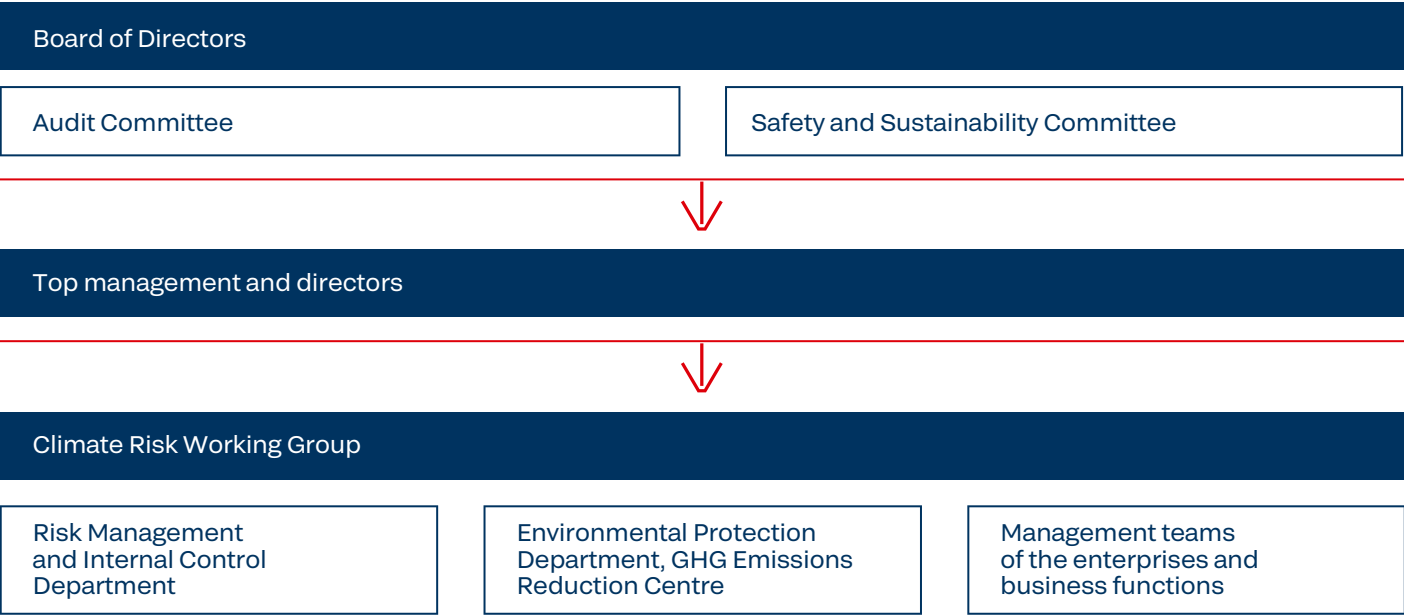
- Internal:**
 - Severstal’s Position on Climate Change
 - Decarbonisation Strategy 2030¹
 - Achieving a Low Carbon Future Together Climate Memorandum
 - Corporate GHG Emissions Management Standard
 - Corporate Climate Risk Management Standard
 - Severstal’s Climate Performance Evaluation Methodology
- External:**
 - Strategy of Social and Economic Development of the Russian Federation with Low Greenhouse Gas Emissions up to 2050
 - Federal Law dated 02.07.2021 No. 296-FZ on Limiting Greenhouse Gas Emissions
 - National Action Plan of the Second Stage of Climate Change Adaptation up to 2025
 - Development Strategy for the Metallurgical Industry of the Russian Federation up to 2030
 - GHG Protocol: A Corporate Accounting and Reporting Standard
 - ISSB IFRS S2 Climate-Related Disclosures
 - World Steel Association’s CO₂ Data Collection User Guide
 - GOST R ISO 71785-2024 Environmental Management. Climate Performance Evaluation. Guidelines
 - Methodological recommendations of the Ministry of Economic Development of the Russian Federation on assessing potential damage from the impact of climate risks, including recommendations for compiling a list of climate-vulnerable facilities in economic sectors and constituent entities of the Russian Federation
 - Methodological recommendations of the Ministry of Economic Development of the Russian Federation on monitoring and assessing the efficiency and effectiveness of climate change adaptation measures

The Company addresses climate change issues at various levels of its existing organisational structure. Responsibility for dealing with them is distributed between senior management and the heads of production facilities and of the relevant units. This approach provides for the involvement of all key management levels in tackling tasks in this area.

¹ The emissions intensity was calculated under the World Steel Association method.

¹ This document is only available in Russian.

Responsibility for addressing managerial climate change-related issues



For more details regarding the functions responsible for addressing managerial climate change-related issues, see [Severstal’s Sustainability Report 2023](#) and [the Climate Report](#)¹ .

Severstal’s Board of Directors regularly discusses key aspects and issues related to climate change at its meetings. In 2025, the following issues were examined:

- implementation of activities scheduled for the reporting period: incorporation of a climate risk management system, registration of climate projects, development and deployment of a CO₂ emissions benchmarking system within the Russian Steel Association;
- disclosure and assurance of climate-related indicators; and
- climate change adaptation plan of PAO Severstal and interim results of CO₂ emissions benchmarking.

For managers and responsible employees, the Company established the key performance indicators (KPIs) directly related to climate metrics, including:

- reduction in GHG emissions intensity; and
- implementation of GHG emissions reduction activities.

Severstal takes account of KPI achievement when determining the remuneration of top managers: their share in the total remuneration is 5%. In addition, employees who meet or exceed their KPIs receive a bonus. The amount of such bonus is at least 10% of the employee’s annual remuneration.

In 2025, Severstal set about enhancing interaction and employee engagement within the Energy and Environment expert community in the decarbonisation pillar. This activity affects the amount of annual employee remuneration and accounts for at least 10% thereof.

Climate Change Training

To achieve the goals set, Severstal raises employee awareness of climate issues. Annually, the Company holds training events, involving both its GHG Emissions Reduction Centre and external experts in designing programmes. During the reporting period, employees continued to take the ProClimate: GHG Emissions Management and ProClimate: Climate Risk Management programmes. Programme participants are introduced to Severstal’s decarbonisation strategy and explore approaches to managing greenhouse gas emissions and climate risks.

In 2025, the priority topics of in-house training were climate change adaptation and physical climate risk management. As part of the Energy and Environment expert community, the Company held a seminar (for 44 experts) on physical climate risk management and advanced technological solutions in the energy sector that minimise damage from climate risk realisation.

In addition, Company employees completed training at Autonomous Non-Profit Organisation of Supplementary Education Centre for Environmental Audit and Management under the Adaptation of Russian Industry to Climate Change additional professional programme of the Centre for Environmental Industrial Policy.

Management of Climate-Related Risks and Opportunities

GRI 201-2 PBCS 53

In 2021, Severstal identified and assessed climate risks and opportunities relevant to its business. In 2023, in reliance upon its Corporate Climate Risk Management Standard, the Company revised this assessment and started applying the ALARP (As Low As Reasonably Practicable¹) principle when analysing risks and risk management measures. This approach helps determine how feasible it is to implement extra risk mitigation measures.

- Severstal analyses physical² and transition³ climate change-related risks across three time horizons:
- short-term period of 3–5 years;
 - med-term period of 5–10 years; and
 - long-term period of up to 2050–2060.

- The assessment is performed under three climate change scenarios up to the year 2100 ⁴:
- Sustainability (SSP1–2.6): curbing the global average temperature rise to +1.8 °C;
 - Middle of the Road (SSP2–4.5): intermediate scenario, curbing the global average temperature rise to +2.8 °C; and
 - Taking the Highway (SSP5–8.5): curbing the global temperature rise to +4.4 °C.

Most significant climate change-related physical risks

Type of risk	Risk factor	Consequences	Relevance (for the SSP2–4.5 scenario) ⁵	Management response
Acute	Strong wind	Damage to infrastructure facilities	● ●	Enhanced stability of buildings and structures, power supply redundancy
	Continuous heavy rains	Increased load on infrastructure facilities	● ●	Enhanced stability of buildings and structures, monitoring, timely maintenance, and repair
	Rime ice deposition	Deterioration of conditions for transporting cargos, load on power transmission lines	●	Redundancy of feedstock and fuel reserves, monitoring and timely repair of power transmission lines
Chronic	Rise in average annual temperatures and precipitation combined with acute climate risks	Significant increase in exposure to weather-related climate change factors in the key iron ore and coking coal producing regions for the global market	●	Management of raw material supply chains (including the diversification of transport supply schemes, redundancy of reserves)

¹ Reducing risk to as low as reasonably practicable.

² Risks whose occurrence results in direct damage to business operations, infrastructure facilities, and the environment. Such risks can be both acute, i.e. event-driven (as a rule, dangerous hydrometeorological phenomena), and chronic, i.e. caused by the global dynamics of climate changes (including temperature rises, changes in the amount and seasonality of precipitation, increase in the number of crossings over the zero mark, etc.).

³ Risks associated with the transition to a low-carbon economy, including those related to stricter regulation, changes in demand, technological shifts, reputational and market factors.

⁴ Scenarios from [the Sixth Assessment Report](#) of the Intergovernmental Panel on Climate Change were used.

⁵ The analysis for the SSP1–2.6 and SSP5–8.5 scenarios is to be found in [the Climate Report](#) (this updated Report is only available in Russian).

¹ This updated Report is only available in Russian.

Company’s most relevant climate change-related transition risks

Type of risk	Risk factor	Consequences	Relevance (for the SSP 2–4.5 scenario)	Management response
Regulatory	Introduction of the carbon border adjustment mechanism (CBAM)	Extra costs, including on preparation and verification of carbon reporting	●	Reducing GHG emissions down to the level of European manufacturers
	Introduction of national carbon regulation	Extra costs related to the introduction of limits on GHG emissions, including the costs of preparation and verification of carbon reporting	●	Reducing GHG emissions down to the best available technologies (BAT) level
Technological	Emergence of low-carbon technologies	Extra implementation costs	○	Adoption of commercially available low-carbon technologies
Reputational	Need to draft climate-related reporting	Reduced investment appeal of the Company because of insufficient climate risk management disclosures	●	Preparation of reporting in accord with the primary Russian and international standards, including IFRS S2
Market	Loss of markets owing to high carbon intensity of products	Decreased demand for goods with high carbon footprint	○	Reducing GHG emissions down to the level of European manufacturers, manufacturing of green products

Legend:

○ – low priority

● – moderate priority

● ● – high priority

For more details regarding Severstal’s climate-related risks, see the [Climate Report](#)¹.

¹ This updated Report is only available in Russian.

In addition to climate-related risks, Severstal places emphasis to the relevant opportunities. The list of relevant climate-related opportunities includes:

- increasing investment appeal;
- green financing, including through the use of government support instruments;
- technological re-equipment and increased operational efficiency; and
- green products..

For more details regarding the release of green products, see the Decarbonisation Strategy section.

Climate Change Adaptation Activities

GRI 14.2.1 GRI 14.2.2

Severstal is consistently elaborating and implementing measures to adapt to climate change. Their primary goal is to provide for employee safety, protect fixed assets, and maintain uninterrupted production processes.

The Company develops such measures in accordance with the Methodological Recommendations of the Ministry of Economic Development¹ based on the results of identifying climate risk factors and assessing the relevant physical risks. In the reporting year, Severstal compiled a list of best technological and managerial practices in this domain. These include:

- monitoring the condition of buildings and structures;
- consolidating data on the condition of buildings, structures, and equipment for effective maintenance planning;
- creating sufficient stocks of feedstock and supplies;
- upgrading transport infrastructure on the territory of production sites;
- ensuring efficient and safe navigation across production site territories during hazardous hydrometeorological events; and
- improving working conditions and selecting personal protective equipment, etc.

Harmonisation of accumulated experience will enable the Company to select the most appropriate solutions for each specific facility.

Currently, Severstal has completed the drawing up of adaptation plans for Karelsky Okatysh, Olcon, Cherepovets Steel Mill, and other enterprises in the Vologda region. In 2026, the Company will set about drafting similar documents for other assets within its corporate perimeter.

Severstal extensively engages with regional executive authorities (Murmansk and Vologda regions, Republic of Karelia) on climate change adaptation and management of associated risks. The adaptation plans elaborated for enterprises in the Vologda region have been incorporated into the relevant regional document.

To protect the Company’s employees and contractor entities and minimise potential damage, Severstal implements a set of measures:

- **Infrastructure monitoring and maintenance:** regular inspection of production sites and buildings, carrying out repairs (when necessary) to prevent accidents, production disruptions, and damage to structures.
- **Personnel protection:** providing employees with necessary PPE, delivering an air conditioning programme to mitigate the impact of adverse weather conditions by installing ventilation, air conditioning, and aeration systems in administrative, production, and other buildings on enterprise territory.
- **Ensuring production continuity:** creating stocks of critically important materials (primarily iron ore feedstock and limestone, as well as lining materials, fuels and lubricants), maintaining the operation of backup energy sources, drainage and water supply systems.
- **Managing local supply chains:** upgrading railway tracks and related infrastructure, large-scale acquisition of snow removal equipment, using heating systems, treating icy roads and access routes with sand and gravel mixtures.

Development of the Climate Risk Management automated subsystem

In 2025, Severstal developed and put into pilot operation the Climate Risk Management subsystem of the corporate 1C: Ecology. Environmental Protection system. Its goal is to improve the efficiency of the climate risk management system. The Company plans to proceed to industrial operation of the new subsystem in 2026.

The Climate Risk Management subsystem is an in-house product of Severstal-Infocom. Its administration is carried out by the Environmental Protection Department of AO Severstal Management.

Owing to the management system, Severstal will be able to rapidly collect information on actual and potential climate-related risks across all production units, as well as on adaptation measures being implemented and the identification of adaptation needs. The Company expects a multiple reduction in the time required to identify and analyse physical climate risks and an increase in the efficiency of their management, including in terms of prioritising investment projects with adaptation effects.

Selected climate change adaptation activities implemented at the enterprises in 2021–2025

Karelsky Okatysh

- Reinforcing of open pit walls to minimise the risk of rock mass collapses, monitoring the condition of production sections using aerial photography tools
- Acquisition of drainage, submersible, and centrifugal pumps for various drainage sections, improvement of the supporting water withdrawal infrastructure
- Acquisition of a mobile diesel power plant to provide for the autonomous power generation capability
- Acquisition and installation of a heating system for receiving hoppers

Olcon

- Installation of stability control systems and reinforcing the Olenegorsk open pit walls
- Acquisition of drainage pumps, enhancement of the supporting water withdrawal infrastructure

PAO Severstal

- Modification of station track development, including the upgrade of climate-sensitive sections of railway tracks and switches
- Acquisition of special snow removal machinery
- Installation of a roof heating system to prevent icing and icicles on the roofs of buildings vulnerable to cold weather
- Installation of protective canopies under power transmission lines
- Installation of drainage systems, upgrade of water disposal systems, wastewater treatment, maintenance and inspection of pumping equipment (including to ensure preparedness for spring floods)
- Repair and upgrade of heating mains
- Repair of roads using climate-resilient materials
- R&D to install hydro-monitoring wells at the Belorucheyskoye Ore Department open pit to monitor the stability of open pit walls and ledges, cuts and dump slopes, as well as to monitor the groundwater regime during mining operations with reference to projected climate changes
- Landscaping of the plant using climate-resilient plant species
- Organisation and digitalisation of large-scale monitoring of the condition of buildings, structures, and equipment
- Enhancement of digital systems that ensure effective management of climate-vulnerable assets and production processes

Severstal-Metiz, OSPAZ

- Creation and replication of a system of projection, light demarcation, and visualisation of hazardous areas to ensure traffic safety in the conditions of limited visibility
- Reconstruction of heat supply system pipelines
- Acquisition of snow removal equipment

¹ Methodological recommendations of the Ministry of Economic Development of the Russian Federation on monitoring and assessing the efficiency and effectiveness of climate change adaptation measures.

On the efficiency of adaptation measures

Major activities implemented earlier to upgrade railway tracks at the Cherepovets Steel Mill industrial site, acquire snow removal equipment (including snow removal trains and track cleaning machines), create and modernise water disposal systems proved their efficiency in 2025 during the period of hazardous natural phenomena and adverse hydrometeorological conditions (including extreme snowfall and rainfall). On top of that, the Company continues to benefit from a few climate-related opportunities, such as an early start of river navigation: in 2025, amid favourable conditions for river transport, the freight turnover of the Cherepovets Industrial Port increased by 25% (subject to feedstock supplies and finished product shipments).

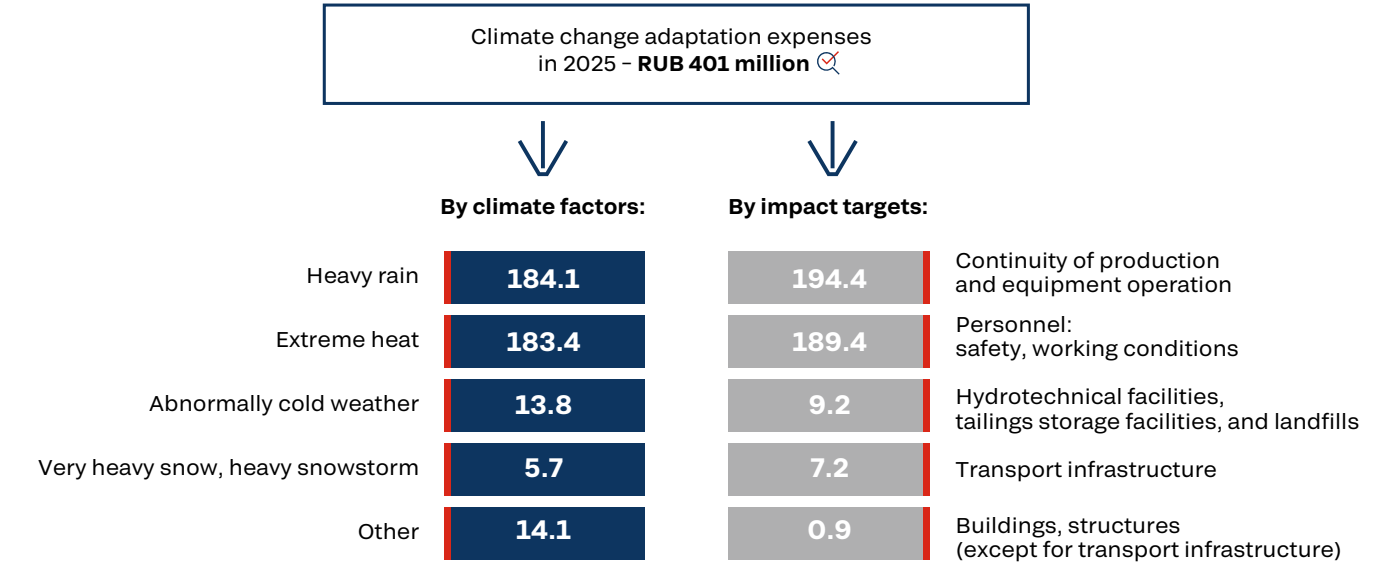
In addition to the implementation of adaptation measures, Severstal continues to apply the practice of property insurance against the relevant climate risk factors to reduce potential damage from residual climate risks. These include a very strong wind, rain and thunderstorms, hail, snow, and blizzards, as well as extraordinary fire hazard, flooding by floodwaters, rime ice deposition, abnormally cold weather, and hazardous geomorphological processes (landslides, etc.).

In 2025, Severstal, together with the Russian National Reinsurance Company, performed flood and groundwater flooding risk exposure modelling for infrastructure facilities at Cherepovets Steel Mill and an assessment of potential damage. As a result, territories and facilities exposed to these risks under various scenarios were identified, and estimates of material damage under climate risk realisation scenarios were obtained. In 2026, it is planned to continue this work for the Company’s other production facilities.

Severstal allocates significant funds for climate change adaptation measures. Over the last five years, the Company has allocated RUB 4.5 billion for adaptation measures, including RUB 2.2 billion for resource assets and RUB 2.3 billion for other enterprises. In the reporting year, adaptation-related investments amounted to RUB 401 million. The changes in dynamics are associated with:

- completion of large-scale investment projects for the upgrade of railway tracks and the reinforcement of quarry walls at mining assets; and
- reduction in expenditures on the installation and modernisation of hydrotechnical facilities and water disposal systems, as well as on the acquisition of snow removal and ballast distributing equipment and pumping equipment.

Structure of Severstal’s costs of adapting its enterprises to climate change in 2025, RUB million



Green Products

As part of its Decarbonisation Strategy, Severstal is dynamically enhancing the release and sale of green products.

Severstal’s green products

Type of green products	Description	List of goods
Products and technologies for climate change adaptation	Designed for erecting structures that prevent the occurrence of hazardous climatic and natural phenomena and their consequences, as well as for construction in harsh climatic conditions and regions with a short construction season	- Proprietary construction technologies (UNIFRAME) NEW - Spider 2.0: quick-erect frame building technology based on light steel thin-walled structures (LSTS) NEW - Trellises for vineyards NEW - Sheet piles and sheeting structures - High-strength cold-resistant rebar - Mesh structures - High-rise steel-frame housing
Products for carbon-free and low-carbon energy	Necessary for the construction of carbon-free and renewable energy facilities	- Wind turbine towers - Structures, fasteners and fittings for hydroelectric power plants - Rolled steel for LNG plants
Reduced carbon footprint products	Suitable for industries interested in reducing Scope 3 emissions and the carbon footprint of their products	Metal products for any consumers with a reduced carbon footprint, including: 25%, 50% and 75% below the standard level, as well as climate-neutral products with full GHG emissions offsets
Products with improved performance	Developed with consideration for reducing material intensity and greenhouse gas emissions throughout the entire life cycle	- High-strength rebar - High-strength rolled steel for machine building, construction, and truck manufacturing - High-strength wear-resistant rolled products for the mining industry - Weather resistance steel - Flat-rolled products and large diameter pipes for oil and gas pipelines with high cold resistance - High-strength galvanised steel / steel with a high zinc coating class - Coated rolled products for roofing, guttering and façade solutions - Rolled products with antibacterial properties - Environmentally friendly galvanised rolled products passivated with trivalent chromium - Iconball grinding balls
Environmental products	Designed to protect the environment from pollution	Dust and wind shields

A detailed description of green products is posted on the [website](#)¹.

In 2025, the Company explored promising niches in the creation of green products and, as part of partnerships, rolled out the release of a new product – trellises for vineyards.

¹ This website is only available in Russian.

Severstal projects that demand for the Company’s green products will grow in the medium term due to the delivery of large-scale transport and energy projects, implementation of housing and commercial infrastructure construction projects using steel frames, and interest of machine-building enterprises in using high-strength steel grades.

International recognition of Severstal’s green products

Severstal’s sheet pile solutions Grani and Grani Pro received an award at the Green Eurasia 2025 international climate competition held as part of the IV Eurasian Economic Forum.

These products hit the finals, running third in the Climate-Resilient Cities and Infrastructure category, and were especially noted for:

- high level of technological sophistication;
- proven performance in harsh climatic conditions; and
- practical significance for sustainable development of cities and infrastructure.

The Company’s solutions regularly become awardees of Russian and international exhibitions, competitions and awards, which attests to a broad recognition of Severstal’s innovations and technologies.

List of products with regions of deployment



In the reporting year, Severstal produced and sold a total of 264 thousand tonnes of green products, most of which were multi-sided sheet piles, high-strength rebar, wind generator towers, high-strength grinding balls, flat-rolled products, large diameter pipes with high cold resistance, and rolled products for roofing and drainage systems with an extended service life.

Green products accounted for 4.2% of the Company’s annual revenue.

Stakeholder Engagement on Climate Change Issues

Severstal is convinced of the need to cooperate with stakeholders to achieve its decarbonisation goals. Back in 2021, the Company initiated an important project by drawing up and launching the [Achieving a Low Carbon Future Together Climate Memorandum](#). Major Russian companies joined this document.

The purpose of the memorandum is to unite stakeholder efforts to address three key challenges:

- reducing greenhouse gas emissions;
- preventing climate risks; and
- adapting to the consequences of climate change.

At least once a year, memorandum participants analyse how successfully they comply with the principles set out in the document.

Severstal continues to extensively work to expand the circle of partners interested in participating in the Climate Memorandum. In 2025, it was joined by research and educational organisations: the Obukhov Institute of Atmospheric Physics of the Russian Academy of Sciences, Patrice Lumumba Peoples’ Friendship University of Russia (RUDN), the Moscow State Institute of International Relations (MGIMO) of the Ministry of Foreign Affairs of the Russian Federation, the National Research University Higher School of Economics (HSE), and the Saint Petersburg State University of Economics.

As part of the Climate Memorandum, the Company held four seminars dedicated to:

- preparation of climate reporting;
- climate change adaptation and physical climate risk management;
- implementation of climate projects, including those using nature-based and hydrogen technologies; and
- digitalisation of climate management.

The total number of seminar participants exceeded 200 people, including representatives of industrial companies, financial institutions, think tanks (universities and research institutes), and consulting firms. Participants exchanged experiences and best practices regarding GHG emissions accounting, climate risk analysis, implementation of nature-based climate projects, boosting energy efficiency and deploying renewable energy sources, and preparation of climate reporting. At the same time, they discussed and identified promising topics for further collaboration.

Cooperation in green products and technologies

Severstal interacts with stakeholders not only within conferences and forums but also through joint projects. In 2025, such projects covered:

- supply of 8 thousand tonnes of Kolchuga pipes for the construction of a main gas pipeline in the Far Eastern Federal District;
- joint development of a new type of product – trellises for vineyards (comprehensive supply of trellises and components will ensure sustainable development of vineyards and import substitution of sought-after agricultural structures in the Central, Southern, Volga and North Caucasus Federal Districts); and
- joint pilot installation of a wall module for a residential building using Uniframe technology in Tyumen.

Severstal has a tradition of regular participation in international conferences and forums on climate change issues. In 2025, the Company’s experts attended:

- COP30;
- Universities, Business and Climate Change: SCO Territory international forum;
- first SCO sustainable development forum; and
- 2025 BRICS International Municipal Forum (IMBRICS).

During these events, Severstal employees shared the Company’s practices on the analysis and management of physical climate-related risks, interaction with and support for local communities on climate change issues, as well as experience in the development, production and supply of climate change adaptation products.

Key stakeholders on climate change issues

Stakeholder group	Stakeholders	Areas of cooperation
Achieving a Low Carbon Future Together Climate Memorandum participants	▪ Business representatives ▪ Research and educational organisations	▪ Combining efforts to reduce greenhouse gas emissions, prevent climate risks, and adapt to the consequences of climate change
Industry associations, consortia	▪ Russian Union of Industrialists and Entrepreneurs (RSPP) ▪ Russian Steel Association	▪ Shaping the industry agenda on climate change issues ▪ Drafting of joint documents ▪ Participation in industry initiatives (e.g., GHG emissions benchmarking in steel production organised by the Russian Steel Association)
Working groups under the executive authorities of the Russian Federation	▪ Expert Council on Sustainable Development under the Ministry of Economic Development of the Russian Federation ▪ Working Group of the Ministry of Energy of the Russian Federation on improving the environmental policy in the areas of electricity, heat supply, and their adaptation to climate change ▪ Inter-Agency Working Group on Climate Change and Sustainable Development under the Presidential Executive Office of Russia ▪ Climate Club chaired by the Advisor to the President of the Russian Federation and Special Presidential Representative on Climate Issues Ruslan Edelgeriev ▪ Climatology Working Group of the Ministry of Construction, Housing and Utilities of the Russian Federation and the Russian Academy of Sciences	▪ Discussion of regulatory aspects
Expert organisations, ratings	▪ RAEX ▪ RBC NCR ▪ NRA ▪ ACRA ▪ Expert RA ▪ ECG – Responsible Business Rating ▪ CDP	▪ Disclosure of climate change-related information

In 2025, Severstal’s representatives joined the drafting of the Methodology Report on Inventories for Short-Lived Climate Forcers of the Intergovernmental Panel on Climate Change (IPCC). The new IPCC report will be published in 2027 and lay the foundations for the global accounting of emissions of such short-lived climate forcers, as nitrogen oxides (NOx), carbon monoxide (CO), black carbon (BC), etc.

The provision of up-to-date production data and expertise in the field of metallurgical processes makes it possible to populate the report with real emission factors reflecting the current level of technology. This guarantees that future national inventories and climate models will rest on reliable information, and that companies in the industry will have adequate tools for low-carbon development.

- Severstal also implements educational and outreach projects. For example, in 2025, Company employees:
- participated in educational programmes at the MGIMO University, HSE University, and Sirius as lecturers and seminar leaders (over 200 listeners); and
 - acted as research advisors for the writing of qualification papers and the completion of internships for students of the HSE University and Plekhanov Russian University of Economics.

Emissions Reduction Goals, Metrics, and Activities

GRI 305-4 GRI 305-5 GRI 14.1.8 GRI 14.1.9 SASB EM-IS-110a.2 SASB EM-MM-110a.2 PBCS 17

As part of its Decarbonisation Strategy, Severstal voluntarily committed to reducing the intensity of CO₂ emissions in steel production. The Company set two targets: to reduce emissions by 3% by 2024 (short-term target) and by 10% by 2030 (mid-term target) relative to the 2020 baseline emission level (determined for comparable conditions in terms of steelmaking charge composition).

In 2024, Severstal achieved a reduction in emissions intensity of 3.4% against the baseline year, and in the reporting year, the Company changed the target year for achieving the mid-term goal from 2030 to 2028. The shift in timelines became possible due to the successful completion of previously announced decarbonisation projects and continued implementation of current projects. Among them, the construction of an iron ore pellet production complex stands out as the largest of the initiatives being delivered.

In addition, the Company set about running new investment projects, including the construction of a new 149 MW recycling thermal power plant.

The amount of investments in GHG emissions reduction measures by 2028 increased significantly – from RUB 139 billion to RUB 298 billion. The Company expects that these measures will result in a reduction of GHG emissions of over 3 million tonnes of CO₂e per year. Investments in decarbonisation measures in 2025 amounted to RUB 87.8 billion, most of which was directed towards the construction of a pellet production complex at Cherepovets Steel Mill.

In 2025, Cherepovets Steel Mill achieved a record level of natural gas use in blast furnace production (204.41 m³/tonne of cast iron) and minimum solid fuel consumption. This became possible due to the transformation of the enterprise’s core technology chain.

In addition, Severstal began construction of a recycling thermal power plant (RTPP) at Cherepovets Steel Mill. Equipping the new plant will make it possible to annually utilise an extra ~ 2.7 billion m³ of blast furnace gas and generate ~ 1.2 billion kWh of electricity at its own facilities. The Company expects the result to be an annual reduction in CO₂ emissions of 420,000 tonnes.

Key decarbonisation projects implemented in 2025

Goal	Measures for achievement	Expected emissions reduction, tonnes of CO ₂ e per year
By 2028: reduce specific GHG emissions by 10% ¹	Achieving the rated performance of boiler unit No. 11 at Cherepovets Steel Mill ²	234 thousand
	Launch of a new reheating furnace No. 3 at mill 2000 of Cherepovets Steel Mill ²	190 thousand

Key decarbonisation projects until 2030

Goal	Measures for achievement	Expected emissions reduction, tonnes of CO ₂ e per year
By 2028: reduce specific GHG emissions by 10%	Transformation of the core technological chain (building a pellet production complex, increasing the natural gas consumption in blast furnaces, decommissioning the inefficient facilities)	2,700 thousand
	Programme for 95% of in-house electricity generation in total consumption (recycling of secondary energy resources, upgrade of turbine generators, increase in energy efficiency, reduction in energy consumption)	350 thousand
	RTPP construction at Cherepovets Steel Mill	420 thousand

Climate-Related Projects

GRI 305-4 GRI 305-5 GRI 14.1.8 GRI 14.1.9 SASB EM-IS-110a.2 SASB EM-MM-110a.2 PBCS 17

Severstal strives to seize climate-related opportunities in delivering climate projects. In 2025, the Company recorded two climate-related projects implemented at Cherepovets Steel Mill in the Russian Registry of Carbon Units. They became the first climate-related projects in the Russian ferrous metallurgy sector. The total GHG emissions reduction effect will be approximately 4.24 million tonnes of CO₂ over a decade. In addition, together with the Belgorod National Research University, Severstal continues considering the reduction of GHG emissions and increase in absorption for agriculture, including through the use of secondary products from ferrous metallurgy.

Severstal’s climate-related projects

Project name	Project description	Description of 2025 measures, plans for the project	Performance in 2025
Recycling of blast furnace gas secondary energy resources with electricity generation	Aimed at achieving the maximum average hourly consumption of blast furnace gas at TPP-SBS ¹ . The boiler house enabled Cherepovets Steel Mill to increase in-house electricity generation by 181.39 million kWh/year	▪ Recorded in the Russian Registry of Carbon Units ▪ Regular monitoring of emissions reduction since 2025	169,131 tonnes of CO ₂ – emissions reduction for 2025
Improving the energy efficiency of rolled steel production	As part of the project, a new reheating furnace No. 3 was launched at mill 2000 of Cherepovets Steel Mill. The new reheating furnace has an increased capacity (almost 1.5 times higher than that of the previously operating furnaces) and an advanced, highly efficient thermal regime control system. This reduces metal and natural gas consumption.	▪ Recorded in the Russian Registry of Carbon Units. ▪ Regular monitoring of emissions reduction since 2026	Commissioning

¹ Here and hereinafter: against the 2020 baseline emissions level (determined for comparable conditions in terms of steelmaking charge composition).
² The project was recorded in the Russian [Registry](#) of Carbon Units of AO Kontur.

Performance in 2025

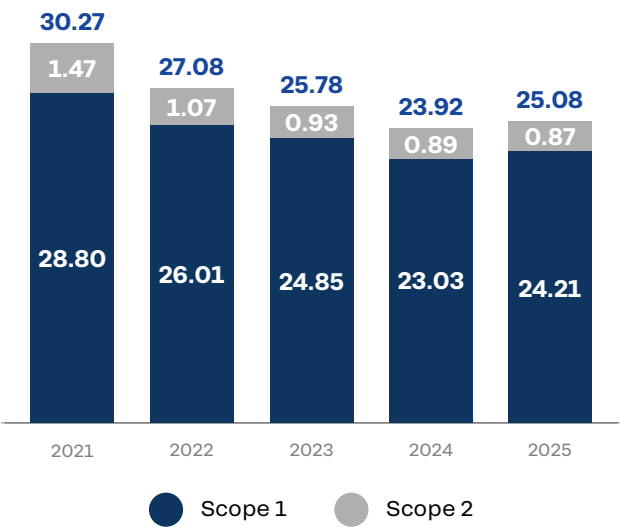
GRI 305-1 GRI 305-2 GRI 305-3 GRI 14.1.5 GRI 14.1.6 GRI 14.1.7 SASB EM-MM-110a.1 SASB EM-IS-110a.1 PBCS 8

When quantifying greenhouse gas emissions, Severstal factors in CO₂, CH₄, N₂O, PFCs, HFCs, SF₆, NF₃ and assesses them in accordance with the GHG Protocol standards for Scope 1, 2 and 3¹. The Company estimates Scope 2 emissions in reliance upon market-based and location-based methods.

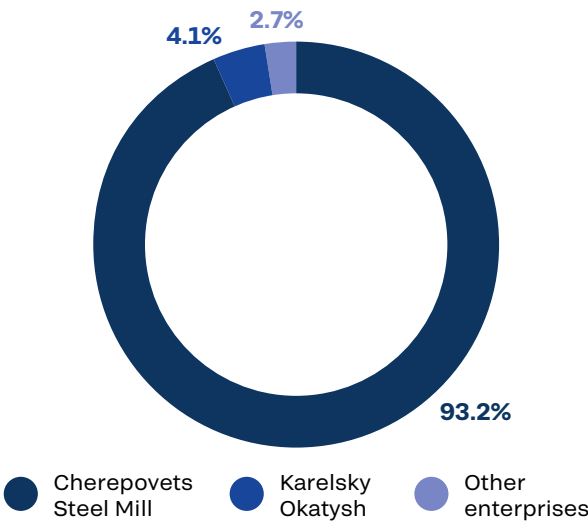
In 2025, the aggregate GHG emissions² (Scope 1 and 2) amounted to 25.08 million tonnes of CO₂e, a 4.8% increase compared to 2024. Most Scope 1 and 2 emissions accrue to Cherepovets Steel Mill (93.2%). The growth in production volumes at Cherepovets Steel Mill, including steel by 4.3% and cast iron by 11.7% against 2024, had a significant impact on gross GHG emissions.

