

# Helping our people \_\_\_\_\_ to adapt

## A GROWING TEAM

Metinvest is one of Ukraine's largest employers. Its global headcount was more than 69,000 people at the end of 2020, up around 2,800 people year-on-year. This was primarily due to the integration of new assets, including Zaporizhia Refractories and Dnipro Coke. Following the consolidation of Pokrovske Coal in March 2021, after the reporting period, the Group employed more than 80,000 people overall.

To retain staff and attract new talent, Metinvest strives to offer industry-leading standards of human capital management, competitive compensation and motivation systems, generous social benefits, and a safe and healthy working environment. Such an approach helped to decrease the Group's staff turnover to 5% in 2020, down from 6% a year earlier<sup>24</sup>.

## CAPITALISING ON SYNERGIES

In 2020, Metinvest continued integration of its departments responsible for human capital, health and safety, environmental protection, regional development, public relations and communication into the Sustainable Development and People Management Directorate.

The decision in 2019 to undertake this transformation was the most significant event in the Group's approach to human resources since its inception. It was triggered by the need for synergy to enhance Metinvest's appeal as an employer, retain qualified professionals and attract the best new talent.

As part of the Sustainable Development and People Management Directorate, the human capital function acts as the Group's point of contact for staff. It strives to make all employees feel like they are part of a large team that shares values; is open to cooperation; assists, supports and respects one another; considers the opinions of others; and welcomes feedback. This in turn creates a sense of social support.

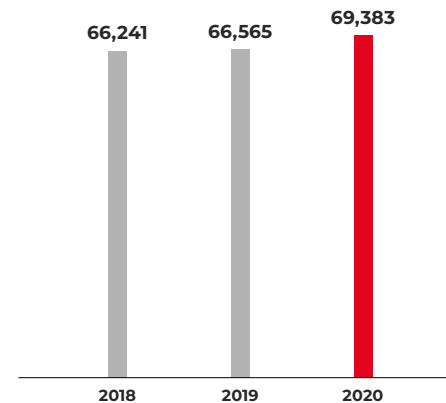
The human capital function seeks to ensure that the Metinvest team has the necessary qualifications by developing the basic skills that workers need.

In 2020, a project to launch new functions at the Shared Services Centre was implemented at Metinvest Business Services, which provides centralised corporate services for the Group.

In 2020, Metinvest's human capital function focused on transforming processes to better serve the Group's employees. A major part of this involved helping people to work efficiently amid the conditions created by COVID-19.

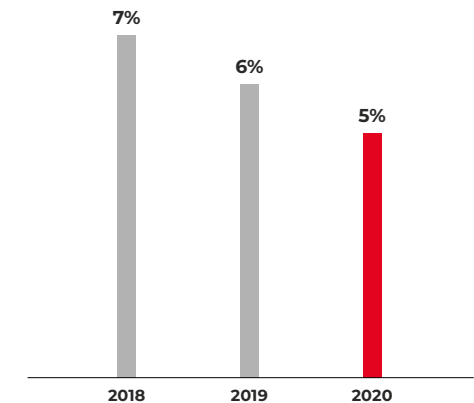
## Employee headcount

**69,383**  
+4%



## Staff turnover

**5%**  
-1PP



<sup>24</sup> Previously calculated using an internal methodology developed to reflect departures due to employees' decisions. 2018-2019 data is restated under a methodology based on guidelines from the Ukrainian Ministry of Justice (no. 286 of 28 September 2005).

This included transferring to Metinvest Business Services all human capital administrative functions, such as planning, personnel administration, compensation and benefits, document archives, training and staff appraisals.

**COMPENSATION**

Despite the pandemic, Metinvest continued to meet its social obligations to employees and did not change base salaries. At the same time, the US dollar-denominated average overall monthly salary at Metinvest decreased by 2% year-on-year to US\$965, primarily because of the hryvnia's depreciation against foreign currencies. In 2020, Metinvest transformed its KPI-based bonus payment system aimed at motivating employees to identify and

**SUPPORTING OUR TEAM**

As soon as COVID-19 became a pandemic, Metinvest moved proactively to protect employees at all costs, introducing a raft of measures to limit potential exposure. All employees who can effectively perform their professional duties away from facilities transitioned to work from home. The Group also adjusted its communication methods, eliminating personal contact as much as possible while ensuring that important information continued to flow. This included suspending face-to-face meetings and increasing the use of digital tools for communication. In addition, Metinvest created a new communication channel called Territory of Health, an electronic weekly health news digest for employees working remotely during the pandemic.

