

Supporting our neighbours

BUILDING SUSTAINABLE COMMUNITIES

Metinvest is a member of the UN Global Compact and works to contribute to the achievement of the 17 UN Sustainable Development Goals (SDGs), which guide its social responsibility activities. The Group prioritised five SDGs in 2020: SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). The latter was a new goal, highlighted in line with the growing importance of environmental issues.

Metinvest recognises its role as an economic anchor (and often the largest employer) in the towns, cities and regions where it operates. Its approach is to work with local authorities, communities and society to implement joint projects and programmes. These are aimed at both improving quality of life and overall appeal in the areas in question; and establishing a model of future social design focused on increasing competition for human capital.

The Group contributes to communities by supporting initiatives with the greatest potential value. In 2020, it invested more than US\$15 million in over 200 community projects, in addition to supporting critically important COVID-19 response measures.

Overall, these efforts impacted around 2.9 million people in Ukraine (in such cities as Avdiivka, Kamianske, Kryvyi Rih, Mariupol, Novhorodske (renamed New York in 2021) and Zaporizhia), as well as other countries (Bulgaria, Italy, the UK and the US).

HELPING LOCAL PEOPLE AMID COVID-19

From the moment that COVID-19 became a pandemic, Metinvest took prompt and proactive measures to prevent the mass spread of the virus and support local communities. Together with the charitable initiatives of its shareholders, the Group helped the cities where it operates to obtain vital medicine, protective equipment and medical supplies. In 2020, it spent around US\$6 million on initiatives related to COVID-19.

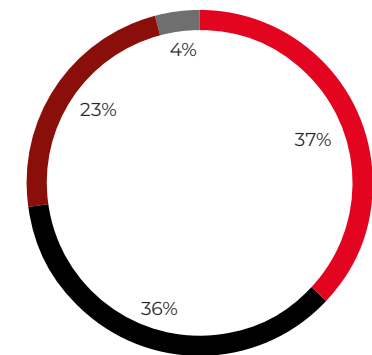
In 2020, one of the greatest senses of achievement came from helping those around to return to living more normally. Recognising its ability to provide critical aid amid the adversity, Metinvest increased its support and engagement with local communities wherever possible.

In Mariupol, Metinvest constructed oxygen supply points and new oxygen lines at four healthcare facilities and helped to upgrade the infectious diseases department in the municipal hospital. In Kryvyi Rih and neighbouring communities, it provided personal protective equipment (PPE) and antiseptics to medical staff, elderly people and other vulnerable groups. In Avdiivka, in addition to planned healthcare initiatives, the Group supported the community by providing PPE and oxygen concentrators. In Zaporizhia, it helped to supply ventilators, COVID-19 tests and PPE.

Metinvest also helped to finance and arrange logistics of vital humanitarian supplies from China to Ukraine. This included COVID-19 tests, lung ventilators, disinfectants and infrared thermometers. The supplies were distributed among Ukrainian public authorities, medical institutions and universities in Kyiv and ten of the country's regions.

Spending on communities

US\$15M
+35%



2020

- NGOs
- COVID-19 response
- Social partnership programme
- Green centre

Another way that Metinvest has helped local communities during the pandemic is its decision to forego the tax holidays offered by the government. The taxes that it pays are an important source of budget revenues at all levels.

PARTNERING WITH LOCAL NGOS

One of the most successful aspects of Metinvest's approach to supporting communities has been its strategic partnerships with local non-governmental organisations (NGOs). In 2020, the number of cities participating in these increased to four following the addition of the Avdiivka Joint Action Platform. The others are the Mariupol Development Fund, Zaporizhia Joint Action Platform and Kryvyi Rih Foundation of the Future. Overall, Metinvest contributed US\$6 million to these organisations in 2020.

These efforts bring together various stakeholder groups to implement larger projects than they could alone. The primary focus areas are social infrastructure, education, healthcare, culture and sport. This contributes meaningfully to the sustainable development of the regions where the Group operates.

