



TMK-ARTROM S.A.

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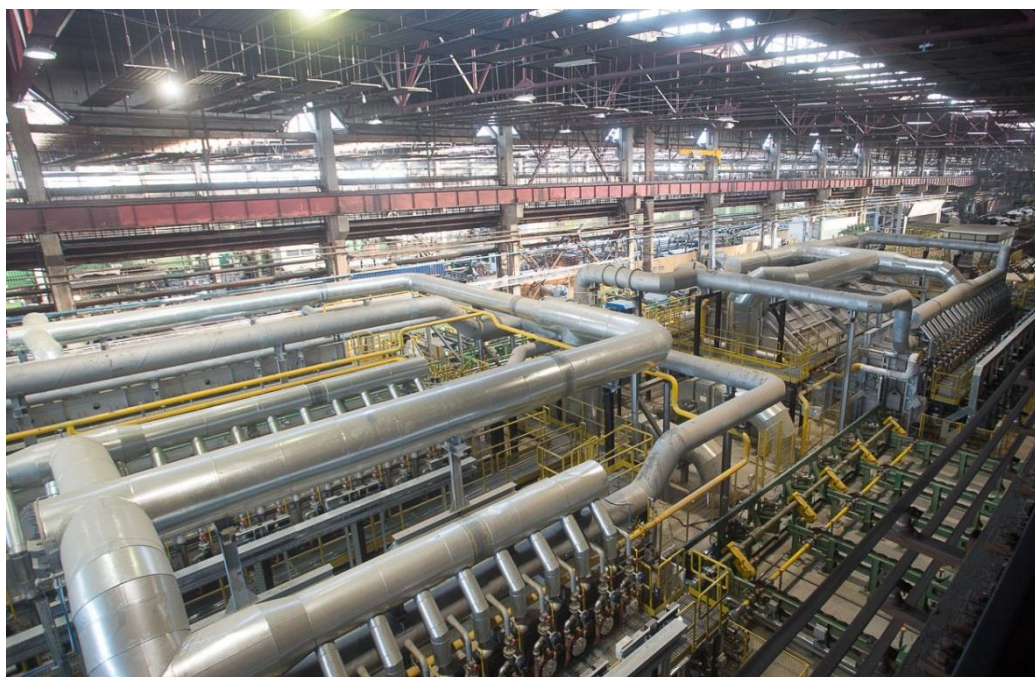
TMK-ARTROM SA

CONSOLIDATED SET OF GRI SUSTAINABILITY REPORTING

STANDARDS 2018

CONSOLIDATED NON-FINANCIAL STATEMENT

The content of this set has been drafted in accordance with Global Reporting Initiative (GRI) standards and accompanies the annual financial reporting.



Corporate Information

TMK-Artrom S.A. (Management Unit)

Registered Office

Draganesti Str. 30, Slatina,
OLT county, Romania, 230119
+40 (249) 436862, 434640, 434641

TMK-Resita S.A.

Traian Lalescu Str. 36, Resita,
Caras-Severin County, Romania, 320050
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TMK-Industrial Solutions

Legacy Park Office Building
10940 West Sam Houston Pkwy North
Suite 325
Houston, TX 77064
USA



API:
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5L-0352

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ISO 9001
ISO 14001
OHSAS 18001

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Vd TUV

TUV CPR:
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EN 10255

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TMK EUROPEAN DIVISION Cod: FCU-01, Ed. 3 Rev. 2/2017



Dear partners,

TMK-ARTROM S.A. has prepared and published the second sustainability report that has been developed in line with the Global Reporting Initiative (GRI) Standards and is primarily intended for employees, shareholders, business partners, the local community, and any other interested people. This non-financial reporting is a confirmation of our commitment to making sustainable development a priority in our business strategy and to present us as a company with a transparent and responsible business.

2018 was for us a year of consolidation of strategic investments that would direct TMK-ARTROM towards a much more elaborate and elitist market for products with high profitability and high added value.

Thus, in February we commissioned a new Heat Treatment plant with state-of-the-art technology that allows to increase the ratio of premium products in our sales portfolio.

In the same manner, we ended the year finalizing a much-wanted acquisition by the company, namely, in December 2018, TMK-ARTROM acquired its raw material supplier, TMK-RESITA, an operation which strengthens the partnership of the two plants at the shareholding level as well. This integration has been achieved in order to maintain and develop the flexibility in production and sales as one of our actions to develop closer collaboration relationships with the relevant market, and to maintain the excellence as a customer satisfaction degree.

As we consider engaging in community life to be of great importance, we have carefully analyzed its needs and developed many social projects in 2018 so that we can be closer to people and come to the support of those in need of support; young students in disadvantaged areas, talented young people who want to study and deepen the knowledge of Hi-Tech courses outside school, children in the first years of their lives, old people to whom we managed to bring brighter days, all of them were in our range of interest and support.

The year 2018 was for the over 2300 employees a peak year because more than 200.000 tons of pipe were produced and delivered, which is a historical record and a reason for professional pride

Although TMK-ARTROM and TMK-RESITA increased the finished production of pipes, they also managed to significantly improve their environmental footprint as a result of the investments made.

In 2018, we have increased the intensity and efficiency of professional training, including in the field of health and safety at work. As a result of these trainings, our factories have experienced a year of significant progress in technology by assimilating new high added value products and high degree of technological complexity, but also by significantly improving the indicators in the field of health and safety at work.

Every day, through our work, we try to obtain quality products with a minimal impact on the environment and in health and safety conditions, being aware that each of us must think his activity through the business as well as in the light of the future of humanity.

I wish you all a year with beautiful events!



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INTRODUCTION

GRI-102 General Disclosures

Organizational profile

102-1 Name of organization: TMK-ARTROM S.A.

102-2 Activities, brands, products, and services:

TMK-Artrom was established in 1982 as a state-owned company called Întreprinderea de Țevi Slatina (Slatina Pipe Company), being a producer of seamless steel pipe. The first pipe was produced in 1988. Since 1991, the name of the company has become ARTROM with the transformation into a joint stock company. Since November 20, 1995, TMK-Artrom shares have been listed on the Bucharest Stock Exchange. It followed the privatization of the company which was completed on April 30, 1999, when the majority shareholder of the company became the Austrian company Staro GmbH. In 2001, the German company Sinara Handel GmbH (currently TMK Europe) was assigned from Staro GmbH (with the approval of APAPS) in his favor, the privatization contract, becoming the majority shareholder in Artrom.

Starting March 1, 2006, Sinara Handel GmbH became part of the TMK Group. It had/has the same ultimate beneficiary as Sinara Handel GmbH, maintaining indirect control over the majority of the unchanged share package. Thus, Artrom joined one of the largest producers of pipes in the world - TMK Group and changed its name to TMK-Artrom.

Also, in 2006 in the structure of the TMK Group entered CSR S.A. - Combinatul siderurgic Reșița – TMK Reșița, whose majority shareholder in 2004 became Sinara Handel GmbH which is the supplier of raw material (billet for pipes) of TMK-Artrom. Subsequently, CSR changed its name to TMK-Resita SA. In December 2018 TMK ARTROM became the majority shareholder of TMK RESITA.

Both companies, TMK-Artrom and TMK Resita, are part of the European Division of TMK. TMK Group has 4 divisions allocated to both regional and specializations where appropriate: the Russian Division, the American Division, the European Division and the Middle East Division). TMK-Artrom is the leading company in the European Division and today manages all the activities of the European Division of TMK. TMK ARTROM acquires raw materials from TMK RESITA. With a production capacity of 450,000 tons of liquid steel per year, TMK RESITA produces 177 mm, 220 mm, 280 mm, continuous casted, carbon steel, low alloy and alloy round bars used in TMK ARTROM's technological process.

At the beginning of 2018, TMK-Artrom officially inaugurated the new heat treatment complex after an investment of 36 million EUR, providing a heat treatment capacity of 165,000 tons of which approximately 90,000 tons of premium heat treatment. With this investment, TMK-Artrom has the possibility of heat treatment for long pipes, a rare capacity in Europe and also treats heat pipes with thick walls up to 60 mm.

TMK-Artrom has a production capacity of approximately 200,000 tons of seamless steel pipe per year, the company being recognized in Europe as one of the world's leading producers of seamless carbon steel pipes, low alloyed and alloyed with a dimensional range starting from an outer diameter of 15.88 mm to 254 mm and a wall of 1.5 mm to 60 mm. The seamless pipes produced in TMK-Artrom are designed for industrial applications, consisting of mechanical pipes, boiler pipes for high



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temperature applications and low temperature applications, line pipe, pipes for the production of couplings, pipes for hydraulic cylinders, precision pipes, etc.

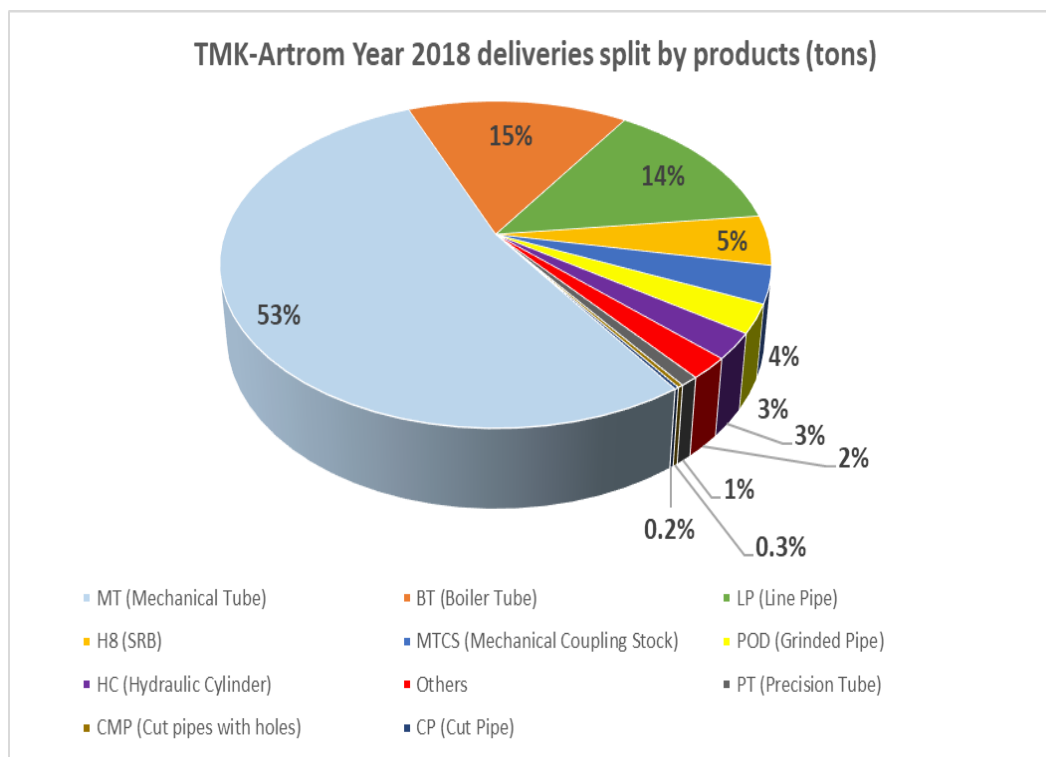
All TMK-Artrom products / services are marketed under the TMK brand, with the TMK-Artrom logo on labels and documents and also company identification data.

The products made in TMK-Artrom are seamless steel pipes, namely:

- mechanical tubes (MT)
- boiler pipes for high temperature and low temperature applications(BT)
- line pipe (LP)
- coupling stock pipes (CS)
- pipe for the production of hydraulic cylinders (HC)
- Precision pipes (PT)
- Bore and rolled pipe (H8 tolerances) for the production of hydraulic cylinders
- Grinded (POD) pipe for the production of cylinder rods
- Pipe cut to fixed and precise lengths (CP) with very small tolerances (+/- 0.2 mm)

TMK-Artrom not provide separate services, but only provides services of its own products to obtain products with high added value (cutting to fixed lengths, holes in the wall smooth or threaded grinding pipe externally, boring and rolling the inside of the pipe, etc.).

Products (services) of TMK-Artrom are not prohibited from trading on any market. At the level of 2018, 60% of TMK-Artrom's deliveries were represented by mechanical pipe, followed by boiler pipes with 19% - as shown in the graphic below.



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102-3 Location of headquarters

TMK-Artrom's headquarters (registered office) is located in Slatina, Str. Drăgănești nr. 30, PO 230119, Olt County, Romania.

TMK-ARTROM has offices in Slatina, str. Ecaterina Teodoroiu, block V22 and block V23, ground floor, Olt county and also in Bucharest, str. Daniel Danielopolu nr. 2, floor 1, district 1.

TMK-ARTROM owns 100% of a US trade company called TMK-Industrial Solutions LLC, headquartered in 10940 West Sam Houston Pkwy N, Houston, TX 77064, USA.

Also, TMK ARTROM holds 100% of the shares of TMK REȘIȚA, located in Traian Lalescu Street no. 36, Reșița, Caraș Severin County.

On September 26, 2017 The General Meeting of Shareholders approved the setting up of a point of business in Bucharest, Daniel Danielopolu street, No 2, sector 1 - representation office for which the fiscal registration operations were performed at the General Directorate of the Large Taxpayers Bucharest receiving the registration number 38337349.

At the headquarters in Slatina (Str. Drăgănești no 30, PO 230119) is located the seamless pipe production plant and the headquarters of the European Division of TMK. As a business organization, TMK-Artrom's management is also responsible for the leadership of the European Division of TMK. The TMK-ARTROM CEO is also the head of the European Division of TMK. In the European Division TMK operates five companies:

- 1) TMK-Artrom -a seamless steel pipe plant located in Slatina, Romania. Within TMK-Artrom is also the sales team responsible for the sale of TMK products in Southeast Europe, including Turkey.
- 2) TMK Resita - a steel-producing plant (billets, rectangular billets), raw material supplier of TMK-Artrom, located in Resita .
- 3) TMK Industrial Solutions LLC - a trading company located in Houston, USA. The company is responsible for distribution on the two American continents of TMK-ARTROM products and industrial pipes (non-OCTG) produced by the other companies of TMK from Russia and the USA. TMK-Industrial Solutions is 100% owned by TMK-ARTROM.
- 4) TMK Europe GmbH, a trading company, located in Dusseldorf, Germany. The company is responsible for delivering TMK products to the Center and Northern Europe. It acts under an Agent Agreement as Trade Agent for TMK-ARTROM. TMK Europe GmbH is 100% owned by PAO TMK located in the Russian Federation.
- 5) TMK Italia s.r.l. - a trading company, located in Lecco, Italy. The company is responsible for delivering TMK products in Western and Southern Europe, including North Africa. It acts under an Agent Agreement as a Trade Agent for TMK-ARTROM. TMK-Italia is 100% owned by TMK-Global in Switzerland.

102-4 Location of operations

TMK-Artrom has its production capacities in the town of Slatina, Olt County, Romania. The trade activity is coordinated directly from the headquarters and is made through direct sales to worldwide customers. In Western Europe and America, the sale is made with the help of trade companies within



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the European Division that do not act as Traders but are appointed on a contractual basis as trade agents. The acquisition of raw materials and materials is performed directly from the headquarters.

102-5 Ownership and legal form

Ownership: Private

Legal form: listed joint-stock company (SA), shares are listed on the capital market through the Bucharest Stock Exchange (BVB), ART symbol.

102-6 Markets served

All TMK-Artrom products are marketed under the TMK brand, with the TMK-Artrom logo on labels and documents and also the company identification data.

TMK-Artrom products are promoted by TMK-ARTROM's sales staff and / or by trading companies within TMK's European Division acting as contractual trade agents, namely: TMK-Italia s.r.l. (Lecco, Italy), TMK Industrial Solutions LLC (Houston, Texas, USA) and TMK Europe GmbH (Dusseldorf, Germany).

Contact the relevant markets is carried out continuously during the visits and regular meetings with current and potential customers through verbal or visual presentations. TMK-Artrom products are promoted at trade fairs such as: Tube & Wire Dusseldorf - Germany, Made in Steel Milan-Italy, OTC Houston USA, etc.

TMK-ARTROM serves a portfolio of over 600 customers in Europe (including Turkey), North and South America, North Africa, the Middle East and the CIS. Most customers are long-term partners of TMK-ARTROM. There is no customer representing more than 8% of TMK-ARTROM production. At the same time, TMK-Artrom's site (www.tmk-artrom.eu) offers up-to-date information on the latest product or service offered, as well as other information on regular financial statements, job advertisements, environment, quality, social responsibility .

As a destination for TMK-Artrom products, the largest quantities were delivered in Europe in 2017 (about 84%), North and South America (about 14%), the rest being destined for other countries (CIS, North Africa, Orient).

102-7 Scale of the organization

a) Total number of employees on December 31, 2018

TMK ARTROM has a total consolidated number of 2282 employees.

TMK ARTROM has a total of 1486 employees.

TMK-Industrial Solutions LLC has a total of 11 employees.

TMK REȘITA has a total of 783 employees.

Decisions and responsibilities are assigned to employees according to their level of competence. Personnel training and development have a special priority within TMK ARTROM, that wants to form its tomorrow's specialists and leaders, with the company focusing on the promotion of internal candidates in middle or top management positions. Training courses are not the only ones that lead to the development of staff skills, but also the daily work in which staff learn new things, where team results are the key to company performance.



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In 2018, all TMK ARTROM employees had the opportunity to attend to internal training courses and 550 employees benefited from at least one external course, i.e. 38% of the average number of employees in 2018. The Professional training within the company takes place in two stages: initial training and continuous training. Initial training is performed in order to acquire the knowledge required by the law to fill a particular post, and continuous training is performed to improve the skills to practice the job and to update the knowledge in accordance with the novelties of the moment. Through training, the company aims to ensure that employees have the skills required to carry out the tasks specified in the job description as well as increasing the flexibility and stability of employees reducing staff fluctuations.

Internal courses are those with internal lecturers who have trainer skills besides their basic position and external ones are performed with external lecturers within the company or outside. Through the participation of the employees in training the company complies with the legal provisions of the Labor Code TITLE VI: PROFESSIONAL TRAINING.

102-8 Information on employees and other workers

Within the company, the activity is permanent and continuous (organized in 3 shifts per day for 8 hours each shift, 365 days / year), employees performing a permanent work.

Most of the 1486 employees have employment contracts for an indefinite period. There is a limited number of employees with fixed-term contracts throughout the probationary period. At the end of the probationary period, the employee who is retained in the company signs a contract for an indefinite duration;

From the point of view of the daily working hours, the labor contracts are divided into two categories:

Full-time employment contracts - 8 hours / day (full-time);

99% of these contracts allow paid overtime (maximum 8 additional hours per week). Overtime and work on Saturdays and Sundays are paid 175%.

Work provided during the night is paid 125%.

Employment contracts with less than 8 hours / day (part-time);

TMK ARTROM uses only a small part of the employees with a part-time contract. Employees with part-time employment benefit from all the salary and extra-salary rights that all employees have, in proportion to the actual time worked.

c. Other Employee Information:

Depending on the region where they live, 99% of TMK ARTROM's employees reside in the city of Slatina (OLT County) and the surroundings of the city. A percentage of 1% of employees come from neighboring regions (Dolj County, Valcea County) and Bucharest.

The company's activity is continuous (not seasonal) and is carried out with its own employees. There are no outsourced services and / or significant parts of current activity. Only external services are used for occasional activities that exceed the capacity of the workforce at some point limited in time (i.e. capital repairs, investment works, etc.).



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Employees of the Company benefit from a Collective Bargaining Agreement of a set of rights and benefits based on a social system developed over the years based on a constructive social dialogue between the social dialogue partners. These rights and benefits include (but are not limited to): minimum guaranteed salary, bonuses, salary bonuses, compensation for special activities, overtime, occasional additional work, holiday bonuses, rewards, insurance and additional medical services, etc. The Social Expenditure Fund is managed by the Social Commission composed jointly by representatives of trade unions, employees and management.

Employee data are retrieved and compiled from the Human Resource Service's own data base that complies with personal data protection law (Regulation 679 / April 26, 2016). The company manages the employment contracts internally by protecting all personal data under existing laws and in correlation with it.

102-9 Supply chain

Under a competitive market, the supply chain is of particular importance within the TMK ARTROM business. This is an important potential for creating value for the customer: service quality, deadline performance and response time.

By rationalizing the supply chain costs, part of the company's profitability is disputed. TMK ARTROM is a seamless pipe supplier that is aware that product traceability and quality are of particular importance to its customers.

As customers have ever-increasing demands on our products, TMK ARTROM's requirements for suppliers are also increasing. In this way, with the effort of all our collaborators we try to offer our clients and stakeholders as much transparency as possible on the supplier's channel not only in terms of technical capability but also in terms of how the supplier operates on the market in terms of the environment, social security and health and thus to society

When we select our business partners and therefore the suppliers we ensure that they also have ethical behavior. Our motto is responsible and sustainable behavior towards employees, customers, partners and suppliers.

102-10 Significant changes to the organization and its supply chain

Not applicable.

102-11 Precautionary Principle of approach

TMK-ARTROM and TMK have an approach based on risk management, risk management activity is organized in terms of production activity and in terms of new products and investment. In this way in addition to the annual assessment of suppliers, TMK ARTROM and TMK REȘIȚA draw up a map of the significant risks that may arise in the supply and logistics chains.

Risk management analyzes the risks that may arise on the supplier channel in terms of discontinuing collaboration with them, logistical issues, quality or insolvency issues, climate change issues, or cyber-attacks. These risks are assessed, prioritized and tracked by action plans drawn up in the short or long term. Risk reassessment is performed annually or whenever needed, and there is a new, undetermined risk until then.



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In this respect, TMK -ARTROM and TMK REŞİTA have approved several suppliers on the list of suppliers, delivering the same type of product so that the risk of lack of service or material due to cases of force majeure or other causes tends to zero.

For pipes produced for the automotive industry, TMK ARTROM always keeps a safety stock of raw material in the warehouse.