In 2020, numerous tools and changes were implemented as part of the Digital Workplace initiative. These included a self-service portal, a chatbot, the automation of robotic processes, OpenText electronic document management for HR process, performance management (SAP SF) and a corporate knowledge base.

implement operational improvements, enhance customer focus, and improve health and safety. It also introduced motivation systems to effectively manage investment projects and IT initiatives for the project teams of Metinvest Engineering and Metinvest Digital. An additional incentive system was implemented to boost shipments of finished products from the hot strip mill 1700.

**MY CHOICE**

The Group continued to improve its value proposition as an employer by enhancing the package of financial and non-financial benefits that it offers to staff.

A key development in the social programmes in 2020 was the roll-out of Metinvest's My Choice project at two more enterprises, in addition to the six previously covered. My Choice offers individualised social packages tailored to each employee's needs. During the reporting period, it was expanded to cover about 60,000 personnel. Importantly, it began to offer several new options in 2020, including support for employees' school-aged children and the installation of energy-saving kits in employees' homes.

The pandemic prompted certain changes to employees' social package options. For example, staff were offered compensation for certain My Choice benefits that they were unable to use due to the restrictions. In addition, health insurance was expanded to cover all costs of testing and treatment for COVID-19.

To improve working conditions, Metinvest invested about US\$7 million in 2020 as part of a programme aimed at improving staff amenities, catering, passenger transport and other services.

**TRAINING AND DEVELOPMENT**

In 2020, the pandemic restrictions made facilitating distance learning and fostering a culture of self-education the primary focus for training and development. For example, 12 of the 28 existing face-to-face training courses of the Corporate University for junior and middle managers switched to webinar format. In addition, the Legal

Directorate added 14 new webinars to its development programme. The restrictions also caused training programmes for senior managers to be postponed.

To assist foremen and site managers in planning staff training, an online qualification profile system was rolled out to five of the Group's entities. It links a list of compulsory courses to each unique workplace covering professional knowledge, health and safety, as well as such corporate topics as the Code of Ethics. In addition, the practical skills training roadmap was implemented for several professions, including locomotive and excavator operators, electrical fitter, dump truck driver and blast furnace gas operator.

During the reporting period, Metinvest developed a new programme to support employees working remotely. It covers all aspects of remote work, as well as personal and team efficiency. Another initiative, called While Everyone is At Home, took the form of an online corporate knowledge marathon. It helped to create a virtual community where thematic posts and practical tasks were regularly published to develop effective remote work habits.

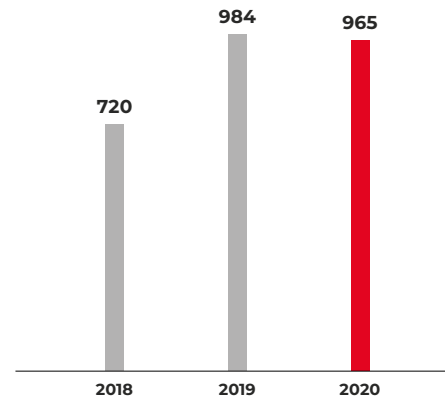
Among other projects, the Litera M Reading Club was introduced to support the Metinvest Alpina Publisher Corporate Library. The Wiki-Master electronic knowledge base, which serves as a repository for professional expertise and advice regarding production issues, was extended to all Group enterprises.

Employees also have access to Eduson's ready-made online business course platform. In addition, the Group launched a pilot programme with distance learning courses for workers.

Overall, 111,197 employee training sessions were conducted during the reporting period, up 2% year-on-year and covering 43,899 employees. The Group minimised the costs of external trainings, redirecting resources saved to programmes of personnel protection against COVID-19.

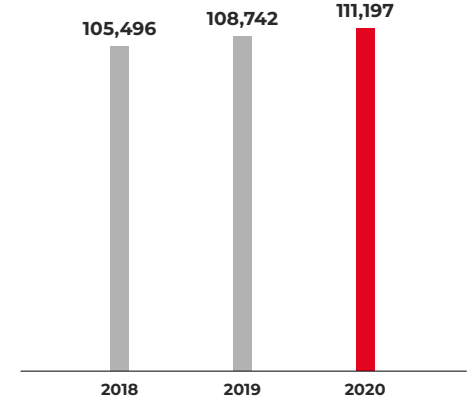
**Average monthly salary**

**US\$965**  
-2%



**Employee training sessions**

**111,197**  
+2%



**CAREER GROWTH**

To ensure that motivated employees have opportunities for career growth, Metinvest holds open competitions for appointments to mid-level and senior management positions. Information about vacancies is available to all employees, who are considered independently of gender and age. Hiring decisions are made by a committee based on the results of a competitive test assignment.