GRI 305-1 GRI 305-2 GRI 14.1.5 GRI 14.1.6 SASB EM-MM-110a.1 SASB EM-IS-110a.1 PBCS 8

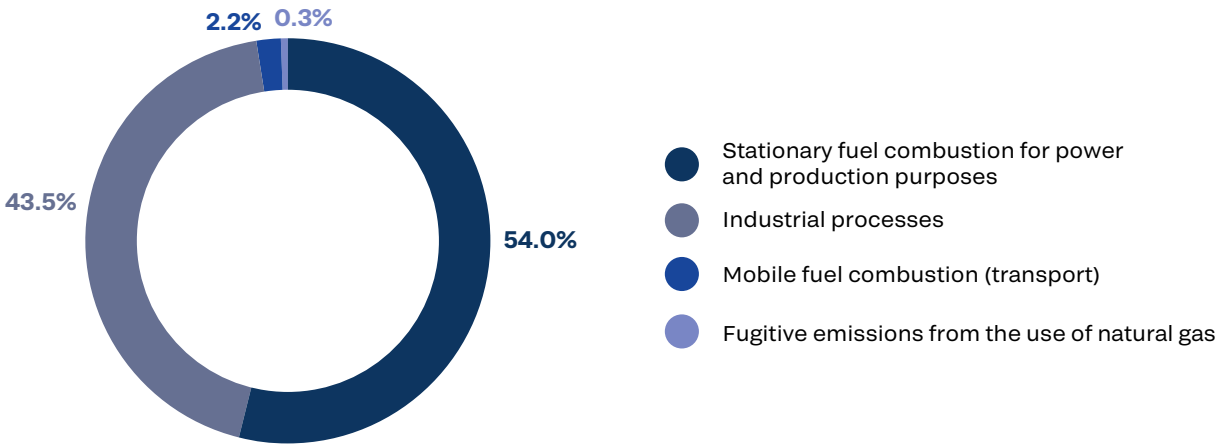
Gross GHG emissions (Scope 1 and 2), million tonnes of CO₂e



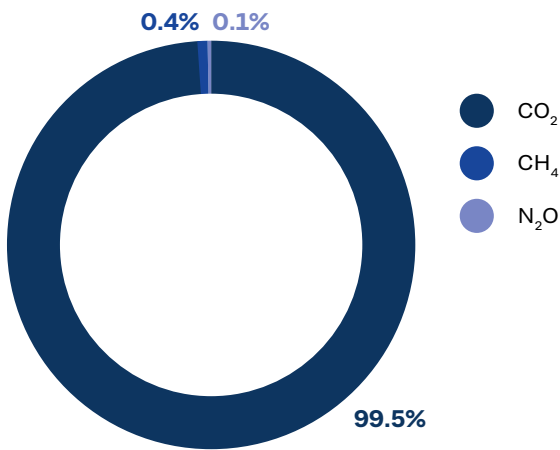
Major GHG emitters in 2025 (Scope 1 and 2), %



Key sources of Scope 1 GHG emissions in 2025, %



Structure of GHG emissions in 2025 (Scope 1 and 2), %¹



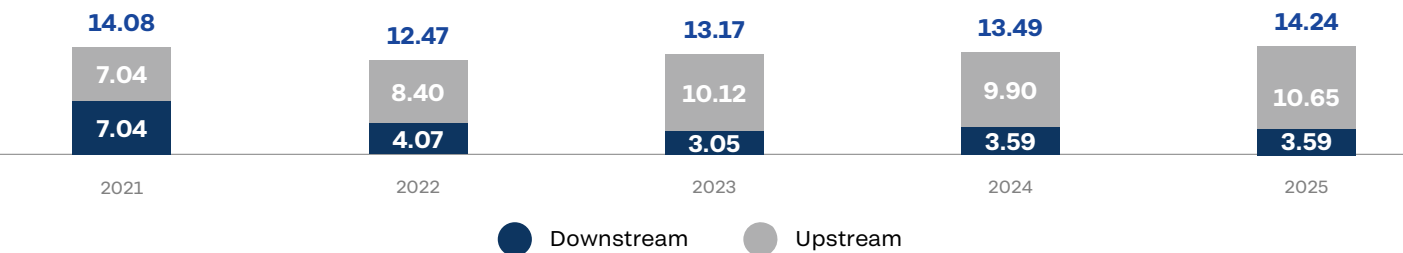
In 2025, the structure of GHG emissions remained intact versus 2024. The largest volume of emissions came from CO₂ (24.93 million tonnes of CO₂e), while CH₄ emissions amounted to 0.11 million tonnes of CO₂e, N₂O – 0.04 million tonnes of CO₂e.

GRI 305-3 GRI 14.1.7

Scope 3 emissions in 2025 amounted to 14.24 million tonnes of CO₂e, up 5.6% against the previous reporting period, mainly as a result of increase in the cost of purchased equipment and machinery, and the transition to using global warming potential coefficients according to the Sixth Assessment Report of the IPCC. Upstream and Downstream accounted for 75% and 25% of emissions, respectively.

GRI 305-3 GRI 14.1.7

Gross GHG emissions (Scope 3), million tonnes of CO₂e

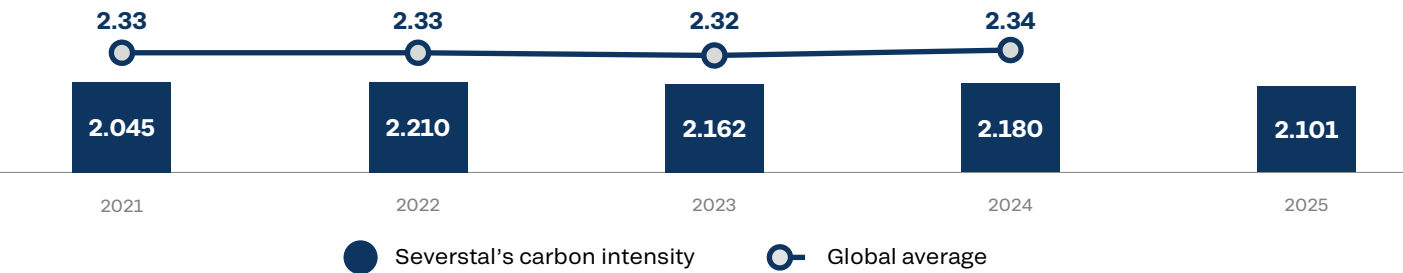


For detailed quantitative data regarding GHG emissions, see Appendix 6.

GRI 305-4 GRI 14.1.8

In the reporting year, the intensity of greenhouse gas emissions determined under the WSA methodology was 2.101 tonnes of CO₂/tonne of steel, which is 10.2% below the global average for integrated enterprises. Against the previous year, the emissions intensity decreased by 3.6%.

GHG emissions intensity², tonnes of CO₂/tonne of steel



¹ GHG Protocol Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

² Starting from 2025, the total GHG emissions in CO₂e are assessed through the use of global warming factors according to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). The change in the assessment of total emissions when transitioning to new global warming potentials was less than 0.1% compared to the IPCC Fourth Assessment Report coefficients used previously.

¹ Severstal's enterprises emit almost no other greenhouse gases (PFCs, HFCs, SF₆ and NF₃), or those emissions are immaterial.

² The indicator is quantified in accordance with the World Steel Association's CO₂ Data Collection User Guide. The calculation boundary includes the relevant CO₂ emissions for the three scopes. The global average data have been retrieved from [the World Steel Association Sustainability Indicators reports](#) (the 2025 value was not available as of the time of drawing up this Report).

Plans for 2026 and Mid-Term

- In 2026, Severstal intends to focus its efforts on the following climate change activities:
- drawing up an adaptation plan for Yakovlevskiy Mine and other assets;
 - commissioning of the Climate Risk Management subsystem for the 1C: Ecology. Environmental Protection system to monitor physical climate risks;
 - building relationships with key partners in the release and development of products and materials capable of enabling climate change adaptation projects, as well as for harsh climatic and natural conditions;
 - commissioning of the pellet production unit at Cherepovets Steel Mill – a key project of Severstal’s Decarbonisation Strategy; and
 - monitoring the progress of climate-related project implementation, followed by verification and issue of carbon units, as well as the development of new climate projects.



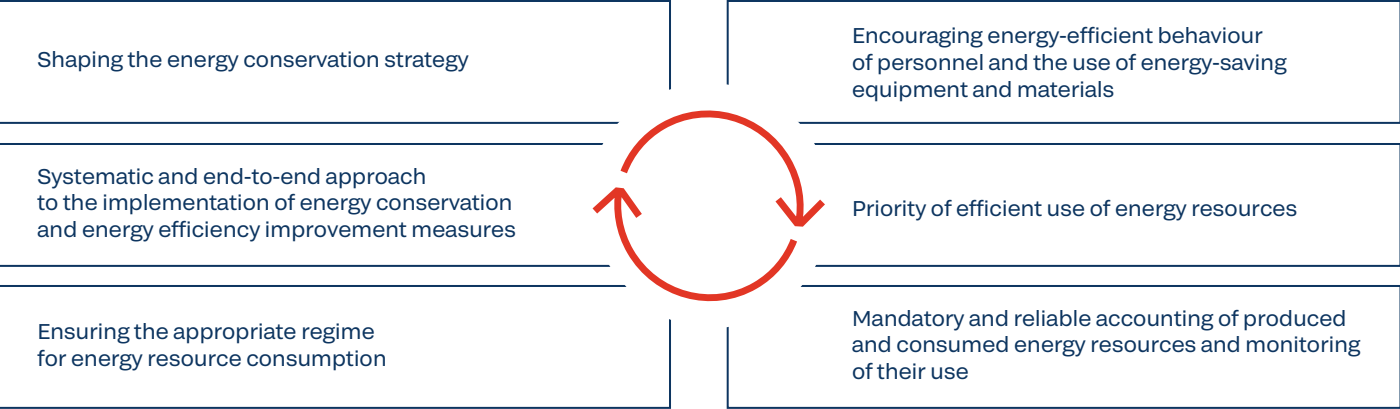
Energy Efficiency

Approach to Management

GRI 3-3 **GRI 14.1.1**

Robust management of energy resources makes a significant contribution to reducing greenhouse gas emissions and largely helps reduce the Company’s environmental impact through sustainable use of resources. [Severstal’s Energy Conservation Policy](#) sets forth the key principles and serves as the main internal document governing the Company’s activities in this domain.

Severstal’s energy conservation principles



All levels of management are involved in the administering energy efficiency issues – from energy specialists at the facilities to the CEO. The strategy for energy development within the Company is shaped by the Energy Director – Head of Energy Resources Production (ERP), while the search and elaboration of the relevant measures is the responsibility of the Energy Resources Production’s Technology Development Centre. The centre brings together management services, a team of experts in heat and power engineering, metallurgical heat engineering, gas and water supply.

Organisational structure for managing energy consumption and energy efficiency issues

Structural unit	Functions
At the highest management level	
CEO	▪ Review of reports on energy consumption targets ▪ Monitoring the effectiveness of implemented projects
At the managing company level	
Energy Resources Production’s Technology Development Centre (brings together management services, a team of experts in heat and power engineering, metallurgical heat engineering, gas and water supply)	▪ Search and elaboration of energy efficiency improvement measures ▪ Development of new technologies aimed at improving product quality and reducing energy production costs ▪ Elaboration of an energy consumption optimisation and in-house generation development programme
Energy Director – Head of Energy Resources Production	▪ Energy development strategy build-up ▪ Ensuring review and approval of technological energy-efficient solutions
At the level of segments and enterprises	
Energy specialists at enterprises	▪ Enterprise-wide execution of tasks related to energy consumption and energy efficiency

Severstal sets goals to increase in-house electricity generation and reduce the use of natural gas in the fuel mix of power plant boilers. The natural gas use indicator is also set as a KPI for Energy Resources Production.

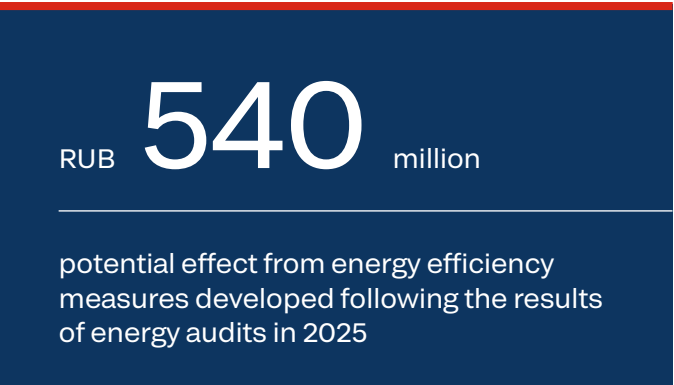
Based on the results of 2025, the reduction in natural gas use amounted to 11% YoY, and a share of secondary metallurgical gases in the fuel mix increased to 91%.

In addition, the Company sets the minimum energy consumption levels for its divisions and elaborates annual plans to achieve them. A number of employees have KPIs in terms of specific energy consumption targets, for which they are rewarded.

PBCS 18

Severstal's energy management system is developed in accordance with the requirements of the ISO 50001:2018 standard, for which reason the Company conducts regular internal energy audits. In the reporting period, the Company conducted 12 such audits, making it possible to analyse energy processes and systems and to identify growth points for improving energy efficiency.

On top of that, the Company performed an external ERP audit prior to elaborating an approach to reducing costs and increasing electricity generation.



Energy Efficiency Activities

In 2025, Severstal continued to implement activities under the End-to-End Energy Efficiency Management project, which spans all of the Company’s assets and is directed at centralised management of energy resources and fostering energy efficiency.

In the reporting year, the Company focused on operational control over energy resources use and the analysis of collected data, including for more effective energy purchase planning. A notable achievement was total savings on energy resource procurement costs, amounting to 5.5% versus 2024.

Employee Training and Engagement in the Enhancement of Energy Conservation Initiatives

Severstal employees regularly participate in industry conferences and roundtables on energy efficiency topics and are members of the Energy and Environment national expert community, sharing experiences and best practices with industry peers and production sector representatives as a whole.

Employees of the relevant departments take internal training to maintain and improve their expertise. In 2025, Severstal’s representatives also completed training at an interplant school on the topic of energy facilities and participated in 84 educational events as part of interaction with the Energy and Environment expert community.

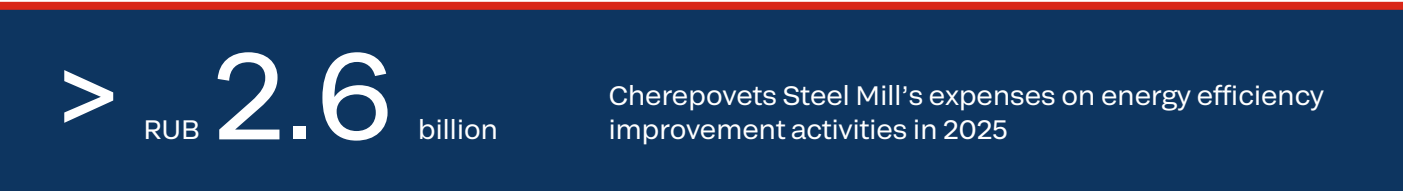
A high level of employee expertise is recognised by external companies. For example, as part of the GreenTech Sustainability Accelerator of the Skolkovo Foundation’s Industrial Technology Development Centre, Severstal experts are involved in evaluating startups from innovative companies participating in the competition from across Russia.

In addition, Severstal employees have the opportunity to propose their own initiatives to improve energy efficiency and qualify for bonuses under the Idea Factory programme, as well as under the Expert Career Ladder capacity building programme of the Energy and Environment expert community. Thus, thanks to initiatives implemented under the Expert Career Ladder programme, it was possible to reduce energy resource costs by RUB 531.7 million and cut CO₂ emissions by 92 thousand tonnes of CO₂ per year.

As participants in the Energy School educational career guidance project in Cherepovets and as speakers in a series of lectures for Sirius classes, Severstal experts willingly share their knowledge with schoolchildren, introducing them to cutting-edge energy technologies and energy conservation principles.

At the same time, Cherepovets Steel Mill implemented a number of initiatives to increase in-house electricity generation. Thanks to the activities completed in the reporting year, the plant achieved record historical figures – 90.8% utilisation of blast furnace and coke gases and 4.84 million kWh of in-house electricity generated. At the same time, a share of secondary metallurgical gases in the fuel mix amounted to 91.2%, up 11.3% against 2024. The enterprise benefits from an efficient technology for utilising secondary energy resources coming from blast furnaces and coke batteries – coke oven and blast furnace gases. These gases are directed to a steam boiler, where they are converted into hot steam. The steam is then supplied to a turbine unit, which transforms thermal energy into electricity.

PBCS 10



GRI 302-4

Cherepovets Steel Mill’s energy efficiency activities

Activity	Progress in 2025	Expected/achieved effect	Status
Construction of a boiler house with boiler unit No. 11	Done	Effect achieved: increase in electricity generation by 189.2 million kWh per year	☒
Upgrade of turbine unit No. 2 for in-house electricity generation	Implemented	Effect achieved: - load of 120 MW achieved - increase in electricity generation by 130 million kWh per year	☒
Upgrade of the gas turbine behind the blast furnace	Overhaul completed	Expected effect: - increase in capacity from 7 MWh to 11 MWh 100% reuse of waste blast furnace gases for electricity generation	▶▶
Hydrogen production	New electrolyser commissioned	Effect achieved:: Threefold reduction in hydrogen cost	☒
Construction of a new recycling thermal power plant	Construction started	Expected effect: - increase in in-house electricity generation owing to blast furnace gas utilisation - generation of 1.2 billion kWh	▶▶

☒ – completed ☐ – not completed ▶▶ – in progress

Potential of Renewable Energy Use

Severstal seeks to increase a share of renewable energy in its total energy consumption and analyses the potential for in-house generation. Thus, in 2025, the Company completed wind monitoring in the Cherepovets area. The monitoring results confirmed the feasibility of constructing a wind farm near Cherepovets Steel Mill. In the future, it is planned to develop a feasibility study, followed by the potential implementation of a pilot project for the construction of a wind farm.

In addition, in 2025, a project was delivered to create a small solar power plant at Karelsky Okatysh to power the infrastructure of the environmental monitoring station at the Okunevoye Lake (in addition to the already operating micro-HPP).

Apart from enhancing in-house generation from renewable sources, the Company contributes to the promotion of this pillar on a national scale: it produces steel sheets for wind turbines and contributes to the implementation of large-scale wind energy development projects in Russia.

Production of wind turbine towers

In 2025, Severstal Steel Towers resumed production of wind turbine towers, releasing 74 sets during the year. The enterprise supplies steel towers for wind turbines to both major Russian and foreign customers. The order portfolio is secured for several years to come. The enterprise won a tender for a four-year supply of steel towers: it intends to supply over 250 units of equipment to the largest Russian energy company by the end of 2029.

The enterprise mastered new technologies for producing next-generation towers and launched production of the largest towers in the wind turbine range, reaching a height of 120 metres, a diameter of 5.3 metres and a weight of over 400 tonnes.

Wind farm construction project in Kyrgyzstan

Severstal supplies steel sheets for the production of modular towers for wind turbines scheduled for construction in Kyrgyzstan. In 2025, the Company shipped more than 10 thousand tonnes of rolled steel. The installed capacity of the wind farm is 100 MW. The start of design work and subsequent construction are planned for 2025–2026. For the Russian wind energy industry, this project is the first foreign project.

Goals and Metrics

Severstal set a goal for Cherepovets Steel Mill, a key consumer of energy resources, to achieve a 95% share of electricity consumption of in-house generation, monitoring its achievement and tracking the effectiveness of measures taken.

Medium-term goal	Progress in 2025
95% share of in-house electricity generation in the total energy consumption at Cherepovets Steel Mill by 2030	79.7% of electricity consumed by the enterprise was generated by Cherepovets Steel Mill (↑ 0.6 p.p. versus 2024)

GRI 302-1GRI 14.1.2SASB EM-MM-130a.1SASB EM-IS-130a.1SASB EM-IS-130a.2PBCS 11PBCS 12

In 2025, energy consumption by Severstal's enterprises totalled around 330 thousand TJ, up 4% YoY. Such dynamics are accounted for by an increased cast iron production.

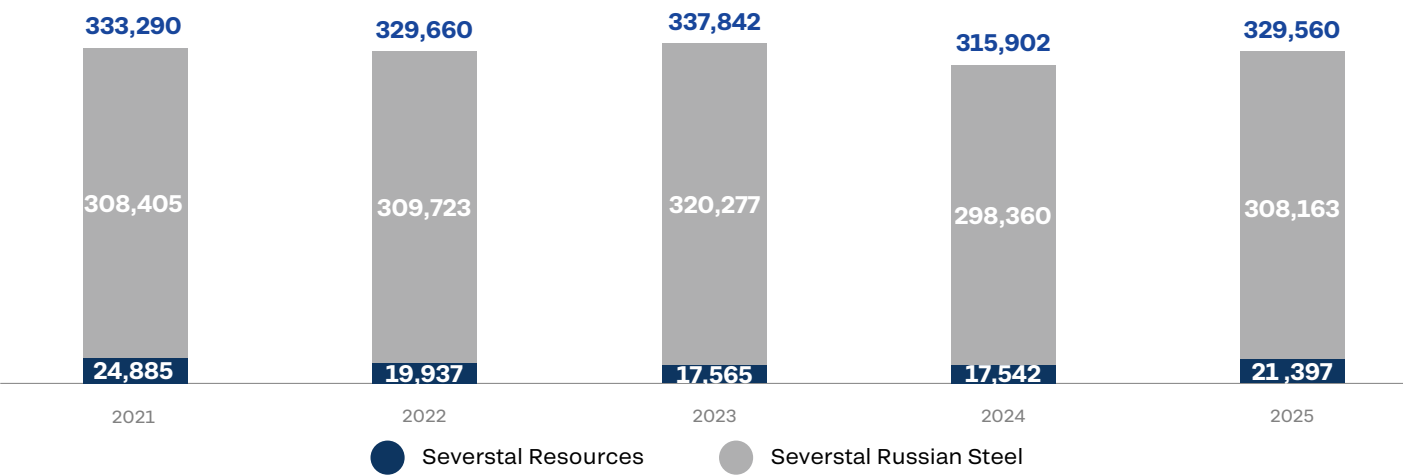
More than 5.3 thousand TJ (1.6%) of the energy consumed by the Company was generated by renewable and carbon-free sources. A share of grid electricity in the total energy consumption remained at the level of 4%. A share of RES in the energy purchased from the main electricity grids was 40% on the average.

Severstal's energy consumption¹, TJ

Indicator	2021	2022	2023	2024	2025
1) Fuel consumption, including 	321,367	320,877	329,825	308,551	321,594
from non-renewable sources, including	321,200	320,664	329,687	308,492	321,538
gaseous fuel ²	106,528	106,283	116,499	114,854	115,161
liquid fuel ³	13,472	12,296	12,257	12,161	12,166
solid fuel ⁴	201,200	202,085	200,930	181,477	194,211
from renewable sources (biofuel) ⁵	167	213	138	59	56
2) Energy consumption (third parties), including 	18,908	15,457	14,513	13,959	14,326
electricity, including	17,643	14,357	13,676	13,117	13,374
purchased from RES and carbon-free sources ⁶	8,058	6,442	6,036	5,172	5,326
heat, including	1,265	1,100	836	842	952
steam	607	523	484	474	458
hot water	657	577	352	368	494
3) Sales of energy generated (to third parties), including 	6,985	6,674	6,496	6,608	6,360
electricity	1,585	1,530	1,553	1,556	1,634
heat, including	5,400	5,144	4,944	5,052	4,726
steam	697	670	609	629	583
hot water	4,702	4,474	4,334	4,423	4,143
Energy consumption, total (1) + (2) - (3) 	333,290	329,660	337,842	315,902	329,560

The main energy consumption falls on the Severstal Russian Steel segment (94%) as a whole and on Cherepovets Steel Mill in particular. For the key production asset, the amount of energy consumed increased by 4% compared to 2024, amounting to 305.3 thousand TJ.

Severstal's energy consumption by segment, TJ



¹ To convert indicators from physical quantities to GJ, the data from Severstal's fuel suppliers and laboratories and from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Energy (absent the data from Severstal's suppliers and laboratories), was used.

² Severstal makes use of the following gaseous fuels: natural gas, methane, propane, propane-butane. Cherepovets Steel Mill also consumes coke oven gas and blast furnace gas, but these fuels are not covered by the calculation of energy consumption, as they are derived resources from primary fuels.

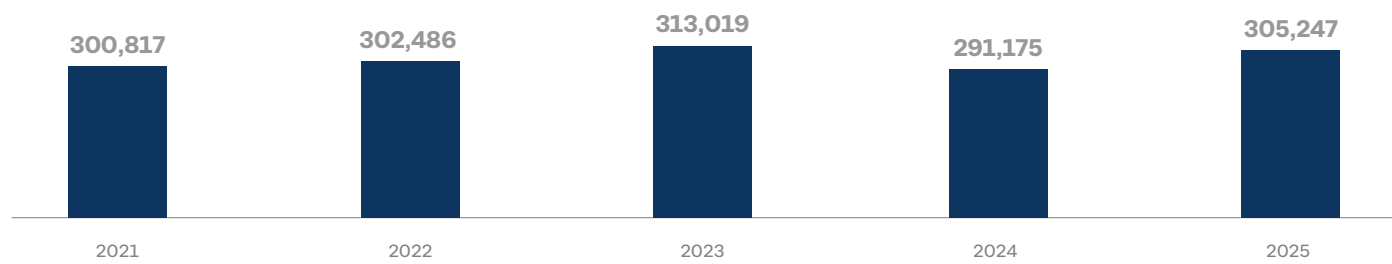
³ Liquid fuels used by Severstal include: fuel oil, diesel oil, gasoline, kerosene, including jet fuel.

⁴ Solid fuels used by Severstal include: coking coal, steam coal, anthracite, peat.

⁵ Wood chips.

⁶ RES – solar, wind, water (small HPPs), biofuel; carbon-free sources – HPPs and NPPs. The information is based on the data of the System Operator of the Unified Energy System (UES of Russia).

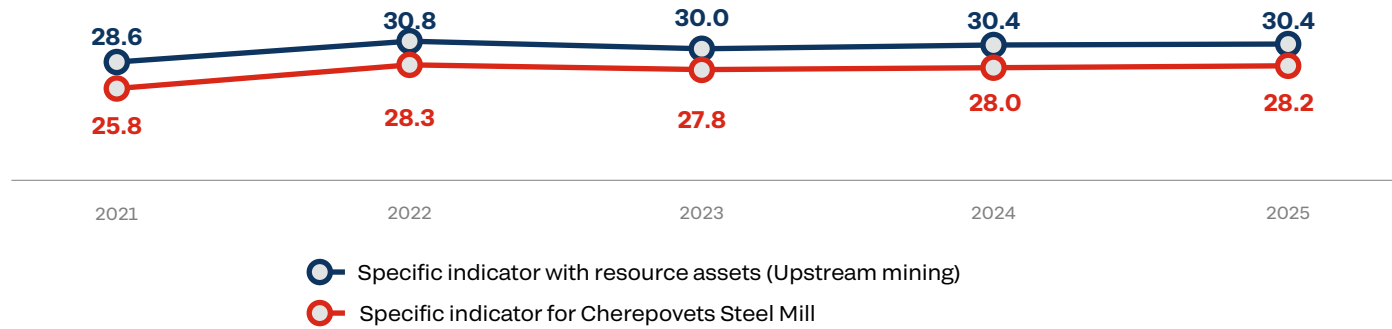
Cherepovets Steel Mill’s energy consumption, TJ



In 2025, Severstal’s specific energy consumption, with account taken of resource assets, remained intact and amounted to 30.4 GJ/tonne of steel. At the same time, specific energy consumption per unit of revenue amounted to 462.3 GJ/RUB million, up 21% against 2024. This is primarily due to a decrease in revenue.

GRI 302-3 GRI 14.1.4

Severstal’s energy intensity¹, GJ/tonne of steel



For detailed quantitative data regarding energy consumption, see Appendix 6.

Plans for 2026 and Mid-Term

Severstal’s energy efficiency objectives are as follows:

- implementation of a strategy to achieve a 95% share of electricity consumption from in-house generation, including the launch of a recycling thermal power plant at Cherepovets Steel Mill;
- reduction of natural gas consumption in the fuel mix of power plants, increase in the consumption of secondary energy resources; and
- improved efficiency of using energy resources.



¹ The numerator is energy consumption calculated at the GRI 302-1 formula, and the denominator is total crude steel production.

Environmental Protection

2025 Highlights

RUB 9.4 billion

(↓9.6%)

environmental protection expenditures

98.4%

(at the level of 2024)

share of water recycling

98.8%

(↑0.8 p.p.)

share of waste recycling

RUB 87.5 million

(↑71%)

biodiversity conservation costs

UN Global Compact Principles

Principle 7.

Businesses should support a precautionary approach to environmental challenges.

Principle 8.

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9.

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Material Topics

Air quality

Water use and impact on water resources

Waste and tailings management

Land resources and biodiversity

UN Sustainable Development Goals

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Environmental Management System

Approach to Management

GRI 3-3

Severstal strives to use resources sustainably, reduce emissions and discharges, manage waste effectively, and conserve biodiversity. Severstal’s approach to environmental protection rests on strict compliance with environmental legislation and laws on the sanitary and epidemiological well-being of the people. In addition, the Company is guided by the national development goals of the Russian Federation and the international sustainability agenda.

The principles and procedures for carrying out environmental activities are set out in Severstal’s relevant internal documents. In 2025, their list was supplemented with the Corporate Standard for Organising Activities with Contractors Providing Waste Management Services, which establishes environmental safety rules for the transfer of waste to third-party entities.

Severstal’s key environmental protection documents

Environmental Policy.

Contains environmental protection priorities and responsibilities.

Targeted Environmental Programme.

Outlines measures in the priority areas of environmental protection spanning all business units of the Company.

Mine Closure or Mothballing and Land Reclamation Standard.

Sets forth the principles of planning and arranging mine closure activities in line with statutory requirements and sustainable development principles.

Corporate Standard for Organising Activities with Contractors Providing Waste Management Services.

Establishes rules in the field of environmental safety when directing waste to contractors.

Policy for Conservation of Biodiversity, Ecosystems and Ecosystem Services of the Severstal Group.¹

Determines the targets and obligations to conserve the biodiversity, ecosystems and ecosystem services. For more information regarding strategic biodiversity documents, see the Biodiversity and Land Conservation section.

Conserve Biodiversity – Preserve Life Strategy 2024–2036.¹

Establishes the stages and main objectives for the transition by 2036 to the release of products with positive effects on biodiversity, ecosystems, and ecosystem services. For more information regarding strategic biodiversity documents, see the Biodiversity and Land Conservation section.

Biodiversity Standard.

Establishes the procedure for designing programmes and arranging biodiversity conservation and monitoring activities in the regions of Company’s operations.

Management of Used Water Resources Guidelines.

Stipulates the duties and responsibilities in the area of rational water use and integration of the unified water protection requirements across the Company’s enterprises.

Ensuring the Safety of Hydrotechnical Facilities Guidelines.¹

Stipulates the procedure for observing the safety requirements throughout the life cycle of the Company’s hydrotechnical facilities.

Emergency response plans for hydrotechnical facilities.¹

Specify the sequence of actions upon the occurrence of emergencies at hydrotechnical facilities.

Severstal’s Sustainability Strategy sets out the Company’s key environmental objectives.¹ They are aimed at improving air quality, protecting water resources, responsible waste management, and biodiversity conservation. The targets set by the Company for 2025 have been achieved in full. In the reporting year, Severstal updated them and set deadlines for their implementation until 2028.

For more details regarding the targets and progress towards them, see the relevant sections of this Report.

¹ This document is only available in Russian.

As part of the Targeted Environmental Programme (TEP), which runs until 2030, Severstal annually carries out a wide spectrum of environmental activities. In the reporting year, the Company worked on the implementation of 58 projects aimed at improving air quality (25 projects), wastewater treatment and discharge reduction (11 projects), and efficient waste management (22 projects). The programme’s funding amounted to RUB 2.2 billion.

For more details regarding the projects implemented by the Company in 2025, see the relevant sections of this Report.

At its own facilities that have a negative impact on the environment, Severstal regularly exercises industrial environmental control (IEC) in accordance with statutory requirements. In the context of IEC, the Company monitors

emissions and discharges, monitors the state of the environment, including control of ambient air quality, state of water bodies, level of physical impact (noise), as well as the composition of waste and its disposal sites.

An environmental management system (EMS) has been implemented at Severstal’s facilities, which improves environmental performance and the quality of distribution of authority and responsibility at the local level, and helps to adhere to the best environmental protection practices. Certification under ISO 14001:2015 was completed by eight Severstal enterprises (12 industrial sites), employing over 94% of staff ¹.Independent external audits conducted in 2025 reaffirmed full compliance of certified sites with the standard requirements.

Environmental Management Structure

- At Severstal, environmental protection issues are managed by organisational structural units at various levels. In 2025, the management structure of environmental services changed:
- the Environmental Protection Department was separated from the Occupational Health, Safety and Environment Directorate of AO Severstal Management into an independent unit – the Environmental Protection Department;
 - the environmental services of PAO Severstal and OOO Yakovlevskiy Mine were separated from the occupational health, safety and environment directorates into independent units of these entities, reporting directly to the CEOs of the entities managed; and
 - an environmental service was established at AO Olcon, with the transfer of staff and personnel from AO Severstal Management to a separate subdivision in Olenegorsk, reporting to the CEO of Olcon.

GRI 2-12

Environmental protection issues are regularly addressed at the Company’s senior management level.

- In 2025, the following topics were discussed at meetings of the Board of Directors and the Safety and Sustainability Committee:
- approval of new public environmental targets until 2028;
 - progress in the implementation of the Clean Air federal project;
 - risks inherent in changes in environmental laws; and
 - progress in delivering the climate strategy and climate-related projects.

- Environmental KPIs have been established for heads of structural units and enterprises of Severstal’s segments, which include:
- zero accidents at hazardous production facilities;
 - zero major environmental accidents;
 - zero environmental breaches;
 - zero over-limit emissions, discharges, and waste disposal;
 - achievement of the targets for reducing air pollution, impact on water bodies and increasing a share of waste recycling (in line with the approved Sustainability Strategy 2028);
 - implementation of measures provided for by the Targeted Environmental Programme; and

Rosprirodnadzor’s confirmation of the implementation of measures under the Clean Air federal project. The fulfilment of KPIs is regularly monitored by the CEO of AO Severstal Management and the CEOs of business units. Environmental KPIs are set at the level of the CEOs of business units and cascaded down to chief environmental specialists, senior managers, managers, and responsible specialists. The weight of environmental KPIs is at least 10% and is considered in determining the amount of remuneration.

¹ Among the Company’s enterprises with an environmental footprint.

Environmental management structure

Business unit	Key environmental protection functions
At the supreme management level	
Board of Directors	- Approval of strategic priorities, goals, and objectives in environmental protection - Approval of a list of essential environmental risks - Supervision over performance of environmental measures and achievement of environmental protection targets
Safety and Sustainability Committee	- Giving recommendations to the Board of Directors on compliance with the best environmental practices, environmental reporting standards, requirements of environmental laws, and nature-related criteria of ESG ratings - Coordination of the environmental reporting drafting and updating of the key internal documents on environmental protection - Assessment of the progress in reaching the environmental targets - Identification of material environmental risks, reviewing risk mitigation plans - Analysis of environmental incidents and breaches of requirements laid down by environmental laws
At the managing company level	
CEO of AO Severstal Management	Supervising the activities of the relevant units, including in the area of environmental protection
Environmental Protection Department	Making sure the strategic environmental protection decisions adopted at the supreme management level are implemented
Head of the Environmental Protection Department	Fostering cooperation between all Company units to implement environmental protection measures
Sustainable Development Working Group	Addressing the current challenges, including those in environmental protection, by representatives of the divisions comprising the working group
At the level of segments and enterprises	
Environmental services	- Control over the observance of environmental protection standards and statutory requirements - Addressing environmental protection tasks at the level of enterprises

Environmental Protection Training

- Severstal places strong emphasis on building a responsible attitude towards the environment among its personnel. Therefore, in accordance with the requirements of environmental legislation¹, the Company requires employees to complete training courses in the following areas:
- organisation of operations to treat hazardous waste; and
 - environmental safety for managers and specialists responsible for general management systems.

