



SUPPLY CHAIN MANAGEMENT

RELIABILITY IN FOCUS

In 2024, Metinvest enhanced its supply chain management by utilising the renewed Black Sea navigation corridor. Additionally, the Group ensured business continuity by securing electricity imports during grid deficits. These measures enabled it to fulfil production requirements and meet customer commitments.

VITAL RESILIENCE

Metinvest's supply chain spans the sourcing of raw materials, goods and services, as well as procurement, production, marketing and distribution activities. The Group employs an integrated framework to oversee supplier selection, contracting processes and related operations.

At the executive level, Metinvest's activities in this area are managed through dedicated teams covering different aspects of the business. The Commercial Directorate is tasked with strategic procurement, including raw materials, fuel and energy, alongside its sales responsibilities, while the Operations Directorate handles other critical categories. Other directorates oversee the acquisition of products and services within their respective scopes.

Additionally, each production facility maintains dedicated planning, analytical, procurement and warehouse functions. In 2024, as part of implementing a new management approach for iron ore assets, the Group established a joint purchasing centre for the related operations, streamlining core business processes.

Also, the supply functions of iron ore assets are integrated into Metinvest's shared service

centre for centralisation of day-to-day operations, including contract administration and invoice handling. Supplier pre-qualification for all of the Group's Ukrainian assets is also fully integrated into the shared service centre's operations.

To cultivate fair and sustainable business relationships, Metinvest's [Code of Business Partnership](#) clearly outlines standards expected from current and potential suppliers. It focuses on mutual respect, cooperation, workplace safety, environmental sustainability, information confidentiality, social responsibility and compliance with the relevant law and the Code of Ethics.

Internally, the Group's [Procurement Policy](#) and the Regulation on Procurement Management govern its activities in this area. The Policy promotes principles of ethical conduct, supplier competition, transparency, partnership, economic justification, efficiency and preferential engagement with direct producers. The Regulation sets clear expectations for supplier vetting, tender participation rights and obligations, and related procedural norms.

Additionally, Metinvest's Procedure for Procurement of Materials and Resources reinforces planning, oversight and reliability of supplies.

LOGISTICS

Metinvest-Shipping manages the logistics operations for the Group's key assets located in Ukraine and the EU. It is responsible for overseeing the entire logistics chain, encompassing road and rail transportation, port transshipment, and vessel chartering, and is guided strategically by the executive team.

The Commercial Directorate coordinates logistical processes, facilitating efficient management, clear communication and swift redirection of product flows to relevant markets.

In 2024, Metinvest's logistics function continued to manage deliveries of products to customers and supply production assets with essential raw materials, ensuring continuous and stable operations.

During the year, the Group further strengthened its supply chain capabilities to avoid significant disruptions despite challenging operational conditions. Logistics management remained strategically focused on cost optimisation and effective risk mitigation.

SAFEGUARDING SUPPLY CONTINUITY

Throughout 2024, the Group continued to diversify sourcing of critical goods and services while reinstating previously used logistics routes. These efforts contributed to improved operational resilience.

The resumption of Black Sea navigation in late 2023 evolved in 2024 into Metinvest's principal logistics artery to and from Ukrainian assets. This development restored their direct access to global markets and inbound raw-material lanes. Throughout the year, Ukrainian ports successfully managed nearly all of the Group's seaborne exports. Where economically advantageous, certain export volumes continued to be handled through foreign ports. For more details, please see page 14.

Also, amid electricity shortages at its Ukrainian operations during the reporting period, Metinvest secured supplementary power through imports from the EU to cover demand at its production sites.



SUPPLIER SELECTION

Metinvest is committed to sustainable and resilient supply chain management, requiring its suppliers and contractors to adhere to equivalent ethical and operational standards.

Counterparties are expected to comply with applicable legislation, including regulations covering child labour, living wages, working hours, freedom of association and employee collective bargaining rights.

Metinvest employs transparent and equitable procurement processes managed by a Tender Committee comprising at least three representatives from different departments. Tenders are objectively assessed against predefined criteria such as pricing, quality, delivery terms and payment conditions. The Group publicly announces information regarding significant forthcoming tenders via its website no fewer than three days before commencement. Secure bidder communication is managed through the SAP Ariba digital platform.

To meet urgent supply chain requirements efficiently, Metinvest maintains streamlined procedures for certain aspects of tenders.

To build enduring relationships with suppliers and business partners, Metinvest employs pre-contract assessments and pre-qualification checks to evaluate potential risks associated with new partnerships.

Additionally, the Group rigorously verifies suppliers providing services involving hazardous tasks to ensure adherence to health and safety standards and to confirm that they possess appropriate qualifications and licences.

Metinvest reserves the right to temporarily or permanently disqualify suppliers that engage in unethical practices. Disqualification criteria remain publicly accessible via the Group's website, ensuring transparency and providing opportunities for counterparties to rectify compliance deficiencies.

In 2024, the Group completed over 11,700 pre-contract evaluations and 8,900 pre-qualification assessments, marking a significant increase from the previous year, when it conducted almost 7,400 and more than 5,600, respectively. As a result, it selected 139 new suppliers and disqualified 92 potential counterparties, down from 166 and 95, respectively, in the prior year.

Metinvest also thoroughly screens suppliers and their products to identify and mitigate risks related to corruption, as well as potential breaches of international obligations and sanctions. The Group excludes counterparties that fail these compliance assessments from participation in procurement activities.



Participation in Made in Steel 2025 exhibition