The Group uses certain KPIs to measure the performance of its personnel development and promotion initiatives. One is the number of appointments to senior positions from the Talent Pool. This metric reflects the quality of employee training programmes, as well as how well the pool is being built. Monitoring it helps to shape training and focus on problem areas. It also reflects the quality of mentorship provided to young employees.

**YOUNG TALENT**

Metinvest's investments in young talent include internships, dual education programmes, student case study championships, the WorldSkills Ukraine professional skills competition, scholarships and a career guidance initiative for schoolchildren. In 2020, these initiatives covered more than 7,500 schoolchildren and students.

In 2020, the Group continued its pilot dual education programme for 250 students from universities and vocational schools in Mariupol, Zaporizhia and Kryvyi Rih. The initiative involves five Metinvest enterprises, two universities and three vocational schools.

In 2020, a total of 592 new graduates were hired, accounting for 9% of total recruitment. In addition, importantly, the human capital function streamlined its standards related to employee induction. The main goal was to create common principles helping new hires to adapt quickly and smoothly, ensure that their work is safe and comfortable, and provide any necessary training.

Each year, the Group's enterprises provide placements for practical study and internships to university and college

students. The best performers receive job offers on completion. In 2020, Metinvest worked with 55 institutions of higher and vocational education to provide internships for students. Overall, around 2,800 students received internships, of which 1,500 were paid positions.

Metinvest continues to develop professional standards in order to modernise the training system for positions at enterprises and educational institutions. This helps to bring state qualification and educational standards in line with modern production requirements. To date, the Group has developed 50 professional standards that have been approved by the Ukrainian government.

Another new initiative is Metinvest Polytechnic, the first private university in Ukraine. Its primary goal is to provide a high-quality technical education for current employees of the Group and other young people. It is currently obtaining licences to grant state-approved diplomas in ten specialties. The first students are due to begin their studies in September 2022.

**COMMITMENT TO EQUAL OPPORTUNITY**

Metinvest is committed to respecting human rights in accordance with international standards, as outlined in its Code of Ethics, internal labour procedures, remuneration management policy and other internal regulatory documents that govern employee relations.

The Group's relationship with its employees is based on the principles of the International Labour Organisation (ILO) and applicable regional law. Compliance with these is overseen by several trade unions and government agencies. In addition, Metinvest monitors compliance independently to avoid breaches of standards and prevent discrimination in all forms.

The Group seeks to offer equal opportunities for everyone without discrimination. This covers access to social, training and staff development programmes, as well as hiring. Staff access to training is based on production needs and required skill levels.



Priority is given to employees who perform more strongly, as well as those preparing to transfer or take a new position internally.

In terms of diversity, women account for around 31% of headcount and 25% of the Executive Team. On the Supervisory Board, one of the ten members is a woman.

Metinvest aims to ensure a level playing field for women in terms of pay, social benefits and other guarantees. It offers parents with young children flexible working hours and additional parental leave. It also provides childcare and healthcare programmes targeted to meet the needs of employees with children.

In terms of age distribution, 62% of the workforce is between 30 and 50 years old, 24% is over 50 and 14% is under 30.

The Group has several communication channels through which employees can report a violation of their rights or others witnessed, including a Trust Line, corporate communication channels and a corporate portal. Each case is investigated to minimise the risks of such incidents reoccurring, and feedback is used to gauge satisfaction with the outcome.

**OUTLOOK FOR 2021**

In 2021, Metinvest plans to implement the largest capital investment programme in the social sphere to date. As part of the Group's efforts to improve the safety culture, Metinvest will work to develop a system of qualification standards and a competency matrix for all functions. In addition, it will seek to improve the efficiency of health and safety motivation tools.

By the end of 2021, Metinvest aims to adopt a non-discrimination policy. The Group also intends to test a new model for the Talent Pool system and form a general corporate standard governing it. In addition, soft skills training will continue to transition to a webinar format. Metinvest also intends to implement its roadmap for the development of electronic courses for employee vocational training programmes and health and safety courses.

Other priorities for 2021 include to improve the efficiency of the Group's mentoring system, develop an updated administrative adaptation model, integrate Pokrovske Coal and prepare for the launch of Metinvest Polytechnic.