The materials supplied by both companies have attached to the delivery documents, according to legal requirements, as appropriate, technical safety data sheets, REACH registration documents, RoHS declaration of conformity (certifying that the product does not contain substances prohibited by EC Directive no 211/65 / EU).

Also, designing a new product and implicitly acquiring technology involves risk assessments based on scientific evidence existing in the literature and practice, as well as analyzing the impact that the relevant product / technology has on the environment or on the user. Each year TMK ARTROM and TMK REŞİTA aim to develop new products in accordance with market requirements and implicitly, customers. These products refer to both pipes of different dimensions from those in the product catalog and to products with high added value. At the design time, the risks involved in the implementation of this new product into production and on market are assessed.

In 2018 new products were made, among which we mention:

1. Pipes treated and quenched with a wall thickness exceeding 25 mm

In terms of new heat treatment facilities equipped with the latest furnaces, TMK ARTROM managed to quenching pipes over 25 mm thick. These quenched pipes on the new heat treatment complex have high mechanical characteristics, which allows them to be used in the manufacture of various components in the oil industry.

To increase mechanical characteristics, especially for resilience, where very good values can be obtained even at minus 60 degrees, this mode of quenching is very appropriate.

The investment made at the end of 2017 aims to design the technology for pipe quenching up to a wall thickness of 60 mm, which will make TMK ARTROM one of a few in the world in carrying out this process.

2. Manufacturing steel mechanical pipes for structural constructions and lifting equipment high flow limit (S690G2QL1).

The steel developed in TMK ARTROM and machined from raw material produced by TMK REŞİTA is a structural steel with high flow and hardness, quenched and returned. With a minimum flow resistance of 690 N / mm², and good resilience even at minus 60 degrees, the steel has a high bending and weldability. Due to the high-strength nature of the materials, the use of the S690QL (quenched and returned) will promote less-designed structures with increased load capacity and energy efficiency.

The structural steel delivered to customers since 2018 is used in a variety of sectors, including: heavy-duty transport, automotive industry, metal construction, lifting equipment.

The products obtained in the "Heat Treatment Complex" are considered to be environmentally friendly products in the sense that the environmental impact for obtaining them is the best possible according to the existing technology at the moment. The Combustion System of the Heat Treatment Complex uses burners with increased combustion efficiency and noxious emissions according to Directive 2010/75 / EU, the requirements of which are the most stringent in the world at this time.



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102-12 External initiatives

By TMK ARTROM management strategy developed principles concerning human rights, labor, environment, anti-corruption as established by the United Nations Global Compact Initiatives. TMK ARTROM has not subscribed to any external initiative organization at this time. The same principles develop and impose on its suppliers, and therefore on TMK REȘIȚA.

102-13 Membership of associations

TMK ARTROM is a member of the professional and employers' association UNITUB Romania (Pipe Producers Association of Romania). As a professional association, UNITUB is affiliated with ESTA (European Steel Pipes Association) based in Paris in France, and as an employers' association is affiliated to the Employers' Federation 'Metalurgia' in Romania which in its turn is affiliated to CONPIROM Employers' Confederation.

TMK-ARTROM assures UNITUB's presidency.

The company actively participates through its members at the meetings organized by UNITUB and ESTA respectively.

Strategy

102-14 Statement from senior decision-maker:

Adrian POPESCU - Chairman of the Management Board and CEO (see p.2)

102-15 Key impacts, risks, and opportunities



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TMK ARTROM and TMK REȘIȚA have implemented an integrated quality management system (IMS) according to the ISO 9001 quality standard, the ISO 14001 environmental standard and the ISO 45001 occupational health and safety standard.

Since 2014, through the formalized risk management process, ensures both companies identify, assess and control risks that could affect the overall objectives and sub-objectives set in each structure of the company.

Risk management is an element of the internal control system that identifies significant risks to the activities carried out. The main objectives of risk management are:

- - maintain threats within acceptable limits;
- - take appropriate decisions to exploit opportunities;
- - avoid risk by the decision not to start or continue the activity that led to the relevant risk;
- - take the existing risk or increase its level to take advantage of the opportunity.

TMK ARTROM S.A and TMK REȘIȚA documented how to identify, evaluate and treat the risks and described how to work in two procedures, namely:

- the "Risk Management" procedure describing the financial risk assessment described and made available to interested parties in the financial statement
- the "Risk and Opportunity Management Actions within the Integrated Management System" procedure, which refers to the risks to the processes and objectives of the integrated SMI system. Risks and opportunities are analyzed against the objectives of the Integrated Management System (IMS) and are recorded in the risk register. The risk register is audited by the Risk Analysis Committee and approved by the CEO.

Risk treatment actions concerns:

- a) Risks and opportunities related to product compliance and the requirement clients
- b) Risks and opportunities related to ensuring the efficient operation of processes and achieving the objectives of the integrated system:
 - quality management process,
 - resource management process,
 - training and awareness process,
 - supply, design and development process,
 - sales process, production management process,
 - product management process,
 - monitoring and measurement process,
 - analysis process conducted by the management.
- c) Risks and opportunities related to environmental aspects and compliance obligations

All the activities in TMK ARTROM and TMK RESITA are subject to risk analysis including the "new product development" activity. The company monitors both environmental and security aspects in all project stages starting from the design, production and delivery phase. In this respect, a product sustainability check has also been introduced.

The action plans indicate concrete actions on risk, deadlines for action, the persons responsible for the implementation of the actions and the estimated result of the actions.



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Actions are considered effective if, according to the monitoring results, the category of each specific risk does not increase and according to the results of the annual analysis all risks have been reduced to an acceptable level.

The CEO has an important role to play in promoting the Company's risk-oriented concept of thinking, providing the resources needed for effective risk and opportunity management, to check how risks and opportunities are identified.

102-16 Values, principles, standards, and norms of behavior

Our mission is coordinated complementary to the TMK Group, namely to be a responsible global provider of efficient solutions for users of steel pipes for industrial application.

Global - as we will increase our participation in the global pipe business. We intend to expand our exports, optimize and balance the range of products and markets, strengthen partnerships with our customers and attract new partners. We consider alliances and partnerships as an opportunity to strengthen our global competitiveness.

Industrial pipes - as we are involved in the business, we can do it very well. This is the production of steel industrial pipes and the provision of related services. We strongly believe in the long-term prospects of profit growth in our industry. We will invest in further strengthening TMK Artrom's competitive position in the industry.

Effective solutions - as we continue to be an innovative company that builds and develops strong customer relationships based on the long-term partnership concept, TMK Artrom's products and services as well as innovative developments that meet the needs of our customers.

Responsibility - as we respect and appreciate the loyalty of our customers and suppliers, employees and shareholders. We support regions and protect the environment in our production locations. We continue to offer our customers additional benefits besides the use of our products. We appraise and reward TMK employees for their contribution to the company's success, and we commit ourselves to protect security and health as one of the most important priorities.

Our values and principles that have been and will continue to be viable for the organization's future success are as follows:

1. Innovation

Through continuous development of business practices and technologies, TMK ARTROM aspires to performance and wants to position itself as a leader in its long-term and sustainable business. TMK ARTROM pays attention to the quality of its products, being a producer of mechanical pipe of which deliveries are operative and flexible, according to the customer's individual needs.

2. Social responsibility

TMK ARTROM develops a culture of social responsibility based on business ethics, namely for customer rights, technologies and environmentally friendly products, fairness in working relationships, transparency towards public authorities, integrity and community investment.



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TMK ARTROM protects the environment, recovers and recycles materials, saves natural resources.

TMK ARTROM is constantly concerned with increasing the level of involvement of its employees, its representatives, trade unions and those outside the organization (creditors, consumers and investors) in developing and implementing its practices in the field of social responsibility.

3. Integrity

TMK ARTROM correctly informs public opinion and stakeholders about what it is going to do (transparency), is consistent in its actions and has verticality. TMK ARTROM assumes responsibility for its decisions and actions, thus being legally and socially responsible.

4. Loyalty

The entire staff is devoted to the organization, stakeholders, and community / society in order to meet the goals assumed both personally and on behalf of the organization.

5. Responsibility

TMK ARTROM's staff honor their responsibilities and assume responsibility for their actions.

6. Objectivity

TMK ARTROM and its staff are characterized by impartiality and do not allow professional reasoning to be influenced by prejudices, conflicts of interest, or other unwanted influence factors that may intervene in the course of their professional activity.

7. Transparency and Ethics

TMK ARTROM focuses on the transparency, quality, completeness and accuracy of information provided to the public. TMK ARTROM and its staff are in an open and constructive dialogue with all stakeholders, dialogue based on respect and professionalism.

8. Nondiscrimination

TMK ARTROM, its staff and its partners do not have discriminatory attitudes about race, sex, religion, sexual orientation, political affiliation or other criteria that may be the basis of discrimination.

9. Fair competition

TMK ARTROM and its staff have and upright and honest conduct in their relations with competitors, thus ensuring fair and equitable competition in their own field of activity.

102–17 Mechanisms for advice and concerns about ethics

The TMK-ARTROM SA and TMK REȘITA Code of Conduct, adopted in 2014 and approved by the Board of Directors, lay down rules (standards) of ethical and professional conduct to be observed by employees, regardless of their function, including the members of the Board of Directors or the Management Board, as well as the collaborators of TMK-ARTROM S.A.



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The Code of Conduct is available in both Romanian and English and is published on the company's website to ensure a transparent and responsible relationship with business partners, customers, suppliers, local, central and international authorities. This is brought to the attention of employees through the internal means of communication and through regular training - in 2018 there were organized (re) trainings on ethics issues at the level of all staff. The provision of ethical counseling and receipt of information about possible breaches of ethical principles is the responsibility of the hierarchical chief of each employee.

The company ensures compliance with ethical standards through its own internal control departments. Thus, within the "Internal Audit and Risk Analysis Department", there is a person designated to be responsible for monitoring the Code of Conduct issues.

TMK-ARTROM S.A. encourages employees, stakeholders, business partners, workers, and any public person to expel unethical actions and any violation of the Code of Conduct, which will be immediately investigated to take the necessary action under applicable laws and / or internal regulations within the company.

Following the implementation of a system to promote fair business models and ethical behavior of our employees, as well as the selection of suppliers of goods and services that in turn comply with generally valid ethical codes, no reports of non-compliance of the Code of Conduct were identified in 2018 so there were no investigations on this segment.

Governance

102-18 Governance structure

The organizational structure including top-level governance refers to the following:

1) The general shareholders' meeting is the supreme governing body of the Company which decides on its activity and ensures the economic and commercial policy.

General meetings are ordinary and extraordinary.

THE ORDINARY GENERAL MEETING meets at least once a year within five months as of the end of the financial year and, in addition to discussing other issues on the agenda, has the following main tasks:

- a) discuss, approve or amend annual financial statements on the basis of the reports submitted by the Board of Directors, the financial auditor and fix the dividend;
- b) elect and revoke the members of the Board of Directors, determine their remuneration and decide on their management;
- c) determine the prerogatives and attributions of the Board of Directors;
- d) approve the budget of revenues and expenditures and the program of activity;
- e) decide on the pledging, hiring or dissolving of one or more of the Company's units;
- f) appoint and revoke the financial auditor and set the minimum duration of the financial audit contract.

THE EXTRAORDINARY GENERAL MEETING will be convened whenever necessary and will take decisions regarding:



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- a) change of the legal form of the Company;
- b) relocation of the Company's headquarters;
- c) changing of the object of activity of the Company;
- d) extending the duration of the Company;
- e) increase of the share capital;
- f) reduction of the share capital or its reintegration through the issue of shares;
- g) merger with other companies or division;
- h) early dissolution of the Company;
- i) issue of bonds;
- j) converting shares from one category to another;
- k) conversion of a category of bonds into another category or into shares;
- l) any other amendment to the Articles of Incorporation or any other decision for which the approval of the extraordinary general meeting is requested;

The following attributions are delegated to the Board of Directors:

Moving the company headquarters;
 Change of the object of activity except for the main object of activity; and
 Establishment or dissolution of secondary offices, branches, agents, representative offices or other such units without legal personality.

These powers delegated to the Board of Directors by this Articles of Incorporation can not be further delegated to other directors.

II) Management of the Company

The Company was managed by May 5, 2018 by a Board of Directors consisting of 5 members as follows:

Mr. Andrey Zimin, as Chairman;
 Mr. Adrian Popescu, as General Manager;
 Mr. Surif Mikhail Albertovich, as a member;
 Mr. Parkhomchuk Andrey, as a member.
 Ms. Olga Nikolaeva, as a member.

Starting May 2018, the company is managed by a Board of Directors consisting of 7 members, of which 2 are independent. Thus, by decision of the General Meeting of Shareholders of April 25, 2018, the structure of the Board of Directors changed from 5 members to 7 members by electing 2 independent members with mandate valid by April 25, 2022, the composition of the Board of Directors being:

Andrey Zimin-President of Board of Directors
 Adrian Popescu - CEO
 Surif Mikhail - Member
 Parkhomchuk Andrey-Member
 Olga Nikolaeva - Member
 Tat Florin-Tudor - Independent Member
 Nastase Vlad - Independent Member



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Directors (administrators) are appointed by the ordinary general shareholders' meeting for a four-year term mandate that can be renewed. Any of the shareholders may appoint candidates for the position of director.

The Board of Directors has the following basic competences that cannot be delegated to directors:

- a) Establishing the Company's main activity and development directions;
- b) Establishing the accounting and financial control system and approval of financial planning;
- c) Appointment and dismissal of officers with the exception of the CEO and determination of their remuneration;
- d) Supervision of officers' activity;
- e) Preparing the annual report, organizing the general meeting of the shareholders and implementing its decisions;
- f) Introducing the application for the opening of insolvency proceedings;

The Board of Directors represents the company only in relations with the CEO and the other officers.

On April 25, 2018, the first meeting of the Board of Directors took place in the new structure that approved the establishment and composition of the Audit Committee of the Board of Directors of TMK-ARTROM SA (in accordance with Article 13 of the Articles of Incorporation of the Company) formed of three members:

Mr. Florin-Tudor Tat - Chairman of the Audit Committee - Independent
 Mr. Mikhail Surif - Member of the Audit Committee,
 Mr. Năstase Vlad - independent member of the Audit Committee.

The Audit Committee operates as an advisory body to the Board of Directors on economic and financial issues.

III) Company Leadership

The Company's management prerogatives are delegated to the CEO and six Deputy Chief Executive Officers, namely:

Chief Operational Officer COO
 Chief Commercial Officer (CCO)
 Chief Economical– Accountancy Officer (CEAO)
 Chief Financial Officer CFO
 Chief Procurement Officer CPO
 Executive Plant Officer (ExPO)

The officers appointed by the Board of Directors form the Management Board, having the individual and collective prerogatives established by the CEO within the limits of the competencies assigned to him.

The CEO is also the Chairman of the Management Board.



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The CEO represents the Company in relation to third parties and has full powers to hire, dismiss, establish the remuneration of any employees, establish and amend at any time the Company's organizational chart.

By the decision of the General Meeting of Shareholders taken on April 25, 2018, the following changes were approved in the company's management structure:

Thus, the MANAGEMENT BOARD is composed of:

1. Mr. Adrian Popescu - CEO and Chairman of the Management Board
2. Mr. Cristian Drinciu - Chief Operational Officer
3. Mr. Valeru Mustață - Chief Commercial Officer
4. Ms. Cristiana Văduva - Chief Economical – Accountancy Officer
5. Mr. Chernyy Evgeny - Chief Financial Officer
6. Mr. Alexander Pavlov - Chief Procurement Officer
7. Mr. Constantin Neacsu - Executive Plant Officer

Officers are appointed exclusively from outside of the Board of Directors, except for the CEO who is also a member of the Board of Directors.

The Company is validly represented in relations with third parties, including but not limited to financial institutions, courts of all jurisdictions, governmental authorities, by the following persons acting jointly or separately, as follows:

- a) by the CEO acting individually; or
- b) by the joint signatures of the COO (first signature) and the CEO (second signature) in accordance with the mandate given by CEO or,
- c) by the joint signature of the CCO (first signature) and the CEO (second signature) , in accordance with the mandate given by CEO.
- d) by the joint signature of the CFO (first signature) and the CEO (second signature) in accordance with the mandate given by the CEO; or
- e) by the joint signature of the CPO (first signature) and the CEO (second signature) in accordance with the mandate given by the CEO, or.
- f) by the joint signature of the ExPO (first signature) and the CEO (second signature) in accordance with the mandate given by the CEO.
- g) The Chief Economy – Accounting Officer is the representative of CEO regarding the preventive financial control over the company's operations within the limit of the mandate given by the CEO.

In case of absence, the CEO may delegate his powers of representation to the Company to any of the Executive Directors, specifying whether the executive officers to whom these prerogatives have been delegated act jointly or separately as well as the period of validity and limits of the mandate granted to them.

The CEO may delegate his right to sign and represent the Company on a special power of attorney basis.

III) Committees responsible for deciding economic, environmental and social issues.



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Decisions on the activity of the company are taken by the Board of Directors and / or the Management Board within their competence in accordance with the Articles of Incorporation.

102-19 Delegating authority

The Company's management prerogatives are delegated by the Articles of Incorporation to the CEO and six deputy officers, namely:

Chief Operational Officer
 Chief Commercial Officer
 Chief Financial Officer
 Chief Financial Officer
 Chief Procurement Officer
 Executive Plant Officer

The CEO represents the Company in relation to third parties;

Officers are appointed exclusively from outside the Board of Directors, except for the CEO who is also a member of the Board of Directors.

In the event of an absence, the CEO may delegate his powers of representation to any of the executive officers, specifying whether the executive officers to whom these prerogatives have been delegated act jointly or separately as well as the period of validity and limits of the mandate granted.

The CEO may delegate his right to sign and represent the Company based on a special power of attorney.

102-25 Conflicts of interest

The Conflict of Interest Regulation, approved by TMK-Artrom's CEO in July 2016, aims to limit the influence of the private, personal interests of employees on their positions, business decisions taken, and ensuring and respecting high standards corporate governance on principles of openness, transparency and predictability.

The provisions of the Regulation are applicable to all employees of the company, including management (persons holding a senior management position: CEO, executive officer, department head, division head, etc.), members of the Board of Directors and other boards or committees. The regulation includes a special section related to the reporting obligations of the Board members in accordance with applicable law (notification of any conflict of interest to the Board of Directors, abstention from participation in discussions and voting in these situations, etc.).

The conflict of interest regulation has been distributed through the internal means of communication and posted on the company's Intranet page, which can be consulted by all employees. In addition, regular training on conflict of interest is organized within the company, with all employees of the company being (re) trained in this regard in 2018.

102-40 List of stakeholder groups

TMK Artrom identified the main stakeholders, namely:

1) Investors (Shareholders)



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TMK-ARTROM SA is an open joint stock company. The regulated market on which the issued securities are traded is the Bucharest Stock Exchange, Regulated Market - STANDARD category - ART market symbol. TMK-ARTROM is listed on the Bucharest Stock Exchange since 1995.

The quality, completeness and accuracy of the information provided to investors by TMK-Artrom SA are in line with the capital market laws in force. All investor information are presented in the "Investor Relations" category on the official website and is published at the same time on the BSE and the FSA without delay.

Meetings with financial analysts, placement consultants, brokers and investors are organized to present the financial results, as the case may be, upon request.

2) Creditors, banks

TMK-ARTROM has relations with banks both as a borrower and as a holder of bank accounts and cash availability.

The relationship with banks is very tight, the communication is performed almost daily with the persons appointed by the banks responsible for the relationship with our company, financial statements are periodically transmitted, including budgets and calculations of financial conventions imposed by credit agreements.

The main creditor banks are Banca Comerciala Romana SA, Bancpost SA and Unicredit Bank SA.

TMK EUROPE GmbH Germany, which is also the majority shareholder of TMK-Artrom SA, is one of the main creditors through short and long-term loans granted and reported to all stakeholders publicly in current reports through the Bucharest Stock Exchange and the Company's website.

3) Customers and suppliers

TMK ARTROM maintains an open dialogue with customers and suppliers, this being a key element in the company's success. TMK ARTROM requirements related materials supplied are described clearly and transparently to all providers in equidistant "Supplier Quality Manual".

Also in 2017, TMK ARTROM has developed a close collaboration with customers and suppliers sharing corporate responsibility information. The company strives to increase transparency across the supply chain by improving information on the origin of the material (see Supply Chain chapter).

Minimum requirements for suppliers and business partners are described in the Code of Conduct. The anti-corruption clause is an integral part of TMK ARTROM's business contracts.

4) Employees or other individuals related to the company's activity.

The company employees are in constant contact with the company's management through various internal actions, making it possible to discuss and evaluate various aspects of the company.



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The dialogue between middle management and employees also takes place daily in formal, operational, and social-related discussions.

Annually, employees fill in the "employee satisfaction and loyalty measurement" questionnaire where the employee can comment on their aspirations and needs, and the employer completes the Employee Performance Analysis to comment on their performance. The results are centralized and structured in such a way as to take improvement measures in this area of activity.

5) State authorities, centralized and decentralized authorities and services of the state and local authorities (Slatina, Olt County, Bucharest).

6) The local community, which mainly refers to the 99% secured workforce within the local community.

7) Internal stakeholders: Management Board, Board of Directors, Executive Officers, Auditors.

8) Trade unions as representatives of employees and social dialogue partners are informed and consulted in various decisions taken by management or in connection with employee security, issues related to social aspects, work schedules and other issues covered by the Collective Bargaining Agreement.

102-41 Collective Bargaining Agreements (CBA)

From the total number of 1486 employees, 1353 employees are affiliated to trade unions. The rest of employees are not affiliated to trade unions. All employees, irrespective of membership or non-membership of a trade union organization, enjoy the rights provided by the CBA.

At the company level there is a CBA concluded with social dialogue partners employee representatives, representative trade union organizations. The CBA sets out the general and specific parameters of the conditions provided by the company to all employees in and for work performed as well as the employees' obligations towards the company. The CBA provides a set of rules pooling employers - unions Social Fund, how the negotiation-renegotiation of contractual arrangements, general conditions of individual employment contracts, various rights other than those directly related to work performed (for family, retirement, holidays, health insurance and additional medical treatment, etc.), internal regulations and other aspects of the relationship between employer, employees and social dialogue partners.