In 2020, the most significant initiatives implemented in cooperation with local NGOs included the improvement of Liberty and Peace Square in Mariupol; the arrangement of an art forum in Zaporizhia; the renovation of the clinical diagnostic laboratory at Avdiivka's municipal hospital; and support to set up an IT hub and co-working centre in Kryvyi Rih.

To encourage greater community engagement, 19 projects were implemented in Avdiivka under the "Transforming Avdiivka Together" contest and 22 in Novhorodske under the "Transforming Ukrainian New York Together" contest. In partnership with the Kryvyi Rih Foundation for Future, the Group also supported many social infrastructure, healthcare and education initiatives in six neighbouring communities.

ADDITIONAL COMMUNITY SUPPORT

To enhance its partnership with the city of Mariupol, Metinvest signed a memorandum of cooperation with the municipality in 2020. It was the first company in Ukraine that started implementing a sustainable urban development approach. Under the memorandum, it intends to help implement complex, long-term programmes in Mariupol, including "More Than Care", "More Than Steel" and "More Than A Dream".

As part of the ongoing "Green Centre" initiative, the Group also implemented more than 100 community environmental initiatives in Mariupol, Kryvyi Rih and Zaporizhia. These included the Green Plant and Ecoschool educational initiatives for children, 100 Green Yards, Clean Entrance Hall, Forever Green and others.

FOSTERING MUNICIPAL LEADERS

During the reporting period, Metinvest supported a new enrolment campaign for the Master of Public Administration programme in Mariupol, Kryvyi Rih, Zaporizhia, Avdiivka, Pokrovsk and Melitopol. This two-year degree programme seeks to foster the next generation of municipal leaders in Ukraine.

The broader focus is on developing modern cities and communities that are safe, dynamic, creative and attractive from an investment standpoint. This aims to reduce the brain drain and migration from the country's regional centres. The project won the Economic Development category of the UN Global Compact Partnership for Sustainability Award 2020 in Ukraine.

PROMOTING STEAM EDUCATION

Another major community initiative in 2020 was the STEAM-CAMP Leadership Educational Programme for 500 teachers of STEAM disciplines such as mathematics, physics, chemistry and computer science in Kryvyi Rih, Zaporizhia and Mariupol. It aims to improve the quality of STEAM education at schools and motivate students to choose career paths in technical disciplines.

Currently, fewer than 30% of school graduates in the region choose to take external independent testing in science, such as physics and chemistry. In addition, only 6 to 8% achieve the required score to study technical professions at university. Meanwhile, the need for technical specialists and professionals in the region's industry remains high.

The programme is a joint effort of the Mariupol Development Fund, Zaporizhia Joint Action Platform, the Kryvyi Rih Foundation of the Future and Metinvest.

ENHANCED ACCOUNTABILITY

Metinvest prepared its 2019 sustainability report, its seventh, in accordance with the Global Reporting Initiative international sustainability reporting guidelines, principles of the UN Global Compact and recommendations of the Sustainability Accounting Standards Board. The report was published in Ukrainian and English. The Group plans to publish its sustainability report on an annual rather than biennial basis as before. The document shows its progress in achieving sustainable development goals and unveils future plans.

OUTLOOK FOR 2021

In 2021, Metinvest aims to continue helping local communities to recover from the COVID-19 pandemic. It will also focus its community investments by benchmarking projects to determine their impact on local socioeconomic development. Priorities include efforts that contribute to communities' attractiveness, projects aimed at reducing the brain drain of young professionals from cities, and educational initiatives to build pools of skilled workers in cities.

The Group intends to deepen the partnership with local NGOs and attract international expertise for successful project implementation.

The two most important ongoing projects involving education and regional development are the Master of Public Administration programme and STEAM-CAMP Leadership Educational Programme. Metinvest also strives to improve vocational education to motivate young people to work in and develop their home cities. The focus for infrastructure projects will be on improving quality of life, giving new meaning to public spaces and increasing the tourist appeal of cities.