- In addition, pursuant to the Company’s internal requirements, employees take training on the following topics:
- environmental management system;
 - rules of operating water facilities of ferrous metals enterprises;
 - rules of operating gas treatment units;
 - occupational health, industrial safety, and environmental protection;
 - climate risk management;
 - decarbonisation strategy; and
 - biodiversity conservation.

In 2025, a total of 3.7 thousand employees completed environmental protection training.

¹ Federal Law No. dated 24 June 1998 No. 89-FZ on Production and Consumption Waste. Article 15. Requirements for persons allowed to collect, transport, treat, recycle, neutralise, dispose of waste of hazard classes I-IV; Federal Law dated 10.01.2002 No. 7-FZ on Environmental Protection. Article 73. Training of managers of organisations and specialists in the field of environmental protection and environmental safety.

Stakeholder Engagement on Environmental Agenda

Severstal is building multilateral cooperation with stakeholders on environmental protection matters through its participation in the following organisations:

- Commission on Occupational Health and Safety, Environmental Safety of the Russian Steel Association;
- Committee on Ecology and Environment Management, Committee on Biodiversity Conservation of the Russian Union of Industrialists and Entrepreneurs (RSPP);
- technical working groups of the BAT Bureau on updating information and technical reference books on the best available technologies;
- UN Global Compact Local Network;
- interdepartmental working group on regulation of pollutant discharges into water bodies;
- Scientific and Technical Council and working groups of Rosprirodnadzor;
- Ecology and Environmental Protection Committee of the Russian Managers Association;
- Federal State Unitary Enterprise Federal Environmental Operator;
- project office of the Clean Air federal project;
- environmental commissions of the Chamber of Commerce and Industry of Russia’s Council on Sustainable Development of Business, Corporate Social Responsibility and Volunteering; and
- Interdepartmental Working Group for the Preparation of the Strategy for the Conservation and Sustainable Use of Biological Diversity of the Russian Federation 2036.

In line with environmental laws, Severstal organises public hearings with the participation of stakeholders on planned economic activities as part of the State Environmental Expert Review (SEER). Information on the location, time, and date of discussions is communicated to the people and public organisations. In 2025, the Company received four SEER approvals, and in all cases public hearings were held. No points of criticism were raised either by the public or the administration.

In addition, the Company provides comments to the media and holds meetings with residents of the regions where it operates, discussing key issues of enterprise activities, including the results of environmental initiatives. For example, in 2025, a meeting was held in Cherepovets with the participation of the CEO of Severstal Russian Steel, dedicated, in particular, to the Company’s contribution to the Clean Air federal project, as well as the results of inspections of implementing project measures by supervisory and control authorities.

For more details regarding the Clean Air federal project, see the Air Emissions section.

To share experiences, develop innovative solutions, and search for new technologies, Severstal participates in conferences, forums, and roundtables on environmental impact issues, and cooperates with higher educational institutions, research centres, and partner companies.

Participation in the Small Motherland – the Power of Russia forum

At the regional day of the forum, Olcon presented its environmental protection results. In particular, technologies for natural biological treatment of quarry water and dust suppression at tailings storage facilities, as well as biodiversity conservation initiatives were presented.

In the reporting year, the Company presented at the XI Nevsky International Environmental Congress the results of its environmental upgrade work, owing to which the ambient air quality in Cherepovets improved noticeably. Severstal’s experience in sustainable development and implementation of climate-related projects was also presented at the 2025 BRICS International Municipal Forum.

At a meeting of the participants of the A Low Carbon Future Together Climate Memorandum, Severstal and the Saint Petersburg State University of Economics signed a cooperation agreement on the fulfilment of climate goals. The parties plan to implement projects and initiatives to reduce GHG emissions and adapt to climate change.

For more details regarding climate initiatives, see the Climate Change section.

The Company is an official partner of the Skolkovo GreenTech Sustainable Development – the largest programme in Russia for the search, expertise, and implementation of innovative projects and technologies into production.

In 2025, at the initiative of Severstal, the first meeting of the Expert Council on Biodiversity, Ecosystems, and Ecosystem Services Conservation was held in Cherepovets, established to assist the Company in the development and implementation of measures in this area, as well as to exchange experience.

Participation in the XV Arctic: Present and Future international forum

Severstal’s contribution to the forum attested to the Company’s commitment to protecting Arctic ecosystems and biological diversity. At the forum, the Company showcased its achievements in implementing a comprehensive environmental strategy, spoke about special aspects of delivering Arctic projects and ways to conserve ecosystems.

For more details regarding biodiversity initiatives, see the Biodiversity and Land Resources section.

Severstal extensively involves its employees in environmental events and clean-up days. In the reporting year, more than a thousand Company employees and their family members were involved in 114 volunteer campaigns in the regions of operation.

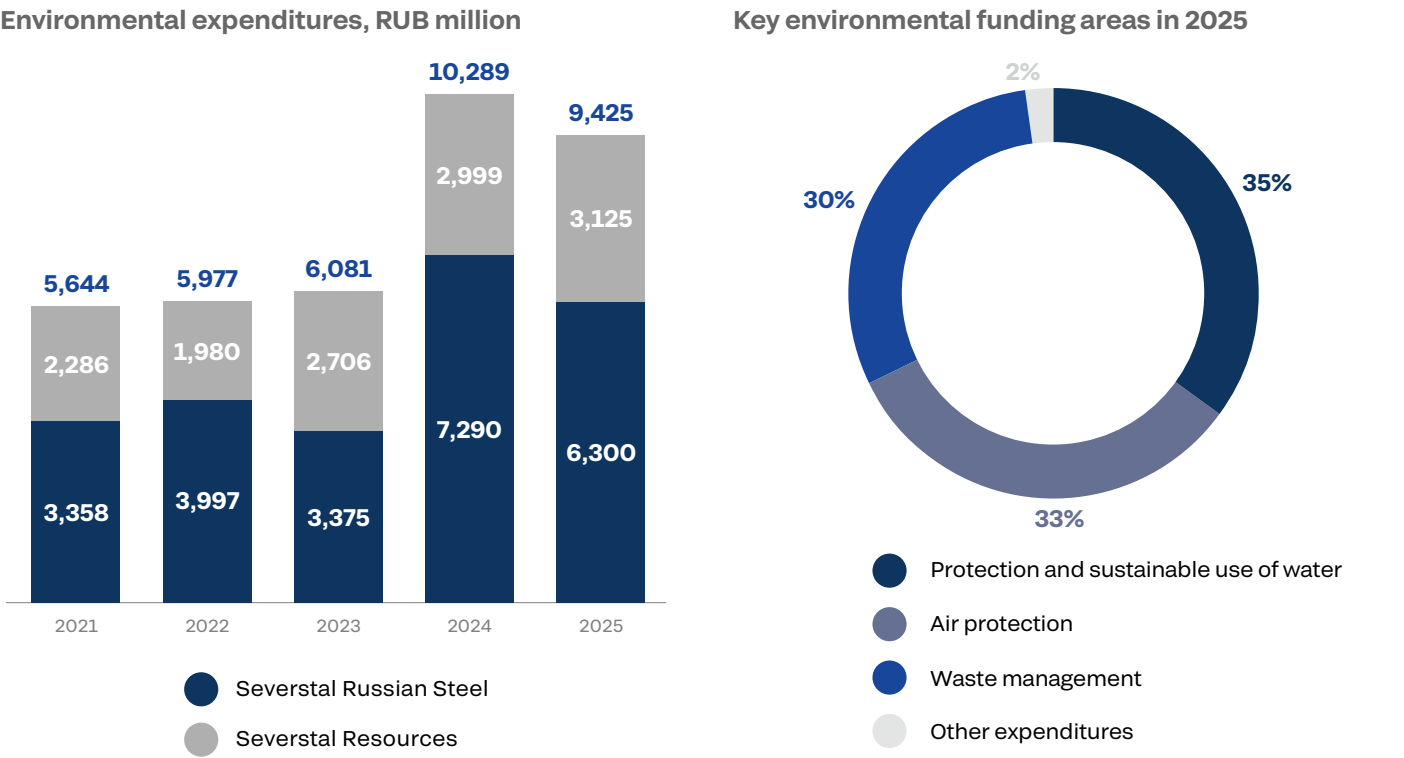
Main volunteer environmental campaigns of 2025

- **Clean House – Clean Planet environmental campaign»**
For the fourth time, Olenegorsk was home to the campaign for collecting recyclables organised by Olcon volunteers. Participants collected, sorted, and handed over recyclable waste for reuse and neutralisation.
- **Clean Games – Spring Cleanliness Cup**
OSPAZ employees took part in the anniversary competition to clean the bank of the Orlik River. Over 100 enthusiasts participated in cleaning up the coastal area. In one hour, they collected and separated more than 2,400 kg of waste into fractions.
- **Environmental campaign to clean a water body**
On the Ecologist’s Day, employees of Yakovlevskiy Mine and pupils of the engineering class organised the cleaning of the Krapivenskoye Reservoir. Participants collected more than 470 kg of waste along a 360-metre stretch of the shore.
- **Severstal’s Downstream environmental campaign**
About 200 volunteers in ten regions where the Company operates took part in clean-up days in Moscow, Murmansk, Mineralnye Vody, Oryol and Cherepovets.
- **Karelian Style Eco-Collection charitable campaign**
Karelsky Okatysh took part in the campaign, directing over 50 types of waste for recycling, including tyres, office equipment, glass containers, and waste paper.
- **Making Our City Cleaner! environmental festival**
Severstal volunteers ran first at the Making Our City Cleaner! environmental festival hosted by Cherepovets. Over several weeks, environmental enthusiasts held 10 large-scale clean-up days, collecting a total of more than 600 bags of various waste.

Environmental Expenditures and Environmental Compliance

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In 2025, Severstal’s total environmental expenditures amounted to RUB 9.4 billion, down 8% versus 2024. The reduction in expenditures is due to a decrease in spending on air protection measures.



Approximately equal shares of expenditures are allocated to air protection, water resources protection, and waste management. Other expenditures account for less than 2% of the total funding.

For detailed quantitative data regarding environmental protection expenditures, see Appendix 6.



Air Emissions

Approach to Management

GRI 3-3 GRI 14.3.1

Severstal’s production operations have a negative impact on ambient air, with the most significant impact associated with steelmaking processes. To reduce this impact, the Company takes measures to ensure regulatory air quality in the territories where it operates, implements activities to reduce pollutant emissions, and consistently introduces more environmentally efficient technologies.

In its air protection efforts, the Company is guided by the requirements of Russian environmental laws, its internal [Environmental Policy](#), and the Targeted Environmental Programme. The latter entails measures to reduce emissions from Cherepovets Steel Mill, Karelsky Okatysh, Yakovlevskiy Mine, and Olcon. Severstal is also implementing a programme to replace aspiration and gas treatment systems at Cherepovets Steel Mill and Karelsky Okatysh.

The Company regularly assesses environmental risks, including those associated with air emissions, and strives to minimise them.

[For more details regarding the key risks and risk management measures, see the Risk Management section.](#)

Severstal also monitors handling ambient air condition as part of its industrial environmental control (IEC). Experts from accredited laboratories take air samples at emission sources, in their impact zones, and at the boundaries of sanitary protection zones.

To improve the accuracy of data collection and analysis, the Company continued to implement a programme to equip stationary emission sources with automatic control systems, which transmit data to supervisory authorities in real time. Since 2024, the programme has been implemented at Cherepovets Steel Mill, and in 2025 it was joined by Karelsky Okatysh.

Cherepovets Steel Mill’s Participation in the Clean Air Federal Project

Severstal is a participant of the Clean Air federal project, under which a phased reduction of emissions of hazardous pollutants into the ambient air is carried out in participating cities. One such city is Cherepovets, where the Company’s main asset – Cherepovets Steel Mill – is based.

In 2024, the Company completed the programme ahead of schedule: it achieved the project targets set for the period up to 2026 and implemented all 28 scheduled measures included in the PAO Severstal’s action Plan for achieving pollutant emissions quotas under the Clean Air federal project. They include measures to upgrade production facilities and replace treatment equipment units with more efficient ones. The amount of financing was RUB 47.5 billion.

In 2024–2025, inspections were carried out by the Northern Interregional Directorate of Rosprirodnadzor to verify completed measures of the federal project. Based on the 2025 results, the implementation of all measures was confirmed by Rosprirodnadzor, and the established targets were exceeded.

Short-term goals of Cherepovets Steel Mill	Performance in 2025
↓ by at least 20% reduction in Cherepovets Steel Mill's gross pollutant emissions by 2025 against the 2017 baseline	↓ 30.3% reduction in Cherepovets Steel Mill’s gross pollutant emissions against the 2017 baseline
↓ by at least 20% reduction in Cherepovets Steel Mill’s hazardous (priority) pollutant emissions by 2025 against the 2017 baseline	↓ 30% reduction in Cherepovets Steel Mill’s hazardous (priority) pollutant emissions against the 2017 baseline

The achievement of the goals set was rendered possible due to the implementation of emissions reduction initiatives at Cherepovets Steel Mill. Please see the activities completed during the reporting period in the table that follows.

Cherepovets Steel Mill’s activities to reduce air emissions under the Clean Air project in 2025

Activity	Progress in 2025	Expected/achieved effect	Status
Construction of a boiler house with a boiler unit	Commissioning works were completed	Expected effect: reduction of nitrogen oxide emissions by 396 tonnes	☑
Programme for the replacement of aspiration units and gas treatment units (reconstruction of aspiration systems in the main shops of the enterprise)	Reconstruction of five electric filters was performed. Commissioning works of electric filter No. 11 were completed	Effect achieved: reduction of particulate matter emissions by more than 180 tonnes owing to the reconstruction of electric filters	☑
	Construction and installation works to combine the gas treatment system for electric arc furnaces No. 5 and No. 7 were completed	Expected effect: increase in dust emission cleaning efficiency to up to 95%	▶▶

☑ – goal achieved ☒ – goal not achieved ▶▶ – in progress

In addition to implementation of emissions reduction activities, the Company is advancing an air quality monitoring network in Cherepovets. Installed sensors operate at six monitoring points in all districts of the city, tracking the content of pollutants in the air – sulphur dioxide, nitrogen dioxide, carbon monoxide, hydrogen sulphide, and suspended particulate matter (PM 2.5, PM 10.0). The sensor readings are transmitted in real time to the [website](#)¹, where users can view the actual concentrations of pollutants and daily statistics on them, as well as compare them with maximum permissible concentrations. The website also provides information on air temperature, wind speed and direction in each city district.

Severstal became a laureate of the EcoTech-Leader 2025 national award

The air quality monitoring system in Cherepovets was listed among the best projects in the Environmental Monitoring category. Experts highly appreciated the level of implementation of Severstal’s project, as well as the accessibility of the technology to interested citizens: anyone can visit the website and view the air quality in the city online. Severstal’s data are consistent with state monitoring and used for the operational assessment of pollution from industrial enterprises, public utilities and transport infrastructure facilities.

Air quality in Cherepovets is also monitored by specialists from accredited laboratories. In 2025, they held over 14.9 thousand studies of ambient air composition. During 2025, supervisory authorities of the Vologda region also examined ambient air quality in Cherepovets for 19 pollutants as part of socio-hygienic monitoring.

Activities to Reduce Pollutant Emissions

Alongside the taking of measures under the Clean Air federal project, Severstal is implementing other initiatives to reduce the negative impact on ambient air at its main production sites.

PBCS 10

Implementation of other activities to reduce air emissions at selected enterprises

	Activity	Progress in 2025	Expected/achieved effect	Status
Cherepovets Steel Mill	Construction of an iron ore pellet production complex using environmentally-friendly technologies	- Buildings were erected, construction and installation works commenced - Installation of aspiration systems for the localisation and treatment of dust-laden air from process equipment - Installation of electric filters and a desulphurisation system for treating waste process gases from dust from roasting machines	Expected effect: - reduction of pollutant emissions by more than 30% against 2017 - reduction of GHG emissions For more details, see the Climate Change section	▶▶
	Equipping emission sources with automatic control systems (ACS)	17 out of 18 emission sources were equipped with ACS	Expected effect: the data obtained will be automatically transmitted to the supervisory authority to monitor the amount of pollutant emissions	▶▶
Karelsky Okatysh	Upgrade and replacement of electric filters, replacement of aspiration units	Replacement of electric filter No. 2 at the crushing and milling section of non-metallic materials was completed	Effect achieved: Increased equipment operational efficiency, reduction of pollutant emissions. Efficiency reached 99.6% (design efficiency – 88.8%)	☑
		Electric filter No. 4 at roasting machine No. 1 was put into operation	Effect achieved: Increased equipment operational efficiency, reduction of pollutant emissions by 138.1 tonnes	☑
		Work continued on the replacement of aspiration units in the crushing and finished product shop	Expected effect: Increased equipment operational efficiency, reduction of pollutant emissions by 400 tonnes	▶▶
	Fitting the boiler house with an automatic emissions control system	Construction and installation works for three ACS were carried out; ACS were launched into pilot operation	Expected effect: the data obtained will be automatically transmitted to the supervisory authority to monitor the amount of pollutant emissions	▶▶
Yakovlevskiy Mine	Installation of a more efficient aspiration system	The system was installed at the surface backfill complex	Effect achieved: dust emission cleaning efficiency of up to 92%	☑
Olcon	Replacement of aspiration units	Replacement was carried out in the primary-crushing building	Expected effect: maintaining cleaning efficiency	☑

☑ – completed ☒ – not completed ▶▶ – in progress

¹ This website is only available in Russian.

Goals and Metrics

The Company sets targets for reducing emissions of pollutants into the air, monitors their achievement, and tracks the efficiency of the measures taken.

Short-term goal of Severstal

↓ 30 %

Reduction of Severstal's pollutant emissions by 2028 against the 2023 baseline

Progress in 2025

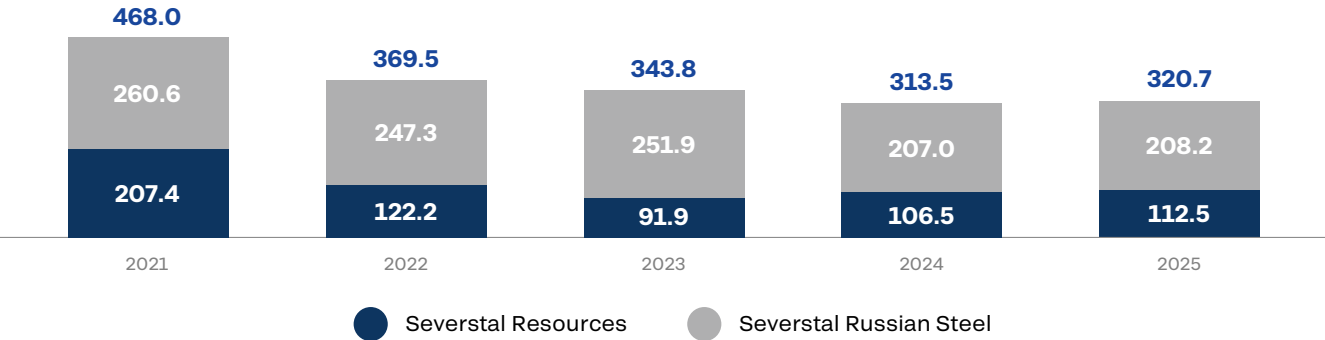
↓ 7 %

Reduction against 2023

GRI 305-7 GRI 14.3.2 SASB EM-MM-120a.1 SASB EM-IS-120a.1 PBCS 7

In 2025, gross emissions of pollutants into the air amounted to 320.7 thousand tonnes, up 2% YoY. The rise in the indicator is associated with an increase in the amount of rock mined and blasting operations at Karelsky Okatysh. At the same time, Severstal Russian Steel accounted for the bulk of emissions (65%).

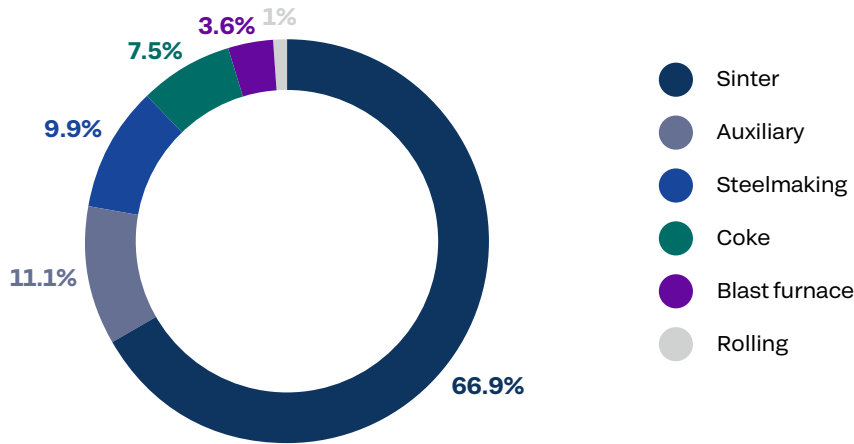
Severstal's pollutant emissions by segments, thousand tonnes



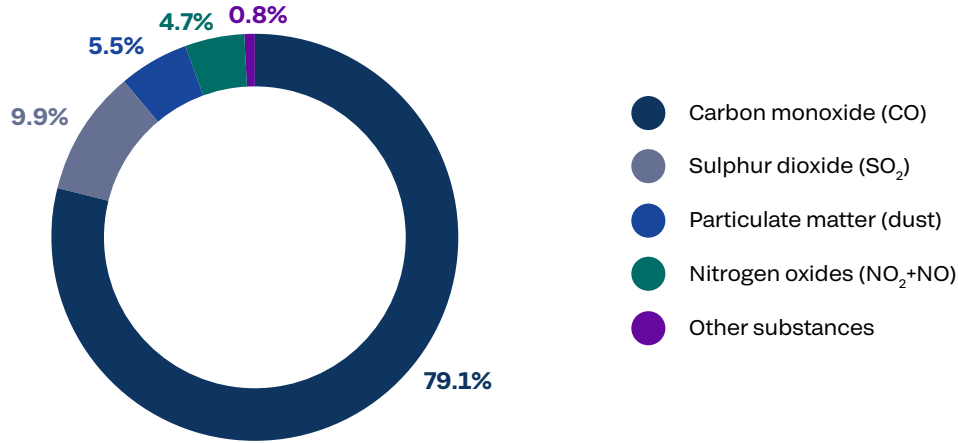
GRI 305-7 GRI 14.3.2 SASB EM-MM-120a.1 SASB EM-IS-120a.1

The largest share of emissions from the Severstal Russian Steel segment comes from Cherepovets Steel Mill, whose emissions are primarily associated with the activities of sinter plants. Due to special aspects of production, carbon (CO) monoxide accounts for most Cherepovets Steel Mill's emissions (79.1%) in the reporting period.

Structure of Cherepovets Steel Mill's emissions by production units in 2025



Structure of Cherepovets Steel Mill's emissions by pollutants in 2025



For detailed quantitative data regarding pollutant emissions, see Appendix 6.

Plans for 2026 and Mid-Term

The Company sets the following air protection objectives for 2026 and the medium term:

Cherepovets Steel Mill

- continued implementation of the programme for the replacement of aspiration units and gas treatment units (reconstruction of aspiration systems in the main shops of the enterprise); and
- fitting the 18th source of emissions with an automated control system.

Karelsky Okatysh

- continued work on the replacement of aspiration units in the crushing and finished product shop.

Olcon

- replacement of gas treatment units.



Responsible Water Use

Approach to Management

GRI 3-3 GRI 303-1 GRI 14.7.1 GRI 14.7.2

Severstal’s operations do not have a significant impact on the state of water resources in the regions where it operates: the Company’s facilities mainly use water from recycled water supply systems. The largest amounts of water are consumed by Cherepovets Steel Mill, Karelsky Okatysh, Olcon, and Yakovlevskiy Mine. Natural water bodies from which Severstal withdraws water are the Rybinsk Reservoir, the Kakhozero Lake, and underground sources.

According to the [Water Risk Atlas](#) of the World Resources Institute (WRI), Severstal’s enterprises are located beyond water-stressed zones. To this effect, the Company assesses the risk of water scarcity as insignificant.

At water intake and discharge, Severstal strictly abides by the requirements of authorisations and the provisions of the corporate [Management of Used Water Resources Guidelines](#)¹. This document outlines Severstal’s objectives for the rational use of water to preserve the natural aquatic environment. In addition, the Company is guided by the procedure for performance tests of water protection facilities and equipment planned for commissioning and by the Targeted Environmental Programme, which contains a set of measures to improve water use efficiency.

Severstal sets specific and reasonable targets for its enterprises in the field of water use and identifies water risks associated with their operations. Among the key water use risks, Severstal highlights two aspects: carrying out activities without authorisations and exceeding established standards for the discharge of pollutants in wastewater. At the same time, due to the expansion of risk assessment in 2024 to new business units², the Company identified for them risks associated with obtaining authorisations and organising laboratory control at

discharge sources. To manage these risks, Severstal implemented the appropriate mitigation plan in the reporting year, which made it possible to remove them from the register of the current risks.

The heads of Severstal’s enterprises are responsible for the timely release of necessary authorisations, conformance with the approved limits for water intake and disposal, and for the implementation of measures to reduce the discharge of pollutants into natural water bodies. The absence of discharges exceeding established limits is one of the key performance indicators.

GRI 303-2 GRI 14.7.3

Wastewater is discharged in two ways – into natural water bodies (the Rybinsk and Krapivenskoye reservoirs, Okunevoye Lake, Bezymyanny Creek, unnamed streams) and into public utilities. Before discharge into natural water bodies, wastewater is necessarily treated, and Severstal places paramount emphasis on improving the quality of such treatment. For this purpose, advanced treatment facilities operate at the enterprises, whose engineering status and serviceability are subject to regular inspection. The water quality in natural water bodies receiving wastewater is under constant control by Severstal and specialists from accredited laboratories engaged by the Company. Further treatment of domestic wastewater and part of industrial wastewater after treatment is carried out by municipal unitary enterprise (MUE) Vodokanal.

Severstal’s specialists are active participants in the national agenda on the use and conservation of water resources. For example, in 2025, the Company continued its activities to assess potential innovations in legislation and consider proposals from the RSPP and the Russian Steel Association.

Skolkovo GreenTech Sustainable Development programme

Severstal is an official partner of the Skolkovo GreenTech Sustainable Development – the largest programme in Russia for enhancing a supplier ecosystem for the mining industry. This programme is implemented in collaboration with the Ministry of Natural Resources and Environment of Russia and leading industrial enterprises of the country. Members of the company’s Energy and Environment network are part of the programme’s Expert Council.

In 2025, Severstal employees assessed more than 300 startups and developed over 30 projects for the implementation of proposed solutions. One of the two projects selected for pilot launch was a solution for industrial water resource management.

Responsible Water Use Measures

Severstal consistently implements a set of measures to reduce negative impacts of production operations on the state of water resources.

Status of implementing water use activities scheduled for 2025

	Activities	Progress for 2025	Status
Cherepovets Steel Mill	Upgrade of the wastewater disposal system for blast furnace gas treatment units	A survey of the wastewater disposal systems for the blast furnace gas treatment unit area was completed, recommendations were issued. A contractor entity was identified, and working documentation is being drafted	▶▶
	Increasing the capacity of sludge ducts	The activity is at the stage of working documentation drafting. The necessary equipment was purchased and delivered. A contractor entity was selected	▶▶
	Creation of a water recycling cycle	A contractor entity was identified, and a bundle of working documentation is being drafted. Acquisition of the necessary materials and equipment is underway	▶▶
	Construction of the wastewater disinfection unit of outlet No. 10	A contractor entity was identified, and working documentation was drafted	▶▶
Karelsky Okatysh	Completion of pilot tests at the Korpanga deposit sediment dam to find solutions for wastewater treatment	Performed in full	☑
	Continued implementation of the project to close the tailings storage facility loop to reduce wastewater discharge	1.5 km long embankment No. 2 was built on the southern edge, and a 1.1 km long rock revetment connecting theuction in discharge volume is planned after the loop is fully closed. The project goal is to ensure a gradual reduction in pollutant discharges into the Okunevoye Lake.	▶▶
Yakovlevskiy Mine	Implementation of activities as part of the project to create phytoremediation facilities made of artificial floating islands for treatment of mine water from metals, nitrogen group, oil products	Repair of existing structures was carried out, 150 plant units were replaced, and no expansion of the phytoremediation system area is scheduled	☑
OSPAZ	Implementation of the project for construction of surface wastewater collection and treatment facilities with connection of outlets Nos. 2 and 3 and return of treated wastewater to the technological water supply system	Construction and installation works (laying of water supply/sewerage networks) commenced	▶▶

¹ This document is only available in Russian.
² OOO Ventall Steel Solutions, OOO Severstal Steel Towers.



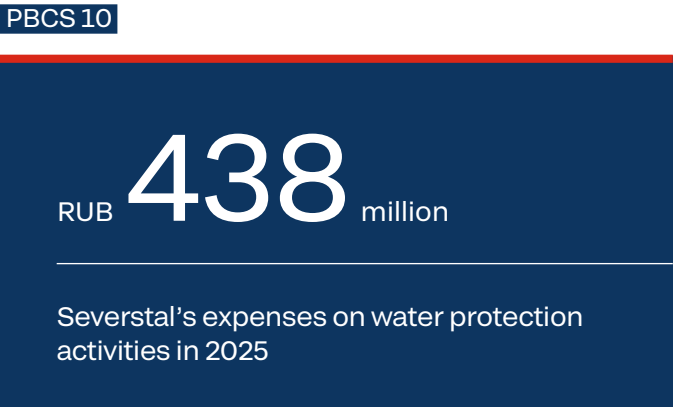


	Activities	Progress for 2025	Status
Aircompany	Continued implementation of the project for wastewater collection from aircraft parking areas on the aerodrome apron	A wastewater collection system was created at the aircraft parking area where aircraft undergo anti-icing treatment before departure	☒
Belorucheskoye Ore Department	Arrangement of 12 hydraulic observation wells for monitoring	The design documents are in place	▶▶

☒ – completed ▶▶ – in progress

Implemented measures also include Olcon’s completion of the construction of treatment facilities at the 15th Anniversary of October quarry and maintenance of the existing phytoremediation system without expanding its area. At the same time, Karelsky Okatysh again increased the phytoremediation system area before discharge into the Okunevoye Lake and Bezymyanny Creek. Severstal Distribution continued the implementation of the project to combine stormwater discharge outfalls and completed pre-design studies.

Severstal continuously explores opportunities to reduce negative impacts of discharges on water bodies. Thus, in 2025, it set about a joint study with the Research Centre for Energy and Resource Saving Technologies (Irkutsk) to reduce the content of nitrogen group substances in the wastewater of outlet No. 3 at Cherepovets Steel Mill. In addition, the Company carried out pilot tests to change the technology for decomposing spent cutting fluid in order to reduce the sulphate content in recycled water. Severstal intends to continue the implementation of both projects in 2026.



Monitoring of water quality and ichthyofauna

A long-standing partner of Severstal is the Papanin Institute for Biology of Inland Waters of the Russian Academy of Sciences. For many years, institute researchers have been monitoring the level of species richness, diversity, and abundance of phyto- and zooplankton, macrobenthos, and fish in the area affected by the Company’s enterprises. The monitoring results indicate a high level of species diversity in the Koshta River. The state of water quality in the river is evidenced by the species diversity, which has been maintained in recent years and corresponds to the composition of other tributaries of the Rybinsk Reservoir that are not subject to anthropogenic influence.

	2019	2020	2021	2022	2023	2024	2025
Species richness of the Koshta River	235	216	248	226	223	246	275

Introducing schoolchildren and students to water treatment processes

In 2025, Severstal continued to extensively support one of the important areas of its activities – increasing the interest of younger generation in production processes.

Thus, schoolchildren from Cherepovets went on an interactive tour of Cherepovets Steel Mill’s local treatment facilities, where they tried to purify water themselves and completed a number of other tasks.

Goals and Metrics

In the previous reporting period, Severstal achieved its short-term goal of reducing the discharge of pollutants¹ into water bodies in excess of permissible discharge standards by 12% at Cherepovets Steel Mill compared to 2017. At the same time, the short-term and long-term goals for reducing the discharge of pollutants into water bodies, updated in 2024, remain in effect.

Short-term goal

↓ 20 %

Reduction of pollutant emissions into water bodies by 2028 compared to 2023*

* the goal is established for Cherepovets Steel Mill

Progress in 2025

↓ 0 %

The discharge of pollutants remained unchanged against 2023 and amounted to 8 thousand tonnes
(↓ 21% reduction against 2024)

GRI 303–3 GRI 303–4 GRI 303–5 GRI 14.7.4 GRI 14.7.5 GRI 14.7.6 SASB EM–MM-140a.1
SASB EM-IS-140a.1 PBCS 1 PBCS 2 PBCS 4

Severstal uses water resources primarily for production needs, withdrawing water both from public utilities and from natural sources. As part of upgrading its production units and commissioning new facilities, the Company sets up local water recycling cycles. Cherepovets Steel Mill operates 62 such cycles.

Company’s water balance in 2025

Water intake: 66,505 thousand m³

Public utilities

8,512 thousand m³

Surface water bodies

50,920 thousand m³

Groundwater

347 thousand m³

Alternative sources

6,726 thousand m³



Irrevocable water consumption: 39,617 thousand m³

Production and household needs

Recycled water supply systems 98.4%



Water discharges to natural sources after use: 26,888 thousand m³

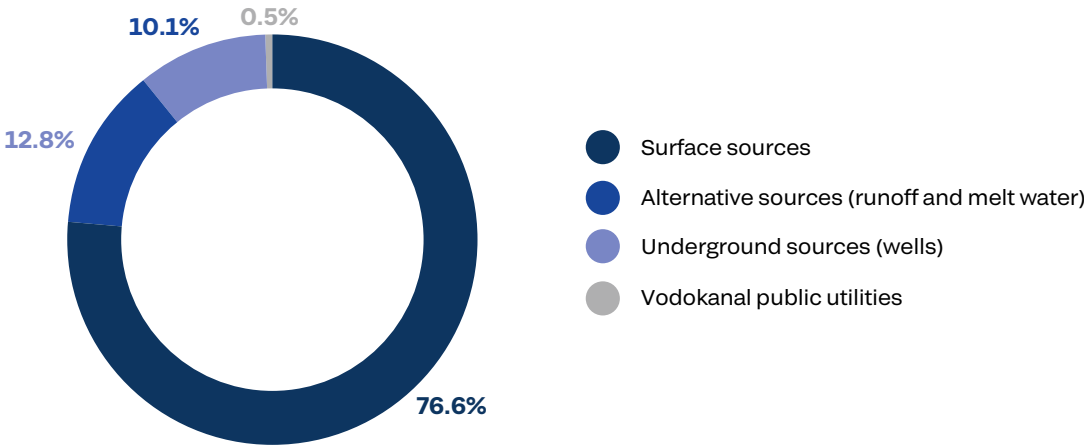
Surface water bodies 26,888 thousand m³

¹ For the following pollutants: ammonium ion, nitrites, manganese, copper, nickel, sulphates, fluorides, zinc, oil products, iron.

In 2025, the Company reduced water intake from natural sources by almost 4% compared to 2024. This became possible owing to a reduction in feeding recycling cycles and an increased amount of reused water at Cherepovets Steel Mill. At the same time, water intake from alternative sources increased by 49% due to a 32% increase in precipitation in the reporting year. However, the ratio of water intake sources changed insignificantly – the predominant share of water still comes from surface sources.

