



ABOUT THE REPORT

GENERAL APPROACH

In 2023, Metinvest maintained a combined format for its annual and sustainability reporting. This method of presenting the Group's various business activities is intended to enhance the effectiveness of communication with stakeholders.

Covering the period from 1 January 2023 to 31 December 2023, the report includes Metinvest's financial, operational, environmental, social and governance (ESG) performance and related metrics. It also discloses material information about events that occurred after the reporting period to 30 June 2024.

The report was developed following the Global Reporting Initiative (GRI) Standards and taking into account the guidelines from the Sustainability Accounting Standards Board (SASB).

Notably, it marks the Group's inaugural effort to align with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, underscoring Metinvest's commitment to transparency in climate-related data. In addition, the document includes information about the Group's efforts towards achieving the UN Sustainable Development Goals (SDGs).

Metinvest's IFRS consolidated financial statements for the 12 months ended 31 December 2023, which are part of the report, have been audited by PwC, an appointed independent auditor. For a better understanding of the Group's financial position and the results of operations, this document and summary financial statements should be read in conjunction with Metinvest's audited financial statements for the year ended 31 December 2023. They include all disclosures required by International Financial Reporting Standards, as adopted by the European Union, and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code.

The Supervisory Board reviewed and approved the report's contents, including the Group's material topics.

To ensure the integrity of the information presented in the document, Metinvest strives to enhance its internal system for non-financial reporting. The internal audit function reviewed numerical data provided by the business units responsible for sustainable development to verify its accuracy before incorporating them.

Because of rounding, numbers presented in this report may not add up precisely to the totals provided and percentages may not exactly reflect absolute figures.

REPORT BOUNDARIES

The report provides information on the performance of Metinvest's assets included in the consolidated financial statements. The principal subsidiaries of the Group's parent entity Metinvest B.V. are presented on page 107.

In 2023, the report's boundaries changed compared with 2022. Notably, in March 2023, Metinvest consolidated Zaporizhia Casting and Mechanical Works to further enhance its maintenance and repair operations.

Zaporizhstal and Southern Iron Ore are classified as joint ventures and not subsidiaries of Metinvest. The results of their financial, operational and other activities are not consolidated in the Group's overall performance, unless stated otherwise. In addition, they are disclosed selectively and on a standalone basis.

STAKEHOLDERS

Metinvest recognises that efficient engagement with its diverse stakeholder groups is crucial for its business development. In 2023, these efforts continued to be shaped by Russia's full-scale military invasion of Ukraine (here and further "the Russian Aggression").

The Group defines the following groups of key stakeholders: employees, customers, suppliers and contractors, local communities, equity and debt providers, government authorities and the media. For more details related to the engagement with the stakeholders of Metinvest, please refer to page 31.



MATERIALITY ASSESSMENT

Metinvest conducts an annual review and assessment of the issues that are most material for its business and stakeholders in terms of their actual and potential impacts. This shapes the Group’s sustainability approach and helps to identify the reporting content.

Metinvest was guided in the materiality assessment by the GRI's recommendations. This process entailed identifying sustainability issues that present a significant actual or potential impact on society or the environment, as well as a material impact on the Group’s business performance.

STEPS OF MATERIALITY ASSESSMENT

Step 1. Understanding of the Group’s context

This step included a comprehensive review of Metinvest’s values, core priorities, strategic goals and operations, as well as its business relationships and the broader sustainability context.

In addition, it involved analysing key stakeholder groups, monitoring peers’ developments and studying the media environment. The Group also assessed industry trends and reviewed regulatory and sustainability reporting frameworks (GRI, IFRS, CSRD and UN SDGs) that outline requirements and standards in this area.

Step 2. Identifying actual and potential impacts

To understand the likely impact of the material issues on its business, Metinvest focused on continuous dialogue and engagement with internal and external stakeholders. Assessing the impact of the ongoing full-scale war in Ukraine on the Group’s business and its stakeholders remained paramount in the reporting period.

A special emphasis was placed on investor and employee feedback, executive team discussions and the input of experts from various functions within the Group. Metinvest also analysed the results of its ESG ratings to gauge its exposure to associated risks and its ability to manage them.

Step 3. Prioritising material topics for reporting

The Group prioritised its impacts on sustainability matters based on their significance and compiled a list of material topics.

In 2023, the war had widespread effects on the material topics, which remained largely consistent with those identified in 2022.

For better presentation in the report, the material topics were grouped into relevant categories: environment, governance, social and economic.

MATERIAL TOPICS 2023

- Climate change
- Emissions
- Water management
- Waste generation
- Biodiversity

ENVIRONMENT

- Corporate governance
- Business ethics and anti-corruption
- Product quality
- Supply chain

GOVERNANCE

- Human rights
- Workplace health and safety
- Employment practices
- Local communities

SOCIAL

- Economic impact and performance

ECONOMIC

WAR IN UKRAINE