Annually in December, the articles of the CBA are renegotiated, which relate to the remuneration of employees for the work performed and other rights related to the negotiated salary or the average / minimum wage per company.

102-42 Identifying and selecting stakeholders

As a company with an important role in metallurgical business, TMK ARTROM understands and assumes that its activities have a significant impact on the relevant stakeholders. After identifying stakeholders, TMK ARTROM issued a list of them correlated with their expectations and requirements,



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the consequence of failing to meet expectations and the strategy of behavior to meet expectations. For this reason, the company has put in place a process of stakeholder consultation and involvement so that it can identify potential opportunities and risks.

Stakeholders were identified and prioritized according to the influence and interest of stakeholders on the company. Through stakeholder discussions, a close relationship with stakeholders was achieved, responding in due time to their needs.

102-43 Approach to stakeholder engagement

TMK ARTROM intends to develop closer collaboration relationships with identified stakeholders. For the next year aims to continue and develop cooperation with customers as well as relevant stakeholders. Customer satisfaction as a measurable quality objective is assessed annually and gives a vision of how the company and products delivered are perceived. The company aims to expand the number of rated customers in terms of the satisfaction level of delivered products, trying to understand the needs of customers as much as possible.

The company aims to analyze more closely the impact of its decisions on stakeholders and analyze how it can interact with stakeholders who do not have business relationships with the company, such as the local community.

As a business strategy in 2018, TMK ARTROM aims to question its online stakeholders on sustainability issues and integrate the results into the management analysis.

102-44 Key topics and concerns raised

Customer satisfaction, performance and requirements of suppliers, flow of information with banks, state institutions and other stakeholders.

In the reporting year, the company achieved a high degree of customer satisfaction according to the assessment report.

The assessment was based on the answers to the customer questionnaires, the results of the customer meetings at the clients' premises, the company headquarters and the specialized trade fairs.

The performance of major suppliers is communicated at meetings, but also through monthly scoring. Supplier requirements were analyzed at meetings at their headquarters or at the company's headquarters.

The company replied to questionnaires submitted by stakeholders.

102-45 Entities included in the consolidated financial statements

The companies included in the consolidated financial statements and in this report are TMK - ARTROM SA, TMK REȘIȚA SA and TMK Industrial Solutions LLC (USA).



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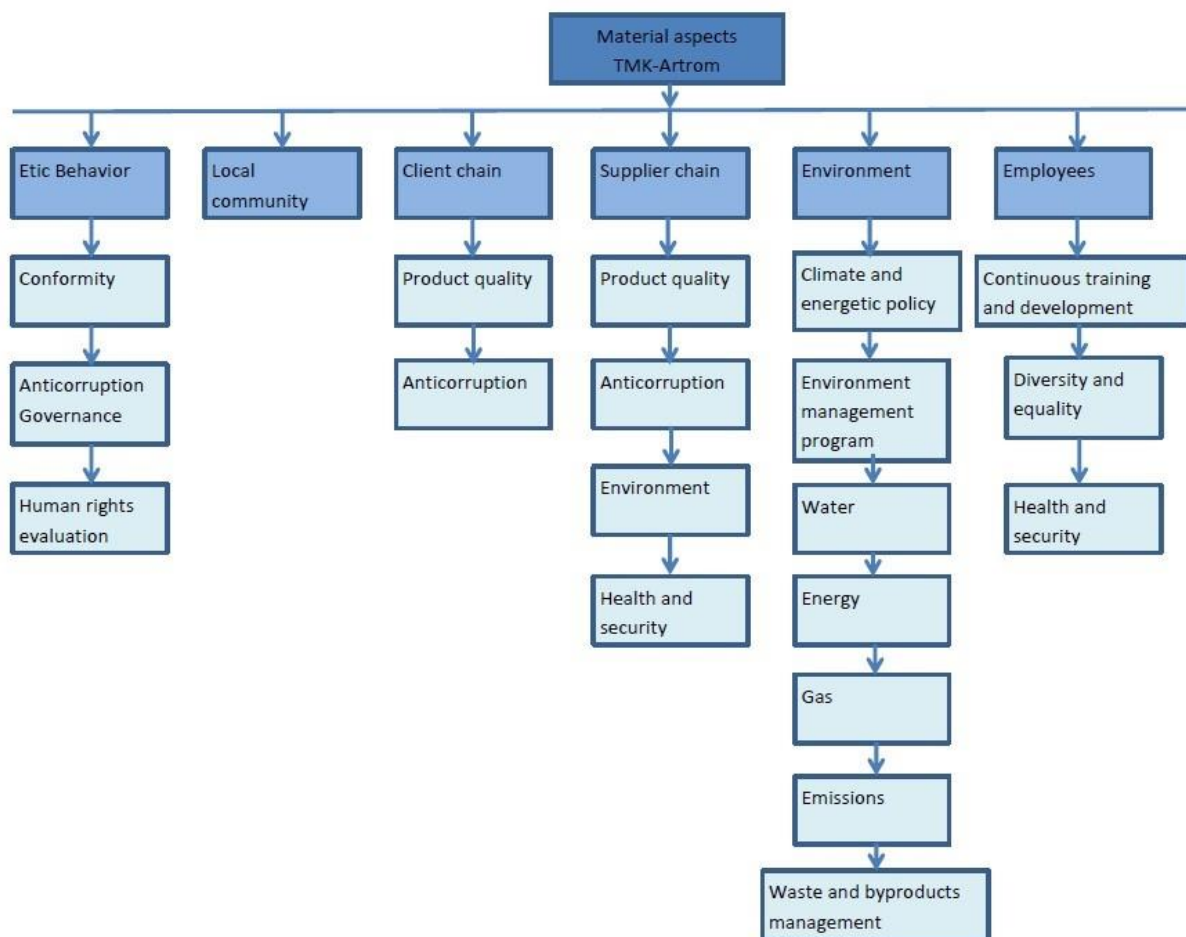
102-46 Defining report content and topic Boundaries

During the preparation of the GRI report, TMK ARTROM identified issues related to sustainability reporting that are of particular importance to the company. Various sources of information have been analyzed so the topics are chosen according to their importance.

The most important principle for collecting topics was the stakeholder discussion. Sustainability managers collected responses and information from sales, procurement, environment, health & security sales specialists and received information about the topics concerned. The result was a long series of important topics for stakeholders identified during collaboration with customers, suppliers, state bodies, and benchmarking of selected suppliers, competitors and customers.

Finally, "material topics" were identified for sustainability performance in TMK ARTROM.

102-47 List of material topics



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102-48 Restatements of information: Not applicable

102-49 Changes in reporting: Not applicable

102-50 Reporting period: It refers to the calendar year 2018

102-51 Date of most recent report: 2017

102-52 Reporting cycle: The reporting cycle is annual.

102-53 Contact point for questions regarding the report

contact: office.slatina@tmk-artrom.eu.

102-54 Claims of reporting in accordance with the GRI Standards:

The Report is prepared in accordance with the CORE option.

102-55 GRI content index

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102-56 External assurance

This sustainability report was not audited externally, but internal control systems were used to ensure the integrity and accuracy of the data presented in it.

103-1 Explanation of the material topic and its Boundary

The following aspects have been identified as having high material for the company: ethical behavior, customer chain, supplier chain, environment, employees. These aspects can make a major contribution to the company's material results, negatively or positively influence the economic and financial results, and may generate losses if they are not properly managed.

Having influence on the economic and financial results is a major concern to stakeholders through direct or indirect effect that may have on stakeholder interest.

For these aspects, the company has designed and implemented internal compliance and monitoring procedures and regulations, and a correction system through audits and corrective plans. The company carries out internal audits and, where appropriate, external audits to periodically identify limits, risks and impacts on any stakeholder.

The customer and supplier chain has a significant impact on business and compliance with various regulations. Therefore, their selection is performed through assessment, monitoring and audits that reduce risks and negative impact.



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Environmental aspects have a significant impact on stakeholders through the effects of non-compliance with the rules imposed by legal rules. That is why the company has permanently and periodically (if any) identified these effects, which is the impact on the stakeholders and has implemented internal regulations and procedures that control the effects on stakeholders and compliance with the relevant legislation.

Employees have a direct impact on the company and the stakeholders. For the company, health, security and high staff qualifications ensure continuity of business and business flow, reduce unplanned contingency costs etc.

For this, TMK-ARTROM has also implemented specific selection procedures, periodic assessment, education and qualification of employees, motivation, as well as an internal social dialogue system and their involvement in major company decisions.

Ethical behavior is essential and has a significant impact on the fact that it represents the company's business card in relations with suppliers, customers, authorities, collaborators, and leads to a moral classification of the company's business. That is why TMK-ARTROM imposed internal regulations for compliance with an ethical code and periodically assesses the ethical level of the activity of business partners and its own employees.

The local community does not have a significant impact and is not a critical issue for the company, so policies and regulations to analyze and assess the impact of this issue on the company have not been implemented. In its turn, the company does not have an essential effect on the community because its impact is minor due to the geographical position of the operational activity and the stability of the company (which has never interrupt its activity since its establishment). However, interaction with the local community is indirectly performed within the generally accepted rules as normal.

103-2. The management approach and its components

1) THE INTEGRATED MANAGEMENT SYSTEM

TMK ARTROM and TMK REȘIȚA have implemented an integrated quality, environment, occupational health and safety (SMI) management system in line with international standards ISO 9001: 2015; ISO 14001: 2015; ISO 45001: 2018, certified by the Lloyd's Register certification body.

The Quality, Environment, Health and Occupational Safety policy is an integral part of our business and ensures that stakeholders continue to maintain and develop their business in line with international, regional and national standards, mandatory legal requirements and regulation, ensuring environmental protection environment, employee protection and rational use of energy resources.

The Integrated Management System policy is compatible with the organizational context and strategic direction. The needs and expectations of stakeholders are understood and integrated into the business process.

Each year, the management team of TMK-ARTROM sets targets with measurable indicators on quality, environment, health and occupational safety.

For 2018, have been set targets, such as:

- Reducing the quantity of non-compliant products delivered to the customer so that it is as close to zero as possible;
- Increasing production volume and reducing metal consumption;



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- Reducing inappropriate critical production purchases;
- Increase equipment productivity;
- Increasing the level of knowledge, competence and involvement of the staff in the production process and in the improvement of the Integrated Management System;
- Ensuring the efficiency of assimilation and promotion of new product types;
- Improvement of the recovery activity for the recycling of the quantity of packaging waste;
- Reducing the risk factors for injury and professional illness;
- Measuring, monitoring, assessing and continuously improving health performance at work.

In order to achieve these, management programs are established, that include the necessary measures / actions, responsible persons and related resources. Measures to achieve these goals use statistical analysis methods such as the 8D, SIX SIGMA, or FMEA methodologies. Responsibilities for the achievement of management programs are assigned to senior managers and top management which also provide the resources needed to implement the measures set up to achieve the objectives.

2) RESPONSIBILITY FOR THE ECONOMIC AND FINANCIAL PERFORMANCE

The responsibility for the economic and financial performance is achieved by the management at the highest level by the Board of Directors and the Management Board.

TMK ARTROM has defined its economic and financial targets in line with the interest of investors (shareholders) and in the spirit of achieving banking conventions. These targets include net sales, profit, cash flow return, liquidity and indebtedness.

The target of 2018 as regards the achievement of a saleable production was met (200,000 tons), being the largest production in the history of TMK-ARTROM.

The pre-tax profit achieved in 2018 (72,365,302 lei) was significantly higher than the one in 2017 (33,102,201 lei), an increase of 118% over the previous year due to the increased cost management intensity and management in higher value added product sales.

3. STRATEGY

TMK-ARTROM has a five-year strategy, and investments carried out in 2018 will lead to a change in production structure to increase the share of PREMIUM-type high value added products. Our long-term strategies refer to the EBIDTA and operational cash-flow increase.

4. COST MANAGEMENT

TMK-ARTROM has developed the necessary policies, procedures and documentation for cost-effective planning, management, collection and control. The same cost management strategy applies also to TMK REȘIȚA.

5. INVESTMENT POLICY

In its development policy, TMK-ARTROM has pursued and aims strengthening of the existing capacities and achieving strategic targets as follows:

Increasing the quality of its products;

Increasing the share of Premium products with high added value;



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Rapid and secure recovery of the investments performed;

In order to ensure that its strategic goals are achieved through the investment projects implemented, within the investment project approval process TMK-ARTROM performs TECHNICAL AND ECONOMIC ANALYSIS with internal or external specialists subject to corporate approval (Management Board, Board of Directors, GMS).

6. RISK MANAGEMENT

There is a specialized department within the company that monitors business risks, observance of compliance and conduct regulations. The Internal Audit, Compliance and Risk Management Department assesses its area of interest, reports to the management the issues found following its assessments and proposes compliance or recovery measures. The head of the department is also the Chairman of the Risk Committee.

Starting 2014, TMK-ARTROM S.A. has developed and implemented the internal risk management procedure that allows identification and management of risks and opportunities both at the company level and at the level of its internal structure.

Also within TMK-ARTROM and TMK REȘIȚA there is an approved Business Code of Conduct which is already known and appropriated by all employees. and sets ethical and professional conduct rules (standards) to be respected by employees regardless of their function (including members of the Board of Directors, Management or Management Board) as well as the collaborators of TMK-ARTROM S.A. and respectively TMK REȘIȚA.

The compliance rules based on the TMK-ARTROM SA and TMK REȘIȚA SA Code of Conduct are based on the philosophy of the company, which implies, on the one hand, the requirement to provide customers with the highest quality for the delivered products and services under the conditions of total fairness and, on the other hand, the desire to be perceived as a trusted partner, a guiding mark in the industry, both nationally and internationally.

The Code of Conduct of TMK-ARTROM S.A. and TMK REȘIȚA S.A respectively includes provisions on the company's and its employees' obligations to comply with laws on combating corruption and bribery and to support the international community's efforts to combat bribery and corruption. Conflict of interest concerns, as well as donation and sponsorship rules, offering and receiving gifts, protocol and hospitality are also included in the Code of Conduct.

In order to support the provisions of the TMK-ARTROM S.A. Code of Conduct on corruption prevention and conflict management, specific documents such as the "Procedure for the Prevention and Reporting of Corrupt Practices" (in force since January 2015) and the Regulation on Conflict of Interests (approved in July 2016) were drafted.

7. EMPLOYMENT MANAGEMENT

The company is aware of the fact that employed workforce is one of the most valuable resources and an "asset" with a major impact on the economic results of the business. That is why TMK-ARTROM treats human resources as a major chapter of its work and bases its human resources policies on a number of principles, namely:

Respect towards employees' work.

Active participation of employees in major decisions through their elected representatives.



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Correct and timely remuneration of labor provided by the human resource.

Granting all benefits and compensation agreed upon with the social dialogue partners without discrimination or limitation, strictly based on the importance of job evaluation, training and employee dedication to the work performed.

It pays special attention to the professional training of employees and encourages multidisciplinary qualifications.

Encourages employee stability in the company and the traditionalism of intergenerational transfer of professional knowledge.

Encourage employees' children to continue their parents' tradition and engage in the company.

103-3. Evaluation of the management approach

1. Evaluation of the Integrated Management System

At the beginning of each year, the top management conducts the "Integrated Management System Analysis", which analyzes the relevance of the Policy with the business strategy, the applicable laws, the degree of achievement of the objectives and measures set.

The Policy is maintained or, if applicable, is updated, and new targets for the coming year are set. The integrated system certifications are available at www.tmk-artrom.eu.

TMK ARTROM SA and TMK RESITA prepare at the end of each year the internal and external audit plan for the following year.

Internal IMS audits refer to checking the compliance of the integrated management system with ISO 9001, 14001 and 18001, process, product audits or audits performed according to IATF (auto).

External audits are carried out by TMK-ARTROM's representatives to the major suppliers of raw materials, materials, manufacturing tools and spare parts.

At the same time, an increasing number of clients have conducted audits at TMK-ARTROM, in line with quality requirements, environmental and occupational health requirements. In recent years, TMK ARTROM has also been evaluated by the majority of major external customers under the Social Responsibility Standard (ISO 26000). External audits also have the role of establishing a complementary relationship between the IMS of TMK-ARTROM and the IMS of their clients, being an opportunity for mutual understanding and a useful exchange of experience.

Client audits often involve auditing TMK ARTROM's management systems and also raw material supplier TMK REȘIȚA. The management systems of the two companies are unified and certified at Division level.

In all cases, customer audits have been finalized with positive results, this being the case for further collaboration or receipt of new orders.

Audit results are analyzed to determine their effectiveness, achievement of indicators for the audit process, downward trend, or even lack of non-compliance.

Depending on the results of audits, the frequency and the requirements of the following audits are determined, managerial decisions are taken, the identified risks are reassessed.

Environmental compliance is also one of TMK ARTROM's objectives. All employees support the ISO 14001 management system that includes legal requirements and requirements to ensure the



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internal and external control mechanisms in relation to the environment. The annual management review ensures that no problems have arisen or that the issues have been addressed, the way in which environmental laws has been complied with, what new standards or laws has emerged at national or European level in the past year.

Evaluating economic and financial indicators and complying with compliance and conduct policies.

TMK-ARTROM evaluates its economic and financial activity, how management approaches are managed through internal and external audits conducted by either third parties or internal specialized departments.

External financial audits

On a half-yearly basis a financial audit is performed by an external audit team (appointed by the General Meeting of Shareholders). The economic and financial results included in the financial statements are audited by the statutory auditor. In 2018 the economic and financial audit was carried out by Ernst & Young Romania. The Audit Report is published on the TMK-ARTROM website (www.tmk-artrom.eu) and on the Bucharest Stock Exchange and the FSA website.

Internal financial audits

TMK-ARTROM evaluates its business management approaches, compliance, and risk management through internal audits by the Internal Audit and Risk Management Department.

Audits are performed either for topics and subjects planned in the annual internal audit plan, or topics and on-site topics based on the emergence of new risk items or new business subjects that need to be evaluated in real time.

2. Evaluation of management activity

The activity and performance of the management at all levels is measured and analyzed based on a set of Key Performance Indicators (KPIs) set for each manager by its hierarchical superior. KPIs include both economic and financial indicators as well as quantitative, operational or qualitative indicators. The assessment of management's activity is carried out annually in close correlation with the revenue and expenditure budget approved by the GMS.

CONCLUSION: TMK-ARTROM S.A. acts with responsibility in achieving excellence in all aspects of the business and is constantly concerned with improving the quality of products and services offered to provide them with the highest degree of professionalism under the motto " " INTEGRITY AND CORECTNESS IN PERFORMANCE ".

GRI 201 Economic performance

201-1 Direct economic value generated and distributed



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	Stand alone	Stand alone	Consolidated	Consolidated restated
	2018	2017	2018	2017
1 Value generated: revenues				
Net sales	1.385.787.328	1.065.446.401	1.396.645.640	1.185.628.179
Revenues from financial investments	3.494	1.714	3.554	1.049
Sales of assets	4.028.169	559.256	5.172.542	2.513.710
Total	1.389.818.991	1.066.007.371	1.401.821.736	1.188.142.938
2 Economic value distributed:				
Operating costs	1.160.558.738	923.139.010	1.079.340.085	993.338.051
Employee wages and benefits	117.292.412	99.986.135	173.478.207	151.284.808
Payment to providers of capital	10.600.444	6.027.422	13.325.720	8.680.085
Payments to government by country	38.199.853	4.241.883	42.668.143	7.923.272
Community investments	344.178	175.390	397.517	222.400
Total	1.326.995.625	1.033.569.840	1.309.209.672	1.161.448.616
3 Economic value	62.823.366	32.437.531	92.612.064	26.694.322

TMK-ARTROM has decided to apply the consolidation method by grouping interests named in IFRS “pooling of interests” for the entities under common control. Following the acquisition of the majority shares of TMK Reșița on 21 December 2018, were restated the consolidated financial statements under IFRS for the years 2016 and 2017.

201-2 Financial implications and other risks and opportunities due to climate change

No risks or financial implications due to climate change have been identified

201-3 Defined benefit plan obligations and other retirement plans

TMK ARTROM has an employee benefit plan in place. The employee benefits assessment is presented in an actuarial report prepared by Pricewaterhouse Coopers Audit SRL in accordance with the requirements of ‘IAS 19 Employee Benefits’. Estimation of employee benefits is updated annually



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since actuarial projections depend on future events and are based on assumptions that may change over the projected period.

Employee benefits granted to employees are retirement benefits and death benefits from any cause. In the case of retirement benefit, employees who retire, receive an allowance equal equivalent with two gross salaries in the month of retirement. And in the case of the death of the employee of any cause, his family receives two average salaries negotiated at the company level. According to the actuarial report of 2018, the present value of the liabilities at 31 December 2018 is 2,900,934 lei. For this value the company has a provision established.

The company employees benefit from 2 types of benefits:

- a. Monthly remuneration;
- b. Extra pay benefits under the Collective Bargaining Agreement
 - a. The monthly remuneration is represented by the monthly salary received by each employee according to the work performed and the professional training.