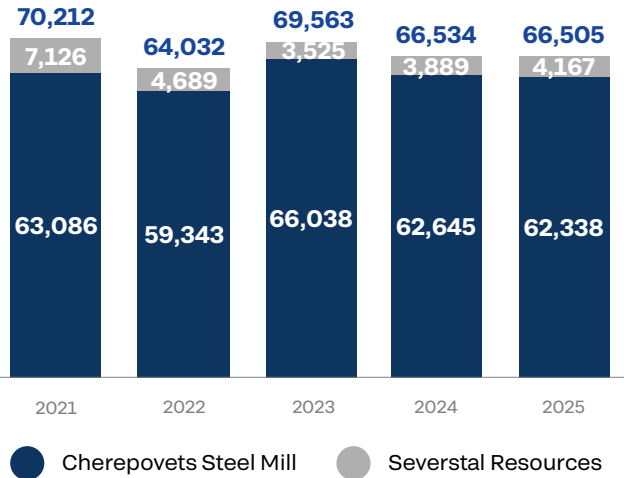
GRI 303-3 GRI 14.7.4 SASB EM-MM-140a.1 SASB EM-IS-140a.1 PBCS 1

Structure of water withdrawal from various sources in 2025, %

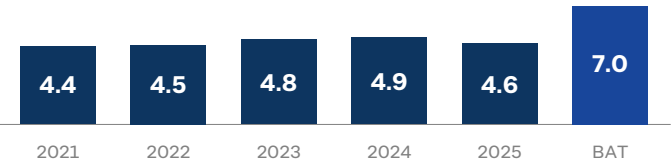


Specific water intake at Cherepovets Steel Mill in the reporting period reached 4.6 m³/tonne of steel, which is up 6% against 2024 and is due to a simultaneous reduction in water intake from surface bodies and an increase in production. At the same time, this indicator is significantly (34%) lower than the level provided for by the BAT.

Total water intake from natural sources¹, thousand m³



Specific water intake by Cherepovets Steel Mill from natural sources, m³/tonne of steel

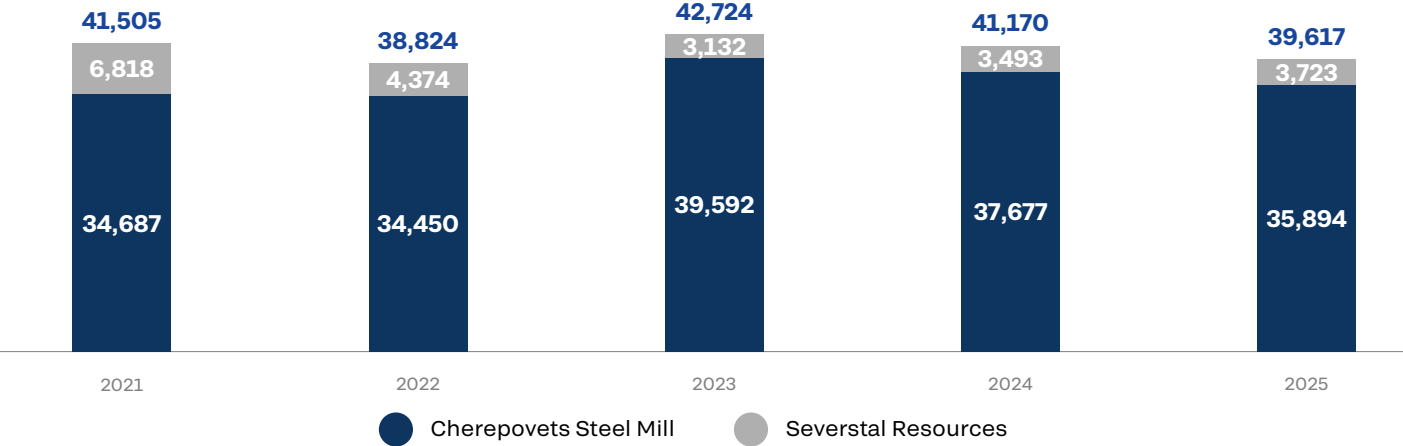


GRI 303-5 GRI 14.7.6 SASB EM-MM-140a.1 SASB EM-IS-140a.1

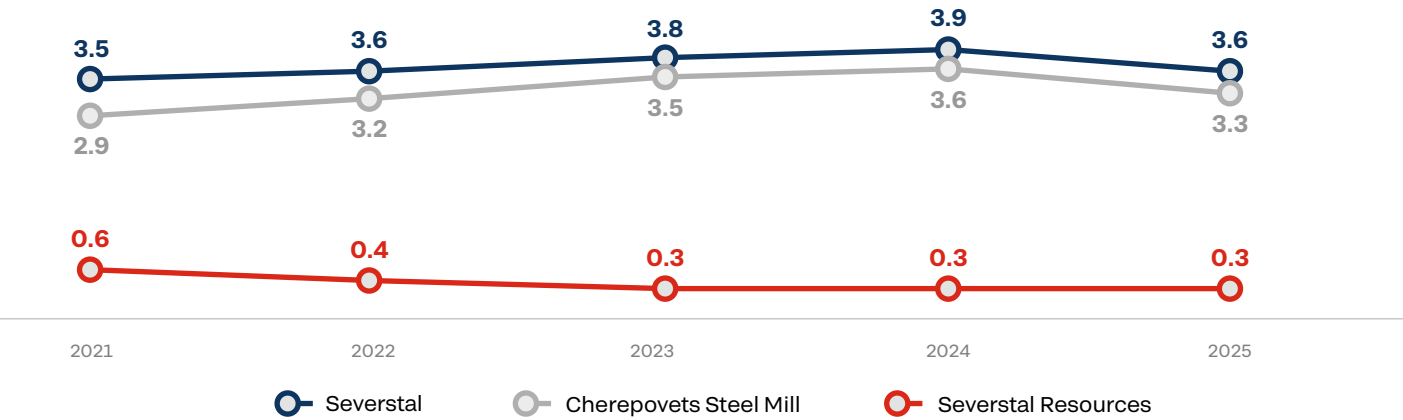
In 2025, irrevocable water consumption totalled 39.6 million m³ – down almost 4% YoY. The reduction is due to an increase in a share of recycled water in Cherepovets Steel Mill’s production cycle. At the same time, specific irrevocable water consumption in 2025 for the Company as a whole amounted to 3.6 m³/tonne of steel.

GRI 303-5 GRI 14.7.6 SASB EM-MM-140a.1 SASB EM-IS-140a.1

Irrevocable water consumption¹, thousand m³



Specific irrevocable water consumption, m³/tonne of steel

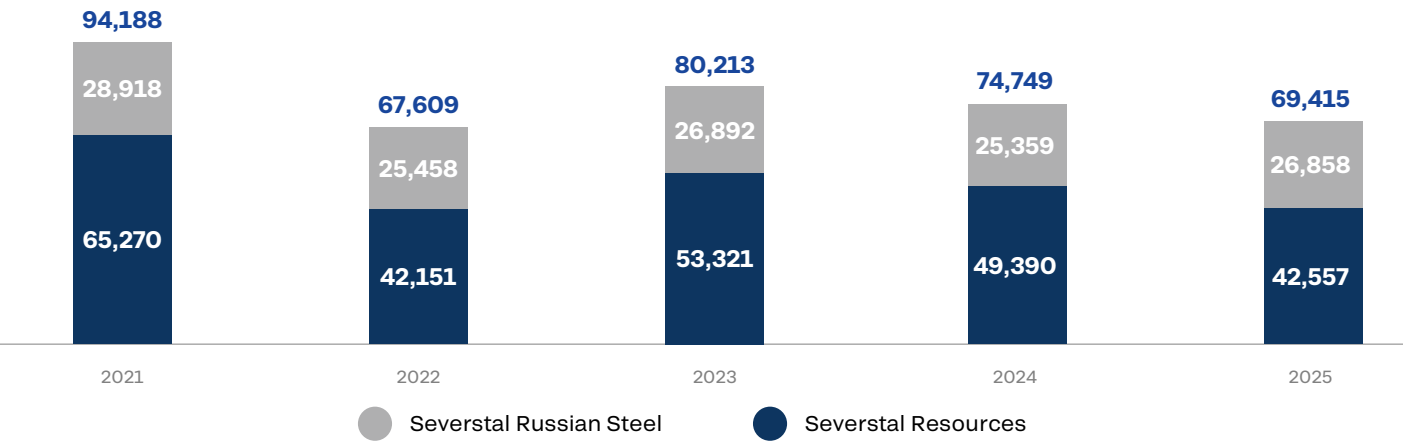


GRI 303-4 GRI 14.7.5 PBCS 4

The main burden of wastewater disposal falls on Severstal Resources’ facilities: they discharge mine and quarry water, which is not used in production, into water bodies. In 2025, the total amount of water discharged by Severstal into water bodies decreased by 7% YoY. Such dynamics are accounted for by the need to maintain a normal backwater level at the tailings storage facility at Karelsky Okatysh.

GRI 303-4 GRI 14.7.5 PBCS 4

Total water discharge into water bodies, thousand m³



¹ The Company withdraws and discharges only fresh water.

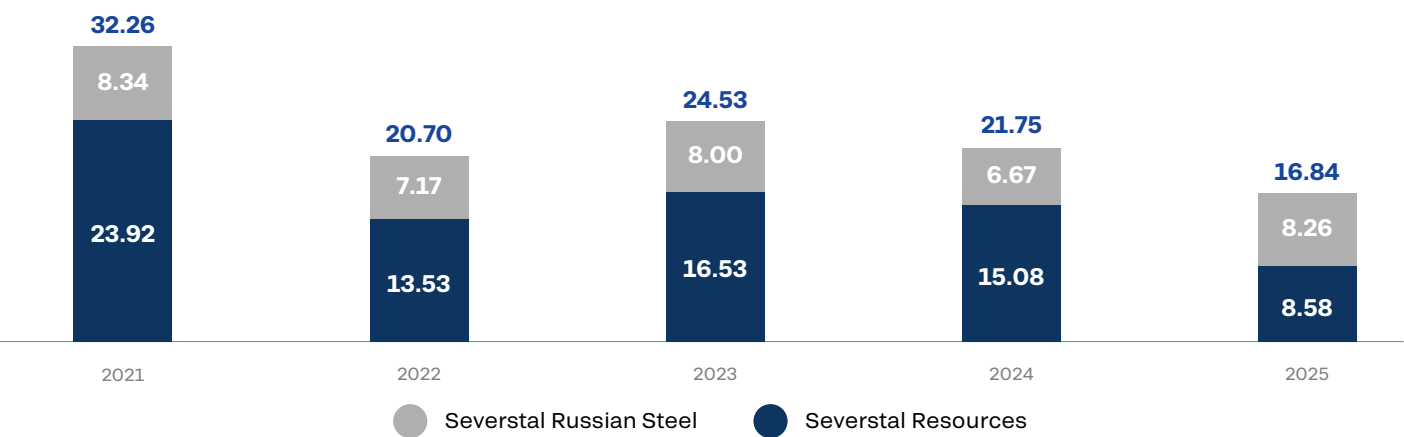
¹ The figure is calculated as the difference between the total water intake from natural sources and the total water discharge to natural sources after use.

SASB EM-MM-140a.2

The Company had no significant incidents related to pollutant discharges into water bodies in the reporting year. The amount of discharged pollutants in 2025 amounted to almost 17 thousand tonnes, which is more than 22% less than the 2024 figure – mainly due to a reduction in wastewater discharge and a decreased amount of markers from Severstal Resource. At the same time, for the Severstal Russian Steel segment, the discharge of pollutants returned to the 2023 level due to the termination of the experiment on complete closure of the drainage system at Cherepovets Steel Mill in 2024.

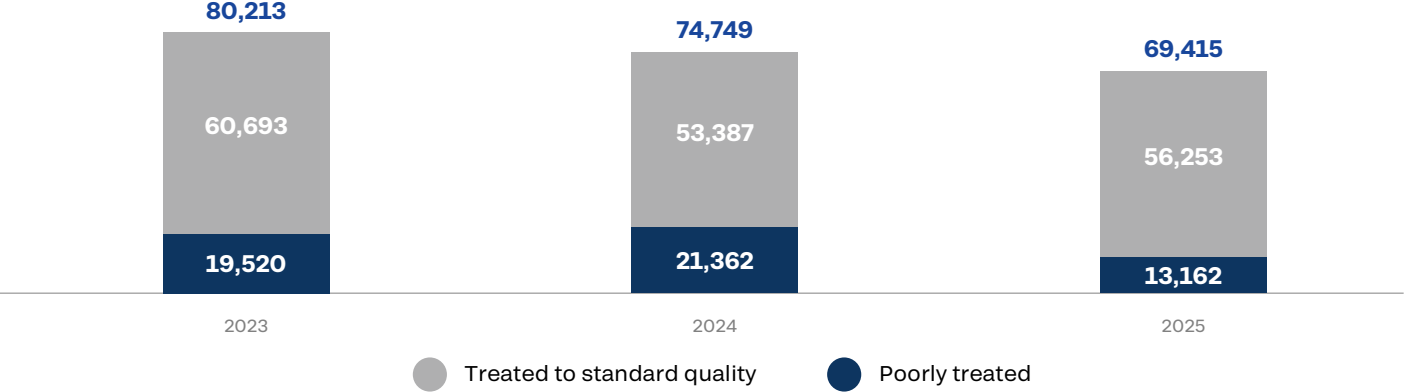
SASB EM-MM-140a.2

Discharge of pollutants into water bodies, thousand tonnes



GRI 303-4 GRI 14.7.5 PBCS 4

Amount of wastewater disposal by degree of treatment, thousand m³

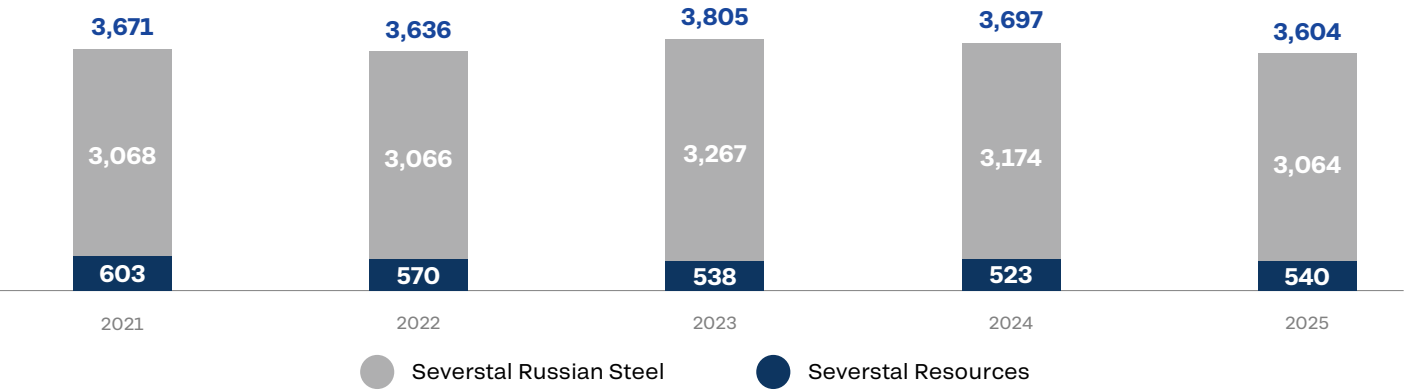


For more details regarding water use metrics, see Appendix 6.

PBCS 3

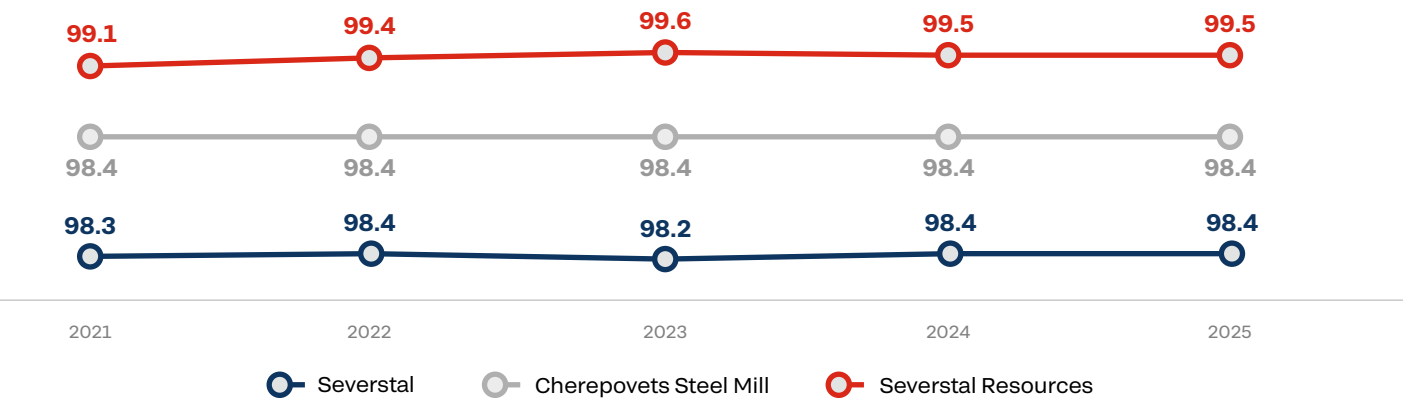
In 2025, the total amount of recycled water for the Company slightly decreased – by 2.6% YoY. However, a share of recycled water remained at the 2024 level of 98.4%.

Total amount of recycled water, million m³



PBCS 3

Water recycling, %



Plans for 2026 and Mid-Term

The Company intends to carry out the following activities:

- continuation of pilot testing, R&D, monitoring of the species richness of the Koshta River in the area affected by Severstal’s facilities;
- implementation of Cherepovets Steel Mill’s Environmental Efficiency Improvement Programme in terms of reducing pollutant discharges into water bodies with wastewater;
- upgrade of the stormwater system of AO Severstal Distribution (Cherepovets site) with wastewater disinfection;
- continued implementation of the project to close the tailings storage facility loop to reduce wastewater discharge at Karelsky Okatysh;
- increase in the phytoremediation system area at the tailings dams before discharge into the Okunevoye Lake;
- increase in the phytoremediation system area at the tailings dam of the Korpanga deposit before discharge into the Bezmyanny Creek; and
- construction of treatment facilities at the tailings dam of the Korpanga deposit before discharge into the Bezmyanny Creek.



Waste Management

Approach to Management

GRI 3-3 GRI 306-1 GRI 306-2 SASB EM-MM-150a.10

Severstal’s production operations include ore extraction and beneficiation, steel smelting and processing to create final products. These processes generate waste.

The Company strictly complies with waste management legislation. Severstal’ facilities strive to maximise a share of waste involved in economic cycle and reduce the amount of waste disposal.

Robust waste management is among the Company’s priority practice areas, as stated in the Environmental Policy and the Targeted Environmental Programme. Specific waste management processes are governed by internal regulations and provisions. In the reporting year, the Company approved the Corporate Standard for Organising Activities with Contractors Providing Waste Management Services to streamline approaches and increase transparency in this area. In addition, the regulations on interaction with Federal State Unitary Enterprise Federal Environmental Operator when transferring hazard class I–II waste and the regulations on the acceptance of reinforced concrete waste (due to the implementation of an automated accounting system) were updated.

At the level of the managing company, segments, and enterprises, waste management is regulated by the Environmental Protection Department and environmental services. The most pressing waste management topics, including the results of delivering initiatives, are discussed at meetings of the Board of Directors and the Safety and Sustainability Committee. In particular, in 2025, waste disposal and recycling indicators, as well as a report on the implementation of TEP measures, were discussed.

For more details regarding documents and the management structure for environmental protection issues, see the Environmental Management System section.

In order to reduce hazardous waste generation, Severstal is running a programme to replace transformers and capacitors containing sovtol (a toxic and flammable cooling liquid) with more advanced and environmentally friendly equivalents – dry-type distribution transformers of the TSZL¹ type and electrolytic capacitors. In 2025, Cherepovets Steel Mill directed 76.6 tonnes of transformers and 0.72 tonnes of capacitors to the Federal Environmental Operator for neutralisation, and Karelsky Okatysh directed more than 2.5 tonnes of trichlorodiphenyl-containing capacitors.

Compliance with the requirements of the Usolye Law

According to amendments introduced in 2021 to Federal Law No. 7-FZ on Environmental Protection (the so-called ‘Usolye Law’), when decommissioning facilities where hazard class I–II waste is stored, the Company shall take measures to prevent and eliminate environmental pollution.

In 2025, Cherepovets Steel Mill became the first in Russia to develop, in accordance with the new requirements, a general concept for the elimination of waste storage facilities with land reclamation, drafted and submitted a bundle of the relevant documents to Rosprirodnadzor.

Waste Management Activities and Incorporation of Circular Economy Principles

The Company incorporates the principles of circular economy at all stages of its production processes. Severstal strives to close material flows within its own production cycle and produce sought-after goods from waste and by-products.

Responsibility for the development of waste processing projects and technologies, and for the creation of by-products and new products from waste, is vested in the technological development centres and the Centre for Experiments and Technology Expertise in Waste and By-Products.

An important step to increase a share of waste directed for treatment, recycling, and neutralisation is the organisation of its separate collection. Severstal’s enterprises arrange waste storage areas at production sites and in offices, installing containers for separate collection of scrap metal, paper, plastic, and other recyclable waste.

Severstal’s activities for organising separate waste collection in 2025

	Activity	Progress in 2025
Cherepovets Steel Mill	Separate collection of plastic, paper, and cardboard at 30 specialised sites, storage of municipal solid waste (MSW) to be directing to recycling	290 tonnes of plastic, 141 tonnes of paper and cardboard directed to third-party organisations for treatment 2.3 thousand tonnes of MSW directed for recycling 166 tonnes of plastic recycled in-house at the composite site
Olcon	Separate waste collection for subsequent neutralisation and recycling	2.3 tonnes of plastic, 2.2 tonnes of cardboard and paper, 95 tonnes of wooden sleepers directed to neutralisation 202 tonnes of oils and 7.7 thousand tonnes of scrap metal directed to recycling
Karelsky Okatysh	Separate storage and accumulation of waste by group and type to be directed to treatment, recycling, and neutralisation	16 tonnes of waste directed to treatment 29.7 tonnes directed to recycling, including scrap metal and tyres 3.6 thousand tonnes of wooden sleepers directed to neutralisation
Severstal-Metiz	Separate collection of waste, including hazardous waste, to be directed to recycling	- Over 330 kg of batteries and mercury-containing waste and over 240 kg of office equipment directed to recycling - Over 1 thousand tonnes of oil product waste, 60.2 tonnes of paper and cardboard, 9.6 tonnes of polymers, 293 tonnes of wood waste, and over 20.5 tonnes of scrap metal directed to recycling
Severstal-Kanaty	Directing waste to third parties for recycling	Over 495 tonnes of oil products, as well as 19.8 tonnes of paper and plastic waste directed to recycling

GRI 306-2

Severstal strives to reduce the amount of waste generated in the course of production and related processes and to increase transparency of waste movement processes both within the Company and when directing waste to third-party organisations.

Severstal’s activities to reduce waste generation and control waste movement in 2025

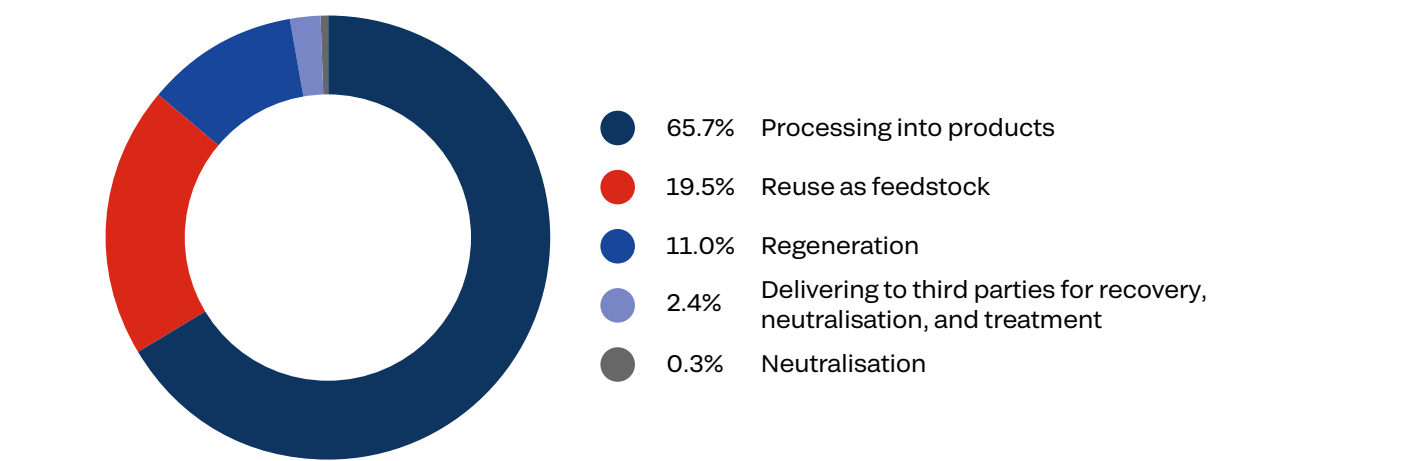
	Activity	Progress in 2025	Result
Cherepovets Steel Mill	Upgrade of equipment at the oil-emulsion section	- Transition to new reagents for treating recycled water from oil products was completed - Additional equipment for processing oil sludge was installed	- Reduction of waste generation - Obtaining recycled water of the required quality for reuse in production - Obtaining oil for subsequent sale
	Improving the quality of waste movement control in online mode on the basis of 1C	- Process of receiving and accounting for requests for the transfer of hazard class I–II waste was automated - Generation of waste removal requests and their accounting was automated	- Reduction in labour costs in units, acceleration of the preparation of management and regulatory reporting - Reduction in information processing time (accounting, control, calculations, analysis, report preparation)
	Monitoring the movement, disposal, and processing of oily scale	Foundation for a unified accounting system was built, dashboard layouts for monitoring scale flows were prepared, and the volumes of scale acceptance from supplier departments were increased	Reduction in scale inventories at enterprise sites
Olcon	Reduction of disposed waste	Disposal of plastic, glass and paper waste at the municipal landfill was ruled out These types of waste are now directed to recycling	- Approximately 8,230 tonnes directed to recycling 897 tonnes directed to neutralisation

¹ Dry-type three-phase protected transformer with cast insulation.

Severstal takes significant efforts to return production waste to economic cycle (recycling). In particular, at Cherepovets Steel Mill, both waste from metallurgical production and from related activities are reused. In 2025, a share of waste reuse at the enterprise amounted to 98.9% for own-generated waste and 100.9% – with account of the waste received from other Company’s enterprises.

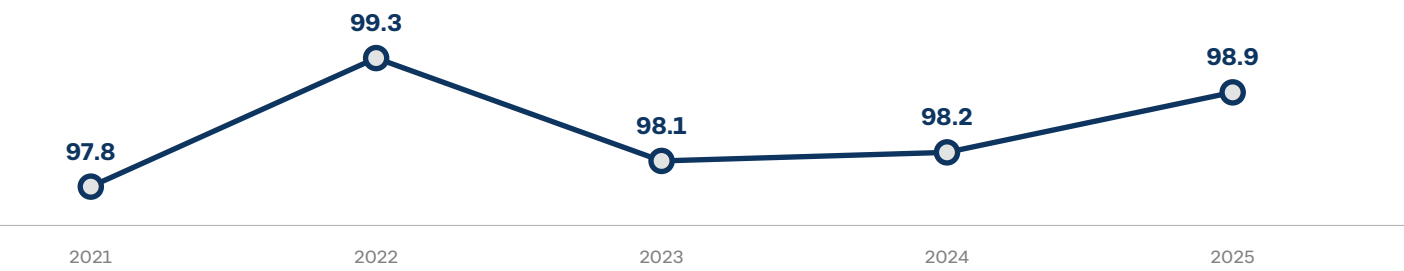
These results were achieved due to an increase in the recycling of process waste and soil waste (works for site conservation and construction of a new landfill), as well as reinforced concrete and brick waste (engagement of a contractor for crushing waste from the decommissioning of fixed assets).

Recovery of Cherepovets Steel Mill’s waste into the economic cycle (recycling) in 2025, %



SASB EM-IS-150a.1

Share of recycling at Cherepovets Steel Mill, %



GRI 306-2

Most waste is processed by the enterprise itself, and when sending waste to third parties, it is necessary to request documents attesting to compliance with waste management laws. The Corporate Standard for Organising Activities with Contractors Providing Waste Management Services approved in 2025 and the relevant checklist enabled to harmonise the process of selecting contractors for these operations. The standard provides for requesting information and, if necessary, conducting an on-site audit.

98.8%

share of waste recycling for Severstal as a whole in 2025

Main areas of recycling waste from metallurgical production at Cherepovets Steel Mill in 2025

Coke making	
73.6 thousand tonnes ¹ (100 %) ≈ coke dust recycling	9.6 thousand tonnes ¹ (100 %) ≈ recycling of chemical waste (tar decanter sludge, acid tar, cube residues)
Additive to coal charge and sinter batch in steelmaking	Additive to coal charge

Metallurgical treatment of feedstock		
101,301.6 thousand tonnes ¹ (90 %) ↑ recycling of zinc-containing blast furnace sludge	813 thousand tonnes ¹ (100 %) ≈ recycling of iron-containing dust, sludge, and scale	307 thousand tonnes ¹ 100% ≈ recycling of waste limestone and lime dust
Substitution of iron ore feedstock for sinter and iron flux production	Substitution of iron ore feedstock for sinter and iron flux production	Replacement of limestones in sinter and steel production
Sales as feedstock for clinker production and substitution of iron-containing additives in cement production		

Production of semi-finished and finished products	
142 thousand tonnes ¹ (100 %) ≈ recycling of spent oils, emulsions from rolling mills	4,578 thousand tonnes ¹ (100 %) ≈ slag recycling
Sales and reuse in production	Separation of metal fraction from slag, obtaining granulated slag
Sales to third parties	Sales of slag sand and crushed stone

- weight and share of recycling
- waste recycling within the Company
- waste recycling by delivery to third parties
- ↑ ↓ ≈ - change against 2024

¹ Weight of waste recycle during the year and a share of recycling relative to the weight of waste generated.

Main areas of recycling waste from related activities at Cherepovets Steel Mill in 2025

Transport and packaging	
125 tonnes (100 %) ≈ recycling of tyres and scrap tyres	508 tonnes (22 %) ↓ recycling of wooden pallets and other wood waste
Sales to third parties	Directing to recycling into sawdust, shavings, chips, coal or briquettes

Earthmoving and demolition works	
513 thousand tonnes (100 %) ≈ soil recycling	89 thousand tonnes (100 %) ↑ recycling of waste reinforced concrete from demolition
Use as an insulating layer on landfills and in land planning	Crushing of reinforced concrete and use of crushed stone for backfilling, landscaping, and temporary access roads; use of scrap metal in steelmaking
Sales to third parties	Delivery for recycling

Organisational and other related activities		
488 tonnes (100 %) ≈ recycling of waste cable products, office equipment	457 tonnes (100 %) ↑ plastic waste recycling, use for composite production	405 tonnes (100 %) ↑ paper waste recycling
Obtaining ferrous and non-ferrous scrap	Use as polymer feedstock for the production of edgings, pallets for coiled steel, tiles	Transfer for recycling as secondary feedstock
	Delivery for recycling as secondary feedstock	

- weight and share of recycling
- waste recycling within the Company
- waste recycling by delivery to third parties
- ↑

↓

≈

- change against 2024

Recycling of electronic devices

The Company takes a responsible approach not only to industrial waste but also to waste from related activities. For the disposal of office equipment, computers, and other electronic devices that became unserviceable, Karelsky Okatysh transfers them to a third-party organisation for neutralisation and recycling. Cherepovets Steel Mill uses such waste to obtain ferrous and non-ferrous scrap metal for subsequent use in production.

In 2025, Severstal continued to release composite products based on granulated blast furnace slag and secondary polymer feedstock:

410 tonnes of products released (tiles, pallets for coiled steel)

168 tonnes of previously unused secondary polymers recycled

Some industrial waste is disposed of in specialised landfills. Since 2023, Cherepovets Steel Mill has been constructing a new industrial waste landfill. The enterprise held public hearings as part of the State Environmental Expert Review (SEER) and commenced preparatory work. In 2025, work continued on the installation of manholes and trenches, pumping out water to organise regulating ponds, as well as the preparation of the map (section) of the main body of the landfill.

Goals and Metrics

Severstal set a target for ensuring the required share of waste recycling, monitors progress towards its achievement, and analyses the efficiency of the measures taken to this effect. The measures necessary to achieve the target are implemented in accordance with the Targeted Environmental Programme.

Medium-term goal

98.5%

share of waste recycling¹
by 2028

Progress in 2025

98.8%

share of waste recycling increased
by 0.7 p.p. against 2024

The metrics that the Company uses to assess the efficiency of waste management encompass all stages of waste management.

In 2025, the weight of waste generated increased by 16% YoY, exceeding 216 million tonnes. Most of this waste is generated by enterprises of the Severstal Resources segment, which are engaged in mining and beneficiation. More than 96.49% of waste comes from waste from subsoil use (overburden, surrounding rock, and tailings), which is practically non-hazardous (hazard class V²). A rise in the weight of overburden rock in the reporting year is associated with an increased production at Karelsky Okatysh and with the preparation of ore stopes at Olcon.

GRI 306-3 SASB EM-IS-150a.1 SASB EM-MM-150a.7 PBCS 5

Waste generation by segment and hazard class (including overburden and tailings), million tonnes

Indicator	2021	2022	2023	2024	2025
Severstal Resources, including	203.49	179.03	175.71	179.65	208.8
hazardous (classes I–III)	0.01	7.58	6.81	0.00	0.00
non-hazardous (classes IV–V)	203.48	179.06	175.74	179.65	208.8
Severstal Russian Steel, including	7.22	6.90	7.57	7.41	7.61
hazardous (classes I–III)	0.07	0.07	0.08	0.06	0.05
non-hazardous (classes IV–V)	7.15	6.83	7.49	7.35	7.56
Total	210.71	185.99	183.28	187.06	216.41

¹ The Company calculates the recycling value net of mining waste (overburden and tailings). Severstal calculates the value at the following formula: (neutralisation + treatment + recovery) * 100 / waste generation for the year.

² Classification according to the laws of the Russian Federation.

Waste generation by type of waste, million tonnes

Indicator	2021	2022	2023	2024	2025
Total waste, including	210.7	185.9	183.3	187.1	216.4
overburden	170.5	149.0	146.4	149.6	176.9
tailings	32.9	30.0	29.2	30.0	31.9
other waste	7.3	6.9	7.7	7.5	7.6

Severstal seeks to reduce waste disposal, giving preference to waste recycling. The Company primarily delivers overburden for disposal. In 2025, the weight of disposed overburden and ore beneficiation waste increased by 22% due to an increase in production. A decrease in the weight of recycling for these types of waste is accounted for by the fact that in the reporting year their use for the Company’s own needs was not required.

At the same time, if overburden and tailings are not taken into account, then in 2025 the weight of disposed waste decreased slightly to 117 thousand tonnes, while recycling increased by 3.4% due to the delivery of waste to third-party organisations, amounting to 7.55 million tonnes.

Waste recovery, million tonnes

Indicator	2021	2022	2023	2024	2025
Total (net of overburden and tailings)	7.1	6.9	7.4	7.3	7.5
Overburden	1.7	1.5	2.0	3.0	1.1
Tailings	8.6	7.0	6.8	7.2	7.6
Total	17.4	15.4	16.2	17.5	16.2

Waste disposal, million tonnes

	2021	2022	2023	2024	2025
Total (net of overburden and tailings)	0.27	0.11	0.158	0.120	0.117
Overburden	174.1	147.0	144.8	139.5	174.1
Tailings	24.2	22.7	22.4	22.8	24.3
Total	198.6	169.8	167.4	162.4	198.5

For more details regarding waste management, see Appendix 6.

Plans for 2026 and Mid-Term

The Company intends to implement the following waste management measures:

Cherepovets Steel Mill

- activities to increase a share of waste recycling: recycling of soil, reinforced concrete, blast furnace sludge;
- continued construction of an industrial waste landfill: development of the landfill body, construction of an embankment with soil delivery and grading, as well as sewer pipelines; and
- further work on the elimination of waste storage facilities (development of the design documentation).

Yakovlevskiy Mine

- start of projects for separate collection of plastic waste to eliminate its burial at waste disposal facilities, as well as waste in the underground mine to reduce the weight of waste delivered to waste disposal facilities.

Olcon

- holding the Clean House – Clean Planet environmental campaign of collecting recyclables.



O

HTF emergencies

GRI 3-3GRI 306-2SASB EM-MM-540a.2GRI 14.6.1

Severstal’s production operations are associated with the generation of mineral beneficiation waste (tailings) and sludge. Hydrotechnical facilities (HTF), including tailings and sludge storage facilities, are designed for the safe storage of such waste. The Company strives to ensure safe operating conditions for HTFs to prevent emergency situations and negative environmental impacts.

Key documents on managing hydrotechnical facilities
▪ External ▪ Federal Law No. 117-FZ dated 21 July 1997 on the Safety of Hydrotechnical Facilities ▪ Federal Law No. 7-FZ dated 10 January 2002 on Environmental Protection ▪ Federal norms and rules dated 8 May 2024 No. 151 'Requirements for Ensuring the Safety of Hydrotechnical Facilities (Except for Navigable and Port Hydrotechnical Facilities)' ▪ Domestic ▪ Ensuring the Safety of Hydrotechnical Facilities Guidelines¹ are a key document governing the procedure for ensuring the requirements of safety and environmental protection throughout the entire life cycle of HTFs ▪ Emergency response plans for HTFs: define the procedure to be followed in the event of an emergency; they are drawn up for each facility ▪ HTF safety declarations: establish safety criteria for each HTF and entail a comprehensive HTF assessment by an independent external expert organisation at least once every five years ▪ HTF operation projects: define the scope of structures and equipment, the procedure and mode of operation, making sure that the facility operates uninterruptedly and safely ▪ Technology instructions for HTF operation: contain HTF’s characteristics, basic operational requirements, including the issues of exercising control over their condition, repair works, and emergency response ▪ Control (monitoring) programme on the procedure for monitoring the safety of hydrotechnical facilities of ash and sludge storage facilities: defines the organisation and functions of monitoring and the distribution of responsibilities among responsible persons

Heads of business units, as well as heads and personnel of HTF operation and safety monitoring services are responsible for the safe operation of HTFs. Managers of the HSE services operating at the Company’s enterprises are responsible for the organisation and implementation of control and monitoring.

Responsibilities of persons charged with the safe operation of HTFs:

- Ensure monitoring of indicators of the HTF condition, natural and man-made impacts, and conduct safety assessments of HTFs based on the data obtained

▪ Ensure the development and timely refinement of safety criteria for HTFs, as well as the rules for their operation

▪ Maintain control systems for the HTF condition in good working order

▪ Consistently analyse the causes of reduced safety of HTFs and promptly elaborate and implement corrective measures
- Ensure regular inspections of HTFs

▪ Cooperate with public bodies exercising supervision over HTF safety

¹ This document is only available in Russian.

At Karelsky Okatysh, KPIs related to the implementation of the plan to build embankments are in place to improve the efficiency of HTF management. These embankments are used to protect the territory from flooding in the event of changes in water levels.

GRI 14.6.3SASB EM-MM-540a.1

Severstal’s hydrotechnical facilities

	Cherepovets Steel Mill		Karelsky Okatysh	Olcon
Location	Vologda region		Republic of Karelia	Murmansk region
Ownership status	Yes, the Company is an operator (as defined in the Global Industry Standard on Tailings Management ¹)			
Number of HTFs	2		1	1
Dam construction method	Ash and sludge storage facility on the Sheksna River (ASSF No. 1)	Ash and sludge storage facility beyond the Koshta River (ASSF No. 2)	Tailings storage facility	Tailings storage facility
Name of HTF	Upstream	Upstream	Downstream	Downstream
Status	Active No long-term plans for closure/liquidation			
Capacity	7.896 million m³	Section 1 – 25.36 million m³ Section 2 – 5.6 million m³	746.6 million tonnes	720 million tonnes
Completion as at year-end 2025	7.764 million m³	Section 1 – 20.81 million m³ Section 2 – 0 million m³	452.908 million tonnes	343.4 million m³
Class ²	III	III	II	II
Frequency of risk assessments, including:				
Internal audit: quarterly	☒	☒	☒	☒
Commission inspection: twice a year (spring/autumn)	☒	☒	☒	☒
Daily inspection (in a high-water period): twice a day	☒	☒	Not applicable	☒
External audit	Comprehensive survey – at least once every five years	Comprehensive survey – at least once every five years	Independent expert assessment – twice a year	Independent expert assessment – twice a year
Pre-declaration survey (independent expert assessment): at least once every five years	☒	☒	☒	☒
Date of the latest independent expert assessment	10 June 2025 – pre-declaration survey report 5 February 2026 – HTF safety declaration ³ approved	10 June 2025 – pre-declaration survey report 5 February 2026 – HTF safety declaration ⁴ approved	4 October 2025 – survey (external audit)	27 May 2022 – pre-declaration survey report 30 May 2022 – HTF safety declaration approved
Risk assessment results	Condition: operational			

¹ In accordance with the definition of the Global Industry Standard on Tailings Management, the Company is an operator – a legal entity that, independently or jointly with other persons, exercises full control over the tailings storage facility. This may be a corporation, partnership, owner, branch, subsidiary, joint venture, or any other legal entity, including any governmental agency exercising control over the tailings storage facility.
² Pursuant to Decree of the Government of the Russian Federation No. 1893 dated 20 November 2020.
^{3,4} The event occurred outside the reporting period but is significant for Severstal.

Safety Control and Monitoring of Tailings and Sludge Storage Facilities

The Company continuously monitors the safety of tailings and sludge storage facilities through instrumental control and visual observations. Observations of these facilities are carried out by the HTF operation safety services at Severstal’s enterprises. The monitored indicators and their limits are determined by the design documentation, safety criteria, and HTF safety monitoring projects. Following the results of monitoring, the Company assesses the engineering status of HTFs and, if deviations are identified, elaborates measures to eliminate them.

Safety control is exercised both by Severstal’s in-house services as part of internal inspections and by external organisations.

The internal audit process entails, among others, checking documentation and assessing the engineering status of HTFs.

In 2025, in addition to HTF safety monitoring projects, Cherepovets Steel Mill devised an internal control (monitoring) programme, which establishes:

- list of controlled loads and impacts on HTFs;
- list of controlled indicators of the condition of HTFs;
- scope of measuring instruments and the frequency of measurements;
- scope and frequency of inspections; and
- instructions and methodological recommendations for conducting inspections, measurements and processing of measurement results.

External control is exercised by public bodies – Rostekhnadzor and EMERCOM. In addition, twice a year Severstal conducts commission inspections and engages independent expert organisations to carry out design supervision. During commission inspections of sludge storage facilities, for example, the engineering status of sludge storage facilities dams, drainage ditches, sludge pipelines, spillway wells, water transfer pipes, and piezometers is monitored. During inspections of tailings storage facilities, the water level in the tailings pond and sediment dam is monitored. Based on the results of commission inspections, measures are elaborated to maintain HTFs in operational condition.

In the reporting year, Karelsky Okatysh underwent an on-site inspection by Rostekhnadzor, and designer supervision over the operation of HTFs was carried out by the design organisation.

In 2025, Cherepovets Steel Mill revised the safety declarations for ASSF No. 1 and ASSF No. 2 and, as a result, adjusted the safety criteria for water level for ASSF No. 2.

Severstal performs risk assessments for the occurrence of accidents and incidents throughout the entire life cycle of HTFs and, if they are identified, elaborates measures to minimise them.

Activities for safe operation of tailings and sludge storage facilities

Plans for 2025	Progress in 2025	Status
Cherepovets Steel Mill		
Performing works on declaration of ASSF No. 1 and ASSF No. 2	Development of safety declarations and their submission to Rostekhnadzor for approval	☑
Performing works on monitoring the dam core	Performing works on determining the elevation levels of the dam core at ASSF No. 2	☑
Karelsky Okatysh		
Continued implementation of the closed loop project	Building an embankment on the southern edge and a rock revetment connecting the northern and eastern edges as a support for the dam to prevent erosion	▶▶
Continued implementation of the project for construction of a new tailings thickening pumping station with the introduction of an automated I&C system	Installation of the building and main equipment. Status of implementation as at year-end – 85%	▶▶
Installation of phytoremediation systems at the ponds of treatment facilities to reduce the content of pollutants in wastewater	For more details regarding the use of phytoremediation systems, see the Responsible Water Use section	▶▶
Introduction of the I&C system for piezometers	Postponing implementation deadlines	☒



Plans for 2025	Progress in 2025	Status
Olcon		
Upgrading the north section of the tailings storage facility with installation of a bypass device	Monitoring for the preparation of technical documentation, development of an operation project up to the 211 metres mark based on the monitoring results Completion of the construction of a bypass device used for water diversion. The device will be put into operation after the spring flood	▶▶
Preparation of the design documentation for the reconstruction of the tailings storage facility up to the design level of 240 metres	Continued works to determine the main engineering solutions for drafting the documentation	▶▶

☑ – activity completed ☒ – activity not completed ▶▶ – in progress

In the reporting year, Karelsky Okatysh drafted new design and technical documentation for the upgrade of the local warning system at HTFs. The enterprise intends to commence upgrade works in 2026.
To ensure the integrity, operational safety, and accident prevention of HTFs, Cherepovets Steel Mill performs the works on cutting down trees and shrubs at both ASSFs.

Preparedness for Emergency Response

SASB EM-MM-540a.3

To ensure preparedness to containment and response actions for accidents and emergencies, each enterprise approved emergency prevention and response plans for HTFs, as well as plans for measures to contain and eliminate the consequences of accidents at HTFs. The plans define the list of measures and the procedure for action by the Company’s own personnel, emergency rescue teams and services.
The preparedness of employees to contain and eliminate accidents and emergencies is assessed during training alerts and comprehensive drills. Financial and material reserves were established at Severstal’s facilities to eliminate the consequences of accidents and emergencies.

Severstal enters into contracts with fire and rescue units and emergency rescue teams to ensure a rapid response to accidents and other incidents. At the same time, Severstal closely cooperates with municipal and regional rescue services for responding to accidents and emergencies.
The measures taken made it possible to prevent any excess over safety criteria, as well as accidents and incidents at the Company’s HTFs in 2025.

For more information regarding emergency prevention, see the Occupational Health and Safety section.

Plans for 2026 and Mid-Term

Severstal’ HTF management plans include:

Cherepovets Steel Mill:

- continued works on cutting down vegetation on the slopes of the dams of ASSF No. 1 and ASSF No. 2.

Karelsky Okatysh

- continued implementation of the closed loop project;
- completion of the project for construction of a new tailings thickening pumping station with the introduction of an automated I&C system; and
- upgrade of the local warning system at the HTF complex.

Olcon:

- planning of the crest of the Western and Eastern dams of the tailings storage facility;
- performing works to clean the spillway channel from silting;
- cleaning of the sediment dam and the spillway channel of Kharius Lake and Kolozero Lake; and
- chemical stabilisation of dusting surfaces on the territory of the tailings storage facility.

Approach to Management and Strategy

GRI 3-3 GRI 14.4.1 SASB EM-MM-160a.1

The conservation of biological diversity, land resources, ecosystems, and ecosystem services is an integral part of Severstal’s sustainable development. The Company takes an approach to biodiversity conservation based on a hierarchy of impact mitigation measures. In addition, biodiversity is monitored in the regions of operation, the impact of the Company’s operations on ecosystems is assessed, volunteer projects are supported, and cooperation with representatives of science, business, and governmental authorities is actively pursued.

Within the Company, issues of managing land resources, biodiversity, ecosystems, and ecosystem services are distributed among managers and responsible persons at different management levels. The tasks of approving corporate strategies and policies and of reviewing the results of implementing the Company’s measures and plans are vested in the Safety and Sustainability Committee.

GRI 101-1 GRI 14.4.2

In its biodiversity conservation efforts, Severstal is guided by both internal and external documents, including standards and regulatory requirements. The key internal document governing biodiversity conservation issues is the [Policy for Conservation of Biodiversity, Ecosystems and Ecosystem Services of the Severstal Group](#)¹. It outlines the Company’s intentions regarding the monitoring of biodiversity status, prevention of the spread of alien species, and the implementation of extra measures to support ecosystems. The policy expresses Severstal’s commitment to the goals and objectives of the Kunming-Montreal Global Biodiversity Framework. The requirements of the document apply to all Company assets and operations.

For more details regarding the distribution of responsibilities, documents, and the Company’s contribution to achieving the goals of the Kunming-Montreal Global Biodiversity Framework, see the [Biodiversity Conservation Report 2020–2025](#)².

Since 2024, the Company has been running the [Conserve Biodiversity – Preserve Life Strategy](#)³. Its implementation is supported by the Expert Council on Biodiversity, Ecosystems, and Ecosystem Services Conservation established in 2025, which includes representatives of science, business, and public associations. In the reporting year, two meetings of the council were held, during which participants discussed recommendations for achieving the Company’s strategic goals, as well as the results of monitoring programmes for the reporting period. The Expert Council plans to hold meetings twice a year.

The adopted strategy sets forth Severstal’s public goal of transitioning to the release of products with positive effects on biodiversity, ecosystems, and ecosystem services by 2036. In addition, the Company set the following short-, mid-, and long-term tasks for itself:

- managing the risks of impact of its economic activities on biodiversity and ecosystem services;
- preventing and reducing negative impacts on biodiversity; and
- timely restoring biodiversity and compensating for the harm caused to it.

In 2025, the Company summed up the results of the first stage of implementing the Data Collection on the State of Biodiversity and Building a Unified Corporate Biodiversity Management System Strategy.



With its Conserve Biodiversity – Preserve Life Strategy, Severstal hit the best in the for contribution to achieving national environmental and climate goals and objectives category of the Leaders of Responsible Business national award.

PBCS 10

Progress in delivering the Conserve Biodiversity – Preserve Life Strategy

First stage objectives	Outcome
Presence of a complete and detailed policy updated less than five years ago	The Policy for Conservation of Biodiversity, Ecosystems and Ecosystem Services of the Severstal Group was approved in 2024
No activities are carried out on specially protected natural areas (SPNA)	▪ The Company’s official website posts a map of protected areas and cultural sites in the regions of operation confirming that Severstal’s facilities are not located on areas of high conservation value, UNESCO World Heritage sites, or wetlands of international importance under the Ramsar Convention ▪ Rare and protected species of plants and animals inhabit the territories where the Company’s production assets are based. Severstal takes measures to protect these species
Data on the budget allocated for biodiversity conservation measures are disclosed	Expenditures on biodiversity conservation measures in the reporting period amounted to RUB 87.54 million
A report on biodiversity conservation measures is issued	In 2025, work was underway to draft the report, which will be published in 2026

Biodiversity Conservation Report

In 2026, the Company worked on drawing up the Biodiversity Conservation Report 2020–2025, which sets out detailed information on Severstal’s activities in assessing the impact on ecosystems of the territories where it operates, minimising it, ecosystems restoration measures, cooperation with SPNAs, and volunteer movements. The report will enable the Company to notify stakeholders and the public of Severstal’s practices in the field of biodiversity, ecosystem, and ecosystem services conservation, as well as of completing the work under the strategy.



Severstal’s biodiversity conservation efforts in 2025 were recognised with **awards**. The Company **ran first** in the ranking of mining companies’ biodiversity conservation efforts compiled by the Nature and People conservation foundation. In addition, two of the Company’s projects received the environmental award of the Komsomolskaya Pravda newspaper:

- the Wizard of Emerald Mountains project for stabilising dusting surfaces of the tailings storage facility using the hydroseeding of perennial grasses at Olcon’s enterprise
- the Children of Metallurgists Visiting the Children of the Night project, in which employee volunteers and their children participated in bat monitoring

Goals and Metrics

GRI 101-1

The Conserve Biodiversity – Preserve Life Strategy establishes metrics until 2028¹ that are used to assess the efficiency of the Company’s efforts. The year 2023 is used as the baseline year. To achieve the established metrics, the Company elaborated a set of measures for resource management, ecosystems restoration, and the reduction of spatial and environmental, natural, and plastic footprints.

¹ Additionally, metrics until 2036 were envisaged by the Strategy.

^{1,3} This document is only available in Russian.
² The Biodiversity Conservation Report will be published in Q2 2026.

Financial metrics

30%

increase in Company’s investments in conservation of biodiversity, ecosystems, and ecosystem services¹

Non-financial metrics

5%

reduction of a spatial and environmental footprint²

235 thousand ha

area of SPNAs supported by the Company on an ongoing basis

Management metrics

100%

of production sites are covered with the assessment of dependencies, influences, risks, and opportunities

50%

of production facilities with identified significant impacts now have biodiversity conservation programmes in place

Activities to achieve the strategy’s goals



Sustainable resource management

- Creation of the **Expert Council on Biodiversity, Ecosystems, and Ecosystem Services Conservation**
- Publication of a **thematic biodiversity report** in accordance with the recommendations of international standards



Ecosystems restoration

- Activities on **reforestation, land reclamation, industrial landscaping, and the release of juvenile fish** of valuable species
- Regular **monitoring** of flora, avifauna, mammals, and aquatic biological resources jointly with SPNAs



Reduction of the spatial and environmental, natural, and plastic footprints within impact zones

- Implementation of the Environmental Efficiency Improvement Programme **(EEIP)**
- Assessment of dependencies and impacts, risks and opportunities (DIRO)** in the domain of biodiversity and ecosystem services
- Elaboration of corporate programmes and action plans** for enterprises with identified significant impacts on biodiversity, incorporating current biodiversity conservation projects and measures for environmental education and corporate environmental volunteering

Risk management

In 2024, the Company assessed biodiversity-related risks and opportunities. When performing such an assessment, Severstal factors in both direct and indirect impacts on ecosystems. Direct impact is associated with the death of animals and plants as a result of business operations. Indirect impact is caused by changes in the habitat factors of organisms.

¹ This target was achieved ahead of schedule in 2024 – costs were increased by 57% against the baseline year 2023. At the same time, in 2025, an increase in biodiversity costs amounted to 170% against the baseline year 2023.
² Only for PAO Severstal.

The Company assessed the impact of Cherepovets Steel Mill and Karelsky Okatysh on the state of indicator species. Severstal intends to perform similar work for its other enterprises. Company specialists identified indicator species among avifauna and bats, as these species are particularly sensitive to changes in environmental parameters. Rare and protected plant species were also identified as indicators, with particular attention also paid to invasive species.

Among the risks most relevant to indicator species, Severstal highlights the following:



Avifauna

- Changes in the nature of distribution and placement of certain species and their groups on the territory
- Noise and light pollution of the territory, human and machinery impact
- Loss of customary habitats



Bats

- Change in the location of animal colonies
- Changes in the location or reduction in the area of feeding stations due to disturbance factors, noise and light pollution, local cutting areas, environmental pollution



Plants (examples of species)

Rare and protected species

- Herb Robert (Geranium robertianum L.)
- Large blue hair grass (Koeleria glauca (Spreng.) DC.)
- Wych elm (Ulmus glabra Huds.)
- English oak (Quercus robur L.)
- Cyperus sedge (Carex pseudocyperus L.)
- Common kidney vetch (Anthyllis vulneraria L. s.l.)
- Fennel-leaf pondweed (Stuckenia pectinata)

Invasive species

- Sosnowsky’s hogweed (Heracleum sosnowskyi)
- Box elder maple (Acer negundo)
- Smooth serviceberry (Amelanchier spicata)
- Canadian waterweed (Elodea canadensis)
- Common sea-buckthorn (Hippophae rhamnoides)
- Himalayan balsam (Impatiens glandulifera)
- Large-leaved lupine (Lupinus polyphyllus)

For more details regarding rare and protected species, as well as invasive plant species, see the Biodiversity Conservation Report 2020–2025.¹

During the assessment, Severstal identified risks at various levels of impact. Low-level impact risks are primarily due to:

- Company’s influence on climate change due to greenhouse gas emissions; and
- increased likelihood of eutrophication of water bodies² and the spread of alien species.

Mid-level impact risks are associated with the physical and chemical impact of enterprises on the environment (within regulatory limits). High-level risks are caused by the Company’s above-standard impact on the environment and can lead to reputational costs and fines.

Identified mid- and high-level risks by enterprise

Cherepovets Steel Mill	- Pollutant emissions, water intake from natural water bodies, discharge of pollutants into water bodies, waste disposal - Noise and light pollution, transportation of finished products
Karelsky Okatysh	- Pollutant emissions into the air, waste disposal, including overburden, land disturbance, groundwater pollution - Discharge of pollutants into water bodies - Noise and light pollution, activities on forest fund and agricultural land, deforestation

¹ The Biodiversity Conservation Report will be published in Q2 2026.
² Active proliferation of algae and fish death due to the excessive input of nutrients into the water.

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About the Report and Materiality

Severstal Today

Strategy Report

Corporate Governance

Sustainability Management

Responsible Supply Chain

Social Aspect

Environmental Impact

Climate Change

Energy Efficiency

Environmental Protection. Environmental Management System

Air Emissions

Responsible Water Use

Waste Management

Management of Hydrotechnical Facilities

Biodiversity and Land Resources

Appendices

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In addition to risks, the Company also identifies the relevant opportunities related to biodiversity and ecosystem services. These include:

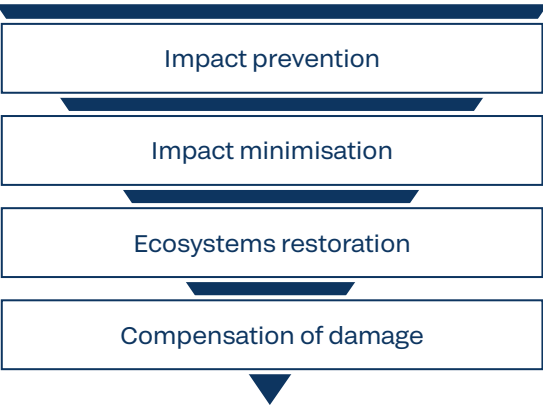
- positive impacts on reputation and increased product competitiveness due to the Company’s positive impact on biodiversity and contribution to environmental initiatives;
- improved quality of life for local communities and increased trust in the Company through the conservation of regional ecosystems;
- enhanced environmental culture of the population owing to joint initiatives with SPNAs and educational activities;
- interaction with government representatives on climate change adaptation using biodiversity-based solutions; and
- Cherepovets Steel Mill’s ash and sludge storage facilities are part of the environmental framework for birds, including rare species.

Biodiversity Conservation Activities

GRI 101-2 GRI 14.4.3

The Company elaborates measures to mitigate impacts on biodiversity in view of the hierarchy of impact mitigation measures. At the same time, Severstal seeks to enhance the positive cumulative effect of its activities, including for stakeholders. For example, the implementation of the project to use granulated slag as an ameliorant not only helps increase soil fertility but also has a positive effect on the climate through the sequestration¹ of carbon in the soil.

Hierarchy of measures to mitigate impacts on biodiversity and ecosystem services



Impact Prevention Measures

GRI 101-7 GRI 14.4.7

Monitoring helps prevent the occurrence of risks. In cooperation with research institutes, Severstal has been running projects for several years to study birds and mammals, including directly on the territories of production sites.

Since 2019, the Company, jointly with representatives of the Fish Ecology Laboratory of the Papanin Institute for Biology of Inland Waters of the Russian Academy of Sciences, has been monitoring the state of ichthyofauna of the Koshta River, into which Cherepovets Steel Mill discharges its wastewater.

According to the 2025 research data, the abundance and number of fish species and other aquatic animals

are within the average long-term values and are generally typical for small tributaries of the Sheksninskiy Reach of the Rybinsk Reservoir.

This result indicates the absence of statistically significant differences in the state of ichthyofauna at the discharge site, as well as upstream and downstream.

Severstal also laces strong emphasis on monitoring the state of avifauna. Since 2019, the Company has been monitoring the state of bird populations and their species composition at the Cherepovets Steel Mill’s ASSFs and adjacent territories. A unique set of factors attracting birds developed here. Due to the presence of food sources, lack of access for unauthorised persons to the enterprise, habitat diversity, availability of nesting sites, and the opportunity to rest during migration, the avifauna is characterised by great diversity, including protected and rare species.

Since 2022, with the support of specialists from the Darwin Nature Reserve, Severstal has been implementing the Children of the Night project, under which it monitors the bat population on the territory of Cherepovets Steel Mill and the Torovo holiday centre. In the reporting period, to determine the species composition of the population and obtain information about the health status of animals, experts caught bats. In addition, animals were recorded using ultrasonic detectors.

In 2025, on the International Bat Night, Severstal employees together with their families took part in a study of these mammals. Under the guidance of specialists from the Darwin Nature Reserve, they set up special nets that helped them catch, weigh, and measure several animals. Moreover, they learnt interesting facts about the lives of species in this population. In the reporting year, this initiative was awarded the environmental prize of the Komsomolskaya Pravda newspaper.

The study conducted in the reporting year confirmed the presence of rare and protected species and did not reveal the appearance of new bat species in the studied area.

Following many years of exploring the bat population, with the support of Severstal, in 2025 the Protected Area Embassy (Zapovednoe Posol’stvo) charitable foundation published a book about these animals for a wide range of readers.

Severstal also monitors the state of flora in the territories where it operates. In the reporting year, the Company carried out a floristic survey of the territories of Cherepovets Steel Mill¹ and Karelsky Okatysh: the species composition of plants growing there is generally typical for the regions where these enterprises are based, including the protected species that were found.

Invasive species control programme

The results of floristic survey of the territories of Cherepovets Steel Mill and Karelsky Okatysh revealed the presence of invasive plant species. The programme to combat them includes measures to control their spread and to counteract the most aggressive species. These include Sosnowsky’s hogweed and box elder maple.

As part of the dendrological surveys of the Cherepovets Steel Mill territory, locations where Sosnowsky’s hogweed (focal areas of < 200 m²) and box elder maple (430 trunks) grow were identified. The most effective control methods were also determined: chemical treatment for Sosnowsky’s hogweed and mechanical destruction of undergrowth and stumps for box elder maple. On top of that, it is planned to implement measures to plant meadow vegetation of local species in areas where Sosnowsky’s hogweed was previously destroyed, and to plant silver birch and European aspen ‘hole for hole’ in areas where box elder maple previously grew.

The need to combat invasive species is taken into account when landscaping production sites and urban areas. From 2026, when planting on the territory of Cherepovets Steel Mill and Cherepovets, the ‘80/20’ principle will be introduced, according to which 80% of the plants are native plant species and 20% are introduced species.

In 2026, the Company intends to continue implementing measures to eradicate invasive species and replace them with native ones: it is planned to destroy two hectares of Sosnowsky’s hogweed growth areas and 45 trunks of box elder maple.

Who Are You, Children of the Night?

In the reporting year, with the support of Severstal, the book ‘Who Are You, Children of the Night? Essays on Bats of the Vologda Poozerye’ was published. The publication contains interesting facts about these mammals, their vital activities, anatomical structure, nutrition, and reproduction. The book also covers the topic of bat biodiversity in the Vologda region, including those living on the territory of Cherepovets Steel Mill, and the appendix with a detailed description of each species inhabiting the region is supplied with illustrations. Readers can also learn about Severstal’s efforts to protect these animals.

GRI 101-6 GRI 14.4.6

In some areas of Severstal’s enterprise territories, invasive (alien) plant species were identified during the reporting period. The danger of their spread lies in the displacement of native species, which are less adapted to existence in a human-modified environment. As part of preventing negative impacts on biodiversity and ecosystems, Severstal devised an invasive species control programme.

Based on the floristic survey results, Severstal prepared a report for publication, based on the materials of which a book will be published on the vascular plants of the industrial site and sanitary protection zone of Severstal. It contains a detailed description of all plants found in the studied territories, with illustrations. The Company plans to publish it in 2026.

Preventing negative impacts on ecosystems is facilitated by improving the competencies of Severstal employees in this area.

In 2025, the Company elaborated for them a voluntary training course ‘Biodiversity and Severstal – Conserving Nature, Creating New Opportunities.’ It dwells on the Company’s Biodiversity Strategy and the activities being implemented, including volunteer projects.

In 2025, 72 Company employees completed the training course.

¹ The process by which atmospheric carbon dioxide (CO₂) is converted into soil organic matter for its long-term storage in a soil reservoir.

¹ The floristic survey also covered the territory of the nearby Torovo holiday centre owned by the Company.

Impact Mitigation Measures

Where avoiding impacts on biodiversity and ecosystems is rendered impossible, the Company takes measures to minimise them. In compliance with the requirements of environmental laws, internal policies and standards, Severstal operates advanced gas treatment plants and wastewater treatment facilities. These measures reduce the impact of operations on environmental components, including living organisms inhabiting the regions of presence. For example, to prevent bird deaths from electric shock, Severstal plans to equip its power lines with bird protection devices.

For more details regarding air protection and water resource management measures, see the Responsible Water Use and Air Emissions sections.

Ecosystems Restoration Measures

When damage is caused to ecosystems as a result of operations, Severstal takes measures to restore them. For example, as a result of mining, land disturbance and degradation occur, and the Company performs land reclamation in accordance with approved projects and plans. The quality of the works performed and compliance with legal requirements are subject to confirmation by supervisory and control authorities.

GRI 101-2

Severstal runs the Disturbed Land Rehabilitation Programme 2035. In 2025, the Company’s enterprises continued the planned land rehabilitation work under this programme.

Scheduled reclamation works under the rehabilitation programme

	Reclamation section	Planned reclamation area, ha	Reclamation timelines	Activities and outcomes in 2025
Cherepovets Steel Mill	Chemical waste reservoir	1.0	2024–2028	Concepts for the elimination of storage facilities were devised, and action plans for the liquidation of waste disposal facilities were drawn up
	Oil sludge reservoir	0.9	2024–2028	
	Industrial waste landfill	26.9	2028–2030	Continued development of the conservation project for disturbed lands
	Oil scale reservoir	7.3	2032–2035	Continued development of the conservation project for disturbed lands
Olcon	Professor Bauman open pit and external dumps	205.7	2025–2027	Development of the design documentation
	Vostochny open pit	64.5	2029–2030	Development of the design documentation
	15th anniversary of October open pit	117.0	2028–2030	Development of the design documentation
Yakovlevskiy Mine	Sand pit	45.6	2022–2029	Work was performed on the western edge of the open pit, and sand reserves were extracted. Due to the need to change elevation marks for the technical stage of reclamation, the Company is drafting an updated project. Subsequently, Severstal plans to continue placing overburden rock in the open pit dump, then apply a fertile soil layer and carry out planting of vegetation
Belorucheyenskoye Ore Department	Overburden dump (south)	12.5	2027–2030	Development of the design documentation

¹ Federal Law No. 446-FZ dated 30 December 2021 on Amendments to the Federal Law on Environmental Protection and Certain Legislative Acts of the Russian Federation, which obliges owners of particularly hazardous industries and waste disposal facilities to eliminate harm caused to nature.

In the reporting year, the Company reclaimed 1 ha of land. The area of disturbed land as at the end of 2025 was 12.4 thousand ha.

Area of disturbed and reclaimed land, ha

	2021	2022	2023	2024	2025
Area of contaminated land (as at the end of the period)	12,596	12,844	12,059	12,266	12,368
Area of reclaimed land ¹ (for the reporting period)	0 (20)	0 (20)	43.6	1	1

Damage Compensation Measures

In addition to disturbed land reclamation, the Company is engaged in the restoration of forest stands as part of compensation for damage to biodiversity. Severstal’s approach to reforestation implies the following stages of work:



At each stage, quality control of the work is exercised by representatives of forestry authorities. In 2025, Severstal performed reforestation work on a total area of 113.8 ha, which is almost 3.7 times higher than in the previous year. The Company intends to provide care for the plantings to ensure their better survival rate.

Area of reforestation works, ha

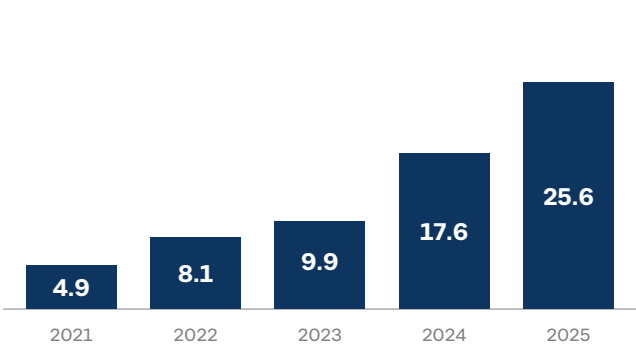
2021	2022	2023	2024	2025
0	20.9	0	30.8	113.8

Another measure to compensate for the damage caused to ecosystems is the fish stocking of water bodies. Severstal purchases juveniles of native species from nurseries, which guarantees health of the fish. When organising fish stocking, the Company is guided by the Rules for the Organisation of Artificial Reproduction of Aquatic Biological Resources. The release of juveniles is confirmed by acts of a special commission, and its volumes are approved by the design documentation. In 2025, Karelsky Okatysh and Olcon released juvenile fish into water bodies: 12.2 thousand Atlantic salmon fry and 86.3 thousand whitefish fry, respectively.

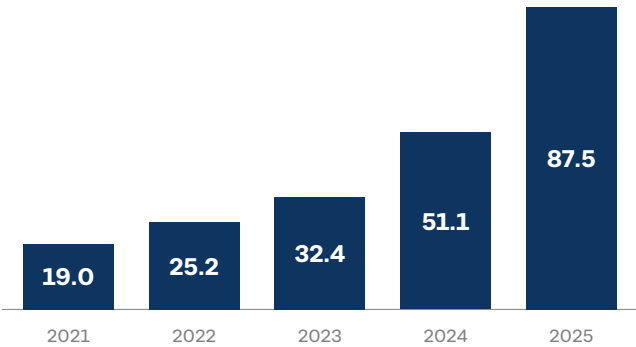
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In 2025, Severstal’s total biodiversity conservation costs amounted to RUB 87.54 million. This is up 71% YoY due to increased funding for fish stocking programmes at Karelsky Okatysh and Olcon, as well as increased reforestation costs at Olcon and Cherepovets Steel Mill.

Fish stocking costs, RUB million



Biodiversity conservation costs, RUB million



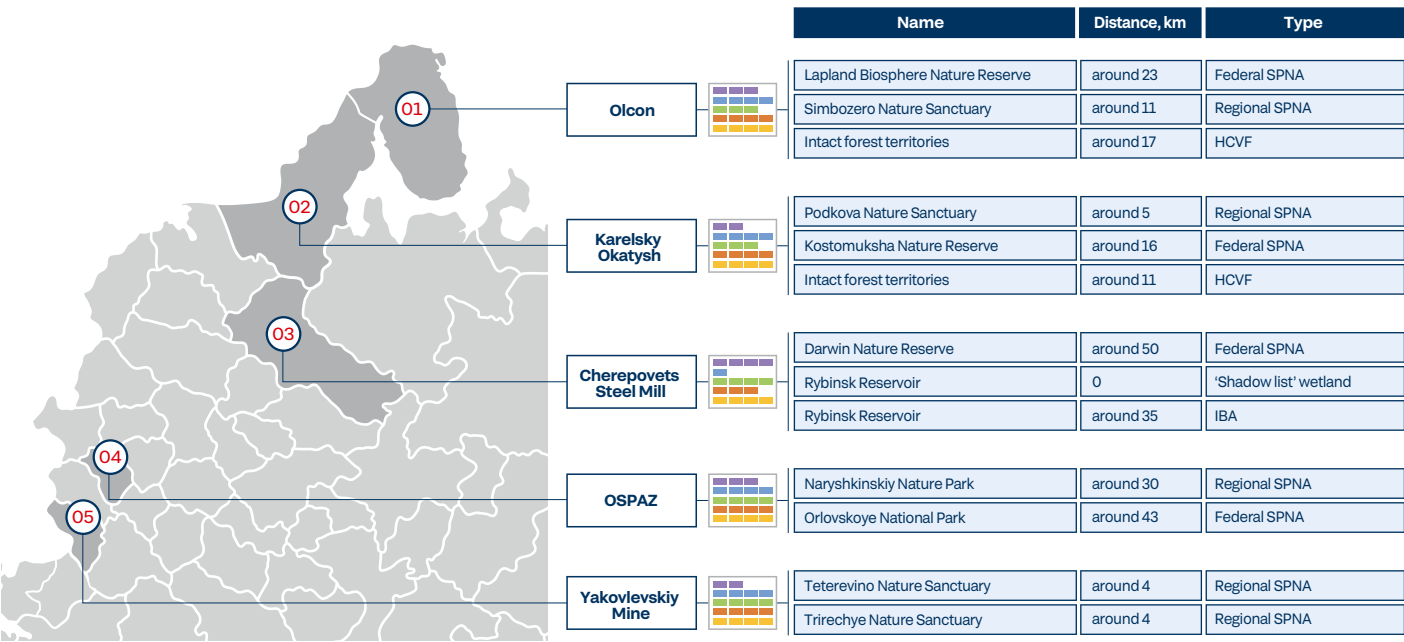
¹ The data are provided in accordance with the requirements of statutory statistical reporting. The values in brackets refer to the actually reclaimed plots that have not yet been accepted as state land reserve lands.