The monthly remuneration is composed of:

- monthly salary
- salary increases for various specific conditions
- monthly premiums
- paid holiday and holiday premium for all employees
- overtime paid by 175%, Saturday and Sunday paid by 175%, night paid by 125%, public holidays paid by 200%

b. Benefits of an extra-salary nature in accordance with the provisions negotiated between the Employer and the Unions and created through the execution of the Collective Bargaining Agreement:

- meal vouchers for all employees;
- treatment vouchers, tourist and transport services provided by the unit for all employees;
- paid free days for special events (births, baptism, etc.);
- persons dismissed by collective redundancies - a number of compensatory average salaries;
- retired employees receive an allowance equal to at least 2 basic salaries equal to the one in the retirement month, granted one time;
- an average salary negotiated, indexed on the company for the birth of each child or the death of a relative;
- two negotiated average salaries, indexed on the company in the case of the death of a first degree relative;
- three negotiated salaries indexed on the company, if the employee has suffered a first and second degree disability accident;
- nine average salaries negotiated, indexed on the company, if the employee has suffered an accident at work, or in connection with work, causing his death, paid to the survivors;
- the employees of the company relocated in other localities - daily subsistence;
- humanitarian, cultural and tourism actions;
- expenses occasioned by anniversaries and religious holidays, festive days, children's days, women's day and Christmas;
- the amounts needed to contribute to setting up funds for activities in the field of preparation, negotiation and application of the collective bargaining agreement at all levels;
- nutrition to strengthen and protect the body's resistance;
- the value of the individual protective equipment is fully supported by the company;



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- regular medical examination and employment;
- additional medical insurance covering and covering the cost of medical treatment;
- long-term loyalty bonuses for key personnel and specialists;

201-4 Financial assistance received from the Government:

In 2018, TMK-ARTROM benefited from exemption from the payment of 60% of the number of green certificates, totaling 1,857,461.9 LEI, out of the total required quota according to the Government Decision no. 495/2014 on the establishment of a state aid scheme for exempting certain categories of final consumers from the application of Law no. 220/2008 establishing a system for the promotion of energy production from renewable energy sources.

In 2018, TMK-ARTROM benefited from the excise duty exemption for electricity and natural gas amounting to 1,192,686.9 LEI, according to section 13 art. 394, art. 355 par. 3, respectively art. 358 of the Fiscal Code.

TMK-REȘIȚA benefited in the year 2018 from the exemption from the payment of 85% of the number of green certificates representing 8,183 334.19 lei related to the mandatory quota, according to Government Decision no. 495/2014 on the establishment of a state aid scheme for the exemption of certain categories of final consumers from the application of Law no. 220/2008 establishing the system for promoting the production of energy from renewable energy sources.

In 2018, TMK-RESITA benefited from the excise duty exemption for electricity and natural gas in the amount of 530,193.02 lei, according to Section 13 art. 394, art. 355 paragraph 3, respectively art. 358 of the Fiscal Code.

GRI 202 Market presence

The company's employee ratio by sex and age compared to the local one cannot be established at this time because both our company and other companies have any information about employment contracts subject to strict confidentiality rules.

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

In 2018, the local minimum salary is 1,900 lei according to the Romanian laws. In TMK ARTROM, the minimum salary established according to the negotiations between the employer and the Unions was 2100 lei on January 1, 2018 and 2197 lei on July 1, 2018 for all employees regardless of gender in 2018. To this salary the salary bonuses are added (seniority, management bonus, no workload bonus, substitute bonus). In addition to the minimum salary set on the company, the other financial benefits stipulated in the Collective Bargaining Agreement (the 8% monthly bonus, the holiday bonus, the leave and holiday vouchers and the meal vouchers) are added. All the listed benefits are granted to all salaries without exception by gender.

Within our company there is no significant number of employees paid with the minimum salary stipulated in Romanian laws in 2018.

TMK ARTROM has no daily workers. All employees are hired under a contract of employment ('employees'). In trade union negotiations, the minimum wage per company is negotiated annually and cannot be lower than the minimum legal level provided by laws.



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The minimum salary is 2100 lei on January 1, 2018 and 2197 lei on July 1, 2018 lei plus the other benefits listed are applied to TMK ARTROM for newcomers without exception by gender.

In TMK REȘIȚA, the minimum salary established according to the negotiations between the employer and the Trade Union was 2222 lei for all employees of all genders in 2018. This salary is supplemented by salary bonuses (seniority, management increase, team leader). In addition to the established salary of 2222 lei, the other financial benefits provided by the Collective Bargaining Agreement (the 8% monthly bonus, the holiday bonus, the leave and holiday vouchers and the meal vouchers) are added. All listed benefits are granted to all employees without exception by gender. The minimum salary of 2222 lei plus the other listed benefits apply to newly qualified, without exception by gender at TMK RESITA.

202-2 Proportion of senior management hired from the local community

People from the local community and senior management positions within TMK ARTROM ('senior management') as defined below are 77%. and in TMK RESITA the ratio is 67%.

By "senior management" we included:

-Board of Directors - see http://www.tmk-artrom.eu/tmkartrom_board_of_directors

-Management Board, Executive Managers, Chiefs of Departments - see http://www.tmk-artrom.eu/tmkartrom_management

Through the senior management in TMK ARTROM from the local community, we defined Romanian citizens with stable residence in Romania (residents), in the town of Slatina, OLT county, respectively senior management in TMK REȘIȚA - Romanian citizens with stable residence in the city of Reșița, Caraș Severin County.

GRI 203 INDIRECT ECONOMIC IMPACTS

203-1 Infrastructure investments and services supported

During 2018, the main investment in TMK-ARTROM was the completion of the installation, commissioning and optimization of the new Heat Treatment Complex, which represented 80% of the total investments made this year.

The remaining 20% represented energy-efficient investment measures. The investment in the energy efficiency area was to replace, in all factory production halls, classical mercury or sodium light fixtures with LED lighting.

Other investment projects carried out had as main purpose the equipment for IT data provisioning as well as capitalized major works for assuring the safety of the operation of machines from the rolling lines.

TMK-ARTROM is one of the main contributors to local budgets, and through co-operation with local companies, it brings added value to contributions. Major maintenance, construction and



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mechanical building works for the 2018 investments and much of the company's services have been subcontracted with local companies, with payment records for these over EUR 6 million.

For the local community, in 2018, TMK-ARTROM provided conditions and production facilities for practical work for students in vocational schools from Slatina and also for other higher education institutions.

203-2 Significant indirect economic impacts

In 2018, investment payments totaling EUR 7 million were recorded, most of this amount being part of the investment project "Heat Treatment Complex".

This investment was started at the end of 2016 with the main installation works in 2017 and in 2018 tests, optimizations, development of the complex were made, with additional equipment and entry into production, the total amount spent to date for this project exceeding 35 million euro.

The impact of this investment is reflected in the production mix of the plant, which has become extremely flexible depending on the types of heat treatments, the significant increase in the volume of pipes in the premium range, the increase in the number of employees in the plant, natural gas for all heat-treated products.

The new products incorporate additional added value that, along with increased production levels and reduced manufacturing costs, generate revenue growth.

TMK-REȘIȚA SA carried out in 2018 activities with direct impact in maintaining the quality of the products, carrying out investments through energy efficient programs.

TMK REȘIȚA has installed equipment for increasing the quality of electric power by installing a Power Factor Compensation Facility (SVC) and has performed extensive repairs to the power stations that supply electricity to the external consumers with whom TMK-REȘIȚA SA has a contract distribution.

Also in 2018, TMK-REȘIȚA SA acquired a state-of-the-art fire-fighting machine and trained fire-fighters in a private system.

Last but not least, TMK-REȘIȚA SA made investments in 2018 in installations for the Reduction of GHG emissions of pollutants into the atmosphere, procurement of equipment and maintenance works at these installations, which exceeded EUR 700,000.

GRI 204 PROCUREMENT PRACTICES

204-1 Proportion of spending on local suppliers

TMK ARTROM S.A. makes its own purchases of raw materials, materials, and services through its own domestic services. The main raw material, billets used for pipe production, is purchased from TMK REȘIȚA. The other materials and services used in the production process are purchased from domestic or foreign producers that have been active on the market for a long time, being recognized for the products they deliver. Sources of materials and services can therefore be either local, national or international.

Certain specific materials are only available from international suppliers and must be imported. Where there are quality products at competitive prices, they are purchased from local suppliers (from Romania). There are no cases where purchases are made on a preferential basis, the only way to analyze the products is the quality-price ratio and the supplier's existence in the Approved Suppliers



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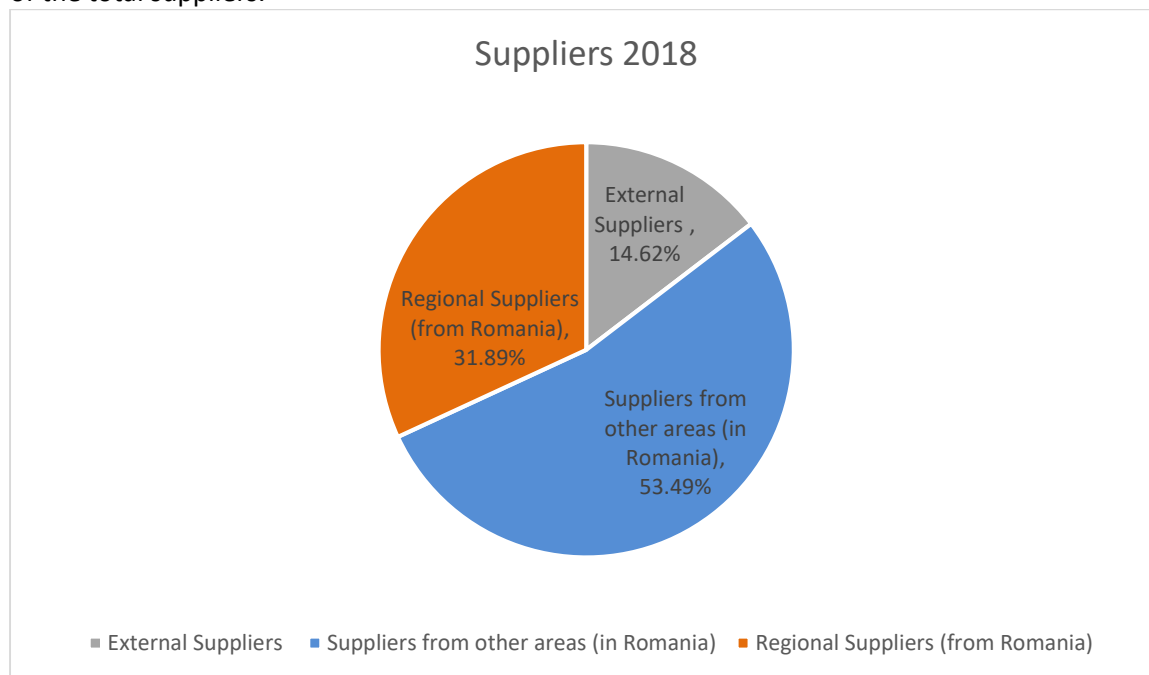
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List. The use of local suppliers has the advantage of reducing the purchase time, cost and time of transport and increasing the availability of quality control at the supplier.

The proportion of local suppliers (from Romania) in the total suppliers at the end of 2018 is 85.38% (257 suppliers out of a total of 301 suppliers existing at the end of 2018 on TMK ARTROM SA's Approved Suppliers List). Out of the 257 Romanian suppliers there are 96 regional suppliers (suppliers from Olt County and neighboring counties: Dolj, Vâlcea, Argeş, Teleorman), which represents 31.89% of the total suppliers.



In the case of TMK REȘIȚA, the proportion of local suppliers (in Romania) to the total suppliers at the end of 2018 is 91.06% (163 suppliers out of a total of 179 suppliers existing at the end of 2018 on the List of Approved Suppliers of TMK Resita S.A.).

Out of the total of 163 suppliers in Romania, there are 43 regional suppliers (suppliers from Caraș Severin County and neighboring counties: Timiș, Hunedoara and Mehedinți), which represents 24.02% of all suppliers.

GRI 205: ANTI-CORRUPTION

Within TMK-ARTROM S.A and TMK REȘIȚA there is a set of internal norms (procedures, policies and regulations) that regulate how the company management understands to manage these topics:

1. Code of Conduct;
2. The procedure for preventing and reporting the acts of corruption;
3. Transparency policy in recruiting staff;
4. Regulation on conflict of interest;
5. Risk Management Procedure.

TMK REȘIȚA uses the same package of normative acts.



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205-1 Operations assessed for risks related to corruption

The internal procedure for the prevention and reporting of corruption acts regulates the basic principles of the anti-corruption culture of TMK-ARTROM S.A. respectively TMK REȘIȚA, but also the main measures for the prevention, detection and reporting of corruption.

The corruption risk is regularly and systematically assessed by all structural units of the company as part of the risk management process of TMK-ARTROM SA and TMK RESITA SA as well as through the internal audit function that performs regular checks of operations the company, including in order to identify any corrupted and lacks of objectivity information.

205-2 Communication and training about anti-corruption policies and procedures

The company's anti-corruption principles are contained in the Code of Conduct and Procedure on Preventing and Reporting Corrupt Practices (documents available in both Romanian and English) and are brought to the attention of employees through both internal intranet, (in 2018, all employees of the company being (re) trained on corruption, ethics and conflict of interest issues). The management of TMK-ARTROM S.A and TMK REȘIȚA is permanently involved in obtaining and maintaining an impeccable reputation of the company, the anti-corruption principles being discussed and approved at the highest levels of management: the members of the Board of Directors, the Chief Executive Officer and the Board of Directors.

The zero tolerance for corruption acts is communicated to potential employees through the Transparency Policy in recruiting staff, and they are informed about the anti-corruption principles of TMK-ARTROM S.A and TMK RESITA respectively and on the existence of a system of reporting of potential violations of Transparency Policy principles in recruiting staff.

In addition, as part of TMK-ARTROM SA's contractual policy TMK REȘIȚA, contracts with trade partners include the "anti-corruption clause", whereby the parties undertake to comply with anti-corruption laws and not to be involved in acts of corruption.

205-3 Confirmed incidents of corruption and actions taken

Corruption acts may be reported and identified in TMK-ARTROM S.A. respectively TMK REȘIȚA SA by persons inside or outside the company (whistleblowers) and / or audits (internal and external) performed during the reporting period, being analyzed and settled according to the internal procedure in force (the final decision on the actions undertaken by the Board of Directors and the CEO TMK-ARTROM SA).

In 2018 there were no confirmed corrupt incidents in which the company and / or its employees were involved.

GRI 300 ENVIRONMENT

GRI 301 –Materials

301-1 Materials used by weight or volume



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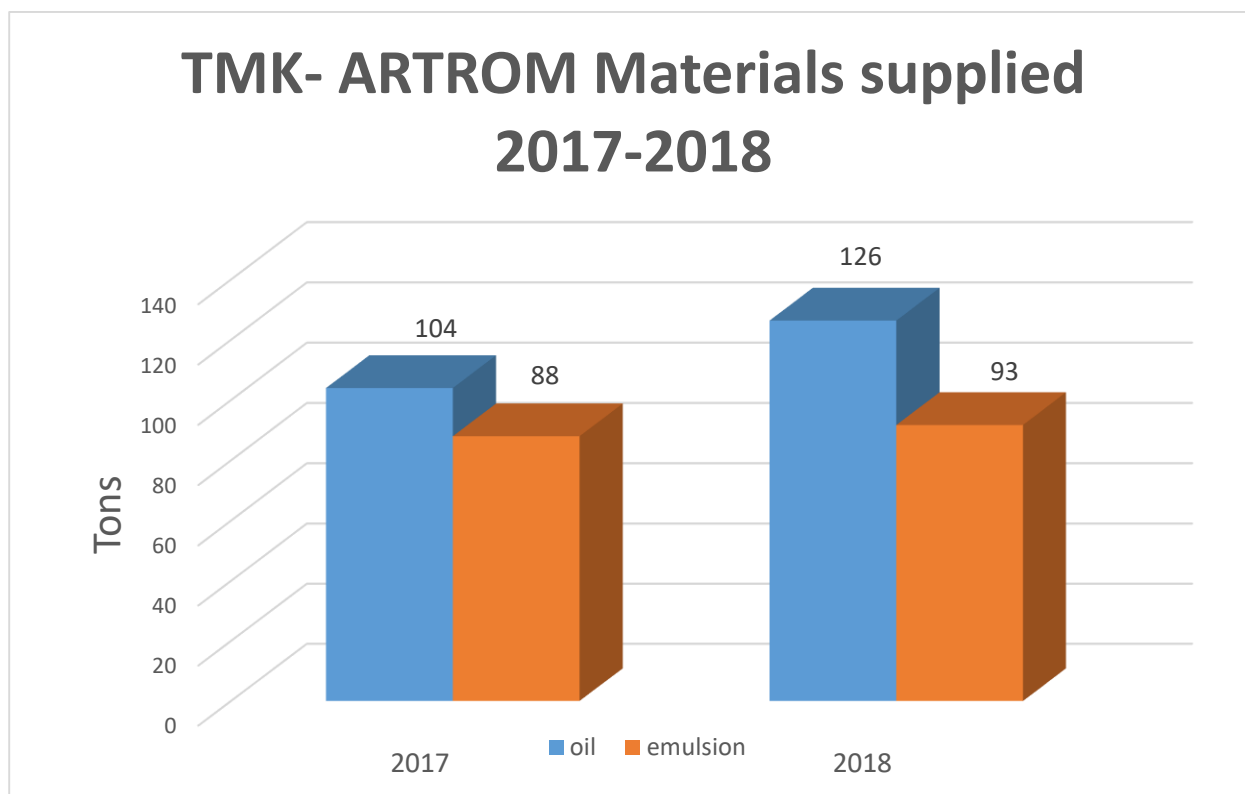
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Pipe manufacturing is an industrial process with a high consumption of raw material - steel billets, energy consumption, water, packaging materials, pipe protection and other materials to achieve a product that meets customer requirements.

The organization uses the highest quality and environmentally friendly oils and emulsions. For maintenance of the machines in 2018, were used 126 tons of oil and 93 tons of emulsion.

The quantities of oil and emulsion increased as the production of goods in 2018 increased to 200,276 tons compared to 190,284 tons in 2017.



The materials used in the packaging process are made of recyclable materials such as steel, paper, cardboard and wood. The largest share of the packaging materials is the materials purchased from the countries of the European Union; of these materials, the high percentage is represented by the platband: 319m76 tons purchased in the reporting year, and 241,172 tons of steel billets were used as raw material.



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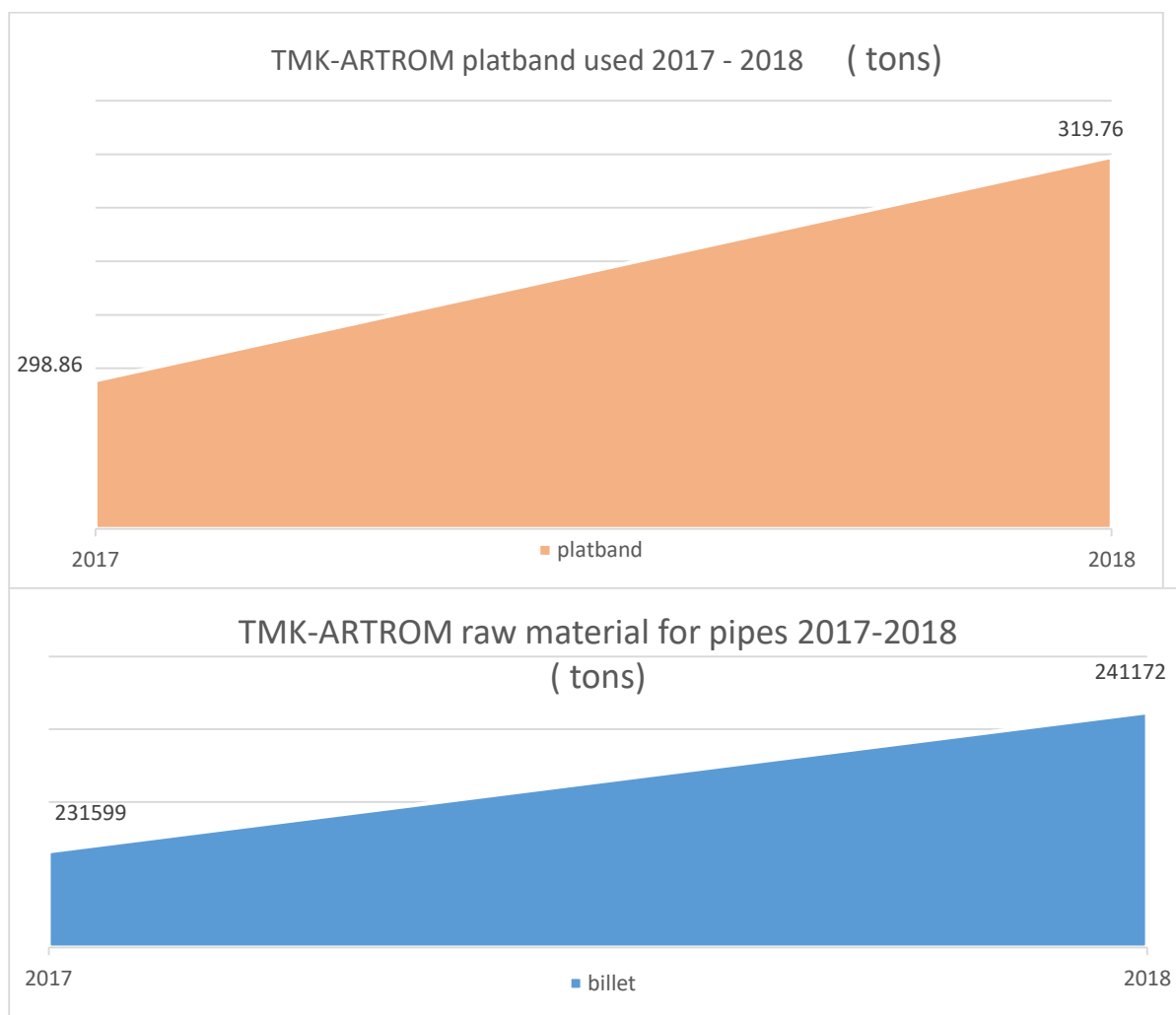
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301-2 Recycled input materials used

No recyclable materials are used in the process of pipe manufacturing. In the auxiliary processes to the main technological process, respectively in the process of transporting and storing raw material and finished product, the packaging materials received with the raw material, the connecting wire and the wooden spacers are reused until their deterioration and transformation into waste.

301-3 Reclaimed products and their packaging materials

Of the total claimed pipes, 97.68% was the pipe sold on the external market and 2.32% was the pipe sold to the domestic market (60.29 tons of claimed pipe - 1.40 tons on the domestic market and 58.89 tons on the external market).

In 2018 a specific consumption of materials used for packing and transporting pipes of 3.98 kg of package / ton of sold pipe was made.