In 2025, the Company had no incidents that caused significant¹ damage to biodiversity and ecosystem services.

Cooperation with SPNAs

For six years, the Company has been cooperating with representatives of SPNAs on the study of the state and conservation of biodiversity. In doing so, Severstal supports valuable ecosystems in the regions and helps enhance the infrastructure of nature reserves.

Impact zones of Severstal’s enterprises and their location relative to environmentally vulnerable zones



In 2019, Severstal signed a cooperation agreement with the **Darwin Nature Reserve** located in the Yaroslavl and Vologda regions. In the reporting period, the Company rendered support to the Protected Area Embassy (Zapovednoe Posol’stvo) charitable foundation, which has been running a project since 2024 to create the Osprey – Token of the Darwin Nature Reserve environmental education centre, and organised a volunteer project to uphold the goldeneye duck population in the Vologda region.

Bird support projects

The symbol of the Darwin Nature Reserve is the osprey. The reserve makes efforts to preserve the population of these rare birds: it installs artificial nests for them, monitors them using camera traps and GPS trackers, and arranges observation towers. Another 2025 project to support avifauna was launched by Severstal volunteers – it is dedicated to protecting the population of goldeneye ducks in the Vologda region. This bird prefers to nest in tree hollows, but there are not enough of them in the region. In response, volunteers built nine goldeneye nest boxes and installed them together with reserve specialists.

The nest boxes were installed on the territory of Cherepovets Steel Mill to create nesting conditions on the plant’s territory.

Photo: volunteers installing a goldeneye nest box for birds

Together with representatives of the **Kostomuksha Nature Reserve**, Severstal has been implementing the Where Are You Rushing to, Forest Reindeer?! project since 2024 to study the migration routes of the forest reindeer and the state of its population in the Metsola Biosphere Reserve. As part of the project, the Company provides financing for acquiring the necessary equipment. During the study, specialists examined the composition of the population and identified 350 species, of which 67 were calves, indicating favourable living conditions. Data collection was performed using GPS transmitters, camera traps, and route census. Owing to the project implementation, valuable information was obtained regarding the animals’ use of the territory and threats to the population were identified, such as:

- heavy snowfall affecting movement;
- predator attacks;
- poaching;
- tourism promotion in the region; and
- forestry activities.

As part of cooperation with the Teriberka Nature Park regional SPNA, the Company rendered financial support to the Kindness of the North foundation, which is implementing the Wings of the Arctic: Conservation of Teriberka’s Nature project.

Wings of the Arctic

In 2025, Severstal supported a project to enhance the environmental culture of the population and boost ecological tourism, implemented by the Kindness of the North foundation. The project involves updating the infrastructure of Teriberka, in particular, creating a bird watching platform for visitors. The environmental trail will be equipped with information boards illustrating the life of the park’s inhabitants. Guides and volunteers will undergo specially designed training programmes to improve their qualifications. Plans include the development of an audio guide for visitors.

The project’s initiatives also include clean-up days, environmental campaigns, and free excursions. The foundation also intends to create information materials about the rules of conduct on the SPNA territory.

For more details regarding measures to mitigate impacts on biodiversity and joint projects with SPNAs, see the Biodiversity Conservation Report 2020–2025¹.

Landscaping and Environmental Education Activities in the Regions of Operation

In Cherepovets, the implementation of the Green Shield project continues; it is a traditional Severstal project to create a protective zone of green spaces around Cherepovets Steel Mill that prevents the spread of pollutants into the city. The Company carried out pre-studies of the species composition of vegetation and, based on the data obtained, developed a greening standard and a planting care programme.

Results of greening Cherepovets in 2025

	Deciduous trees	72
	Shrubs	3.8 thousand
	Plants	23.6 thousand
	Rolled lawn	1 thousand m²
	Seeded lawn	13 thousand m²
	Greening expenses	RUB 8.96 million

Company specialists selected tree species with a pronounced ability to absorb pollutants and high reclamation potential for planting, such as white birch and balsam poplar.

The Company extensively involves local residents and its own employees in the work to conserve ecosystems, organising clean-up days and volunteer activities with their participation. In 2025, Severstal volunteers and residents of Murmansk took part in the Great Arctic Clean-up Day on the territory of the Teriberka Nature Park and collected more than 1,000 bags of rubbish.

An important part of Severstal’s environmental efforts is environmental education, including for children. In 2025, the Company supported the Gathering of Young Naturalists of the Movement of the First in Murmansk and took part in the First. Skills for Life online marathon.

¹ Severstal considers significant damage to be damage exceeding RUB 1 million.

¹ The Biodiversity Conservation Report will be published in Q2 2026.

Gathering of Young Naturalists

In the reporting year, with the support of Severstal, the Gathering of Young Naturalists of the Movement of the First took place at the Live in the North! Centre for Civil-Patriotic Education. The gathering was aimed at reviving the traditions of young naturalists and teaching children to care for nature.

Participants of the gathering gained extensive hands-on knowledge in the field of environmental protection: they studied the flora and fauna of the region, took soil and water samples. The main task of the event was to open a section of an environmental trail on the territory of the centre. Under the guidance of mentors, the kids devised and arranged the route, and now young naturalists will be able to conduct observations and practical classes there, while visitors to the region can get introduced to the unique nature of the Kola Bay.

250 young naturalists from 27 regions took part in the gathering.

Starting from 2025, Severstal has been collaborating with the Sirius Educational Centre as part of the Biosphere, Biodiversity, Bioresources master’s degree programme. For its participants, the Company gave a lecture on the role of business in biodiversity conservation, and for students of the Primakov Gymnasium, it arranges an educational programme.

Plans for 2026 and Mid-Term

Biodiversity:

The Company set the following objectives in the domain of biodiversity, ecosystem, and ecosystem services conservation for 2026 and the mid-term:

- further implementation of the Conserve Biodiversity – Preserve Life Strategy.

Olcon:

- release of young whitefish as part of delivering the Komsomolskiy and Pechegubskiy field development projects;
- contribution to an environmental clean-up day in the Teriberka Nature Park; and
- further support for the Wings of the Arctic project, aimed at environmental education work and the enhancement of the infrastructure of the Teriberka Nature Park.

Cherepovets Steel Mill:

- monitoring of biodiversity at Cherepovets Steel Mill and adjacent territories; and
- volunteer activities in the field of biodiversity and ecosystem services in the Cherepovets district.

Karelsky Okatysh:

- release of Atlantic salmon fry as part of delivering the project for the extraction of reserves from the central section of the Kostomuksha iron quartzite deposit;
- monitoring of biodiversity at Karelsky Okatysh and adjacent territories; and
- completion of research on the study of the forest reindeer in the territory where Karelsky Okatysh operates in 2025–2026.

OSPAZ:

- participation in the improvement of new environmental trails and maintenance of the aesthetic condition of the existing ones.

Land Resources:

In 2026, Severstal will continue to implement its land rehabilitation programme, which entails implementing the following measures:

Olcon: technical and biological reclamation of the Professor Bauman open pit.

Yakovlevskiy Mine: in 2026, continue the reclamation of the second stage of the sand pit (liquidation of worked-out excavations); for 2027, work is planned to level the terrain, where a fertile layer will be applied from 2028.

Reforestation work in the forestry areas of the Vologda region is also scheduled.





09.

Appendices

Appendices

Appendix 1. GRI Compliance Table

Statement of Use	Severstal prepared the present Unified Report in accordance with the GRI Standards for the reporting period from 1 January 2025 to 31 December 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 14: Metals and Mining

	GRI indicator	Place in the Report /Comment
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General reporting elements

Organisational profile and formation of the reporting

GRI 2 (2021)	General disclosures	
2-1	Organisational details	Page 16, 22
2-2	Entities included in the organisation’s sustainability reporting	Page 9, 12
2-3	Reporting period, frequency and contact point	Page 8
2-4	Restatements of information	Information on previous adjustments to indicators published earlier is provided in the footnotes to the report
2-5	External assurance	Page 13 Appendix 7

Activities and workers

GRI 2 (2021)	General disclosures	
2-6	Activities, value chain and other business relationships	Page 16, 22, 24, 121
2-7	Employees	Page 140, 308
2-8	Workers who are not employees	96 people work on civil law terms

Governance

GRI 2 (2021)	General disclosures	
2-9	Governance structure and composition	Page 51, 52, 54
2-10	Nomination and selection of the highest governance body	Page 52
2-11	Chair of the highest governance body	Page 52
2-12	Role of the highest governance body in overseeing the management of impacts	Page 51, 52, 68, 98, 111, 232
2-13	Delegation of responsibility for managing impacts	Page 51, 52, 54
2-14	Role of the highest management body in approving sustainability reporting	Page 9
2-15	Conflicts of interest	Page 60, 61
2-16	Communication on critical issues	Page 68 Information is not disclosed as such data is not collected

	GRI indicator	Place in the Report /Comment
2-17	Collective knowledge of the highest management body	Regular preparation of information statements for the company's management on economic, environmental and social issues
2-18	Evaluation of performance of the highest governance body	Page 54
2-19	Remuneration policies	Page 56
2-20	Process to determine remuneration	Page 56
2-21	Annual total compensation ratio	Information is not disclosed as it is sensitive to the company and may lead to additional risks (due to the geopolitical situation)

Strategy, policies and practices

GRI 2 (2021)	General disclosures	
2-22	Statement on sustainable development strategy	Page 4
2-23	Policy commitments	Page 59, 61
2-24	Embedding policy commitments	Page 118
2-25	Processes to remediate negative impacts	Page 64, 65
2-26	Mechanisms for seeking advice and raising concerns	Page 64, 65
2-27	Compliance with laws and regulations	In 2025, state supervisory and supervisory authorities conducted 14 inspections at three Severstal enterprises. The audits did not reveal any significant environmental damage. Amount of fines for violations of labor legislation in 2025 – RUB 1,565 million Resolutions were issued by the state labor inspectorate
2-28	Membership associations	Page 108, 111

Stakeholder engagement

GRI 2 (2021)	General disclosures	
2-29	Approach to stakeholder engagement	Page 111
2-30	Collective bargaining agreements	Page 134

Disclosure on material topics

Determining material topics

GRI 3 (2021)	Material topics	
3-1	Procedure for determining material topics	Page 6, 7
3-2	List of material topics	Page 10

Air quality

GRI 3 (2021)	Material topics	
3-3	Management of material topics	Page 237

	GRI indicator	Place in the Report /Comment
GRI 305 (2016) GRI 14	Emissions Mining Sector 2024	
305-6	Emissions of ozone-depleting substances	The Company does not produce, does not emit into the atmosphere and does not use ozone-depleting substances in the manufacture of products, except for the use in insignificant quantities as a reagent in chemical tests in laboratories, as well as for filling and refueling compressor equipment, air conditioning units, industrial air conditioners and fire extinguishing systems
305-7 14.3.2	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Page 240 , 319

Occupational health and industrial safety

GRI 3 (2021)	Material topics	
3-3 14.16.1	Management of material topics	Page 180
GRI 403 (2018)	Personnel Health and Safety	
403-1 14.16.2	Occupational health and safety management system	Page 180 , 182 , 184
403-2	Occupational health and safety management system	Page 186 191 , 193
403-3 14.16.4	Occupational health services	Page 194 a. Medical personnel of Severstal and its healthcare professionals are qualified and licensed to perform medical activities, which attests to the high quality of medical services provided. Employees can receive the necessary services on a personal visit to a medical institution either by preliminary online appointment or without it according to the general procedure 1.3. Personal medical data of the company's employees are stored with medical personnel and are to be transferred to the employer exclusively to the extent established by law. To protect personal information when using an electronic medical check-up system Severstal installed data encryption equipment (encryption modules and switches)

	GRI indicator	Place in the Report /Comment
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 180 , 182 , 184 , 193
403-5 14.16.6	Worker training on occupational health and safety	Page 184 , 191
403-6 14.16.7	Promotion of worker health	Page 152 , 194
403-7 14.16.8	Prevention and mitigation of occupational health and safety impacts directly linked with business relationships	Page 184 , 185
403-8 14.16.9	Number and percentage of employees and workers covered by an occupational health and safety management system	Page 182
403-9 14.16.10	Work-related injuries	Page 186 , 198 No injuries caused by chemicals in the reporting year
403-10 14.16.11	Work-related ill health	Page 195 , 200 No fatalities or occupational diseases caused by exposure to chemicals in the reporting year
14.16.3	Report how the organization ensures the provision of gender-appropriate personal protective equipment for workers Describe the processes used to identify work-related incidents due to sexual and gender-based violence, and to determine corrective actions	Page 180 , 186 , 191 , 193 Severstal provides its employees with PPE in accordance with the approved norms and harmful factors, gender characteristics and anthropometric parameters
14.16.5	Report how the organization seeks to ensure women's participation in formal joint management-worker health and safety committees, and the percentage of women represented in these committees	Page 180 , 182 , 184 , 193 Participation in OHS committees is determined by the position and functional duties of employees. Percentage of women participating in OHS committees in 2025, 14%
14.14.1	Describe how the organization seeks to prevent or mitigate potential negative impacts from the use of public and private security providers Report whether the organization is implementing the Voluntary Principles on Security and Human Rights	Page 134

	GRI indicator	Place in the Report /Comment
14.15.1	Describe the organization’s approach to emergency preparedness and response plans, including frequency of testing the plans, and how engagement with local communities, workers, public sector agencies, first responders, and local authorities and institutions has informed the plans	Page 197 In accordance with the requirements of legislation Action plans to contain and eliminate the consequences of accidents and the Oil and petroleum product spill prevention and response plan shall be agreed with state supervisory authorities, local government authorities and emergency rescue teams
14.15.3	Report the number of critical incidents in the reporting period, describe their impacts, and actions taken to remediate them	Page 201
14.15.4	Report the percentage of mine sites that have emergency preparedness and response plans in place, and list the sites that do not	Page 197
Water use and impact on water resources		
GRI 3 (2021)	Material topics	
3-3 14.7.1	Management of material topics	Page 242
GRI 303 (2018)	Water and Effluents	
303-1 14.7.2	Interactions with water as a shared resource	Page 242
303-2 14.7.3	Management of water discharge related impacts	Page 242
303-3 14.7.4	Water withdrawal	Page 245, 246, 321
303-4 14.7.5	Water discharge	Page 245, 247, 248, 321, 322
303-5 14.7.6	Total water consumption	Page 245, 246, 247, 321
14.7.1	Describe the actions taken to prevent or mitigate the negative impacts from acid mine drainage	Page 242
Waste and tailings management		
GRI 3 (2021)	Material topics	
3-3 14.5.1, 14.6.1	Management of material topics	Page 197, 258
GRI 306 (2020)	Waste	
306-1 14.5.2	Waste generation and related significant impacts	Page 250
306-2 14.5.3	Management of significant waste-related impacts	Page 250, 251, 252
306-3 14.15.4	Waste generated	Page 255, 256, 322
306-4 14.5.5	Waste diverted from disposal	Page 323, 324
306-5 14.5.6	Waste directed to disposal	Page 323, 324

	GRI indicator	Place in the Report /Comment
GRI 14	Mining Sector 2024	
14.6.3	For each tailings storage facility that is not in a safe state of closure: ▪ describe the tailings storage facility, including the method ▪ its construction; ▪ report whether the tailings storage facility is active, inactive or closed; ▪ report the maximum permissible storage capacity and total weight of tailings stored ▪ in metric tonnes; ▪ report Consequence Classification in accordance with GISTM requirement 4.1; ▪ report the frequency of risk assessment and summarize the results of the latest risk assessment; ▪ report the date and material results of the last independent technical review, including the implementation of mitigation measures and the date of the next review	Page 259
Product quality and safety for customers		
GRI 3 (2021)	Material topics	
3-3	Management of material topics	Page 124
GRI 416 (2016)	Consumer Health and Safety	
416-1	Assessment of the health and safety impact of products and service categories	Not applicable. Products and services of the Company’s enterprises as such do not make any negative impact on consumers’ health and safety
416-2	Total number of incidents of non-compliance with regulatory requirements and voluntary codes concerning the health and safety impacts of products and service	No incidents of non-compliance with regulatory requirements and voluntary codes concerning the health and safety impacts of products and services
GRI 417 (2016)	Marketing and Labeling	
417-1	Requirements for product and service information and labelling	Page 124
417-2	Incidents of non-compliance with regulatory requirements and voluntary codes concerning product and service information and labelling	No incidents of non-compliance with regulatory requirements and voluntary codes concerning product and service information and labelling
417-3	Incidents of non-compliance with regulatory requirements and voluntary codes concerning marketing communications	No incidents of non-compliance with regulations and voluntary codes concerning marketing communications
Economic performance		
GRI 3 (2021)	Material topics	
3-3	Management of material topics	Page 174
GRI 201 (2016)	Economic Performance	
201-1	Direct economic value generated and distributed	Page 174
201-3	Defined benefit plan obligations and other retirement plans	The information is not disclosed as it is sensitive for the Company

	GRI indicator	Place in the report/Comment
GRI 203 (2016)	Indirect Economic Impacts	
203-2 14.9.4	Significant indirect economic impacts	Page 174
GRI 207 (2019)	Tax	
207-1	Approach to taxation	Page 174
207-2	Tax governance, control, and risk management	Page 174
207-3	Stakeholder engagement and management of concerns related to tax, including the approach to tax authority relations and support to the state tax policy	Page 174
207-4	Reporting of tax and other related financial information (in terms of tax jurisdictions)	Page 314
Ensuring decent working conditions		
GRI 3 (2021)	Material topics	
3-3 14.17.1	Management of material topics	Page 139
GRI 202 (2016)	Market Presence	
202-1 14.17.2	Ratios of standard entry level wage by gender compared to local minimum wage	Page 146
202-2	Proportion of senior management hired from the local community	In this context, senior management shall be understood as CEO, his delegates, and directors of production units, whereas the local community stands for citizens of the Russian Federation. In 2025, 100% of managers are Russian citizens
GRI 401 (2016)	Employment	
401-1 14.17.3	New employee hires and employee turnover	Page 140, 307, 309, 310
401-2 14.17.4	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 148, 149
401-3 14.17.5	Parental leave	Page 313
GRI 402 (2016)	Labor/Management Relations	
402-1 14.17.6	Minimum notice periods regarding operational changes	Page 134
GRI 404 (2016)	Training and Education	
404-1 14.17.7	Average hours of training per year per employee	Page 156, 311
404-2 14.17.8	Programmes for upgrading employee skills and transition assistance programmes	Page 156
404-3	Percentage of employees subject to regular performance and career development reviews	Page 156, 312
GRI 405 (2016)	Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees	Page 135, 140, 307
405-2	Ratio of basic salary and remuneration of women to men	Page 146, 310
GRI 14	Mining Sector 2024	
14.20.3	Report the number of strikes and lockouts involving 1,000 or more workers lasting one full shift or longer, and their total duration in worker days idle	Page 148 None in the reporting year

	GRI indicator	Place in the report/Comment
Climate change and energy efficiency		
GRI 3 (2021)	Material topics	
3-3 14.1.1, 14.2.1	Management of material topics	Page 112, 205, 223
GRI 201 (2016)	Economic performance	
201-2	Financial implications and other risks and opportunities related to climate change	Page 207
GRI 302 (2016)	Energy	
302-1 14.1.2	Energy consumption within the organization	Page 226
302-2 14.1.3	Energy consumption outside the organization	Energy consumption outside of the organisation is not measured due to the large number of contractors
302-3 14.1.4	Energy intensity	Page 228
302-4	Reduction of energy consumption	Page 225
302-5	Reductions in energy requirements of products and services Reduced energy demand for production and services	Not applicable
GRI 305 (2016)	Emissions	
305-1 14.1.5	Direct GHG emissions	Page 220, 315
305-2 14.1.6	Energy indirect GHG emissions	Page 220, 315
305-3 14.1.7	Other indirect GHG emissions	Page 220, 221, 315
305-4 14.1.8	GHG emissions intensity	Page 218, 219, 221, 316
305-5 14.1.9	Reduction of GHG emissions	Page 218, 219
Information security		
GRI 3 (2021)	Material topics	
3-3	Management of material topics	Page 79, 83
GRI 418 (2016)	Customer Privacy	
418-1	Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 84 Not applicable. No complaints received concerning breaches of customer privacy and losses of customer data
Development of the regions of presence		
GRI 3 (2021)	Material topics	
3-3 14.9.1	Management of material topics	Page 161
GRI 203 (2016)	Indirect Economic impacts	
203-1 14.9.3	Infrastructure investments and services supported	Page 163
GRI 204 (2016)	Procurement Practices	
204-1 14.9.5	Proportion of spending on local suppliers	Page 122, 123
GRI 411 (2016)	Rights of indigenous peoples	
411-1	Incidents of violations involving the rights of indigenous peoples	None over the reporting year

	GRI indicator	Place in the report/Comment
GRI 413 (2016)	Local Communities	
413-1	Operations with local community engagement, impact sssessments, and development programmes	Page 162, 163, 166
413-2	Operations with significant actual and potential negative impacts on local communities	Page 185 None over the reporting year
GRI 14	Mining Sector 2024	
14.10.1	Describe the approach to identifying stakeholders, including vulnerable groups, within local communities. Describe the approach to engaging with local communities at each phase of the life of the mine, including: ▪ how the organization seeks to ensure meaningful engagement; ▪ how the organization supports safe and equitable gender participation. Describe the approach to developing and implementing community development programs, including how engagement with local stakeholders, impact assessments, and community needs assessments have informed the programs	Page 162
14.11.1	Describe the approach to identifying Indigenous Peoples who are or could be affected by the organization’s activities. Describe the approach to engaging with Indigenous Peoples, including: ▪ how the organization seeks to ensure meaningful engagement; ▪ how the organization supports safe and equitable gender participation. Describe the policies or commitments, and actions taken to respect Indigenous Peoples’ cultural heritage. Describe the community development programs in place that are intended to enhance positive impacts for Indigenous Peoples.	Page 176
14.11.2	Describe the identified incidents of violations involving the rights of Indigenous Peoples	Page 176
14.12.1	Describe the approach to engaging with stakeholders whose rights to land and resources are or could be affected by the organization’s activities, including: ▪ how the organization seeks to ensure meaningful engagement; ▪ how the organization supports safe and equitable gender participation. Describe the policies, commitments, and plans providing remediation to local communities or individuals subject to involuntary resettlement, and the process for establishing compensation for loss of assets, or other assistance to improve or restore standards of living or livelihoods. Describe the procedures in place to monitor and evaluate the effectiveness of the actions taken to remediate negative impacts from involuntary resettlement and the corrective actions taken where necessary	Page 176

	GRI indicator	Place in the report/Comment
14.12.2	List the mine sites where involuntary resettlement is planned, ongoing, or has taken place. For each mine site listed: ▪ report the number of persons who have been or will be displaced, and a breakdown by gender; ▪ describe how peoples’ livelihoods and human rights are or could be affected and restored	Page 176
14.12.3	List the locations of operations where conflicts or violations of land and resource rights (including customary, collective, and informal tenure rights) occurred, and describe the incidents and the stakeholders whose rights are or could be affected	Page 176
Innovation and digitalization		
GRI 3 (2021)	Material topics	
3-3	Management of material topics	Page 87, 92
Land resources and biodiversity		
GRI 3 (2021)	Material topics	
3-3 14.4.1	Management of material topics	Page 262
GRI 101	Biodiversity	
101-1 14.4.2	Policies to halt and reverse biodiversity loss	Page 262, 263 Biodiversity management plan for Cherepovets Steel Mill and Karelsky Okatysh is developed and implemented
101-2 14.4.3	Management of biodiversity impacts	Page 266, 268 Biodiversity management plan for Cherepovets Steel Mill and Karelsky Okatysh is developed and implemented
101-3	Access and benefit-sharing	The Company does not use genetic resources to conduct research and development in the field of genetic or biochemical composition of resources, including through the use of biotechnology
101-4 14.4.4	Identification of biodiversity impacts	Page 265 The impact on biodiversity and ecosystem services in the value chain was not assessed

	GRI indicator	Place in the report/Comment
101-5 14.4.5	Location with biodiversity impacts	The Company assessed the impact of the two assets on biodiversity. Both assets, Cherepovets Steel Mill (Vologda Region, full-cycle steel and steel production) and Karelsky Okatysh (Republic of Karelia, iron ore pellets production) are located outside environmentally vulnerable zones. Darwin Nature Biosphere Reserve is located more than 20 km from Cherepovets Steel Mill. The closest SPNA to Karelsky Okatysh is the Kostomuksha Reserve, which is more than 15 km away. The reserve is a zone of biodiversity value. Cherepovets Steel Mill area: 2881.5 ha Karelsky Okatysh area: 12,172 ha The Company does not define products and services with the greatest impact on biodiversity in the supply chain
101-6 14.4.6	Direct drivers of biodiversity loss	Page 267 The Company does not collect, catch or hunt wild living organisms (plants, mushrooms, animals). The area of disturbed land in 2025 was 0 ha for Cherepovets Steel Mill and 36 ha for Karelsky Okatysh. As of 01.01.2026, area of disturbed lands of Cherepovets Steel Mill is 788 ha; and for Karelsky Okatysh is 7,469 ha. Data on the amount and types of pollutants generated at enterprises are provided in section Air emissions. Data on the withdrawal and water consumption by enterprises are presented in the section "Responsible water use"

	GRI indicator	Place in the report/Comment
101-7 14.4.7	Changes to the state of biodiversity	Page 266 Based on the results of the 2025 floristic survey (the base year was not determined), three main categories of habitats were identified in Cherepovets Steel Mill and its adjacent recreation center Torovo: ▪ Technogenic (anthropogenic). This is a complex of former natural biotopes significantly transformed by business activities (vacant lots, quarries, felling, etc.) and artificial (man-made) habitats to which, as a rule, Cherepovets Steel Mill infrastructure facilities (industrial sites, roadsides, railway embankments, ash dumps, etc.) refer. Area is about 2,630 ha. ▪ Secondary - biotopes transformed by man, but through a number of successions acquiring the features of the natural communities of the region. Within Cherepovets Steel Mill, these include overgrown areas where deciduous and coniferous-deciduous young have now formed. Area is about 70 ha. ▪ Natural and semi-natural (forest and wetlands, river banks, meadow, shallow waters, shrubs along water bodies and watercourses, etc.). Area - about 670 ha. State of Cherepovets Steel Mill ecosystems: As a result of floristic studies of the territory of Cherepovets Steel Mill and its environs, 368 species of vascular plants were recorded. The dominant element of flora is indigenous species, which account for approximately ¾ its composition. Man-made influence leads to a significant restructuring of flora. According to the basic characteristics (systematic, geographical, environmental, biomorphological, hydrotypical structure) of Cherepovets Steel Mill and its environs, despite the strong permanent anthropogenic press, retains zonal (south-taiga) parameters, but at the same time, through enrichment with foreign elements, acquires azonal features. Three categories of habitats (natural and semi-natural, secondary and man-made areas) have been identified in Cherepovets Steel Mill and its environs, the flora parameters within which differ sharply (Ics similarity indices = 0.22-0.28). The flora of man-made areas is characterized by a high concentration of foreign species in the composition, and by main signs close to the flora of arid (arid) latitudes, as well as urbanized (urban) territories. Flora of secondary areas (young deciduous communities on the site of ash storage plants (ASP)) are in an active stage of formation and are intermediate in terms of structure parameters, having signs of flora of both natural and man-made areas. The flora of the emerging forests of ASP has features that are already close to natural flora. Flora of natural areas (forests preserved in Cherepovets Steel Mill and the immediate vicinity) has indicators of undamaged communities, which can be classified as biologically valuable forests according to a number of features. The taxonomic spectrum of Cherepovets Steel Mill flora retains the head set of families characteristic of the flora of the Vologda Region as a whole, but differs from that in the higher position of the Rose, the Cabbage and Scrophulariaceae families. And, in reverse, in the flora of Cherepovets Steel Mill, the Sedge, Ranunculaceae, Lamiaceae families lose their positions. This arrangement of families is associated with the fundamental transformation of habitats in Cherepovets Steel Mill and related territories, of which 80% are anthropogenic and only 20% are natural plant communities and close to them plant communities. In 2025, a floristic survey of the impact area of the Kostomuksha Mine was conducted (the base year was not determined), botanical routes were laid mainly in the area of man-made areas. The territory of Karelsky Okatysh is located in the sub-zone of the northern taiga, in the Western Karelian geobotanic district, Lexozersky rural lake geobotanical (landscape) region. In the floristic scheme zoning the territory of the Mine belongs to the Kemsy floristic district or the biogeographic province Karelia pomorica occidentalis. Area of Karelsky Okatysh is 12,172 ha. State of the ecosystem of Karelsky Okatysh: In total, 247 species of vascular plants were identified on the territory of the Kostomuksha Mine as a result of botanical research and the attraction of literary data. In terms of the main indicators, the flora of the Mine, despite the fundamental transformation of the landscape, is close to natural, but shows characteristic signs for the flora of industrial territories. First of all, this is the increased participation of apophytes (aboriginal species resistant to anthropogenic loads) and foreign species; the growing role of the Compósitae, Legumes and Cabbage families; among latitudinal geographical elements - increased participation of species of the "southern" faction; strengthening the positions of hemicryptophytes and chamefitcs; an increase in the participation of forest and meadow species, with the weakening of the positions of swamp and coastal-water species, as well as a sharp increase in the positions of xerophyte (mesoxerophytes, xeromesophytes) species.

	GRI indicator	Place in the report/Comment
101-8 14.4.8	Place in the report/Comment	Assessment of ecosystem services not performed
Business ethics and anti-corruption		
GRI 3 (2021)	Material topics	
3-3 14.22.1	Management of material topics	Page 59
GRI 205 (2016)	Anti-corruption	
205-1 14.22.2	Operations assessed for risks related to corruption	Page 62 All employees and business partners of the Company are familiar with the anti-corruption policy
205-2 14.22.3	Communication and training about anti-corruption policies and procedures	Page 61, 62, 63
205-3 14.22.4	Confirmed incidents of corruption and actions taken	Page 62, 63, 66 The Company recorded three confirmed cases corruption that resulted in initiation of criminal proceedings
GRI 206 (2016)	Obstacle to competition	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 64 None in the reporting year
Other disclosures		
GRI 300	Environmental category	
GRI 308 (2020)	Environmental Assessment of Suppliers	
308-1	New suppliers that were screened using environmental criteria	Page 119
308-2	Negative environmental impacts in the supply chain and actions taken	Page 119
GRI 400	Social category	
GRI 406 (2016)	Non-discrimination	
406-1	Non-discrimination	Page 66, 135, 136
GRI 407 (2016)	Freedom of Association and Collective Bargaining	
407-1 14.20.2	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 134, 148
GRI 408 (2016)	Child Labor	
408-1 14.18.2	Operations and suppliers at significant risk for incidents of child labour	Page 61, 134
GRI 409 (2016)	Forced or Compulsory Labor	
409-1 14.19.2	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 61, 134, 135
GRI 410 (2016)	Security Practices	
410-1 14.14.2	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 134 No record-keeping
GRI 414 (2016)	Supplier Social Assessment	
414-1 14.17.9	New suppliers that were screened using social criteria	Page 119
414-2 14.17.10	Negative social impacts in the supply chain and actions taken	Page 119

Appendix 2. SASB Compliance Table

Topic	Indicator	Code	Page, comment
Greenhouse Gas emissions	1) Gross global Scope 1 emissions (2) Percentage covered under emissions-limiting regulations	EM-IS-110a.1 EM-MM-110a.1	Page 315
	Discussion of long-term and shortterm strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-IS-110a.2 EM-MM-110a.2	Today in the Russian Federation there is no carbon regulation providing for restrictions on direct GHG emissions
Air Emissions	Air emissions of the following pollutants: (1) carbon oxide (CO) (2) NOx (excluding N ₂ O) (3) sulphur oxides (SOx) (4) particulate matter (PM10) (5) manganese oxide (MnO) (6) lead (Pb) (7) volatile organic compounds (VOC) (8) polycyclic aromatic hydrocarbons (PAH)	EM-IS-120a.1	Page 319 Emissions of (5), (6) and (8) are not disclosed due to negligible volumes
Air Quality	Air emissions of the following pollutants: (1) carbon oxide (CO) (2) NOx (excluding N ₂ O) (3) sulphur oxides (SOx) (4) particulate matter (PM10) (5) mercury (Hg) (6) lead (Pb) (7) volatile organic compounds (VOC)	EM-MM-120a.1	Page 319 Emissions of (5) and (6) are not disclosed due to negligible volumes
Energy Management	(1) Total energy consumed	EM-IS-130a.1 EM-MM-130a.1	Page 317
	(2) Percentage grid electricity		
	(3) Percentage renewable		
	(1) otal fuel consumed (2) percentage of coal (3) percentage of natural gas (4) percentage of renewable fuel	EM-IS-130a.2	Page 317 (2), (3) not disclosed

Topic	Indicator	Code	Page, comment
Water management	(1) Total fresh water withdrawn (2) EM-IS-140a.1: Percentage of recycled water (3) Percentage (EM-IS-140a.1)/amount (EM-MM-140a.1) of water consumed in regions with high or extremely high baseline water stress	EM-IS-140a.1 EM-MM-140a.1	Page 321 Severstal's core businesses are based in the regions without high baseline water stress
	Number of incidents of noncompliance associated with water quality permits, standards, and regulations	EM-MM-140a.2	In 2025, the Company recorded no significant breaches of water protection regulations
Waste & Hazardous Materials Management	(1) Total waste produced (2) Percentage of hazardous waste (3) Percentage of recycled waste	EM-IS-150a.1	Page 255 , 256 , 322 , 324
	Total weight of non-mineral waste generated	EM-MM-150a.4	Page 256
	Total weight of tailings produced	EM-MM-150a.5	Page 256
	Total weight of waste rock generated	EM-MM-150a.6	Page 256 Only overburden formation is disclosed
	Total weight of hazardous waste generated	EM-MM-150a.7	Page 255
	Total weight of hazardous waste recycled	EM-MM-150a.8	Page 323 In 2025, 42.5 thousand tonnes of hazardous waste (hazard classes I-III) was recovered (recycled) and neutralised
	Number of significant incidents associated with hazardous materials and waste amanegment	EM-MM-150a.9	None over the reporting year
	Description of approaches to waste and hazardous materials management (policies and procedures for active and inactive operations)	EM-MM-150a.10	Page 250
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	Page 262
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur (2) actively mitigated (3) under treatment or remediation	EM-MM-160a.2	No acid rock drainage
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-MM-160a.3	Not applicable

Topic	Indicator	Code	Page, comment
Tailings Storage Facilities Management	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRPs	EM-MM-540a.1	For more details regarding the Company's tailings and sludge storage facilities, see the Presentation
	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailing storage facilities	EM-MM-540a.2	Page 258
	Approach to development of emergency preparedness and response plans (EPRPs) for tailing storage facilities	EM-MM-540a.3	Information regarding the measures to prevent, confine, and recover from accidents at the Company's tailings and sludge storage facilities in the Ensuring the Safety of Hydrotechnical Facilities Guidance ¹ and emergency response plans for hydro facilities ¹
Security, Human Rights & Rights of Indigenous Peoples	Percentage of proved and probable reserves in or near areas of conflict	EM-MM-210a.1	No activity in conflict zones
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	No separate discussions held in 2025
	Number and duration of non-technical delays	EM-MM-210b.2	None
Labour Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by local and foreign employees	EM-MM-310a.1 EM-IS-310a.1	Page 148
	Number and duration of strikes and lockouts	EM-MM-310a.2 EM-IS-310a.2	None in the reporting year

¹ This document is only available in Russian.