The packaging used for the packaging of the claimed pipes reached a value of approximately 240 kg, all of which are recyclable materials.



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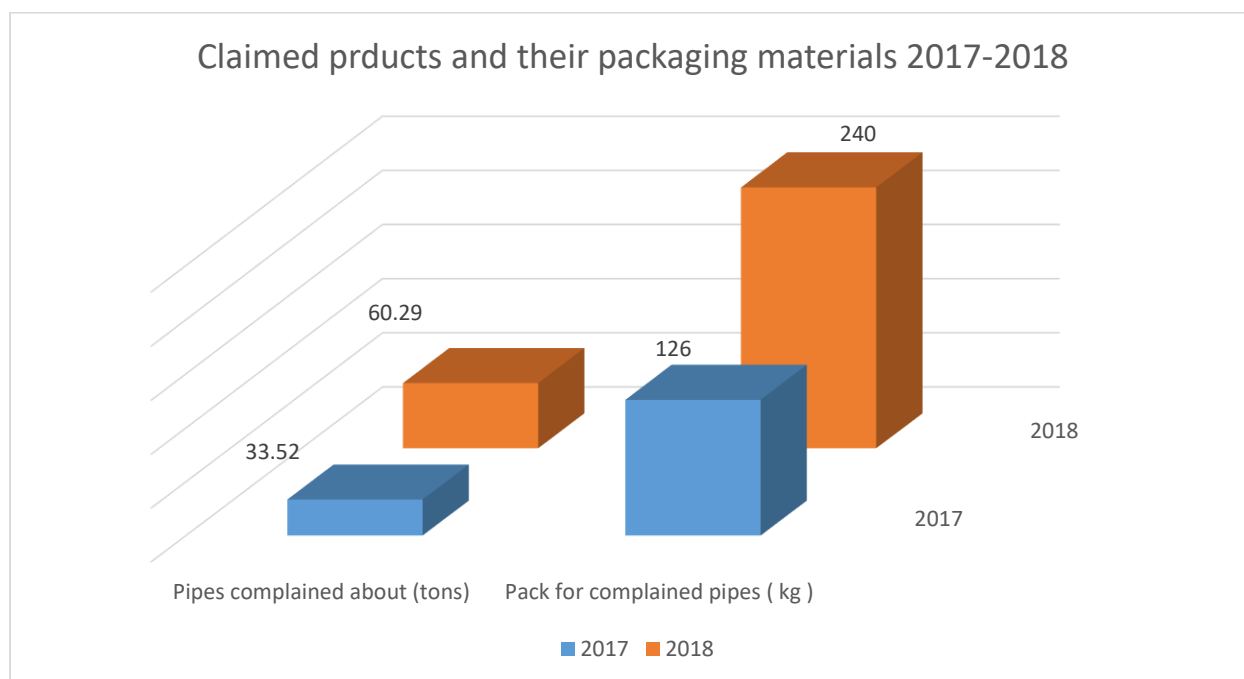
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GRI 302 – ENERGY

Through the policies and measures undertaken, TMK ARTROM and TMK REȘIȚA effectively manage the environmental aspects of their activities, while actively contributing to reducing the negative impact on the environment.

Our concern is to minimize the impact on the environment by using the best technologies and our investments are well thought out at the design stage.

302-1 Energy consumption within the organization

The total electricity consumption of 2018 made by TMK ARTROM was 219,390 GJ, while the consumption of natural gas was 1 357 420 GJ.

TMK-ARTROM, respectively TMK REȘIȚA, acquires electricity from electricity suppliers accredited by the NERA. The electricity supplier that TMK-ARTROM had in 2018 is a buyer who purchases electricity through the OPCOM wholesale electricity trading platforms.

The purchased electricity is transported through the lines of the national TRANSELECTRICA transporter and is distributed through the distributor networks "DISTRIBUTION OLTENIA".

In 2018 it is estimated that over 36% of the electricity supplied came from renewable sources: hydroelectric, wind, solar, biomass and others.

The total energy consumption made by TMK-REȘIȚA SA in 2018 was: 913,674,715 GJ.

TMK-REȘIȚA SA acquires electricity both directly from the Transelectrica SA Power Supply Network at the 220 kV level, respectively at the lower 110 kV, average or low voltage levels in the Enel Distribuție Banat SA distribution network.



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In 2018, 33.11% of the electricity supplied came from renewable sources: hydroelectric, wind, solar, biomass and others.

TMK-REȘIȚA SA is licensed to provide the electricity distribution service. In carrying out this activity, TMK-REȘIȚA SA resold in 2018 an amount of approximately 345 MWh of electricity to its subconsumers.

302-2 Energy consumption outside of the organization

Of the total electricity consumption, in TMK ARTROM 78% was used for metallurgical purposes and 22% for auxiliary activities. Natural gas consumption was used in 95% metallurgical purpose and 5% in auxiliary activities.

Of the total consumption of TMK-REȘIȚA SA, 0.1% of the company's electricity consumption is used for recreational activities.

302-3 Energy intensity

The energy intensity in 2018 was in TMK ARTROM of 7.9 GJ / year compared to 2017 when it was 8.4 GJ / T. The energy intensity calculation methodology is the ratio between the energy consumed in the year in GJ and the pipe production measured in tons.

302-4 Reduction of energy consumption

In 2018 it carried out an investment started in 2017 for energy efficiency: replacement of existing fixtures in production workshops with LED lighting.

Through this investment estimates a reduction of electricity consumption for industrial lighting by about 30%.

TMK-REȘIȚA SA carried out energy efficiency projects such as:

- a) Use of a frequency inverter for engine starting and operation at medium voltage of 6 kV, 1400 kW;
- b) Replacement of the gas burner from the ladle heating system no. 1 with oxy-gas burner.
- c) Replacement of the oxy-gas burner from the distributor heating system to the Continuous Casting Machine with oxy-gas burner.
- d) Development of reactive power compensating equipment on the 110 kV supply of TMK Resita.



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302-5 Reductions in energy requirements of products and services

TMK-ARTROM performs on-line monitoring of energy consumption by sectors of activity and also on its own technological and auxiliary process.

TMK ARTROM was commissioned in the year 2018 the "Heat treatment complex" investment, which has an impact on energy efficient part by reducing the consumption of natural gas for heat treatment operations by about 40% the old furnaces.

GRI 303 WATER

GRI 303 -1 Water withdrawal by source

TMK-ARTROM secures its water supply from its own source, having nine wells drilled at a depth of 120 m within the company. The wells have an operating flow rate of 3 l / s.

The amount of water extracted from the underground in 2018 was 663294 cubic meters. This amount was used as follows:

- a) 202477 cubic meters for drinking purposes
- b) 460817 cubic meters for technological purposes. Technologically, water is used to cool the machines, the roller tracks, the pipe quenching plants then collected and the pumping station basins where it is filtered and then pumped into the cooling towers and reintroduced into the circuit.



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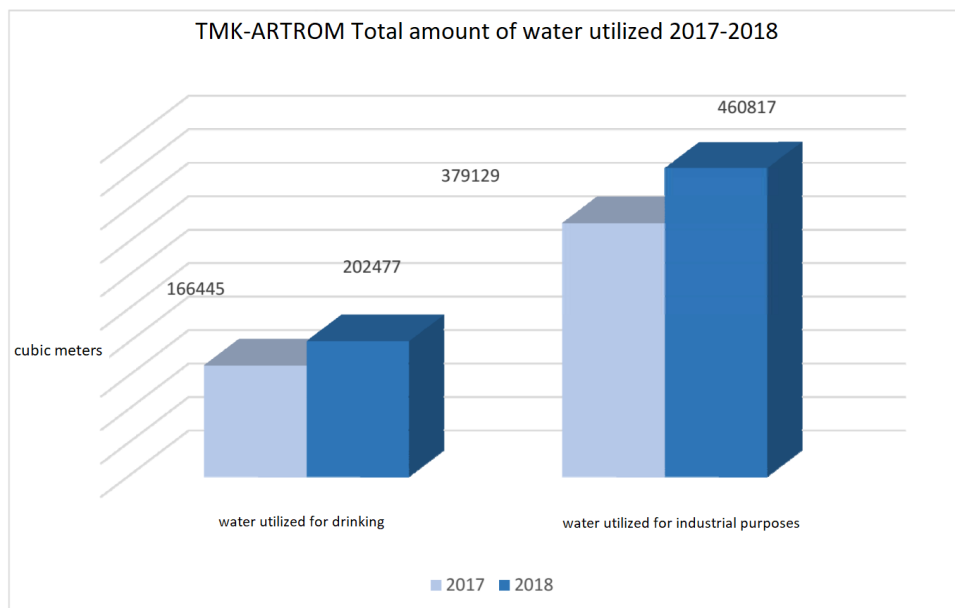
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TMK-REȘIȚA SA secures the water necessary from a surface water source from SECUL dam for industrial activities, as well as from the drinking water supplier Aquacaras SA, for drinking water consumed.

The quantities of raw water taken from the Secu Dam by TMK-REȘIȚA SA in 2018:

Name of water consumer	MU	Quantity
TMK-REȘIȚA SA	m ³	1 073 542
SC AQUACARAS SA	m ³	5 593 801
Messer Romania Gaz	m ³	67 949
TOTAL	m ³	6 735 292

The cooling system that ensures operation in the optimal parameters for TMK-REȘIȚA SA's technological equipment ensures, through the water supply, the complete recirculation of the water used in the production process. Cooling of the electric furnace, steel treatment in ladle, de-dusting plant, vacuuming plant, is done indirectly cooling and is performed only on closed circuits with interposed cooling towers.

The industrial water used is only to refresh and replenish the lost water through the process of evaporation in the process and in the cooling towers.

GRI 303-2 Water sources significantly affected by withdrawal water

TMK ARTROM has 9 water supply sources from a depth of 120 m, the water consumption in 2018 being 663 thousand cubic meters, below the maximum authorized value of 858 thousand cubic meters.



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All water sources are duly authorized by the OLT Basin Water Administration. In the area near the site there are no areas of interest for nature preservation or bird species, water supply to the local community being located at about 5 km from the company's plant and is not affected by the amount of water extracted and used by the company.

The volume of extracted water represents a minor impact on the deep aquifer layer.

The amount of water used in 2018 for TMK-REȘIȚA SA's own consumption represents 14.1% of the volume of the Secu dam, thus not affecting the fish population.

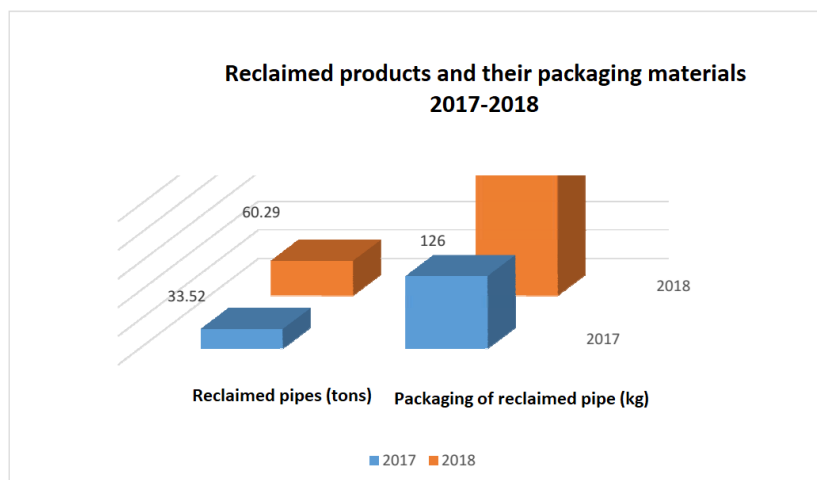
GRI 303-3 Water recycled and reused

Access to water in the pipe industry is particularly important when talking about the quenching process where water is used directly or for direct pipe cooling. Most of the water used in the production process is recirculated in the cooling system. All the work is done in accordance with legal regulations.

In 2018 a volume of 8101676 cubic meters of water was recirculated. The utilization rate of recirculated water is approximately 97.33%.

Access to water is very important for the cooling of metallic metallurgical units in TMK REȘIȚA (electric furnace, steel treatment in ladle, vacuuming plant) and especially for the cooling of continuous casting equipment by which the flowing steel is solidified. All cooling circuits are closed, so the water used in the production process is recirculated. In 2018 a volume of 31,867,739 m3 of water was recirculated.

The degree of recirculation of authorized cooling water is 96.7% and the actual one is approx. 98%.



GRI 304 Biodiversity

Not applicable. TMK ARTROM is located in the industrial area of Slatina.



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GRI 305 EMISSIONS

305 -1 Direct (Scope 1) GHG emissions

TMK-ARTROM S.A. produces seamless carbon steel or low alloy pipes by hot rolling and cold rolling or drawing; the pipe production process is a direct process of direct emissions from natural gas combustion in heating and heat treatment furnaces and TMK has as a priority the reduction of CO2 emissions from the air.

The company receives natural gas through the SRG gas control station, which has two gas metering control stations, imposed by the consumer supply pressure level.

In 2018, Direct GHG emissions from the heat treatment of pipes and from the workplace heating process were 70,065 tons of CO2 at a production of 200,276 tons of production sold.

The quantity of emissions is determined by the calculation methodology and on the basis of the weekly determinations of the natural gas composition.

The company is interested and makes its best efforts to minimize the impact of CO2 emissions on the environment, applying the best available technologies.

TMK-REȘIȚA SA produces carbon steels and low or medium alloyed steels, which is continuously cast in 260 x 340 mm rectangular or 177, 220, 280 or 350 mm diameter round bars. The technology process generates direct gas emissions, of which the most significant is CO2, well-known for the greenhouse effect it produces on the earth's atmosphere.

CO2 emissions result from:

- burning of natural gas (used to produce the heat energy needed to melt the metallic charge from the electric furnace or other technological activities including heating the work areas)
- oxidation of carbon in various raw materials, auxiliaries or other materials used in the production of steel or continuous casting in bars (scrap iron, ferro-alloys, slag foaming material, dust for coating the ladle, distributor or lubricant in the crystallizer, etc.).

In 2018, Direct GHG emissions resulting from the continuous steel casting and casting process, including the process of heating the work areas, represented 28,046 tons of CO2 at a production of 263,275.7 tons of liquid steel.

305-2 Energy indirect (Scope 2) GHG emissions, from purchase respectively

In Romania at the level of 2018, for the production of a kw of electric power, the CO2 generated was of 0.31452kg.

In order to achieve the production, in 2018 TMK ARTROM consumed an amount of 60,941.62 MWh of electricity. By calculating for TMK ARTROM the indirect CO2 emissions from the energy purchase, it results 19,167 tons of CO2. In order to achieve the production, in 2018 TMK REȘIȚA consumed 190,883 MWh of electricity. Calculating for TMK REȘIȚA the CO2 emission level of the purchased electricity is 60036,5 t CO2.

305-3 Other indirect CO2 emissions

Company traffic has little impact on indirect CO2 emissions, the carbon footprint is 776 tons of CO2. However, in order to reduce the air emissions of vehicles and diesel equipment owned by the company, the company has implemented a monitoring program for them. Thus, every vehicle is



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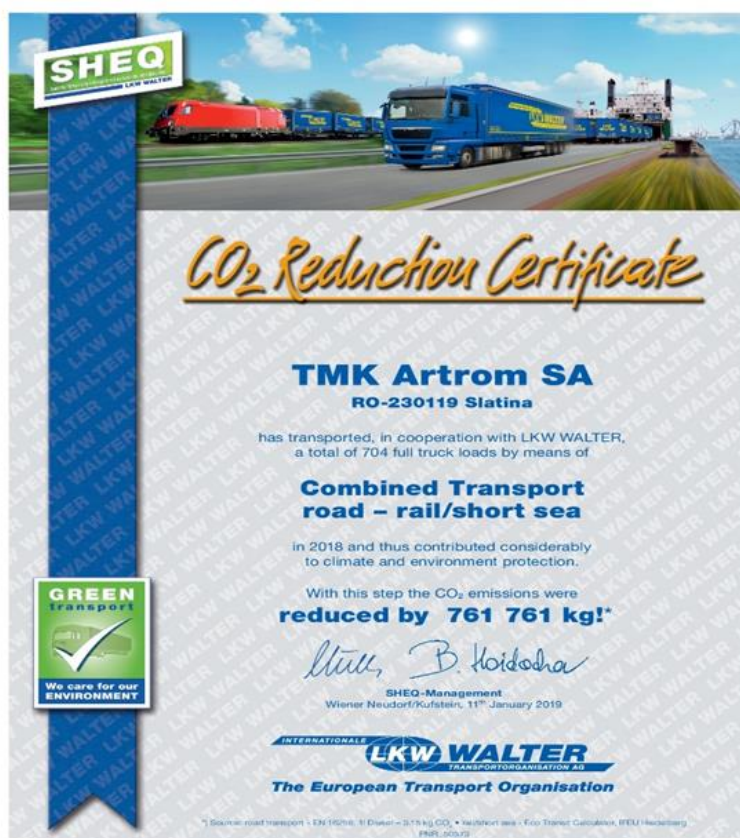
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periodically checked and if it is found not to work in normal conditions, it is removed from circulation until the problem is remedied.

TMK ARTROM is actively working to reduce indirect CO₂ emissions from shipments made with other companies. In this respect, together with business partners, for a part of the products delivered in Europe, multimodal transport with the transport company LKW Walter Austria and Transport Arces Italy has been carried out by multimodal transport to the center of Europe. By multimodal transport we understand the combined transport on the road and on the platforms (the trucks are mounted on these platforms with the engines stopped, and they no longer emit CO₂): In this way in 2016 the company reduced its CO₂ emissions by 458.60 tons of CO₂, in 2017 by 773.30 tons of CO₂, and in 2018 by 761,761 kg.

Starting 2015, TMK ARTOM has been awarded a CO₂ Transport Reduction Certificate from business partners for its involvement in reducing CO₂ emissions.



Emissions were calculated at TMK REȘIȚA using the GHG methodology, which distinguishes between direct emissions, indirect emissions from electricity and indirect emissions from other energy sources.

CO₂ emissions due to traffic within the company have no significant impact on indirect emissions for 2018 resulting in a calculation of 1362,8 t of CO₂. However, in order to reduce the air emissions of vehicles and diesel equipment owned by the company, the company has implemented a program of their revisions and repairs. Thus, each vehicle is periodically checked, and if it is found not to work in normal conditions, it is removed from circulation until the problem is remedied.



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305-4 CO2 intensity

In 2018, TMK ARTROM generated direct and indirect CO2 emissions of 89438 tons from the combustion of natural gas from purchased electricity - used to convert raw material into finished products, including shipments made by the company.

Indirect CO2 intensity / ton of product = 0.097

Direct GHG emissions intensity / ton of product = 0.350



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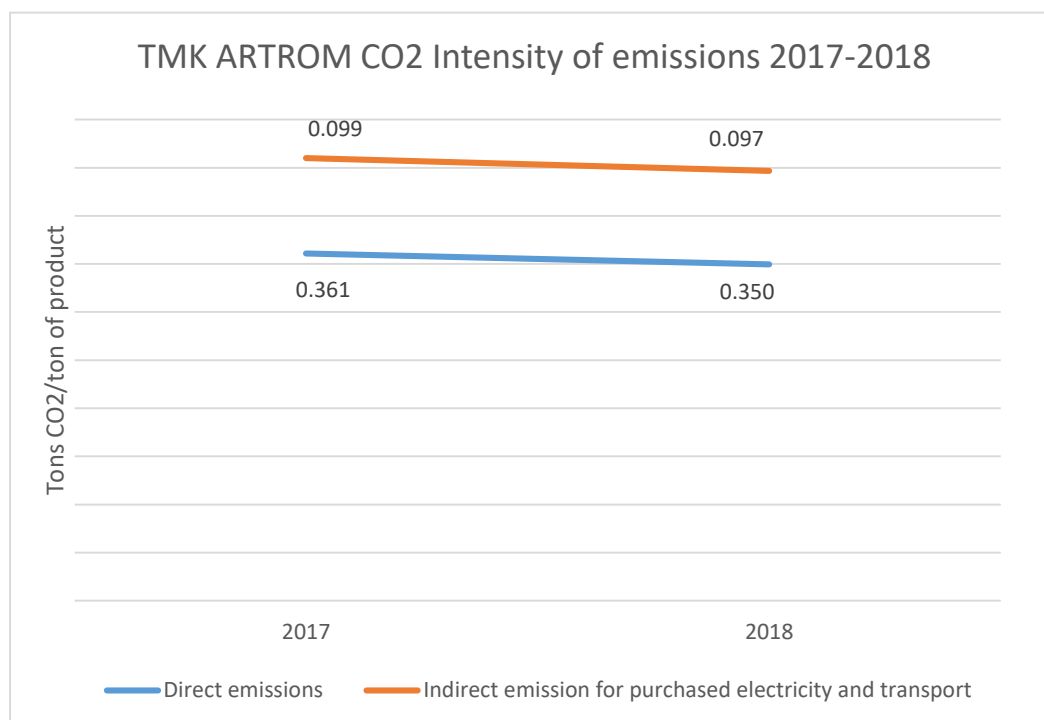
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In 2018, TMK REŞİTÂ generated 0.33397 t CO₂ / ton of liquid steel produced from: raw and auxiliary materials, direct energy (natural gas) and indirect (electricity) used to convert raw material into finished products, including fuel used to carry out internal shipments.

Indirect emissions intensity CO₂ = 0.2332 t CO₂ / t liquid steel produced

Direct emission intensity CO₂ = 0.1065 t CO₂ / t liquid steel produced

305-5 Reduction of GHG emissions

Every year, TMK ARTROM aims to reduce the consumption of natural gas per ton of pipe sold per year. Measures taken in order to reduce natural gas consumption in 2018 led to a specific consumption of 171.59 mc / ton of sold pipe, i.e. a specific consumption of CO₂ emissions of 350 kg of CO₂ per ton of sold pipe.

TMK REŞİTÂ intends to reduce the specific consumption of natural gas per ton of liquid steel. The measures taken to reduce natural gas consumption in 2018 led to a specific consumption of 16.3 Nm³ of gas / ton of liquid steel, this consumption generating 32.3 kg CO₂ / ton of liquid steel produced.

305-6 Emissions of ozone - depleting substances(ODS)

TMK-ARTROM and TMK REŞİTÂ do not produce, do not import or not export ozone-depleting substances.

305-7 Nitrogen oxides (NOx), sulfur oxides (Sox) and other significant air emissions

TMK ARTROM SA's activity can lead to emissions of pollutants into the atmosphere through directed and diffuse emission sources.



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Reducing emissions into the air is a priority within the company. Conscious of its environmental impact, TMK-ARTROM tracks, controls and monitors emissions in the atmosphere.

Thus, in 2018, the following emission values were recorded:

NO_x = 59.07 tons

SO_x = 8.15 tons

Dust = 2.36 tons

The quantities were determined by monthly measurements at the treatment furnaces, made by our own laboratory, but also by annual measurements made by the accredited laboratory.

The "Heat Treatment Complex" investment through "low nox self-recovery" burner technology can be classified as a minor source of emissions and is the commitment of the company to use technology that reduces the impact of the activity on the environment but which at the same time improves the quality of the product and occupational safety conditions.

TMK-REȘIȚA's activity can lead to emissions of pollutants into the atmosphere through directed and diffuse emission sources.

TMK-REȘIȚA SA tracks, controls and monitors the level of emissions into the atmosphere. Thus, in 2018, the following emission values were recorded:

NO_x = 64.2 tons

SO_x = 6.5 tons

Dust = 1.9 tons

These quantities are well below the thresholds for air pollutant emissions set by environmental laws (for NO_x = 100 tons / year, SO_x = 150 tons / year and dust = 50 tons / year).

GRI 306 EFFLUENTS AND WASTE

306-1 Water discharge by quality and destination

Within TMK ARTROM, the technological water supply is made by 6 capture installations, the risk of lack of water in the technological process being virtually zero even in very dry time. The emphasis is on reducing water consumption by recycling it, the percentage of industrial water recirculation in the year 2018 being 97.33%.

Compared to the average technological and pluvial waste water allowed through the water permit, namely 365 thousand cubic meters, last year the company evacuated a quantity of 290 thousand cubic meters of technological waste water.

Clean technological wastewater is discharged into the Milcov creek after being treated by decanting and neutralizing with lime milk.



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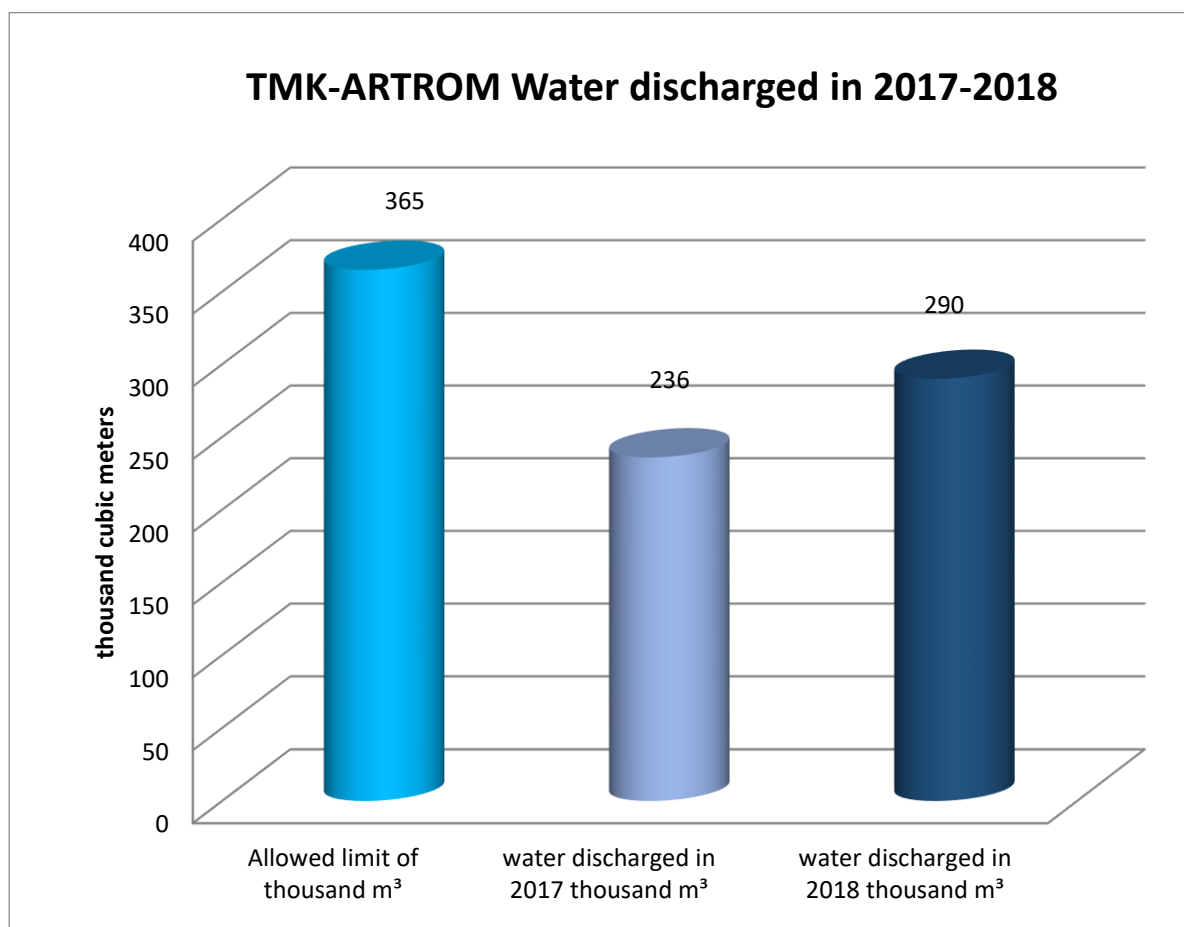
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In 2018, TMK REȘIȚA evacuated a quantity of 141427 m³ of technological waste water compared to the average permissible volume through the water management permit, which is 524421 m³.

Industrial water is used for the technological purpose of cooling elements from the electric furnace, steel treatment in ladle, vacuuming installation and continuous casting machine, the direct cooling of steel bars continuously cast into closed circuits.

The focus is placed on reducing industrial water consumption by recirculating it; the total recirculation achieved in the company is approx. 98%.

The resulting wastewater is conventionally clean because it comes from closed cooling circuits, respectively from the cooling tower overflow, purges and emergency water. Water is evacuated in the natural emissary of river Bârzava, the TIMIȘ river basin, by ERUGA evacuation.

Wastewater monitoring is based on a monitoring program, observing the frequency, sampling points, indicators covered by the Integrated Environmental Authorization and relevant analysis methods in their own laboratory and in an accredited laboratory.

306-2 Waste by type and disposal methods

As a way of conserving resources, sustainability is not limited to production and process itself, but also to waste recycling and recovery activities.

TMK ARTROM and TMK REȘIȚA use the concept of circular economy based on the concept of increased recycling of steel scraps and any waste resulting from the production process, focusing also on emission control technologies. In a circular economy, the value of products and materials is



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maintained as much as possible: waste and resource use are minimized and they do not leave the economic flow once they reach the end of their lifetime, but they are re-used to create value.

During the production process of the TMK ARTROM rolled pipe, besides the basic product result also pipe, pipe ends and dross. Both materials are considered by-products to meet all the requirements regarding the classification criteria as by-products according to the waste law 211/2011 law that is in line with the contemporary notion of waste.

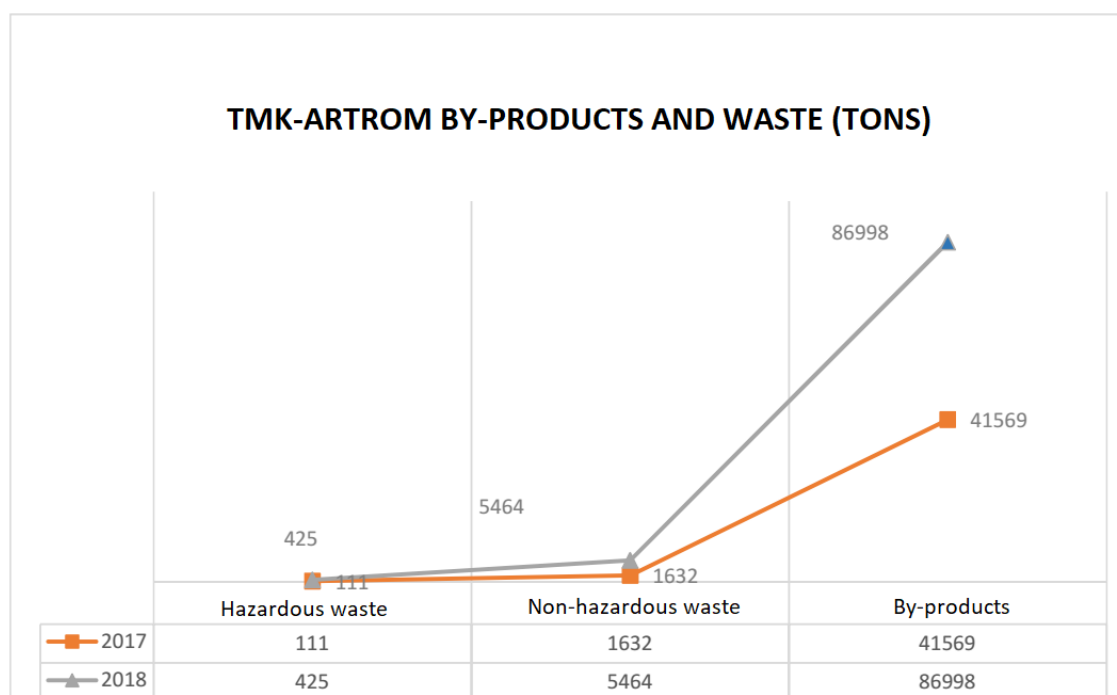
Pipe ends are collected in specially arranged warehouses and sent to recovery by recycling directly to TMK REŞİTİA SA.

Dross is considered to be a very rich material in iron oxides having a minimum of impurities. Therefore, it is sold for various applications in the industry and is considered a non-hazardous product and a valuable raw material. It is used in the steel industry for primary steel production, for the production of ferro-alloys, for the production of pellets, for the cement industry and for clinker, as a catalyst in the chemical industry, etc.

The by-products (dross and pipe ends) as well as generated waste are collected selectively at the site of generation and then temporarily stored for recovery in specially arranged warehouses.

In 2010 the company registered the dross in accordance with Regulation 1907/2006.

The quantity of by-products and waste generated in 2018 was 93069 tons (93.48% is represented by-products, 6.07% non-hazardous waste and 0.46% hazardous waste).



Of the 6071 tons of waste generated on site, 425 tons are hazardous waste and 5646 non-hazardous waste (7% hazardous waste and 93% non-hazardous waste).



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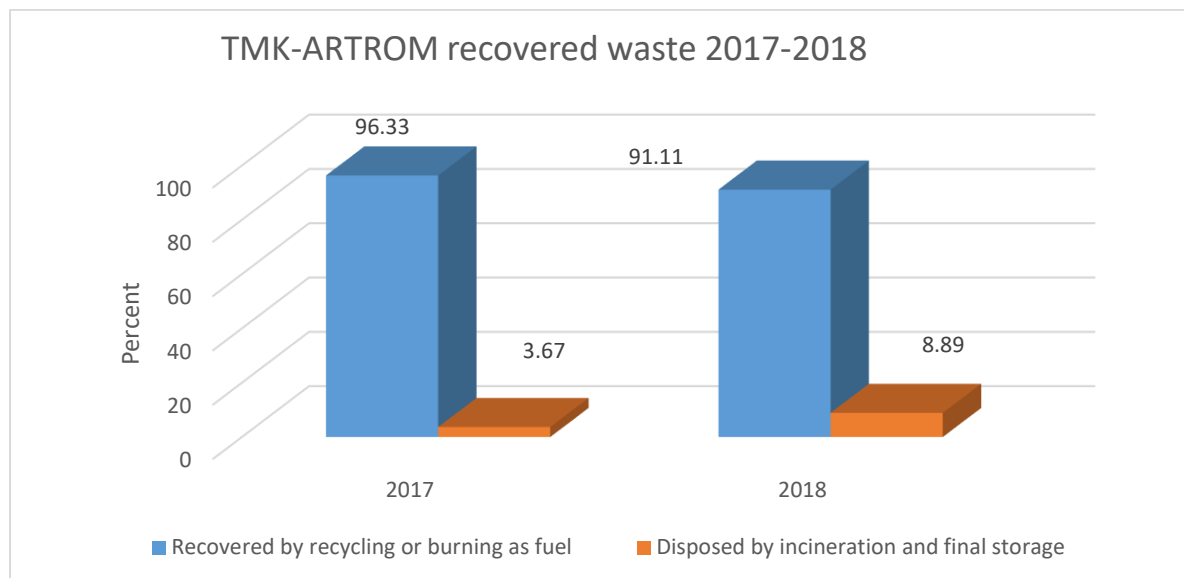
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Of the total amount of waste collected and exploited by authorized companies, 91.11% (3945 tons) were recovered by recycling or burning as fuels and 8.89% (385 tons) were eliminated by incineration and final disposal.



In 2018 in TMK REȘIȚA from the production process resulted: 41,240 tons of fresh slag and 1338,32 tons of dross.

In 2018, 4134.94 tons of dust resulted from the de-dusting of the combustion gases. The waste generated in TMK-REȘIȚA SA are collected selectively at the place of generation and then stored temporarily for recovery or disposal. An amount of 49.91 tons of hazardous waste resulted from the activity in 2018, representing 0.71% of the total hazardous and non-hazardous waste. Dross, dust and slag are recycled and hazardous waste is sent to treatment for disposal - 7%.

306-3 Significant spills

Annually, based on a monitoring program and in accordance with legal requirements, the company carries out monitoring of environmental factors through self-monitoring and monitoring with an accredited Laboratory for all indicators. In the reference year, TMK ARTROM and TMK REȘIȚA did not exceed the admissible limits for the measured indicators and there was no accidental environmental pollution.

306-4 Transport of hazardous waste

TMK ARTROM and TMK REȘIȚA have signed contracts with authorized companies for the collection, recovery and transportation of hazardous waste. For the transport of hazardous waste, the environmental authorities are asked to approve the transport of dangerous waste by filling in Appendix 2 - a form of shipment / transport of dangerous waste for quantities less than 1 ton / year and for quantities more than 1 ton / year annex 1.

In 2018, 420 tons of hazardous waste for recovery and disposal were transported from TMK ARTROM through authorized collectors.



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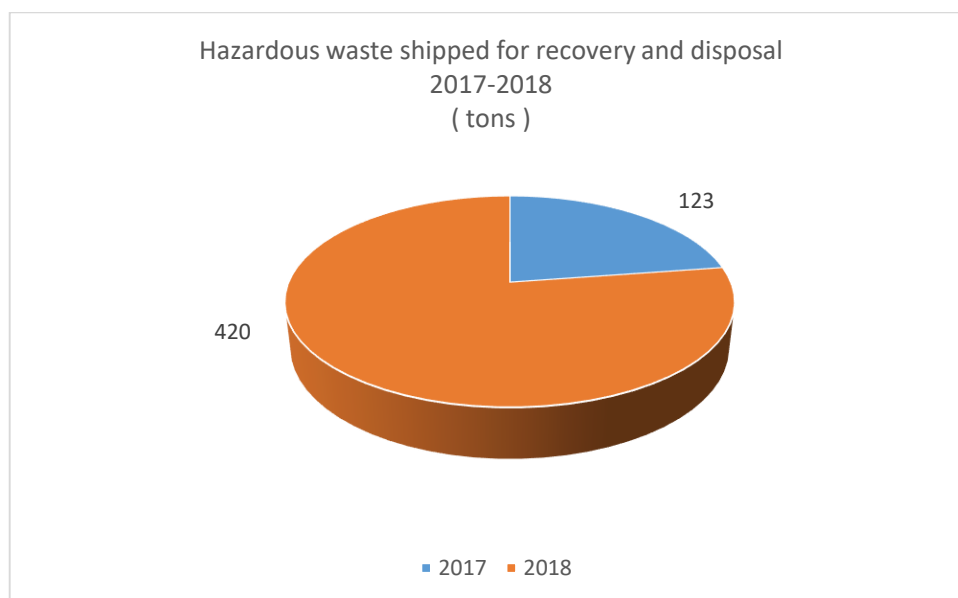
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Of the 49.91 t of hazardous waste generated at TMK REȘIȚA, 49.64 t were sent for disposal, and 0.27 t were eliminated in the first quarter of 2019.

None of the companies have imported or exported hazardous waste.

306-5 Water bodies affected by water discharges and/or runoff

The waste water resulting from the technological process of etching, after neutralization and settling, is discharged into the emissary - the Milcov brook, which flows into the Olt river. The value of the technology waste water pH is continuously monitored at the source, and the pollutants emitted in the water are monitored weekly at the point of evacuation into the emissary.

In 2018 there was no exceeding of the limits allowed for the monitored indicators within the companies TMK ARTROM and TMK REȘIȚA.

There are no protected areas for historical or cultural reasons or protected plant species under current laws in the area or in the vicinity of the company.

GRI 307 COMPLIANCE WITH THE ENVIRONMENT

307-1 Non-compliance with environmental laws and regulations

TMK ARTROM operates in accordance with legal requirements. Controls carried out by the control bodies on the company platform were not recorded and no fines were imposed on non-compliance with environmental requirements.



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GRI 308 –SUPPLIERS, ENVIRONMENTAL ASSESSMENT**308-1 New suppliers that were screened using environmental criteria**

Suppliers evaluation within TMK ARTROM S.A and TMK REŞİTİA is performed annually. In the supplier evaluation procedure, one of the indicators analyzed (monitored) by the annual evaluation questionnaire is the "Environmental Responsibility" of the supplier.

Within this indicator, it is examined whether the supplier holds the legal environmental permits, if it has an environmental management system certificate in accordance with ISO 14001 and, as the case may be, if its products were registered with REACH. The evaluation questionnaire requires information on the supplier's availability to withdraw the packaging of the delivered goods or the waste resulting from the processing / use of the delivered goods / products.

Currently, the TMK ARTROM and TMK REŞİTİA suppliers have the obligation to implement the ISO 9001 quality management system, the ISO 14001 environmental certification being an advantage in order to obtain a higher score as a supplier.

In the absence of environmental management certification, auditors from TMK Artrom verify existing environmental authorizations and, where appropriate, perform an audit at the supplier's premises to assess it from the point of view of compliance with legal requirements.

308-2 Negative environmental impacts in the supply chain and actions taken

In the annual evaluation of the suppliers TMK ARTROM and TMK REŞİTİA, the supplier's impact on the supplier channel is assessed. Through policy, both companies support suppliers for lasting collaboration.

If the environmental impact was negative (identifiable suppliers with significant environmental problems), the supplier is required to provide a plan of measures to address the identified environmental problem.

If this action plan is not observed or fulfilled, TMK ARTROM may decide to interrupt the collaboration. In 2018 no cases of suppliers with significant environmental problems were identified. These issues were verified both on the basis of questionnaires and on the audits of the suppliers.

Labeling

From the point of view of the REACH Regulation 1907/2006, pipe and billtes are considered articles. No hazardous elements were identified in their composition. As a result, there are no labeling requirements.

However, both companies monitor suppliers and distributors of products covered by the REACH Regulation 1907/2006 so that the labeling of these products is made in accordance with Regulation 1272/2008 of the European Parliament and of the Council on classification, labeling and packaging of substances and mixtures.



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GRI 400 Social**GRI 401 Human Resources****401-1 New employee hires and employee turnover**

Employees engaged in 2018 at TMK-ARTROM come from the local region, OLT County in a proportion of 99%.

The structure of employees in 2018 from the point of view of gender differentiation:

- 22 female employees, representing 8.7%;
- 231 male employees, representing 91.3%;

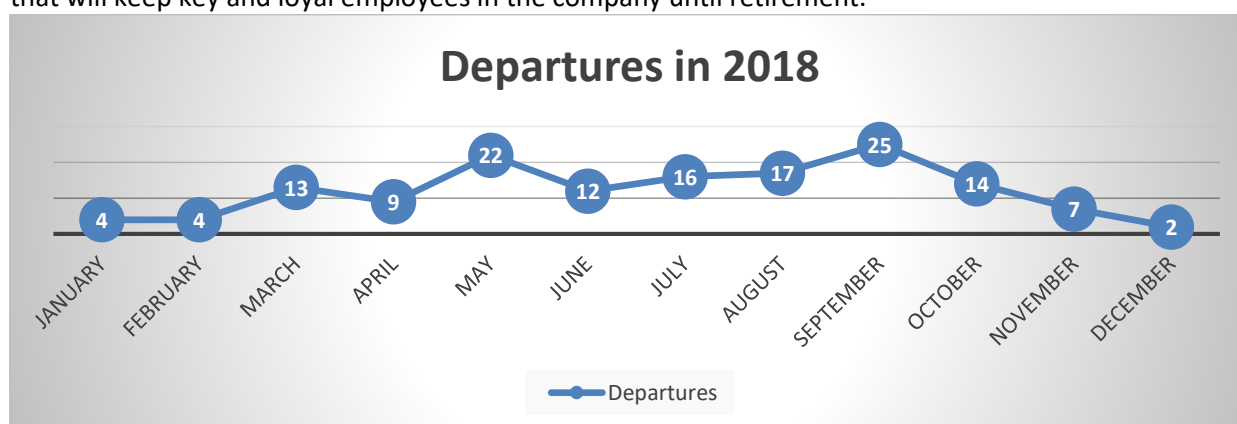
The structure of employees employed in TMK ARTROM in 2019 from the point of view of age differentiation:

- 79 people aged up to 30 years, accounting for 3.12%;
- 144 people aged 30 to 50, accounting for 56.91%;
- 30 people aged over 50, accounting for 39.97%;

The staff fluctuation is used to assess the performance of the organization and refers to the departure of employees in the company in a representative time frame. Staff fluctuation may have benefits in terms of employee rejuvenation, but also disadvantages related to productivity decline, resumption of training for new employees, and indirect costs (loss of employees who have accumulated a range of knowledge within the organization).