Topic	Indicator	Code	Page, comment
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	Page 59
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-MM-510a.2	No production in such countries
Workforce Health & Safety	(1) Total reportable incident rate (TRIR)	EM-IS-320a.1	Injury rates are disclosed in line with the Company's accounting and practices of disclosures in non-financial reporting
	(2) Fatality rate		
	(3) Near miss frequency rate (NMFR) for full-time employees and contract employees		
	(1) MSHA all-incidence rate (2) Fatality rate (3) Near miss frequency rate Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	EM-MM-320a.1	
Supply Chain Management	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	EM-IS-430a.1	Page 120
Reserves Valuation & Capital Expenditures Business Ethics & Transparency	Total raw steel production, percentage from (1) basic oxygen furnace processes (1) electric arc furnace processes	EM-IS-000.A	Page 24
	Total iron ore production, including iron ore consumed internally and that which is made available for sale	EM-IS-000.B	Page 24
	Total coking coal production, including coking coal consumed internally and that which is made available for sale	EM-IS-000.C	Not applicable
	Total production of: ▪ metal ores ▪ finished metal products	EM-MM-000.A	Page 24
	Total number of employees	EM-MM-000.B	Page 24, 208
	Description of the management system or prevention of corruption and bribery throughout the value chain	EM-MM-000.C	Page 308 (2) – No record-keeping

Appendix 3. TCFD Compliance Table

Recommended disclosure	Section in the Report
Corporate governance	
Organisation's governance around climate-related risks and opportunities	Climate Change section Climate Report¹
Strategy	
Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Climate Change section Climate Report¹
Risk Management	
Processes for identifying, assessing and managing climate-related risks	Climate Change section Climate Report¹
Metrics and Targets	
Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Climate Change section Climate Report¹

¹ This document is only available in Russian.

Appendix 4. TNFD ComplianceTable

Section	Reporting element	Page/comment
Strategy		
Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation’s business model, strategy and financial planning where such information is material.	A. Description of the nature-related dependencies, impacts, risks and opportunities (DIRO) identified by the organization in the short, medium and long term	Only the risks and opportunities associated with biodiversity. For more details, see the Risk Management chapter of Biodiversity and Land Resources section
	B. Description of the effect nature-related DIRO have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	For more details, see the Risk Management chapter of Biodiversity and Land Resources section The impact on biodiversity and ecosystem services in the value chain was not assessed
	C. Description of the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios	To increase resilience to climate change risks, Severstal takes measures to adapt to climate change at its enterprises. For more details, see Climate Change section The Company also develops measures to mitigate impacts on biodiversity and ecosystem services in accordance with a hierarchy of mitigation measures to manage relevant risks. For more details, see the Risk Management chapter of Biodiversity and Land Resources section
	D. Disclosure of the the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	Cherepovets Steel Mill is located in Vologda Region. The biodiversity monitoring and conservation plan has been developed and is being implemented. Karelsky Okatysh is located in Republic of Karelia. The plan is under development. The Company did not assess the impact on biodiversity and ecosystem services in the supply chain
Risk and impact Management		
Description of processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities	A. Description of the organisation’s processes for identification, assessment and prioritization of DIRO in its own activities and the value chain	When selecting suppliers, Severstal assesses their compliance with sustainability principles. Documents governing the Company's interaction with counterparties include environmental expectations and requirements Severstal
	B. Description of the organisation’s processes for managing DIRO	Mitigation measures on biodiversity and ecosystem services are developed in accordance with the hierarchy of mitigation measures
	C. Description of how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes	The Company assesses environmental risks within the overall risk management system

Section	Reporting element	Page/comment
Corporate governance		
Disclosure in the area of corporate governance of the organization with respect to environmental dependencies, impacts, risks and opportunities	A. Description of the board’s oversight of nature-related dependencies, impacts, risks and opportunities	Supervision over the functioning of the DIRO management system is performed by the Safety and Sustainability Committee
	B. Description of the management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities	
	C. Policy description and the organization's human rights activities	The Company has a Human Rights and Community Engagement Policy, including ethnic minorities and indigenous peoples. Human rights compliance issues are considered at meetings of the Nomination and Remuneration Committee and the Safety and Sustainability Committee under the Board of Directors. In addition, the Company regularly assesses the impact of its activities on indigenous minorities. For more information, see Human Rights section
Metrics and targets		
Disclosure of information on indicators and goals, used for valuation and management of material environmental protection-related IRDs	A. Disclosure of the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	To determine the degree of impact on biodiversity and ecosystem services of territories of presence Severstal monitors the state of species-indicators (birds, orphans, vascular plants). For more details, see the Risk Management chapter of Biodiversity and Land Resources section
	B. Disclosure of the metrics used by the organisation to assess and manage dependencies and impacts on nature	Assessment of dependencies and impacts was not performed
	C. Description of the the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	For more details, see the Goals and Metrics chapter of Biodiversity and Land Resources section

Appendix 5. Table of compliance with the Public Business Capital Standard

PBCS Indicator	Description	2025 data/Comments
I. Environmental indicators		
PBCS 1	Total water withdrawal	66,505 thousand m³
PBCS 2	Water consumption from all water supply sources	39,617 thousand m³
PBCS 3	Percentage of recycled and reused water in total own water consumption from all sources	98.4%
PBCS 4	Wastewater (polluted, clean standard-quality, treated to standard quality) discharged into water bodies and polluted effluents sent for treatment to other enterprises	Wastewater discharges – 69,415 thousand m³, of which: - contaminated – 0 thousand m³ - insufficiently cleaned contaminated – 13,162.27 thousand m³ - standard net – 0 thousand m³ - normatively cleared – 56,252.5 thousand m³
PBCS 5	Waste of hazard classes I–V generated, total, including: - Class I; - Class II; - Class III; - Class IV; - Class V	Total waste generated – 216.4 thousand tonnes, including: - Class I – 0 thousand tonnes - Class II – 0 thousand tonnes - Class III – 0.05 thousand tonnes - IV class – 5.8 thousand tonnes - V class – 210.5 thousand tonnes
PBCS 6	Waste managed, total, with a breakdown by category: - waste utilised (including for reuse, for recovery); - waste treated; - waste landfilled	Waste management (including overburden and tailings), total – 213.8 million tonnes, including: - waste disposal – 16.2 million tonnes - waste treatment – 0.034 million tonnes - landfill – 197.6 million tonnes
PBCS 7	Air pollutant emissions from stationary sources	320.7 thousand tonnes
PBCS 8	Greenhouse gas emissions, including direct and indirect emissions	GHG emissions (scope 1 and 2) – 25.08 million tonnes of CO ₂ equivalent, of which: - direct emissions (scope 1) – 24.21 million tonnes of CO₂ equivalent - indirect emissions (scope 2) – 0.87 million tonnes of CO₂ equivalent.
PBCS 9	Carbon footprint of products	2.101 tonnes of CO ₂ /tonne steel

PBCS Indicator	Description	2025 data/Comments
PBCS 10	Environmental protection expenses, total, including: - air protection and climate change prevention; - wastewater collection and treatment; - waste management; - conservation of biodiversity and natural areas; - land protection and rational use of land; - land rehabilitation; - protection of the environment from noise, vibration or other physical impacts; - radiation safety of the environment; - other environmental protection measures	Total expenses – RUB 7,586 million, including: - for air protection - and climate change prevention¹ – RUB 2,005 million - for water protection – RUB 2,859 million - for waste management – RUB 2,513 million - for conservation of biodiversity and natural areas – RUB 88 million - for the protection and rational use of land, land rehabilitation – RUB 108 million - For protection of the environment from noise, vibration or other physical impacts – RUB 1 million - For radiation safety of the environment – RUB 8 million - for other environmental protection measures – RUB 4 million
PBCS 11	Renewable and low-carbon energy consumption	Consumption of electricity from renewable energy sources and low-carbon fuels – 6,717 TJ (2% of the total energy consumption of 329,560 TJ).
PBCS 12	Own energy consumption, excluding heat and electricity sold to external consumers, total, including: - heat; - electricity; - fuel types used	Own energy consumption, excluding heat and electricity supply to external consumers, total – 329,932 TJ, including: - heat energy – (3,774) TJ - electric power – 11,740 TJ - by types of fuel used: - gaseous fuel – 115,161 TJ - liquid fuel – 12,538 TJ - solid fuel – 194,211 TJ - biofuel – 56 TJ
PBCS 13	Percentage of secondary resources in the total amount of material resources used to produce goods, perform work, provide services or generate energy	No record-keeping is performed using the PBCS method. For more information on the use of secondary resources, see Waste Management Activities and Incorporation of Circular Economy Principles chapter
PBCS 14	Environmental fees	Information is not disclosed as it is sensitive for the Company
PBCS 15	Compensation payments and fines: - fines for non-compliance with environmental laws; - compensation for damages caused to the environment	Information is not disclosed as it is sensitive for the Company

¹ Costs on climate change adaptation measures.

PBCS Indicator	Description	2025 data/Comments
PBCS 16	Accidents and incidents resulting in negative environmental impacts (including those caused by man-made emergencies)	In the reporting year, the Company's enterprises had no incidents or major accidents with a significant environmental effect
PBCS 17	Capital investments aimed at environmental protection and rational use of natural resources, including: - wastewater management; - air protection and climate change prevention; - protection and environmental rehabilitation of land, surface water and groundwater; - waste management; - noise and vibration abatement; - biodiversity conservation and protection of natural areas; - other environmental protection measures	Total investments – RUB 90,036 million, including: - for water resources protection – RUB 438 million - for air protection and climate change¹ – RUB 89,311 million - for protection and environmental rehabilitation of land, surface water and groundwater – 0 - for waste management – 287 - for noise and vibration abatement – 0 - for biodiversity conservation and protection of natural areas – 0 - other environmental protection measures – 0 Some breakdowns are not recorded: - waste water management
PBCS 18	Certification of the organisation's energy management system	The system is not certified
II. Social indicators		
PBCS 19	Payroll expenses, total	RUB 102,832 million
PBCS 20	Ratio of the average salary within the organisation to the average salary level in the region	Attitude in key cities of presence: - Cherepovets – 1.8 - Kostomuksha – 1.9 - Olenegorsk – 1.2 For information on other cities of presence, see Appendix 6
PBCS 21	Average headcount	53,662 people
PBCS 22	Costs to reintegrate (provide vocational rehabilitation to) employees with disabilities	The Company has no programs in this area
PBCS 23	Percentage of employees with disabilities	0.46%
PBCS 24	Percentage of employees falling into the following categories of veterans under the Federal Law On Veterans: - Veterans of the Great Patriotic War; - Veterans of combat operations in the USSR, Russian Federation and other countries; - Military service veterans	No record-keeping
PBCS 25	Percentage of employees by: - gender; - age group	Percentage of employees by gender: - Men – 70% - Women – 30% Percentage of employees by gender: - Up to 30 years – 17.9% 30–50 years – 63.5% - Over 50 – 18.6%

¹ Investments in decarbonization measures.

PBCS Indicator	Description	2025 data/Comments
PBCS 26	Average salary, total, including by: - Employee category (separately for managers and other personnel); - Gender with a breakdown by employee category; - Age group	Average salary, total – RUB 159.7 thousand By class groups: - managers – RUB 289.4 thousand - engineering and technical employees – RUB 162.5 thousand - workers – RUB 118.4 thousand By gender: - women – RUB 129.7 thousand - men – RUB 172.6 thousand Data by age groups are not recorded
PBCS 27	Expenses related to occupational health and industrial safety events, total, including average expenses per employee	Expenses, total – RUB 6.3 billion Expenses per employee on average – RUB 118,000
PBCS 28	Expenses to organise and hold social, including sports, events for employees and their family members, total, including average expenses per employee	Expenses, total – RUB 477,186 thousand Expenses per employee on average – RUB 8.9 thousand
PBCS 29	Lost Time Injury Frequency Rate (LTIFR) per 1,000,000 man-hours worked for the organisation's employees, excluding contractors' employees	0.64
PBCS 30	Number of fatalities among the organisation's employees, excluding contractors' employees	2 fatalities
PBCS 31	Employee training costs of the organisation, per employee	Expenses, total – RUB 484.9 million Expenses per employee on average – RUB 9,000 Share of expenses in total management expenses ¹ – 1.4%
PBCS 32	Average hours of training per year per employee	31 hours
PBCS 33	Percentage of employees covered by collective bargaining agreements in relation to the average headcount	74%
PBCS 34	Employee turnover rate	4.8%
PBCS 35	Expenses to support social programmes, including charity, not intended for employees or their family members, total, including in the following areas: - Healthcare - Education and science - Sports - Culture, art and tourism - Accessible infrastructure and inclusive environment - Landscaping and comfortable urban environment - Creation and placement of social advertisements - Provision of housing - Public security and anti-terrorist protection of infrastructure - Support for people in need of social care, including support for people falling into the following categories of veterans under the Federal Law On Veterans: - Veterans of the Great Patriotic War - Veterans of combat operations in the USSR, Russian Federation and other countries - Military service veterans	Total expenses – RUB 3,595 million, including: - healthcare – RUB 160 million - education and science – RUB 197 million - sports – RUB 1,565 million - culture, art and tourism – RUB 77 million - creation of accessible infrastructure and inclusive environment – no record-keeping - improvement and development of a comfortable urban environment – RUB 878 million - creation and placement of social advertising – no record-keeping - housing provision – RUB 30 million - ensuring public security and anti-terrorist protection of infrastructure facilities – no record-keeping - support for citizens in need - in social assistance – RUB 259 million - including in the field of support for veterans – RUB 242 million

¹ Management expenses in 2025 – RUB 33,888 million

PBCS Indicator	Description	2025 data/Comments
PBCS 36	Expenses to organise and hold medical events for employees and their family members, total, including average expenses per employee	Total expenses – RUB 2,605.9 million Expenses on average per employee – RUB 48.6 thousand
PBCS 37	Percentage of employees participating in corporate volunteering projects, and the total number of corporate volunteering projects	Share of employees participating in corporate volunteering projects – 9% Total number of corporate volunteering projects – > 600 volunteer campaigns
PBCS 38	Fines and penalties imposed on the organisation for non-compliance with labour laws	Amount of fines in 2025 – RUB 1,565 million Resolutions were issued by the state labor inspectorate. The main types of violations that led to the imposition of fines in 2025: violation of part 3 of article 57 of the Labor Code of the Russian Federation (increase in salary or tariff salary indexation rates are performed by the employer's orders, no supplementary agreement to the employment contract is concluded) Key measures taken to prevent such violations in the future: in case of an increase in the salary or tariff rates with employees will be concluded additional agreements to the employment contract in accordance with article 57 of the Labor Code of the Russian Federation
PBCS 39	Average number of children under the age of six per employee	Number of children of employees under 6 years ¹ – 9,723 Average number per employee – 18%
PBCS 40	Average number of children per employee	Number of employees' children ¹ – 51,023 people Average number of children per employee – 95%
PBCS 41	Percentage of parents having three or more children in the total number of employees	Number of large parents ¹ – 3,641 people Share of large parents in the total number of employees – 7%
PBCS 42	Percentage of employees being in a registered marriage	Number of employees in a registered marriage ¹ , – 25,598 people Share of employees in a registered marriage – 48%
PBCS 43	Amount of the one-time payment (including in the form of financial assistance) to employees after a birth of a child paid during the first year after the birth of the child	From RUB 15,000 to RUB 28,640
PBCS 44	The organisation has an occupational health and safety management system	Yes

¹ Information on marital status and family composition is provided by staff on a voluntary basis, so data may be incomplete.

PBCS Indicator	Description	2025 data/Comments
III. Governance indicators		
PBCS 45	The organisation has a sustainability policy and/or other related strategic documents (sustainability strategy, environmental strategy, strategy for implementing prompt and long-term measures to adapt to climate change and mitigate anthropogenic impacts on the climate (climate strategy))	Yes For more information on documents, see Sustainability Management section
PBCS 46	The organisation has a management body or committee established under the collective management body of the organisation responsible for approving and monitoring the implementation of the sustainability policy and/or other related strategic documents (e.g. sustainability strategy, climate strategy)	Yes, Safety and Sustainability Committee
PBCS 47	Inclusion of sustainability- and climate-related targets in the organisation's remuneration policy to determine management remuneration	Yes Learn more about KPIs related to sustainable development, see Sustainability Management section
PBCS 48	Percentage of independent directors in the collective management body	50%
PBCS 49	Percentage of female managers in the total number of managers, total, including in collective management bodies	Share of women in the total number of managers – 30% Percentage of women on the Board of Directors – 20%
PBCS 50	Number of recorded violations of the rights of indigenous minorities of the Russian Federation	0 cases
PBCS 51	Percentage of employees holding positions exposed to high corruption risk	No record-keeping
PBCS 52	Average hours of anti-corruption training per employee	No record-keeping is performed using the PBCS method. The Company has developed an electronic course on anti-corruption issues
PBCS 53	The organisation has a policy on managing risks, including climate risks, and/or other risk management documents	Yes The Company has a Risk Management and Internal Control Policy, which includes a list of ESG risks, as well as the Climate Risk Management Standard
PBCS 54	Cases of being held liable under the laws of the Russian Federation for violation of consumer rights	Not applicable
PBCS 55	Number of recorded socially significant incidents (strikes)	None in the reporting year
PBCS 56	The organisation has a policy and/or other documents on applying principles of inclusion to the organisation's operations	There is no separate policy. Human Rights Policy in effect and interaction with local communities (including small and indigenous peoples), which establishes the Company's obligations to ensure equal opportunities for employees and applicants

PBCS Indicator	Description	2025 data/Comments
PBCS 57	The organisation has written obligations to take comprehensive measures to foster inclusion: ensure the accessibility of its own territories, premises and services for people with disabilities; run inclusion-related education and training programmes for its personnel; implement technical solutions to ensure the accessibility of workplaces for people with disabilities; create jobs for people with disabilities; and provide quarterly reports on the fulfilment of such obligations	No
PBCS 58	Amount of claims under lawsuits filed against the issuer as a defendant: - under lawsuits against current or former members of the issuer’s management bodies; - under lawsuits challenging transactions in accordance with Articles 1731 and 174 of the Civil Code of the Russian Federation; - under lawsuits challenging resolutions of the issuer’s management bodies, as well as disputes involving the issuer in other lawsuits related to violation of corporate laws	Information is not disclosed as it is sensitive for the Company
PBCS 59	Amount of satisfied claims under lawsuits involving the issuer as a defendant	Information is not disclosed as it is sensitive for the Company
PBCS 60	Amount of fines imposed on the organisation and its officers for violation of the laws of the Russian Federation on joint-stock companies and securities, and corporate relations in joint-stock companies	Information is not disclosed as it is sensitive for the Company
IV. Economic indicators		
PBCS 61	Revenue (its equivalent)	RUB 712.896 billion
PBCS 62	Labour productivity	Average daily labor productivity: 2025 – 0.174 tonnes of steel/man-hour 2024 – 0.169 tonnes of steel/man-hour 2023 – 0.189 tonnes of steel/man-hour The indicator is calculated using the Company's methodology using the formula: volume of steel produced/ headcount
PBCS 63	Statutory payments accrued (excluding fines and penalties), total, including: - taxes and levies; - insurance contributions; - other statutory payments	Information is not disclosed as it is sensitive for the Company
PBCS 64	Statutory payments made (excluding fines and penalties), total, including: - taxes and levies; - insurance contributions; - other statutory payments	Amount of mandatory payments made (except for fines, penalties), total – RUB 85,252 million, - including: - taxes and duties – RUB 56,551 million - insurance contributions – RUB 27,869 million - other mandatory payments – RUB 832 million
PBCS 65	Percentage of purchases of Russian goods, work and services in total purchases of goods, work and services	96%
PBCS 66	Percentage of purchases of goods, work and services from small and medium-sized businesses in total purchases from Russian entities	21%

PBCS Indicator	Description	2025 data/Comments
PBCS 67	Amount of sustainable investments, including green investments, and percentage of such investments in total investments	No record-keeping is performed using the PBCS method
PBCS 68	Amount of investments in projects related to the achievement of technological sovereignty and structural adaptation of the Russian economy, and the percentage of such investments in total investments Ratio of the organisation’s investments in projects related to the achievement of technological sovereignty and structural adaptation of the Russian economy to the organisation’s total management expenses	No record-keeping
PBCS 69	Total number of climate-vulnerable facilities, their percentage in the total number of fixed assets on the organisation’s balance sheet	No record-keeping is performed using the PBCS method
PBCS 70	Percentage of facilities for which a quantitative and/or qualitative assessment of climate risks was performed	No record-keeping is performed using the PBCS method
PBCS 71	Efficiency of climate change adaptation measures and/ or cost-effectiveness of climate change adaptation measures implemented as part of corporate plans, strategies or programmes intended for climate change adaptation (if any)	No record-keeping is performed using the PBCS method Description of the effectiveness of measures for adaptation, see Climate Change Adaptation Activities section
PBCS 72	Potential damage from exposure to climate risks	No record-keeping is performed using the PBCS method
V. Business reputation		
PBCS 73	Received ratings of responsible business conduct (EHRS rating, sustainability ratings), inclusion of the organisation in sustainable development and responsible business indices and/or rankings	EHRS rating – 84 points More about other ratings and sustainability awards see Severstal Today section
VI. Indicators demonstrating the organisation’s contribution to the social welfare and strategic development of the Russian Federation not included in the other sections		
Preservation of the population, strengthening health and improving the wellbeing of people, supporting families		
PBCS 74	Expenses of the organisation to implement family and parenthood support programmes Expenses of the organisation to implement family and parenthood support programmes as a percentage of the organisation’s total management expenses	Expenses on family and parenthood support programmes – RUB 254,188 thousand Share in total management expenses – 0.75%
PBCS 75	Expenses of the organisation to implement occupational health and safety measures as a percentage of the organisation’s total management expenses	18.6%
PBCS 76	Expenses of the organisation to support the health of employees and local community members, including: - Expenses of the organisation to support the health of employees - Expenses of the organisation to support the health of local community members - Expenses of the organisation to support the health of employees and local community members as a percentage of the organisation’s total management expenses	Expenses to support the health of employees and local community members, total – RUB 4,811 million, including: - expenses of the organization to support the health of employees – RUB 2,606 million - expenses of the organization to support the health of representatives of the local community members – RUB 2,205 million Share in total management expenses – 14%

PBCS Indicator	Description	2025 data/Comments
PBCS 77	Expenses of the organisation to develop healthcare infrastructure	Expenses on the development of healthcare infrastructure – RUB 61 million
	Expenses of the organisation to develop healthcare infrastructure as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.18%
PBCS 78	Expenses of the organisation to support socially vulnerable groups of people	Expenses to support socially vulnerable groups of people – RUB 522 million
	Expenses of the organisation to support socially vulnerable groups of people as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 1.5%
PBCS 79	Expenses of the organisation to promote grassroots sports	Expenses to promote grassroots sports – RUB 1,565 million
	Expenses of the organisation to promote grassroots sports as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 4.6%

Self-fulfilment of each person, unlocking their talent, and fostering a patriotic and socially responsible personality

PBCS 80	Expenses of the organisation to support education, including: - to support educational institutions; - to support secondary vocational education institutions; - to implement career guidance programmes and activities for children and young people; - to support additional education for children and young people; - to support higher education institutions	Total expenses to support education – RUB 167 million, including: - to support educational institutions – RUB 7 million - to support organizations implementing secondary vocational education programs – RUB 81 million - on the professional orientation of children and youth – RUB 39 million - to support additional education for children and youth – RUB 0.2 million - to support higher education organizations – RUB 40 million
PBCS 81	Expenses of the organisation to finance initiatives and projects aimed at fostering traditional Russian spiritual, moral, cultural and historical values	Expenses on initiatives and projects aimed at at fostering traditional Russian spiritual, moral, cultural and historical values – RUB 694 million.
	Expenses of the organisation to finance initiatives and projects aimed at fostering traditional spiritual, moral, cultural and historical values as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 2%
PBCS 82	Volunteering expenses of the organisation	Volunteering expenses – RUB 3.5 million
	Volunteering expenses of the organisation as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.01%
PBCS 83	Expenses of the organisation to develop infrastructure for culture, art and folk art	Expenses to develop infrastructure for culture, art and folk art – RUB 27 million
	Expenses of the organisation to develop infrastructure for culture, art and folk art as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.08%

PBCS Indicator	Description	2025 data/Comments
Comfortable and safe environment for living		
PBCS 84	Expenses of the organisation to improve the housing conditions of employees (local community members)	Expenses on improving housing conditions, total – RUB 332.8 million, including: - for employees – RUB 302.8 million - for representatives of local communities – RUB 30 million
	Expenses of the organisation to improve the housing conditions of employees (local community members) as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 1%
PBCS 85	Expenses of the organisation related to improvement and comprehensive development of cities and other settlements	Expenses related to improvement and comprehensive development of cities and other settlements – RUB 889 million
	Expenses of the organisation related to improvement and comprehensive development of cities and other settlements as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 2.6%
PBCS 86	Expenses of the organisation to improve the quality of roads	Expenses on improving the quality of the roads – RUB 16 million
	Expenses of the organisation to improve the quality of roads as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.05%

Environmental well-being

PBCS 87	Ratio of the organisation’s expenses to implement environmental protection measures to the organisation’s total management expenses	27.8%
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Sustainable and dynamic economy

PBCS 88	Expenses for corporate non-state pension and/or long-term savings schemes, total and per employee	There are no corporate non-state pension programs in the Company
	Expenses for corporate non-state pension and/or long-term savings schemes as a percentage of the organisation’s total management expenses	
PBCS 89	Expenses of the organisation to implement projects aimed at enhancing the tourism appeal of the Russian Federation	Expenses on projects aimed at enhancing the tourism appeal of the Russian Federation – RUB 50 million
	Expenses of the organisation to implement projects aimed at enhancing the tourism appeal of the Russian Federation as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.15%

Technological leadership

PBCS 90	Ratio of the organisation’s investments in projects related to the achievement of technological sovereignty and structural adaptation of the Russian economy to the organisation’s total management expenses	No record-keeping
PBCS 91	Total research and/or development expenses of the organisation	R&D expenses – RUB 313 million
	Research and/or development expenses as a percentage of the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.9%

PBCS Indicator	Description	2025 data/Comments
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Digital transformation of the public and municipal administration, economic and social sectors

PBCS 92	Expenses of the organisation to finance projects to develop and implement Russian IT solutions, including data storage and processing solutions, aimed at import substitution, including those implemented by start-ups	No record-keeping
PBCS 93	Ratio of the organisation’s expenses to finance projects to develop and implement Russian IT solutions aimed at import substitution, including those implemented by start-ups, to the organisation’s total management expenses	No record-keeping
PBCS 94	Information security expenses of the organisation Ratio of the organisation’s information security expenses to the organisation’s total management expenses	Information security expenses – RUB 151.5 million Percentage in total management expenses of the organization – 0.45%
PBCS 95	Ratio of the organisation’s digital security expenses to the organisation’s total management expenses	Percentage in total management expenses of the organization – 0.45%

Appendix 6. Additional data

Personnel

GRI 401-1

Average headcount as at December of the reporting year, people

	2021	2022	2023	2024	2025
In total	54,578	45,493	47,255	52,442	54,521
Men	39,858	32,742	33,847	36,934	38,087
Women	14,720	12,751	13,408	15,508	16,434

GRI 405-1

Employees by category and gender based on headcount as at December of the reporting year, people

	2021	2022	2023	2024	2025
Men	39,858	32,742	33,847	36,934	38,087
Managers	6,711	5,620	5,910	6,835	7,082
Engineers and technicians	3,839	3,753	4,102	4,810	5,099
Workers	29,308	23,369	23,835	25,289	25,906
Women	14,720	12,751	13,408	15,508	16,434
Managers	2,179	1,963	2,222	2,873	3,042
Engineers and technicians	5,065	4,485	4,700	5,664	6,332
Workers	7,476	6,303	6,486	6,971	7,060

GRI 405-1

Employees by age based on the average headcount as at December of the reporting year, people

	2021	2022	2023	2024	2025
up to 30 years	9,736	7,441	8,011	9,254	9,731
Managers	n/a	n/a	n/a	966	960
Engineers and technicians	n/a	n/a	n/a	2,758	2,884
Workers	n/a	n/a	n/a	5,530	5,887
31 to 50 years	35,937	30,583	31,116	33,819	34,628
Managers	n/a	n/a	n/a	7,471	7,683
Engineers and technicians	n/a	n/a	n/a	6,368	7,065
Workers	n/a	n/a	n/a	19,980	19,880
over 50	8,905	7,469	8,128	9,369	10,163
Managers	n/a	n/a	n/a	1,271	1,482
Engineers and technicians	n/a	n/a	n/a	1,348	1,482
Workers	n/a	n/a	n/a	6,750	7,199

Average headcount by main cities of presence for 12 months of the reporting year, people

	2021	2022	2023	2024	2025
In total	53,832	49,836	46,113	50,553	53,662
Cherepovets	31,057	30,546	29,338	30,686	31,597
Kostomuksha	3,993	4,083	4,030	4,222	4,367
St. Petersburg	2,716	2,749	2,505	2,779	3,055
Moscow	1,267	1,530	1,737	2,350	2,652
Belgorod	2,300	2,505	2,426	2,513	2,546
Olenegorsk	1,977	1,923	1,927	2,050	2,207
Eagle	1,258	1,224	1,155	1,233	1,406
Yaroslavl	972	1,016	933	995	1,034
Volgograd	1,040	996	903	967	976
Vorkuta	5,943	2,056	–	–	–
Other	1,309	1,208	1,159	2,758	3,822

Employees by type of employment contract and gender regardless of employment in 2025, people

Headcount	Men	Women
Hired on the basis of permanent employment contracts (for an indefinite period)	37,657	15,582
Hired on the basis of fixed-term employment contracts (for a certain period)	606	930
Employees who are not employees but whose work is controlled by the company (for example, under civil law contracts)	34	62
Full-time employees (full-time employment)	38,075	16,218
Part-time employees (part-time employment)	188	294

Employees by type of employment contract and by region in 2025, people

	Permanent employment contracts (for an indefinite term)	Fixed-term employment contracts (for a certain period)	Full-time employment	Part-time employment
Cherepovets	30,993	865	31,754	104
Kostomuksha	4,339	37	4,364	12
St. Petersburg	2,998	105	3,003	100
Moscow	2,617	141	2,678	81
Belgorod	2,556	45	2,574	27
Olenegorsk	2,234	14	2,240	8
Eagle	1,509	18	1,518	9
Yaroslavl	943	112	988	67
Volgograd	949	5	951	3
Other	4,092	183	4,222	52

Total number of hours worked by employees, hours

2023	2024	2025
81,227,928	89,021,756	94,256,014

Employees with disabilities, people

	2023	2024	2025
Total employees with disabilities, people	189	231	244
Share of employees with disabilities ¹ , %	0.35%	0.46%	0.46%
Employees with disabilities hired in the reporting year, people	–	17	24

New employees by gender and by age, people

	2021	2022	2023	2024	2025
In total	7,338	4,604	6,829	8,890	6,784
Men	4,891	3,338	4,642	5,738	4,850
Women	2,447	1,266	2,187	3,152	1,934
up to 30 years	n/a	n/a	n/a	n/a	2,949
31 to 50 years	n/a	n/a	n/a	n/a	3,285
51 and older	n/a	n/a	n/a	n/a	550

New employees by region, people

	2025
Cherepovets	3,017
Kostomuksha	381
St. Petersburg	359
Olenegorsk	318
Belgorod	311
Eagle	483
Volgograd	106
Moscow	442
Yaroslavl	108
Other	1,259

Staff turnover by gender and by age, %

	2021	2022	2023	2024	2025
Undesirable (voluntary) turnover ² :					
In total	6.9	5.6	5.7	5.6	4.8
Men	n/a	n/a	5.7	5.5	4.8
Women	n/a	n/a	5.8	5.7	4.7
up to 29 years	n/a	n/a	12.2	12.5	10.7
30 to 49 years	n/a	n/a	5.5	5.3	4.4
50 and older	n/a	n/a	1.3	1.3	1.4
Total turnover:					
In total	n/a	n/a	n/a	11.1	9.8

¹ Calculated by division by average headcount.
² Undesirable turnover = Number of employees who left at their own request (except for retired employees who changed their place of residence, who left for family reasons)/Average headcount.

GRI 401-1

Staff turnover by region, %

Undesirable (voluntary) turnover:	2021	2022	2023	2024	2025
Cherepovets	n/a	n/a	4.69	4.99	4.07
Kostomuksha	n/a	n/a	3.41	2.80	2.89
St. Petersburg	n/a	n/a	7.96	6.58	5.68
Olenegorsk	n/a	n/a	5.72	4.79	4.55
Belgorod	n/a	n/a	7.72	8.29	6.89
Eagle	n/a	n/a	4.23	5.99	6.60
Volgograd	n/a	n/a	5.21	4.46	2.44
Moscow	n/a	n/a	15.81	11.82	9.16
Yaroslavl	n/a	n/a	10.16	9.77	7.20
Vorkuta	n/a	n/a	–	–	–
Other	n/a	n/a	12.07	9.27	8.74

Staff turnover among management personnel, %

	2021	2022	2023	2024	2025
Undesirable turnover of management personnel:					
In total	n/a	n/a	7.2	6.5	5.2
Men	n/a	n/a	7.2	6.3	5.0
Women	n/a	n/a	7.3	6.8	5.5
Total turnover of management personnel:					
In total	n/a	n/a	12.3	11,3	9.8

GRI 405-2

Standard entry-level salary by gender and by employee category, RUB

	2021		2022		2023		2024		2025	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Managers	62,440	70,350	68,120	77,730	76,050	90,270	81,350	99,410	93,640	109,870
Engineers and technicians	47,360	55,140	52,910	61,170	59,320	71,650	66,280	82,370	73,150	92,020
Workers	40,540	48,490	48,830	57,180	56,160	64,320	64,450	73,070	72,130	85,600

PBCS 26

Average salary, RUB

	2023	2024	2025
In total	117,320	144,290	159,693
By category (by class group)			
Managers	224,803	264,635	289,413
Engineers and technicians	124,460	148,984	162,539
Workers	87,186	108,574	118,410
By gender			
Women	95,471	115,892	129,681
Men	125,861	155,935	172,595
By age			
up to 30	n/a	n/a	n/a
30 – 50 years	n/a	n/a	n/a
51 and older	n/a	n/a	n/a

Gender pay gap,%

	2023	2024	2025
Ratio of average total remuneration of men and women, except for top management, %	n/a	22.5%	22.3%
Average monthly salary of men , except for top management, thousand RUB	n/a	149,294	166,444
Average monthly salary of women , except for top management, thousand RUB	n/a	115,720	129,401

PBCS 20

Ratio of average salary of company employees to average salary in the cities of presence in 2025, RUB

	Average salary for the company	Average salary in the region	Ratio
Cherepovets	142,532	79,481	1.8
Kostomuksha	155,715	80,081	1.9
St. Petersburg	198,603	117,040	1.7
Olenegorsk	149,542	120,340	1.2
Belgorod	130,997	72,545	1.8
Eagle	84,648	61,767	1.4
Volgograd	84,495	66,456	1.3
Moscow	442,900	170,868	2.6
Yaroslavl	107,610	71,498	1.5

GRI 404-1 PBCS 32

Employee training

	2021	2022	2023	2024	2025
Percentage of employees (including managers) participating in the training process, %	75%	80%	95%	88%	93%
Average number of training hours per employee, hours	56	56	38	42	31

GRI 404-1 GRI 14.17.7

Average number of training hours by gender and category of employees, hours

	2021		2022		2023		2024		2025	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Managers	25.7	22.8	22	20	18	18	35.5	67	23	27
Engineers and technicians	16.1	18.5	26	20	15	19	18.4	36.6	32	27
Workers	134.9	115.6	37	41	58	59	71.2	96	62	26

PBCS 31

Training costs

	2021	2022	2023	2024	2025
Expenses on personnel training and development programs, RUB million	438.3	230.6	274	451.7	484.9
Average costs per employee ¹	8.14	4.63	5.94	8.9	8.8

¹ Calculated by division by average headcount.