Over time, TMK-Artrom has run a staff policy that will keep specialty employees for as long as possible in the company. The technological flow of the plant has unique aspects, therefore the company has paid special attention in order to avoid departures from the personnel prepared for our technology. Training for new generations has become a priority as the average age of specialized staff has increased.

In this respect, the staff turnover rate in TMK ARTROM is below 1.7% per month and includes departures due to the parties' agreement or resignation and retirement at retirement age, and medical retirement. TMK Artrom developed a retention plan in 2018, the application of which hopes that will keep key and loyal employees in the company until retirement.



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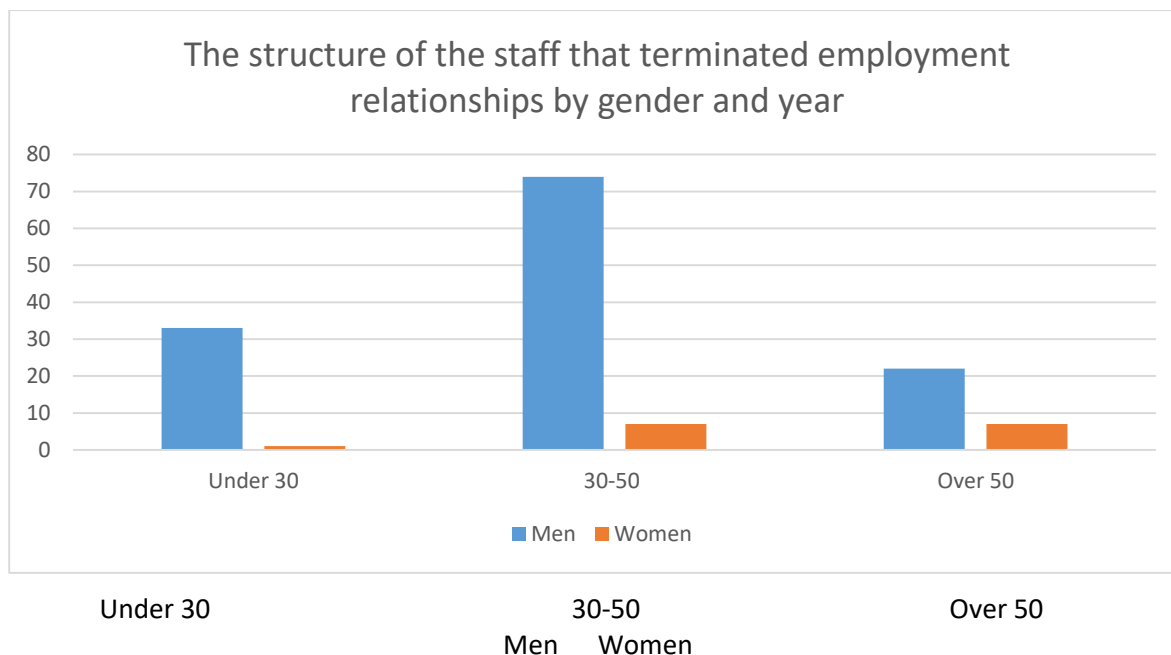
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The structure by gender and age group within the company of the staff who ceased work relations in 2018 is the following:

	Men	Women
Under 30	33	1
30-50	74	7
Over 50	22	7



In 2018, a total of 73 people were employed in TMK Resita, and 100% of them came from Caraș Severin County. The staff entering and leaving the company on the age and gender structure are described in the table below:

	TOTAL	WOMEN			MEN		
		Under 30	30-50	Over 50	Under 30	30-50	Over 50
IN	73	2	2	1	14	33	21
OUT	73	1	1	4	6	18	43

By analyzing the table above, it can be noticed that most of the employed persons were aged between 30-50 years, while the highest number of departures was recorded among employees over the age of 50. In conclusion, we can say that during the year 2018 there was a rejuvenation of TMK Resita staff.

The staff turnover rate in TMK-REȘIȚA is low and includes departures due to the agreement of the parties or resignations and old-age retirements, medical retirements. Rate of fluctuation falls within acceptable limits. TMK Resita developed a retention plan in 2018, the application of which hopes that will keep key and loyal employees in the company until retirement.



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401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

There are no temporary employees within TMK ARTROM and TMK REȘIȚA. All salary and extra-salary rights are granted to all employees equally without discriminatory differentiation, according to the Collective Bargaining Agreement.

There are no provisions in the Collective Bargaining Agreement which provide additional rights for permanent employees to the detriment of temporary employees if the company also uses temporary workforce.

401-3 Parental leave

The total number of employees who were entitled to parental leave and expressed their intention to benefit from this right to TMK ARTROM for 2018 is 1 person (female).

In TMK ARTROM there are currently 2 people on parental leave (2 women).

In TMK REȘIȚA, the total number of employees entitled to parental leave is 3 persons, 2 women and 1 male.

At the end of 2018 in TMK REȘIȚA there were also 2 persons on parental leave (2 women).

After ending parental leave, both companies reintegrate all the employees into the same job with the same salary rights. This is guaranteed by the Romanian laws and by the provisions of the Collective Bargaining Agreement. According to the Romanian laws, parental leave can last up to 2 years, depending on the employee's option. The return to work of persons on parental leave will be in 2019 or at the employee's request earlier than the 2-year term.

Both companies have accepted all employees' demands for granting parental leave.

The return to work rate is 100%.

The acceptance rate of requests to return to work is 100%.

TMK ARTROM provides money support to employees for the birth of the child in the amount of 2 average salary indexed per company and free days paid on the birth and baptism of the children born.

TMK REȘIȚA provides material support to the employees for the birth of the child in the amount of one average salary indexed per unit of the month of the event and offers free days paid on the birth of the child.

TMK ARTROM and TMK RESITA offer in exceptional cases also the reduction of working time with the maintenance of salary rights for breastfeeding mothers or in case of children's medical problems. Both companies also offer accommodation leave for adopted children.

GRI 402 LABOR/ MANAGEMENT RELATIONS

402-1 Minimum notice periods regarding operational changes



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Significant changes in the company that could affect workers are discussed between employers' and trade union representatives. Bargaining of Employers' - Trade unions are held annually or whenever needed.

Management decisions that relate to individual issues are subject to confidentiality rules laid down in the Labor Code and national laws on the confidentiality of personal data. Management decisions dealing with collective issues are debated with existing trade unions in the company that have an active role in the company.

The active role of the Trade Unions in the company refers, on the one hand, to the representation of each employee in individual matters, solving individual employees' problems by assisting them and consulting, as well as to the collective negotiations on the Collective Bargaining Agreement.

Management decisions concerning matters to be brought to the attention of the Unions concern the following aspects:

1. The professional interests of the employees, including: the professional training plan, the evaluation of the employees, the possibilities of advancement, the internal rules of operation;
2. Economic aspects with impact on all employees regarding the following: the minimum salary level negotiated with the company, the level of existing salary increases, the level of overtime payment, the level of monthly and annual salary bonuses for attendance and performance existing in the Collective Bargaining Agreement.
3. Technical and production aspects: the level of production for the current and following year, the structure of production by product categories, technological flows, technological changes in the production flows due to investments in new machinery and technological lines.
4. Aspects of social, humanitarian, cultural - sporting aspects. All social, humanitarian, cultural and sporting actions are made in partnership with trade unions existing in the company.

In the event of unforeseen circumstances requiring changes in work schedules (operational) as accidental situations (missing orders, accidents, orders requiring work over normal work schedule, etc.) Management and Unions have a real-time dialogue as soon as the exceptional situation occurs and by mutual agreement, make the necessary changes so as not to affect the economic interest of the company, not to endanger the jobs and to protect the interests of the employees involved.

GRI 403 Occupational Health and Safety

Occupational health and safety management is an integral part of TMK ARTROM and TMK REȘIȚA. Workplace security must be integrated from the early stages of the production process, ie from the design phase.

TMK ARTROM and TMK REȘIȚA are certified according to the standard of occupational health and safety ISO 54001: 2017 (see www.tmk-artrom.eu).

In 2018 TMK ARTROM and TMK REȘIȚA participated in the International Campaign "Steel Safety Day". Together with World Day for Safety and Health at Work, this action promotes the prevention of occupational accidents and occupational illnesses globally by trying to create a safer work environment in the steel and metallurgical industry. This action at international level identifies each year the danger areas and analyzes the causes of these hazards and acts to eliminate the first five.



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As nothing is more important than the safety and health of staff working in the company, performance in occupational health and safety is transposed into management objectives and programs related to reducing the level of occupational illness and reducing the number of accidents or incidents.

The management of TMK-ARTROM SA and TMK REȘIȚA takes all necessary measures to protect the life and health of employees, including occupational risk prevention activities, to ensure the safety and health of employees in all work aspects.

TMK-ARTROM SA and TMK REȘIȚA ensure that each worker is sufficiently and adequately trained in the field of occupational safety and health, in particular in the form of workplace information and instructions, specific to his / her place of work and job:

- a) to employment;
- b) to change jobs or to transfer between production facilities;
- c) to the introduction of new work equipment or modifications of the existing equipment;
- d) to the introduction of any new technology or working procedure;
- e) when performing special works.

TMK-ARTROM and TMK Reșița establish in the job description the duties and responsibilities of the employees in the field of health and safety at work, corresponding to the functions exercised.

In order to maintain the health of employees in periods of high external temperatures, both companies provide the work schedule and facilities according to the laws in force.

In 2018 the risk assessments for safety and health at work were carried out both in TMK ARTROM and in TMK REȘIȚA. Depending on the risks identified in each workplace, the technical, organizational and hygienic-sanitary measures included in the prevention and protection plan have been established. The organizational measures concern medical and psychological testing, personnel authorization, risk assessment, certification of technical equipment and protective equipment, manuals, work safety standards, and the purchase of protective equipment.



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Protective food is provided free of charge by the employer to the persons working under conditions of work that require it and is established by the Collective Bargaining Agreement and / or the individual employment contract.

403-1 Workers representation in formal joint management - worker health and safety committees.

At the TMK ARTROM level, the Occupational Health and Safety Board is established, consisting of 14 management representatives and 14 employee representatives (union members). At TMK REȘIȚA the Occupational Health and Safety Board is made up of 9 representatives of the management and 9 representatives of the employees (union members).

403-2 Types of injury and rates of injury occupational diseases, lost days, and absenteeism , and number of work - related fatalities

In 2018, in TMK ARTROM 3 (three) accidents with temporary incapacity for work (ITM) took place: an accident with L1 lumbar spine injury, a left eye accident, a non-penetrated corneal plaque, a cut wound right hand finger III.

Of the three people who have suffered accidents, one is woman and the other two are men.

In TMK Resita in 2018 there was no work accident.

By age group the situation is as follows:

PLANT	Number of accidents					
	YEAR	< 18	18-30	31-40	41-50	>50
TMK ARTROM	2017	0	0	1	2	0
	2018	0	0	1	2	0
	2018	0	0	0	0	0



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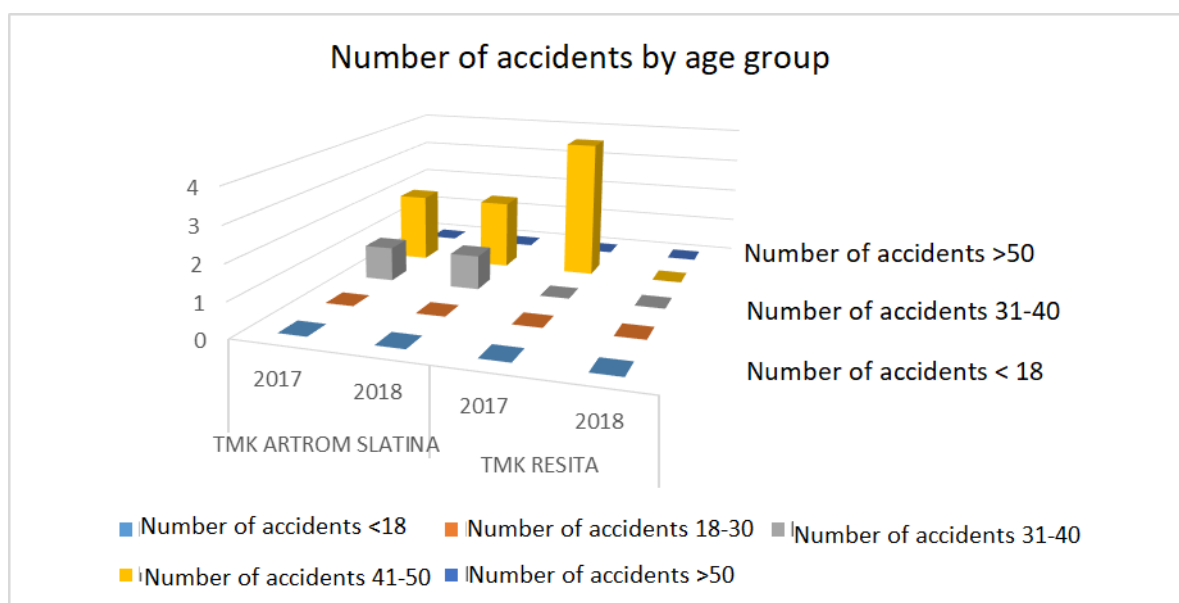
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ANALYSIS OF HEALTH STATUS FOR 2018

The calculation of health and safety indicators at the workplace was performed according to the GRI 403: OCCUPATIONAL HEALTH AND SAFETY standard, namely:

1. IR (Injury Rate)

$IR = \text{Number of recordable accidents} \times 200000 / \text{number of hours worked in the unit}$

TMK ARTROM: $IR = (3 \times 200000) / 4108796 = 0,146$;

TMK REȘIȚA: $IR = (0 \times 200000) / 1357843 = 0$.

COMPANY	IR (injury rate)
TMK ARTROM 2017	0.201
TMK ARTROM 2018	0.146
TMK REȘIȚA 2018	0.000

It results that for every 100 employees of TMK ARTROM 0.146 employees were involved in an accident with temporary incapacity to work, which is an extremely low rate.

No fatal work accidents, labor fatalities = ZERO.

2. Rate of lost days due to accidents - LRDI

$LRDI = (\text{Number of days lost with accidents} \times 200000) / \text{number of hours worked in the unit}$

TMK ARTROM: $LRDI = (213 \times 200000) / 4108796 = 10,368$;

TMK REȘIȚA : $LRDI = (0 \times 200000) / 1357843 = 0$



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PLANT	LDRI (last day rate due to injuries)
TMK ARTROM 2017	10.887
TMK ARTROM 2018	10.368
TMK REȘIȚA 2018	0.000

3. Rate of occupational diseases - ODR

ODR= total cases of occupational diseases per total hours worked

TMK-ARTROM: ODR = ZERO, there are no professional diseases.

TMK REȘIȚA: ODR = 0.00000368 (5 cases of occupational diseases / 1357843 = 0,00000368)

The five people were declared with the following occupational diseases:

- neuro-sensory hearing loss (1 case);
- pneumoconiosis in mixed powders (4 cases);
- cervical polidiscopathy (3 cases).

4. Rate of lost days - LDR

LDR= (total lost days / total hours worked) x 200000 / number of days lost with accidents

TMK ARTROM : LDR=14326 x 200000/4108796 x 213 = 3,27

TMK RESITA : LDR= 3354/1357843 x 200 000/0 = 0

COMPANY	LDR (last day rate)
TMK ARTROM 2017	4.980
TMK ARTROM 2018	3.270
TMK REȘIȚA 2018	0.000

5. Rate of absenteeism - AR

AR = (total days lost or with absence during in the period / total working days of the workforce that worked on the same period)

TMK ARTROM AR = (14326/513599)=0.027;

TMK RESITA AR = 3354 / 169730 = 0,019

COMPANY	AR (absenteism rate)
TMK ARTROM 2017	0.033
TMK ARTROM 2018	0.027
TMK REȘIȚA 2018	0.019

Analysis of the health status of TMK ARTROM and TMK REȘIȚA staff

Year	TMK ARTROM - days of sick leave for 1486 employees	TMK REȘIȚA - days of sick leave for 783 employees.
2017	11996	2949



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2018	14745	3354
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403-3 WHealth and safety topics covered in formal agreements with trade unions

In TMK-ARTROM, noxious (noise, vibration, gas-CO, CH₄, HCl, O₂) determinations have been carried out, suggesting that the only occupational disease risk relates to the noise level that exceeds the value of the admitted limit (87dB) in some jobs (8%, i.e. in 19 jobs out of 249, the noise value is above 85 dB).

In TMK-REȘIȚA, NO_x measurements (noise, vibrations, respirable dust, lighting, microclimate and gases: CO, CO₂, ferric oxide) made evidenced exceeding for noise, vibrations and dust in the OE-TC plant. As a result of these exceeding, workers in these areas are classified into special groups and receive monthly additional food under the collective bargaining contract.

To diminish and control the occupational diseases that may arise, TMK ARTROM and TMK REȘIȚA acquire for and supply all the personnel exposed with specific personal protective equipment.

In order to improve work safety and health, TMK ARTROM and TMK REȘIȚA have implemented various measures in 2018 (technical, organizational and hygienic-sanitary) that can be grouped as follows:

TMK ARTROM SLATINA

1. Technical measures:

- The lighting units inside and outside workshops were replaced with LED that provides adequate illumination of the work surfaces have been replaced and supplemented, thus reducing the blindness effect and the risk of injury;

- For the clearance of work areas and the storage of finished products, other overhead cranes were also installed and major repairs were made to the roofs of the production workshops.

- In order to reduce noise, the pipe circulation area (boxes, collector pockets) was protected with materials to reduce noise below the upper exposure value (85 dB);

- Soundproofing booths were built at operators' desks to protect them from noise and also for a better ambient environment (noxious or powdery steel);

- Battery accumulators have been installed for safety lighting and protection at electrical stations, and to reduce the level of vibrations transmitted to the whole body, the cabinets of overhead cranes were equipped with ergonomic chairs.



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2. Organizational measures taken at both companies:

- In order to prevent work accidents and to increase the visual impact on workers, the number of security signposts - alerting, warning, banning and promoting work safety - was supplemented;

Every day at the beginning of the activity program the risks of injury are analyzed and measures taken for their elimination;

-For the flow of traffic in the access gates area, new parking spaces for workers' cars were arranged;

For the safe movement of workers within the company's premises, all areas from the work stations to the exit were identified, marked and signaled and acoustic and optical signaling devices were installed on all vehicles and transport equipment as well and on the access doors in the workshops;

All the staff exposed to noise was equipped with individual hearing protection equipment (internal hearing aids and external hearing aids);

-The staff was trained to wear headphones with earphones and earphones in places where increased noise risk (85dB) was identified.

3. Hygienic and sanitary measures taken at both companies:

In order to improve the hygiene conditions, the social areas of employees in the manufacturing and administrative buildings (dining rooms and sanitary groups) were rehabilitated.



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- All workstations were equipped with first aid kits according to the new provisions of the laws in force.

403-4 Health and security issues covered in the agreements with the trade unions

At the TMK ARTROM and TMK REŞİTA level, the Occupational Health and Safety Board consists of representatives of the management, representatives of the workers, as well as representatives of the trade union.

The Board reviews and monitors occupational health and safety and issues recommendations. It also analyzes the risks regarding safety, health and occupational illnesses, the board's reports being communicated to the authorities confidentially.

The manner in which workers' representatives are designated in the occupational safety and health boards shall be determined by collective employment agreement, internal regulation or regulation of organization and operation.

The workers' representatives in the occupational safety and health boards are designated by workers from workers' representatives with specific responsibilities in the field of workers' safety and health.

The minimum number of workers' representatives in the occupational safety and health boards is established by collective employment agreement, internal regulation or regulation of organization and operation.

GRI 404 TRAINING AND EDUCATION

404-1 Average number of training per year per employee

Within TMK ARTROM and TMK REŞİTA, the training program involves improving staff performance through continuous and dedicated training.

We are proud to offer our employees such an appropriate training in all areas: integrated management system, technical training courses, sales and marketing courses, human resources courses, statistical courses, technological changes, changes in laws. Trainings are conducted internally as well as externally.

Company	Hourly average of trained employees by gender	Hourly average of training per employee category
TMK ARTROM 528 trained employees	28.8 hours women 19.5 hours men	22.74 hours per employee - workers; 18.75 hours per employee - technical and economic staff; 15.1 hours per employee - officers;
TMK RESITA 339 Trained employees	6.1 hours women 21 hours men	23.4 hours per employee - workers; 1.8 hours per employee - technical and economic staff; 2.1 hours per employee-officers;



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404-2 Programs for upgrading employee skills and transition assistance programs

Programs implemented to increase employees knowledge or programs that facilitate career management are provided annually in the Professional Training Plan. According to the training needs communicated by each department, the Human Resources Department prepares and submits to the management of the company the Professional Training Plan.

Employee improvement programs include:

- Refining national laws that is specific to each department / business sector in the company;
- Observing legislative changes in the field;
- Technology and modern technological change;
- Modern techniques that can be implemented in the current activity of each division;
- Methods and means that can be used in order to increase the efficiency of the activity;
- Re-qualifications and multidisciplinary qualifications of operators.

The type of employees knowledge improvement programs used in the company is varied and consists of:

- Seminars focused especially on the theoretical part of the activities;
- Workshops focused on practical aspects;
- Training to acquire new skills or improve the ones already in place;
- Team building, to strengthen the social and communication aspects of company employees;

Retirement

Retirement benefits, i.e. the amount of pension, represent information that is only available to persons who filed the retirement file at the date of the retirement decision. This information is confidential and the Territorial House of Pensions does not communicate it to the company. On the date of retirement, employees receive in writing the documents mentioning and certifying all the financial aspects related to the performance of the employment contract.