GRI 404-3

Employee assessment

	2021	2022	2023	2024	2025
Degree’ assessment					
Number of managers and specialists assessed, people	–	14,566	14,580	17,191	18,104
Percentage of employees ¹ who received an assessment, % of the total number of employees	–	29%	32%	34%	34%

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Social support for employees and their families in 2025, RUB thousand

	2025
Organization and holding of social events, including:	
cultural events	331,673
sporting events	84,643
New Year presents for employees’ children	60,870
Organization and performance of medical events, support for employees’ health, including:	
VHI	1,437,616
health resort treatment	359,799
compensation for healthy eating	808,460
Family and parenting support ²	254,188
Financial assistance programmes for employees in difficult situations	10,856
Improving the living conditions of employees ³	302,808

PBCS 42

Share of employees in a registered marriage⁴

	2023	2024	2025
Number of employees in registered marriage, people	25,264	25,679	25,598
Share of employees in a registered marriage ¹ , %	55	50	48

PBCS 38

Fines, RUB thousand

	2023	2024	2025
Fines and penalties imposed on the organization in connection with violation of labor laws and other acts containing labor law rules	690,000	2,205,000	1,565,000

PBCS 40

Average number of children per employee⁴

	2023	2024	2025
Number of children of employees, people	49,713	50,843	51,023
Average number of children per employee ¹ , %	108	101	95

¹ Calculated by division by average headcount.

² Expenses on family support and parenthood include financial assistance on the occasion of the birth of a child, on the care of a child up to three years old, large families, widows, guardians, as well as payment for attending a preschool institution and exemption from work in connection with pregnancy.

³ Expenses on improving the living conditions of employees include: compensation of mortgages, lifting on the conclusion of an employment contract, compensation of housing rental, reimbursement of borrowing costs.

⁴ Information on marital status and family composition is provided by staff on a voluntary basis, so data may be incomplete.

GRI 401-3GRI 14.17.5

Parental leave, person

	2021		2022		2023		2024		2025	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Number of employees entitled to maternity/ paternity leave in the reporting period, person	1,212	4,342	1,199	3,976	1,284	3,694	1,701	4,584	1,719	4,335
Number of employees who took maternity/paternity leave in the reporting period, people	486	15	395	11	456	22	416	301	480	551
Number of employees to return to work in the reporting period at the end of maternity/paternity leave, people	324	16	324	7	332	8	367	17	361	18
Total number of employees returning to work at the end of vacation maternity/ paternity in the previous reporting period, people	342	18	340	19	308	7	301	15	314	26
Number of employees returning to work at the end of vacation maternity/ paternity and continuing to work for 12 months after return to work, person	247	8	223	11	254	6	236	8	246	16
Return to work rate (percentage of employees returning after maternity/ paternity leave), %	100	100	100	100	87	64	80	83	80	76
Retention rate (share of those remaining in the company after leaving maternity/paternity leave), %	72	44	72	58	82	86	78	53	78	62

PBCS 39

Average number of children under the age of 6 per employee¹

	2024	2025
Number of children of employees under the age of 6, people	10,117	9,723
Average number of children under the age of 6 per employee ² , %	20	18

PBCS 41

Share of large parents in the total number of employees¹

	2023	2024	2025
Number of employees having many children, people	3,411	3,564	3,641
Share of employees having many children in the total number of employees ² , %	7	7	7

¹ Information on marital status and family composition is provided by staff on a voluntary basis, so data may be incomplete.

² Calculated by division by average headcount.

Development of regions of presence

GRI 207-4 PBCS 64

Tax and non-tax payments in key regions of presence, RUB million

Region	Type of payment	2021	2022	2023	2024	2025
Vologda Region	total payments	38,256	16,279	43,425	23,504	13,449
	taxes	38,170	16,173	43,351	23,405	13,395
	non-tax payments	86	106	74	99	54
Republic of Karelia	total payments	6,449	3,633	5,149	9,039	2,611
	taxes	6,365	3,513	5,035	8,892	2,543
	non-tax payments	84	120	114	147	68
Murmansk Region	total payments	2,607	1,407	1,059	1,649	1,428
	taxes	2,529	1,299	877	962	1,064
	non-tax payments	78	108	182	687	364
Oryol Region	total payments	1,042.2	409	362	202	235
	taxes	1,042	409	362	201.4	235
	non-tax payments	0.2	0.0	0.0	0.6	0.00
Volgograd Region	total payments	950	346.5	736	566.9	352
	taxes	949	346	735.5	566.09	351
	non-tax payments	1	0.5	0.5	0.81	1
Belgorod Region	total payments	3,640	1,792	1,409	717	651
	taxes	3,594	1,780	1,400	704.3	644
	non-tax payments	46	12	9	12.7	7
Total across the key regions	total payments	60,179.2	23,866.5	52,140.0	35,677.9	18,726.00

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Charitable and social expenses aimed at achieving the National Development Goals of the Russian Federation, RUB million

Expenses	2025
Support for local health	2,205
Development of healthcare infrastructure	61
Support for education, including:	
support for educational institutions	7
support for organizations implementing secondary vocational education programs	81
programmes and activities aimed at the professional orientation of children and youth	39
support for additional education for children and youth	0.2
support for higher education organizations	40
Support for socially vulnerable groups	522
Formation of spiritual, moral and cultural values	694
Improving tourist appeal	50
Development of infrastructure in the field of culture, art and folk art	27
Improving the living conditions of local communities	30
Improving the quality of the road network	16
Improving the improvement of cities and other settlements	889
Support for mass sports among the local population	1,565
Other (development of the non-profit sector, etc.)	59

Greenhouse gas emissions

GRI 305-1 GRI 305-2 GRI 14.1.5 GRI 14.1.6 SASB EM-MM-110a.1 SASB EM-IS-110a.1 PBCS 8

Severstal's Scope 1 and 2 GHG emissions, million tonnes CO₂-eq.

Emission indicator	2021	2022	2023	2024	2025 ¹
Scope 1 emissions, total	28.80	26.01	24.85	23.03	24.21
- including by category:					
stationary fuel combustion	13.38	12.78	12.67	12.18	13.04
mobile fuel combustion	0.52	0.48	0.48	0.51	0.53
industrial processes	11.96	11.69	11.61	10.26	10.55
fugitive emissions	2.94	1.06	0.09	0.09	0.09
SO ₂ emissions from biofuel combustion ²	0.01	0.01	0.01	0.01	0.01
Scope 2 emissions, total	1.46	1.47	1.07	0.93	0.87
- including using estimate ³					
market -based	1.47	1.07	0.93	0.89	0.87
location-based	1.47	1.07	0.93	0.89	0.87
Emissions by scope 1 and 2, total	30.27	27.08	25.78	23.92	25.08
including greenhouse gases:					
CO ₂	27.35	26.05	25.62	23.77	24.93
CH ₄	2.88	1.00	0.11	0.13	0.11
N ₂ O	0.04	0.03	0.03	0.04	0.04
PFC, HFC, SF ₆ , NF ₃	n/a	n/a	n/a	n/a	n/a

GRI 305-3 GRI 14.1.7

Severstal's Scope 3 GHG emissions, million tonnes of CO₂-eq.

Emission category	2021	2022	2023	2024	2025 ¹
Scope 3 emissions, total	14.08	12.47	13.17	13.49	14.24
- including by Upstream category:	7.04	8.40	10.12	9.90	10.65
Purchased goods and services	4.68	5.89	7.73	7.39	7.85
Capital goods	0.30	0.42	0.24	0.41	0.60
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	1.60	1.66	1.70	1.67	1.76
Upstream transportation and distribution	0.42	0.40	0.41	0.39	0.40
Waste generated in operations	0.01	0.01	0.01	0.01	0.01
Business travel	n/e	n/e	n/e	0.01	0.01
Employee commuting	0.03	0.02	0.03	0.03	0.03
Upstream leased assets	n/e	n/e	n/e	n/e	n/e
- including by Downstream category:	7.04	4.07	3.05	3.59	3.59
Downstream transportation and distribution	0.20	0.26	0.18	0.22	0.18
Processing of sold products	5.14	3.23	2.01	2.55	2.50
Use of sold products	1.62	0.51	0.78	0.73	0.83
end-of-life treatment of sold products	0.05	0.04	0.05	0.05	0.05
Downstream leased assets	0.03	0.03	0.03	0.04	0.03
Franchises	n/a	n/a	n/a	n/a	n/a
Investments	n/a	n/a	n/a	n/a	n/a
- including GHG:					
CO ₂	11.73	10.45	8.51	9.19	9.26
CH ₄	2.31	1.98	4.62	4.26	4.95
N ₂ O	0.04	0.04	0.04	0.04	0.03
PFC, HFC, SF ₆ , NF ₃	n/a	n/a	n/a	n/a	n/a

n/a - not applicable, n/e - not essential

¹ Assessment of total GHG emissions in CO₂ equivalent performed using global warming factors according to the IPCC Sixth Assessment Report.
² SO₂ emissions from biofuel combustion are not included in total emissions of Scope 1 in accordance with GHG Protocol Guidance Direct Emissions from Stationary Combustion.
³ Scope 2 GHG emissions calculated using regional and market methods are the same as electricity supply contracts did not contain GHG emission attributes. As a result, the valuation was performed using factors for the undeclared balance.

Severstal's GHG emissions, million tonnes CO₂-eq.

Indicator	2021	2022	2023	2024	2025
Scope 1	28.80	26.01	24.85	23.03	24.21
Scope 2	1.47	1.07	0.93	0.89	0.87
Scope 1 and 2 emissions, total	30.27	27.08	25.78	23.92	25.08
Scope 3	14.08	12.47	13.17	13.49	14.24
Scope 1, 2 and 3 emissions, total	44.35	39.55	38.95	37.41	39.32

GRI 305-4  PBCS 9

GHG emissions intensity¹

Indicator	Unit change	2021	2022	2023	2024	2025
Carbon intensity of Severstal	tonnes of CO ₂ /tonn steel	2.045	2.210	2.162	2.180	2.101
Global average ²	tonnes of CO ₂ /tonn steel	2.33	2.33	2.32	2.34	–

GRI 14.1.5  GRI 14.1.6  GRI 14.1.8

GHG emissions by Severstal’s production assets

Indicator	Unit change	2021	2022	2023	2024	2025
Scope 1 emissions	million tonnes of CO ₂ -eq.	1.02	0.99	0.99	1.07	1.01
Scope 2 emissions	million tonnes of CO ₂ -eq.	0.27	0.26	0.26	0.26	0.26
Scope 1 and 2 emissions	million tonnes of CO ₂ -eq.	1.29	1.25	1.25	1.33	1.27
GHG emissions intensity	tonnes CO ₂ -eq./tonnes of products	0.071	0.073	0.076	0.081	0.075

PBCS 10

Expenses on climate change adaptation measures, RUB thousand

Indicator	2021	2022	2023	2024	2025
In total	567,171	937,632	1,377,425	1,209,454	401,183
of business:					
Mining	200,265	182,351	829,654	779,854	172,052
Production	366,906	755,280	547,771	429,600	229,131
- including by climate factors:					
Abnormal hot weather	130,392	232,643	197,551	172,166	183,442
Abnormal cold weather	12,694	477	–	45,089	13,828
Thunderstorms	–	–	–	1,244	2,314
Changes in the hydrological regime of water bodies	–	–	–	2,640	–
Hazardous geomorphological processes	–	2,273	51,435	162,890	1,892
Very strong wind	–	–	91,603	115,200	1,915
Very heavy rain	272,405	684,334	755,612	274,907	184,114
Very heavy snow, heavy snowstorm	146,526	5,455	139,584	256,759	5,665
Strong ice and frost deposits	333	1,080	136,489	177,432	2,174
Heavy fog	4,820	2,928	1,034	1,128	550
Other	–	8,441	4,117	–	5,288
- including by types of measures implemented:					
Buildings, structures (except transport infrastructure)	31,768	22,963	13,076	49,573	942
Continuity of equipment production and operation	115,663	83,214	241,593	498,599	194,400
Personnel: safety, working conditions	130,392	228,899	200,916	201,119	189,400
Transport infrastructure	201,177	503,793	635,277	446,893	7,224
Hydraulic structures, tailings dams and landfills	88,171	98,763	286,564	13,270	9,216

¹ The indicator is calculated in accordance with the World Steel Association Guidelines on Calculating the Intensity of SO₂ Emissions. The calculation boundaries include relevant SO₂ emissions in three areas of coverage. Data on the global average were provided on the basis of reports [World Steel Association Sustainability Indicators](#)(at the time of preparation of this report the value for 2024 was not published).

² According to Worldsteel Association for integrated plants.

Energy consumption

SASB EM-MM-130a.1  SASB EM-IS-130a.2  SASB EM-IS-130a.1  PBCS 11

Electricity consumption of Severstal, TJ

Indicator	2021	2022	2023	2024	2025
Total electricity consumption, including	34,131	31,194	31,132	30,130	30,894
Own generation power, including	16,488	16,836	17,456	17,013	17,520
from fossil fuel	15,791	15,813	16,177	15,775	16,129
from secondary carbon-free sources (TRT, dump steam)	697	1,023	1,278	1,238	1,391
% of secondary carbon-free sources	4.2	6.1	7.3	7.3	7.9
Purchased energy, including	17,643	14,357	13,676	13,117	13,374
from fossil fuel	9,586	7,915	7,641	7,944	8,048
from renewable and carbon-free sources ¹ 	8,058	6,442	6,036	5,172	5,326
% of renewable and carbon-free sources	45.7	44.9	44.1	39.4	39.8

SASB EM-MM-130a.1  SASB EM-IS-130a.2  SASB EM-IS-130a.1  PBCS 12

Heat consumption of Severstal, TJ

Indicator	2021	2022	2023	2024	2025
Total heat consumption, including	28,521	26,307	26,561	24,911	24,253
Own generation, including	27,256	25,207	25,724	24,396	23,775
from fossil fuel	16,806	15,721	16,247	15,769	13,995
from renewable sources (biofuel) 	33	35	26	13	12
from secondary carbon-free sources (dump steam)	10,417	9,451	9,451	8,614	9,767
% of renewable and secondary carbon-free sources	38.3	37.6	36.8	35.3	41.1
Purchased energy, including	1,265	1,100	836	515	479
from fossil fuel	1,265	1,100	836	515	479

Environmental management

Severstal's environment protection expenses, %

Direction	2021	2022	2023	2024	2025
Air protection	25.1	17.3	18.4	42.5	33.1
Protection and rational use of water resources	33.6	44.1	34.4	29.7	35.0
Waste management	32.4	33.5	39.7	23.7	29.7
Biodiversity conservation and protection of natural areas	–	–	0.5	0.5	0.9
Protection and rational use of land, land rehabilitation	–	–	–	1.8	1.1
Environmental protection from noise, vibration and other physical impacts	–	–	–	0.01	0.01
Ensuring radiation safety of the environment	–	–	–	0.01	0.1
Other areas of environmental protection	8.9	5.1	7.0	1.8	0.1

¹ RES - sun, wind, water (small HPP), biofuel; carbon-free sources - HPPs and nuclear power plants. The information is based on the data of the System Operator of the Unified Energy System (UES of Russia).

Environmental costs, RUB million

Direction	2021	2022	2023	2024	2025
Severstal Resources	2,286	1,980	2,706	2,999	3,125
Severstal Russian Steel	3,358	3,997	3,375	7,290	6,300
In total	5,644	5,977	6,081	10,289	9,425

Severstal's environmental costs, RUB million

Direction	2021	2022	2023	2024	2025
Expenses related to environmental protection, including:					
for air protection	1,416	1,034	1,120	4,383	1,604
to prevent climate change ¹	567	937	1,377	1,209	401
to protect water resources	1,896	2,636	2,091	3,051	2,859
biodiversity conservation and protection of natural areas	1,829	2,002	2,412	2,437	2,513
environmental protection from noise, vibration and other physical impacts	19	25	32	50	88
protection and rational use of land, land rehabilitation	–	–	–	107	108
environmental protection from noise, vibration and other physical impacts	–	–	–	1	1
to ensure radiation safety of the environment	–	–	–	1	8
to other areas of environmental protection	485	273	426	366	4

Severstal's investments in fixed assets aimed at environmental protection and sustainable use of natural resources, RUB million

Direction	2021	2022	2023	2024	2025
Investments in fixed assets aimed at environmental protection and rational use of natural resources, including:					
to protect water resources	1,899	2,637	2,091	3,051	438
for air protection	1,413	1,036	1,120	4,383	1,515
to prevent climate change ²	7,874	7,353	14,091	44,983	87,796
protection and rational use of land, land rehabilitation and groundwater	–	–	–	–	–
waste management	1,828	2,005	2,412	2,437	287
to reduce noise and vibration impact	–	–	–	–	–
biodiversity conservation and protection of natural areas	–	–	–	–	–
other areas of environmental protection	503	299	458	75	–

¹ Costs on climate change adaptation measures.

² Investments in decarbonization measures.

Air emissions

Severstal's pollutant emissions by individual substances, thousand tonnes

Type of pollutants	2021	2022	2023	2024	2025
Nitrogen oxides (NO ₂ + NO)	16.7	15.6	15.1	15.4	15.0
Sulfur dioxide (SO ₂)	104.4	98.8	101.2	112.0	113.7
Volatile organic compounds (VOC)	1.1	1.3	1.3	1.0	1.0
Solids (PM)	24.4	19.7	20.2	18.2	24.2
Carbon monoxide (CO)	212.0	202.3	205.4	166.0	165.4
Other	109.4	31.8	0.6	0.9	1.4
Total	468.0	369.5	343.8	313.5	320.7

Severstal pollutant emissions by segment, thousand tonnes

Segment	2021	2022	2023	2024	2025
Severstal Resources	207.4	122.2	91.9	106.5	112.5
Severstal Russian Steel	260.6	247.3	251.9	207.0	208.2
Total, incl.	468.0	369.5	343.8	313.5	320.7
Emissions from stationary sources	468.0	369.5	343.8	313.5	320.7

Pollutant emissions by mining assets, thousand tonnes

Type of pollutants	2023	2024 ¹	2025
Nitrogen oxides (NO ₂ + NO)	4.8	5.0	4.9
Sulfur dioxide (SO ₂)	77.7	91.6	93.2
Volatile organic compounds (VOC)	0.8	0.5	0.5
Solids (PM)	6.1	6.0	12.5
Carbon monoxide (CO)	2.5	3.4	1.4
Other	0.0	0.0	0.0
Gross pollutant emissions from mining assets	91.9	106.5	112.5

Absolute and specific emissions of pollutants of Cherepovets Steel Mill by hazard class

Type of pollutants	2023	2024	2025
Emissions of pollutants of hazard class I, thousand tonnes	0.001	0.001	0.001
(specific emission), kg/t of steel	0.0	0.0	0.0
Emissions of pollutants of hazard class II, thousand tonnes	0.797	0.833	0.712
(specific emission), kg/t of steel	0.071	0.080	0.066
(specific emission: hazard classes I and II), kg/t of steel	0.071	0.080	0.066
Emissions of pollutants of hazard class III, thousand tonnes	45.370	40.348	39.327
(specific emission), kg/t of steel	4.025	3.886	3.633
Emissions of pollutants of hazard class IV, thousand tonnes	202.269	162.039	163.474
(specific emission), kg/t of steel	17.943	15.605	15.101

¹ Data for 2024 have been adjusted due to the correction of inaccuracies in the calculation.

Absolute and specific emissions of Cherepovets Steel Mill pollutants

Type of pollutants	2021	2022	2023	2024	2025
Nitrogen oxides (NO ₂ + NO), thousand tonnes	10.4	9.7	9.9	9.94	9.68
(specific emission), kg/t of steel	0.89	0.91	0.88	0.96	0.89
Sulfur dioxide (SO ₂), thousand tonnes	24.7	22.4	23.4	20.43	20.49
(specific emission), kg/t of steel	2.12	2.10	2.08	1.97	1.89
Volatile organic compounds (VOC), thousand tonnes	0.3	0.3	0.3	0.31	0.31
Particulate matter (PM), thousand tonnes	15.1	14.0	14.0	11.91	11.40
(specific emission), kg/t of steel	1.30	1.31	1.24	1.15	1.05
Carbon monoxide (CO), thousand tonnes	208.0	198.8	202.1	161.9	163.33
(specific emission kg/t of steel	17.86	18.59	17.93	15.59	15.09
Other, thousand tonnes	0.7	0.7	0.7	0.85	1.28
Total, thousand tonnes	259.2	245.9	250.4	205.34	206.49
(specific emission), kg/t of steel	22.26	23.00	22.21	19.77	19.07

Water resources

Water consumption and discharge of Cherepovets Steel Mill, thousand m³

	2021	2022	2023	2024	2025
(1) Total water consumption from natural sources:	63,086	59,343	66,038	62,645	62,338
from surface sources, including for:	50,787	48,613	54,120	51,730	49,625
production needs	50,768	48,590	54,098	51,708	49,602
household needs	19	23	22	22	23
from underground sources (wells), including: for	41	20	20	22	21
production needs	10	2	0	0	0
household needs	31	18	20	22	21
from alternative sources for production purposes (storm and melt water)	6,746	4,710	5,270	4,190	6,398
from Vodokanal municipal utilities, including for:	5,512	6,000	6,628	6,703	6,294
production needs	647	667	729	732	687
household needs	4,865	5,333	5,899	5,971	5,607
(2) Water discharges to natural sources after use	28,399	24,893	26,446	24,968	26,444
Irrevocable water consumption (1) - (2)	34,687	34,450	39,592	37,677	35,894
Percentage of water from alternative sources for production needs	11.3%	8.7%	8.5%	7.4%	11.3%

Water consumption and discharge of Severstal Resources, thousand m³

	2021	2022	2023	2024	2025
(1) Total water consumption from natural sources:	7,126	4,689	3,525	3,889	4,167
from surface sources, including:	1,313	1,302	883	1,264	1,295
production needs	1,313	1,302	883	1,264	1,295
household needs	0	0	0	0	0
from underground sources (wells), including:	1,898	739	286	292	326
production needs	1,733	697	286	291	325
household needs	165	42	0	1	1
from alternative sources for production purposes (storm and melt water)	386	322	418	321	328
from Vodokanal municipal utilities, including for:	3,529	2,326	1,938	2,012	2,218
production needs	2,085	968	724	725	821
household needs	1,444	1,358	1,214	1,287	1,397
(2) Water discharge to a natural source after use	308	314	393	396	444
Irrevocable water consumption (1) - (2)	6,818	4,374	3,132	3,493	3,723
Percentage of water from alternative sources for production purposes	7.0%	9.8%	15.5%	12.3%	11.8%

GRI 303-3 GRI 303-4 GRI 303-5 SASB EM-MM-140a.1 SASB EM-IS-140a.1 PBCS 1 PBCS 2

Water consumption and discharge of Severstal, thousand m³

	2021	2022	2023	2024	2025
(1) Total water consumption from natural sources: 	70,212	64,032	69,563	66,534	66,505
from surface sources, including:	52,100	49,915	55,003	52,994	50,920
production needs	52,081	49,892	54,981	52,972	50,897
household needs	19	23	22	22	23
from underground sources (wells), including:	1,939	759	306	314	347
production needs	1,743	699	286	291	325
household needs	196	60	20	23	22
from alternative sources for production purposes (storm and melt water)	7,132	5,032	5,688	4,511	6,726
from Vodokanal municipal utilities, including for:	9,041	8,326	8,566	8,715	8,512
production needs	2,732	1,635	1,453	1,457	1,508
household needs	6,309	6,691	7,113	7,258	7,004
((2) Water discharge to a natural source after use 	28,707	25,207	26,839	25,364	26,888
Irrevocable water consumption (1) - (2) 	41,505	38,825	42,724	41,170	39,617
Share of water from alternative sources for production purposes	11.2%	8.8%	8.8%	7.6%	11.3%

Specific water intake of Cherepovets Steel Mill, m³/tonne of steel

	2021	2022	2023	2024	2025
Cherepovets Steel Mill	4.4	4.5	4.8	4.9	4.6
BAT¹	7.0				

¹ Information and Technical Reference Book 26-2022. Information and technical reference book on the best available technologies. Production of pig iron, steel and ferroalloys.

GRI 303-4 GRI 14.7.5 PBCS 4

Wastewater discharge by treatment level, thousand m³

Type of pollutants	2023	2024	2025
Disposal of contaminated wastewater without treatment			
Severstal Resources	0	0	0
Severstal Russian Steel	0	0	0
Total	0	0	0
Disposal of insufficiently treated contaminated wastewater			
Severstal Resources	19,155.77	21,035.50	12,737.04
Severstal Russian Steel	364.39	326.52	425.23
Total	19,520.16	21,362.02	13,162.27
Discharge of treated wastewater			
Severstal Resources	34,165.01	28,354.61	29,819.69
Severstal Russian Steel	26,528.01	25,032.74	26,432.87
Total	60,693.02	53,387.35	56,252.50
Standard clean wastewater disposal			
Severstal Resources	0	0	0
Severstal Russian Steel	0	0	0
Total	0	0	0

Waste

GRI 306-3 SASB EM-IS 150a.1 SASB EM-MM 150a.7

Structure of waste generated by hazard classes, million tonnes 

Indicator	2021	2022	2023	2024	2025
Total generated, including:	210.7	185.9	183.3	187.1	216.4
Hazardous (classes I-III)	0.06	0.07	0.08	0.1	0.05
Class I	0.0	0.0	0.0	0.0	0.0
Class II	0.0	0.0	0.0	0.0	0.0
Class III	0.06	0.07	0.08	0.06	0.05
Non-hazardous (classes IV-V)	210.6	185.8	183.2	187.0	216.4
Class IV	5.7	5.4	6.1	5.5	5.8
Class V	204.9	180.4	177.1	181.5	210.5

SASB EM-IS-150a.1

Structure of waste generated by hazard classes, %

Waste category	Percentage in total waste generation				
	2021	2022	2023	2024	2025
Hazardous (classes I-III)	0.03	0.04	0.04	0.03	0.02
Low-hazard (class IV)	2.71	2.91	3.31	2.96	2.69
Practically non-hazardous (class V)	97.26	97.05	96.65	97.01	97.29

Waste generation at Cherepovets Steel Mill by types of waste, million tonnes

Indicator	2021	2022	2023	2024	2025
Key waste, including	6.57	6.29	6.99	6.41	6.56
slags	4.50	4.32	4.78	4.27	4.58
scrap metal	0.86	0.80	0.88	0.80	0.73
process waste	0.29	0.27	0.30	0.34	0.29
scale	0.32	0.29	0.38	0.37	0.28
aspiration and gas cleaning dust	0.28	0.32	0.33	0.33	0.35
metallurgical sludge	0.32	0.29	0.32	0.30	0.33
Total waste generated	7.00	6.66	7.32	7.15	7.36

GRI 306-4 GRI 306-5 SASB EM-MM-150a.8 PBCS 6

Waste management of hazard classes I-V in 2025, tonnes

Waste management indicators	Waste excluding overburden and tailings					Overburden and tailings
	Class I	Class II	Class III	IV class	V class	
Recycled (reused and recycled), including:	0	3,311	10,353	5,711,912	1,765,095	8,678,070
Reused and recycled internally	0	3,206	7,471	5,668,955	1,545,607	8,678,070
Transferred to a third party for reuse and recycling	0	105	2,882	42,957	219,488	0
Transferred to a third party for processing	0	0	3,995	3,997	25,984	0
Neutralized, including:	84	1,848	26,890	4,151	1,005	0
Neutralized within the company	0	1,840	21,590	0	0	0
Transferred to a third party for neutralization	84	8	5,300	4,151	1,005	0
Placed, including:	0	0	4,796	103,734	8,176	198,434,144
Placed at the company's facilities	0	0	4,795	99,992	6,343	198,434,144
Transferred to a third party for placement	0	0	1	3,742	1,832	0
Transferred by MSW to a regional operator	0	0	0	4,297	338	0

For more information on waste management of hazard classes I-V in 2021-2024, see Integrated report 2024.

Involvement of Cherepovets Steel Mill waste in business turnover (recycling)¹, %

Indicator	2021	2022	2023	2024	2025
Refining into product ²	66.7	67.3	68.0	62.6	65.7
Regeneration	13.5	13.3	13.1	12.4	11.0
Reuse as raw materials	14.1	15.1	14.4	17.0	19.5
Neutralization	0.5	0.6	0.7	0.5	0.3
Transfer to third parties for disposal, neutralization and processing	3.03	3.0	1.9	5.7	2.4
Recycling, total	97.8	99.3	98.1	98.2	98.9
Recycling taking into account waste received from other enterprises of the company	-	-	100.4	100.6	100.9

Waste disposal by segments (including overburden and tailings), million tonnes

Type of pollutants	2024	2025
Severstal Resources, incl.	10.2	8.7
Hazardous (classes I-III)	0.0	0.0
Non-hazardous (classes IV-V)	10.2	8.7
Severstal Russian Steel, incl.	7.2	7.4
Hazardous (classes I-III)	0.01	0.01
Non-hazardous (classes IV-V)	7.2	7.4
Total	17.4	16.2

Waste disposal (including overburden and tailings), million tonnes

Indicator	2021	2022	2023	2024	2025
Waste disposed of, incl.	197.38	169.80	167.35	162.42	197.60
Buried within the company	197.37	169.79	167.34	162.41	197.60
Transferred to a third party for disposal	0.01	0.01	0.01	0.01	0.00

¹ The company calculates the recycling indicator excluding mining waste (overburden, tailings). Severstal determines the indicator using the formula: (treatment + treatment + disposal) * 100/waste generation per year.
² Examples of processing into products: processing of slag into crushed stone and scrap, scrap of reinforced concrete into crushed stone, scrap metal into meal, etc.
³ Taking into account previously accumulated waste.

Appendix 7. Independent Practitioner’s Assurance Report

Independent practitioner’s assurance report
on the Severstal, PJSC Integrated Report for 2025

Translation of the original Russian version

To the Board of Directors of Severstal, PJSC

Subject matter information

We have performed a limited assurance engagement to report on the Biodiversity and Land Resources section and the following sustainability performance indicators included in the attached Severstal, PJSC (hereinafter “Company”) Integrated Report for 2025 (hereinafter “the Report”) and identified there by the “

- ▶ Scope 1 greenhouse gas emissions of the Company, million tonnes CO₂e;
- ▶ Scope 2 greenhouse gas emissions of the Company, million tonnes CO₂e;
- ▶ Scope 3 greenhouse gas emissions of the Company, million tonnes CO₂e;
- ▶ GHG emissions intensity in accordance with the methodology of the World Steel Association, tonnes of CO₂-eq./tonnes of steel;
- ▶ Reduction in CO₂ emissions intensity against the previous year, %;
- ▶ Air pollutant emissions produced by the Company (in total), thousand tonnes;
- ▶ Air pollutant emissions produced by the Company (by type of pollutants), thousand tonnes;
- ▶ Total water consumption from natural sources of the Company, thousand m³;
- ▶ Total water discharge into water bodies by the Company, thousand m³;
- ▶ Irrevocable water consumption by the Company, thousand m³;
- ▶ Pollutant discharges into water bodies by the Company, thousand tonnes;
- ▶ Waste generation by the Company, million tonnes;
- ▶ Waste generation structure by hazard classes of the Company, %;
- ▶ Waste recovery, million tonnes;
- ▶ Waste disposal, million tonnes;

- ▶ Total energy consumption by the Company, TJ, including:
 - ▶ Fuel consumption from non-renewable sources (broken down by fuel type);
 - ▶ Fuel and energy consumption from renewable sources (broken down by fuel type);
 - ▶ Energy purchased (from third parties) for consumption (electricity and heat);
 - ▶ Sales of energy generated (to third parties);
- ▶ Frequency rate of occupational injuries by employees and contractors;
- ▶ Number of fatal injuries among employees and contractors, pcs;
- ▶ Volume of social investments by category, RUB billion;
- ▶ Personnel indicators of the Company from the “Severstal People” section of the Integrated Report;
- ▶ Expenses on climate change adaptation activities, RUB thousand.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Under this engagement, we did not perform any procedures with regard to the forward-looking statements on performance, events or planned activities of the Company.

Applicable criteria

In preparing the Report and the Indicators the Company applied Global Reporting Initiative Sustainability Reporting Standards, including Mining and Metals Sector Supplement; Sustainability Accounting Standards Board standards; recommendations of the Russian Union of Industrialists and Entrepreneurs (RUIE) on the use of basic performance indicators; methodology of the World Steel Association for GHG emissions intensity calculation; the GHG Protocol Corporate Accounting and Reporting Standard and other criteria described in section “Approach to the Report Preparation” of the Report (hereinafter “the Criteria”).

The Company’s management responsibilities

The Company’s management is responsible for selecting the Criteria, and for preparation of the Report and Indicators in accordance with the Criteria. In particular, the Company’s management is responsible for internal controls being designed and implemented to prevent the information, included in the Report, from being materially misstated.

In addition, the Company’s management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate.

Practitioner’s responsibilities

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements 3000 (revised) *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (hereinafter “ISAE 3000”).

ISAE 3000 requires that we comply with ethical standards, plan and perform our assurance engagement to obtain limited assurance about the Biodiversity and Land Resources Preservation section and the Indicators.

Independence and quality management

We apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires our firm to develop, implement and ensure operation of quality management system that includes policies or procedures with regard to compliance with ethical requirements, professional standards and applicable laws and regulations.

We comply with the professional ethical and independence requirements of the Code of professional ethics for auditors and the Independence rules of auditors and audit organizations and also the IESBA Code of Ethics for Professional Accountants (including international independence standards), which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Biodiversity and Land Resources Preservation section and the Indicators and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- ▶ Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting;
- ▶ Obtaining understanding of the process used to prepare the information on the Biodiversity and Land Resources Preservation section and the Indicators;
- ▶ Review of data samples regarding the Biodiversity and Land Resources Preservation section and the Indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately;
- ▶ Assessment of the compliance of the disclosure of information and data in the Biodiversity and Land Resources Preservation section with the requirements of the report preparation option "in accordance" with the Global Reporting Initiative Sustainability Reporting Standards.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

We believe that performed procedures are sufficient to provide a basis for our conclusion.

Practitioner’s conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Biodiversity and Land Resources Preservation section and the Indicators are not prepared properly, in all material respects, according to the Criteria.

Other matters to be reported

Our observations and areas for improvement will be reflected in a separate report to the Company management.

RSPP Independent Assurance Report is only available in Russian.



LEZHANKOVA ELENA NIKOLAEVNA
acting on behalf of the B1 – Audit Limited Liability Company
on the basis of the power of attorney w/o dated January 19, 2026,
the head of the assignment, according to the results of which the conclusion was drawn up
(ORNZ 22006021318)

1 April 2026

Details of the independent practitioner

Name: B1 – Audit Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: 75 Sadovnicheskaya Embarkment, Moscow, 115035, Russia.
B1 – Audit Limited Liability Company is a member of Self-regulatory organization of auditors Association “Sodruzhestvo”.
B1 – Audit Limited Liability Company is included in the control copy of the register of auditors and audit organizations,
main registration number 12006020327.

Details of the entity

Name: Severstal, PJSC
Record made in the State Register of Legal Entities on 31 July 2002, State Registration Number 1023501236901.
Address: Russia 162608, Vologda region, Cherepovets, 30 Mira Street.

Appendix 9. Consolidated financial statements

The disclosed consolidated financial statements is only available in Russian on the [corporate website](#).



Contact Details

GRI 2-1 GRI 2-3

You can request additional information on the Report, ask questions and make proposals on improving Severstal's non-financial reporting by contacting the Sustainability and Brand Directorate.

Contacts:

[Official website](#)

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PAO Severstal’s registered office: 30 Mira Street, Cherepovets, Vologda Region, 162608, Russia.

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