At the time of retirement, all company employees receive a substantial amount of money as a reward for the company's work.

The contract period ends according to the laws in force when the cumulative conditions for retirement are met, with the possibility of reducing the retirement age by 2 years due to the social protection laws for the persons in our company area due to historical pollution.

Termination of the employment contract

In case of termination of the employment contract on a voluntary basis, the employees benefit from the issuance of financial documents proving the activity within the company. In the event of termination of the employment contract on a voluntary basis, employees shall be entitled to the payment of all salary rights up to the day. The payment of salary rights also includes the payment of holiday entitlements not taken under national law.

404-3 Percentage of employees receiving regular performance and career development reviews



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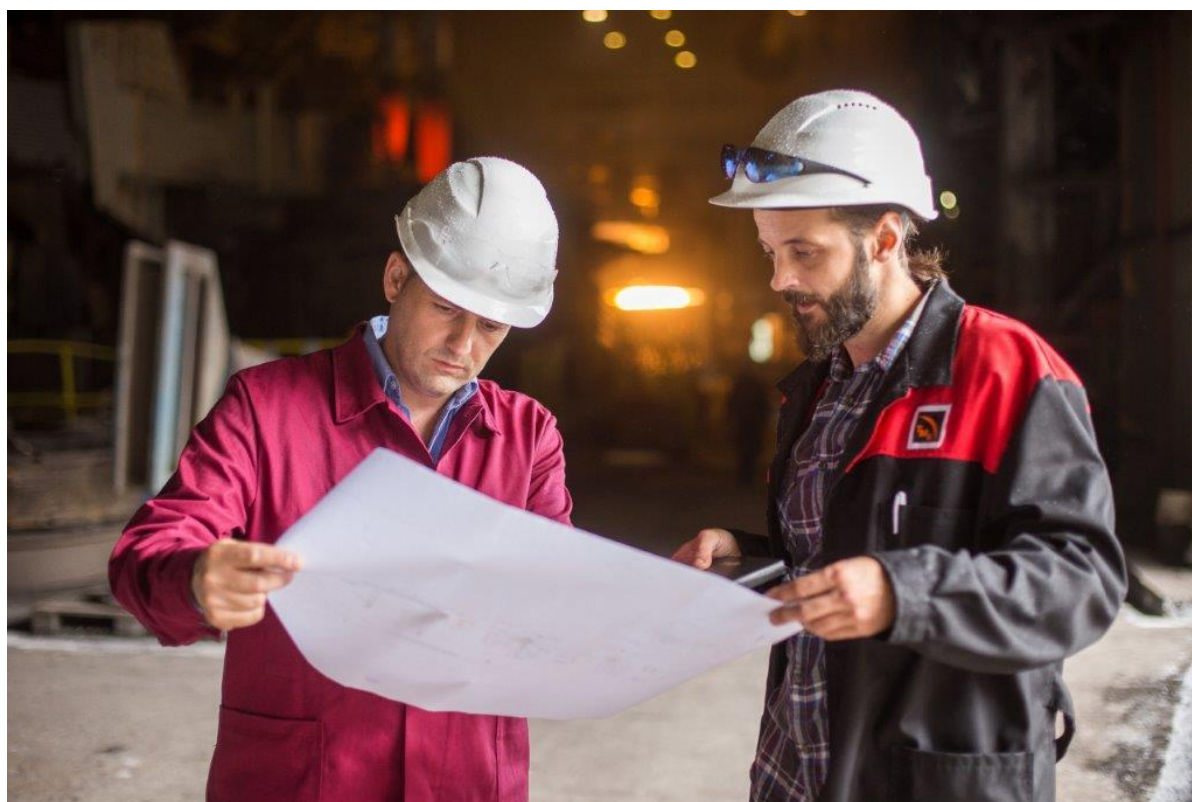
Performance assessment in the company refers to the employee's performance in efforts to meet his or her goals. Performance assessment consists of analyzing the successes and failures of employees, as well as the prospects for promoting those assessed.

All employees of the company benefit from the Performance and Career Assessment. Internal procedures set out an annual frequency of employee performance assessment. The employee appraisal percentage is 100%, regardless of the professional or gender category.

Within this procedure, the senior hierarchical chiefs assess various aspects of the employee's activity, including:

- the quality of the works;
- return on labor;
- knowledge and skills;
- professional adaptation;
- creativity and spirit of initiative;
- discipline at work;
- integration into the collective, behavior;

GRI 405 DIVERSITY AND EQUAL OPPORTUNITIES



Within TMK ARTROM there are no ethnic groups or national minorities protected by special laws. There are also employees of non-Romanian citizenship. But regardless of citizenship, nationality or gender, all employees have the same rights as social and labor law, professional, economic, and social interests. Employees of other Romanian citizenship receive support and counseling from the company



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in solving the problems related to the preparation of the necessary documents in order to obtain the residence permit and the work permit in relation to the state authorities.

405-1 Diversity of governance bodies and employees

The management structure of the company includes the Board of Directors, the Management Board, the officers and managers of the company.

The percentage gender structure of the management is as follows:

- Men - 66%;
- Women - 34%;

II. Age group: under 30, 30-50 years, over 50 years old

The percentage age structure per group at the company level is as follows:

- under 30 years - 0%;
- 30-50 years - 30%;
- over 50 years - 70%;

III. Other indicators of diversity where relevant (e.g. minorities or disadvantaged categories).

There are no minority or vulnerable groups within the company's management.

At the company level, the staff structure is as follows:

I. Sex

- Men: 86.20%
- Women: 13.80%

II. Age group: under 30, 30-50 years, over 50 years old

- under 30 years - 11.65%; 178
- 30-50 years - 57.09%; 873
- over 50 years - 31.26%;

III. Other indicators of diversity where relevant (eg minorities or disadvantaged categories).

There are no minority or vulnerable groups within the company's management.

405-2 Ratio of basic salary and remuneration of women to men

In our company there is no discrimination regarding gender differences in determining the basic salary or other remuneration related to salary. Professional promotion and pay policy does not take gender difference into account. This is strictly forbidden by the provisions of the Collective Bargaining Agreement applicable at company level and by national laws in the field of combating discrimination against women. The salary level is given by the importance of the work and the level of professional training of each employee.

The average basic salary divided by women and men for each category of employees is the following:



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Category	Men	Women
workers	3135 Ron	3187 Ron
Technical and economic personnel	4863 Ron	4197 Ron
Officers	4937 Ron	4616 Ron

Through significant locations, we have defined the locations where the production capacities of the company are located, the management and administration of the company.

The production facilities, the management and the entire administration are located in the same place, in the Municipality of Slatina, OLT County, Str. Drăgănești nr. 30 (at the headquarters).

GRI 406 NONDISCRIMINATION

406-1 Incidents of discrimination and corrective actions taken

TMK ARTROM and TMK REȘIȚA pay special attention to discrimination of any kind and do not tolerate these practices. The principle of equal opportunities and the principle of tolerance are promoted.

Any discrimination based on race, nationality, ethnicity, language, religion, social category, beliefs, gender, sexual orientation, age, disability, chronic noncontact illness, HIV infection, affiliation to a disadvantaged category, and any other criterion or the effect of restricting, removing the recognition, use or exercise on an equal basis of human rights and fundamental freedoms or rights recognized by law in the political, economic, social, cultural or other spheres of public life is not tolerated in the company. Human dignity, citizens' rights and freedoms, the free development of human personality are supreme values for the company.

No complaints about discrimination actions within the company's business have been reported to management or law enforcement agencies.

GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Within TMK ARTROM there are 2 trade unions that together have a unionisation degree of 91% of the total number of employees. Within TMK RESITA there is a trade union, of which 99.5% of all staff are involved.

Thus, the trade unions benefit from living space for carrying out daily activities within the company, the office needed for the activity, personnel emanating from permanent and temporary production during one year, budget for training and training in the trade union field, budget for carrying out artistic cultural activities, budget for social and humanitarian activities.



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The management of the company responds to all of the Trade Unions' requests to initiate a negotiation dialogue on the rights and obligations of the employees.

Annually, Trade Unions and the Management meet and negotiate the provisions of the Collective Bargaining Agreement.

In 2018 the meeting between the Trade Unions and the Management resulted in the signing of the Protocol on the Transfer of Contributions and the Insurance of the Employees' Net Income as well as by an Addendum to the Collective Bargaining Agreement with regard to the collective wage increases starting January 1, 2018 and July 1, 2018.

The employees of the company benefit from the provisions of the Collective Bargaining Agreement (100%), even if they are not union members.

There have been no misunderstandings, strikes, stops of work or legal action between the Trade Union and company management over the past 16 years.

GRI 408 CHILD LABOR

408-1 Operations and suppliers at significant risk for incidents of child labor

Within TMK ARTROM and TMK REŞİTA there are no employees under the age of 18, the legal employment age. The youngest employee in the company is 19 years old.

Suppliers of both companies undergo a rigorous evaluation process. TMK ARTROM and TMK RESITA do not acquire materials from regions where there is a risk of using work with children. Additionally, there are laws to abolish child labor in the countries from where we purchase the materials

Most TMK ARTROM S.A. suppliers (over 97%) are ISO 9001 certified minimum and are therefore monitored by certification bodies.

No cases have been identified with providers who are at risk of using children or young workers at work.

GRI 409 FORCED OR COMPULSORY LABOR

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

TMK ARTROM S.A.'s suppliers are undergoing a rigorous evaluation process. TMK ARTROM does not purchase materials from regions where there is a risk of using work with young children or young workers. Additionally, there are laws to abolish child labor in the countries from which TMK ARTROM S.A. acquires the materials (especially the countries of the European Union).

Most suppliers of TMK ARTROM S.A. (over 96%) are certified as minimum ISO 9001 and are therefore monitored by certification bodies.



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There were no cases with suppliers who are likely to use child labor or young workers.

GRI 410 SECURITY PRACTICES

410-1 Security personnel trained in human rights policies or procedures

TMK ARTROM and TMK REȘIȚA have outsourced the guard and security services to a local company. The security company complies with national laws.

GRI 411 RIGHT OF INDIGENOUS PEOPLES

411-1 Incidents of violations involving rights of indigenous peoples

In the geographic area in which the company operates the indigenous population is represented by the Romanian citizens, which make up 99.9% of the total number of employees. All employees, irrespective of nationality, religion, gender, age, enjoy the same rights without discrimination.

The rights of indigenous persons (of Romanian nationality) as well as the rights of persons of other nationality (e.g. Russian, Spanish) are the same according to the Romanian and European laws in force.

GRI 412 HUMAN RIGHTS ASSESSMENT

412-1 Operations that have been subject to human rights reviews or impact assessments

Human rights in terms of labor law are complied with by TMK ARTROM and TMK REȘIȚA.

There were never recorded penalties for infringement of fundamental rights and freedoms for accredited inspection bodies in the field of human rights (Labor Inspectorate Agency Unemployment Territorial Council to combat discrimination, immigration offices, police and court structures).

Also, no internal complaints have been filed regarding the violation of fundamental human rights. Employees' rights and obligations are subject to collective debate annually on the basis of the Law on Social Dialogue between Employers and Trade Unions. The debates are concluded with the execution of the Employment Contract and the Internal Rules of Operation, which are then sent to the Territorial Labor Inspectorate for approval, which verifies these documents in terms of legality. The Collective Bargaining Agreement is brought to the attention of all existing Unions in the Company. The Collective Bargaining Agreement is valid for TMK ARTROM for 2019 - 2020.

According to the Constitution, Romania is a state of law, democratic and social, in which the dignity of man, citizens' rights and freedoms, the free development of human personality, justice and political pluralism are supreme values in the spirit of the democratic traditions of the Romanian people and the ideals of the Revolution of December 1989, and are guaranteed.



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412-2 Employee training on human rights policies or procedures

Within the company, the Code of Conduct also covers the assessment of human rights. In our companies (TMK ARTROM and TMK RESITA) all employees (100%) benefit from 16 hours of human rights training related to the contractual relationship between the employee and the employer.

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

There were not carried out any investments or trade contracts that underwent human rights screening.

GRI 413 LOCAL COMMUNITIES

TMK-ARTROM's local activity contributes directly to the socio-economic development of the local community by providing jobs, security and a decent living standard for employees. Through TMK-ARTROM's suppliers of raw materials, materials and spare parts or services, it supports thousands of local jobs in the horizontal industry. The company also supports a boxing club in which young people from the locality performs.

In 2018, TMK-ARTROM developed projects for students from disadvantaged backgrounds, media projects, socio-cultural activities, blood donation, help for elderly homes, equipment for the county hospital the new born ward.

Sponsorship expenses in 2018 were directed towards supporting TMK-ARTROM SA's traditional areas of involvement, such as art, culture and heritage preservation, education and sports, humanitarian cases, and health.

413-1 Operations with local community engagement, impact assessments, and development programs.

TMK ARTROM invested 30,000 lei in May 2018 by purchasing two pulse oximeters for the Neonatology Department of the Slatina County Emergency Hospital. These devices monitor the blood oxygen saturation of newborns with respiratory problems concurrently with pulse rate. A heated and humid high-flow oxygen delivery device has also been purchased which provides the possibility of setting parameters according to the medical directions of the newborn.

The project "A little hand and a school bag" is a project at the first edition where the company has donated over 330 school bags supplied with stationery in 11 villages of Olt County. Thus, a total of 166 class 0 (zero) and 173 primary (first) students benefited from this program.



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The cultural events of the fall of 2018 were sponsored by TMK ARTROM on the days of Russian culture in Romania. On October 14th, at the Bucharest Radio Hall, the audience was glad to have Eduard Kunz, a renowned pianist, a project worth about 5,000 euros.



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The Russian Center for Culture and Science launched an exhibition of Russian objects, including a collection of historical photographs and documents dedicated to 140 years of diplomatic relations between Romania and Russia, a collection of poems written by Russian diplomats and last but not least books on Russia written in Romanian language.

According to tradition, TMK-Artrom, as a member of the Romanian-Russian Chamber of Commerce was the sponsor of the Russian military choir "the Red Army" in 2018. The concert was held at the Palace Hall in Bucharest and heard by thousands of spectators who applauded the professionalism and performance of the choir. The project value was approximately 10,000 euros.

The "Children's Books" project included over 1100 books of fiction, school readings, or dictionaries in Osica and Cileni villages, as well as books donated by TMK ARTROM employees. Through this project, it was desired to awaken the interest of young people for reading. Free discussions with the students of these villages on the subject of reading, the importance of books in their development as humans, the need for communication, and ways to find our vocation in life have stirred the children's desire to read even more.



TMK ARTROM loves gifts and continued the projects related to the coming of 'Santa Claus' by distributing presents to children in disadvantaged areas or carol singers. They enjoyed not only sweets specific to the holiday season, but also the coming of Santa Claus in person. The project had a value of over 11000 lei.

In the Christmas Eve a team of singers from TMK ARTROM sang carols and gave gifts to the elderly in the "Home of Elderly of Slatina". Emotional messages were sent to the elderly on this occasion.

At its first edition in 2018 the "Blood for Life" project developed in order to improve blood shortages existing both locally and nationally brought to the attention of employees important gestures generous to our neighbors who are in difficulty. The donation campaign was held in December with the Blood Transfusion Center in Slatina. More than 50 employees participated in the blood donation.



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413-2 Operations with significant actual and potential negative impacts on local communities

No such actions have been identified that have a negative impact or have a potential negative impact on the local community

GRI 414 SUPPLIER SOCIAL ASSESSMENT

414 Supplier social assessment

414-1 New suppliers that were screened using social criteria

In order to be registered the list of approved suppliers, in TMK ARTROM and TMK RESITA all suppliers are assessed on the basis of assessment questionnaires. Depending on the impact of the product supplied on the pipe, it may be decided to carry out an additional audit of the supplier. During audits, in addition to technological and quality aspects, environmental and occupational health and safety issues are audited.

Suppliers are selected on the basis of all the criteria listed above, following various evaluation criteria, such as: how to ensure the safety of employees, adequate working conditions, protective equipment specific to the type of activity, if the staff are trained and know their rights, if there are OSH and firefighting training, if environmental legislation, waste management, etc.

Thus we ensure that the provider we work with is a trustworthy one that complies with current environmental and health and safety laws. In accordance with ISO standards, job descriptions, employee contracts, trainings, hours worked are checked. In 2019, TMK ARTORM intends to extend its suppliers' assessment by placing more emphasis on social criteria.

414-2 Negative social impacts in the supply chain and actions taken

In 2018, TMK ARTROM evaluated its suppliers as in the other years, but demanded more detailed information. Most assessments were based on the requirements for the assessment of occupational safety and health risks and compliance with legal requirements in the environmental field. Suppliers have demonstrated good practice in all these assessments. In turn, they also assess their own suppliers according to the same criteria. There was no negative social impact in the supply chain.

GRI 415 Public Policy

As a defining practice, TMK ARTROM and TMK REȘIȚA are apolitical and do not engage in political activities. It has no deontology as political party sponsorship, has never interfered with political activities and did not exercise political influence. The members of the Board of Directors and the members of the Management Board do not engage in any active political activity.

415-1 Political contributions



API:
5CT-0440
5L-0352

LRQA:
ISO 9001
ISO 14001
OHSAS 18001

TUV:
PED/AD-2000 W0/W4/
TRD 100/102
Vd TUV

TMK EUROPEAN DIVISION Cod: FCU-01, Ed. 3 Rev. 2/2017

TUV CPR:
EN 10210-1,2
EN 10255

LR
DNV-GL Rules
RINA

LRQA:
ISO/TS 16949

TMK ARTROM did not contribute directly or indirectly, financially or non-financially to supporting or sponsoring political or political lobbying, and has no such practices in its activity and deontology.

GRI 416 CUSTOMER HEALTH AND SAFETY

416-1 Assessment of the health and safety impacts of product and service categories

TMK ARTROM and TMK RESITA assess all raw materials and finished products in terms of human health and safety and environmental impact including impacts on transport, storage, production, distribution and use.

TMK ARTROM and TMK REȘIȚA verify on its suppliers chain whether chemical raw materials (acids, soda, oils) used in the manufacturing process are registered with REACH and their impact on population health and environmental safety.

In addition, TMK REȘIȚA requires suppliers to verify and declare for the raw material supplied a level of radioactivity that must not be higher than that of the environment. This aspect is also verified during audits to suppliers but also by checking the radioactivity of the products delivered by the company.

Through our work we aim to improve our health and safety impact continuously by:

1. Establishing internal working procedures and adherence to them for hazardous materials;
2. Informing and educating users of these products through safety data sheets and job protection requirements at each job;
3. Reduce hazardous chemicals, solvents or volatile substances where possible;
4. Safe working devices and equipment.

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

There have been no incidents of non-compliance with legal requirements on the health and safety impact of the product and services over the reporting period. Regarding the REACH Regulation 1907/2006, the pipe is considered an article. The company has adopted the principles of circular economy. Steel is one of the most sustainable products and can be recycled indefinitely without losing its properties.

GRI 417 Marketing and labeling

Pipe packaging and labeling is performed in accordance with the requirements of the standards in force as well as the requirements of the TMK brand. The plasticized label contains product-related information and is considered tertiary packaging. Packaging management is done on packaging types and for a number of them (returnable packaging: barrels, cans, IBCs) there is a contractual clause with return suppliers at their expense. The rest of the packaging is handed over to specialized companies for recycling or disposal (as appropriate).



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417-1 Requirements for product and service information and labeling

Labeling of pipes is carried out in accordance with the requirements of the standards in force as well as the requirements of the TMK brand. The adhesive label contains product-related information.

Council Regulation (EC) no. 1272/2008 on classification, labelling and packaging (CLP) based on the United Nations Global Harmonized System (GHS) aims to ensure a high level of protection of health and the environment as well as the free movement of substances, mixtures and articles. The CLP Regulation requires manufacturers, importers or downstream users of substances or mixtures to classify, label and package their dangerous chemicals properly before placing them on the market.

Since pipe is considered an article, it is not covered by the EC Regulation 1272/2008. The same applies to the materials produced by TMK REȘIȚA.

417-2 Incidents of non-compliance concerning product and service information and labeling

Not applicable.

417-3 Incidents of non-compliance concerning marketing communications

TMK-ARTROM and TMK REȘIȚA did not record any incidents of non-compliance regarding marketing communications.

GRI 418 CUSTOMER PRIVACY

418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data

We understand that personal data are important things that need to be protected. Loss of information can lead to company reputational problems, financial problems and legal consequences as well as loss of trust to our partners. We understand to protect the privacy of our partners, customers, employees and other stakeholders. This responsibility includes limiting the collection of information (example: name, address or other information related to individual identification) to what is absolutely necessary for business. We understand the importance of protecting personal information and we are committed to continuously improving our security system.

The Code of Conduct and Personal Data Policy are in line with our national laws and social values

Like all companies managing personal data and / or customers, we have organized our work so that we comply with Regulation (EU) 2016/679 of the European Parliament and of the Council. The document has already been published in the Official Journal of the EU and applies, starting with May 25, 2018, directly in all EU countries without the need for authorities to transpose it into Romanian law.



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TMK-ARTROM S.A. Sustainability Report 2018

Within TMK ARTROM and TMK REȘIȚA data protection is done at the level of all services and departments that use confidential data in their current activity;

All persons who use personal data of employees, financial data or any other kind of information that is subject to confidentiality have signed individual data privacy agreements that provide for drastic sanctions for confidentiality violations.

Employees who manage confidential data have computers secured by passwords, antivirus and firewall. Access to software is restricted on the basis of passwords and hardware restriction systems (hardware access keys)

In 2018, no privacy complaint was received from clients, staff, or organizations with which the company came into contact.

GRI 419 SOCIOECONOMIC COMPLIANCE

419-1 Non-compliance with laws and regulations in the social and economic area

In 2018, TMK ARTROM SA did not record any significant monetary fine.

Chief Executive Officer

Chief Economical – Accountancy Officer

Popescu Adrian

Văduva Cristiana

Coordinated

Magdalena Popescu – Integrated Quality System-Environment-Health-Safety at Work Manager

Prepared,

Popescu Laura Cristina –certified in [GRI](#)



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