

# ABOUT THE REPORT

## GENERAL APPROACH

GRI 102-50; 102-51; 102-52; 102-54; 102-56

This is the first time in Metinvest's history that it has combined its traditional annual and sustainability reporting under one umbrella. The reporting format has been changed in an effort to improve the efficiency of the Group's communication with stakeholders and integrate data about Metinvest's activities to enhance transparency.

Covering the period from 1 January 2021 to 31 December 2021, the report reflects the Group's financial and operational results, as well as its environmental, social and governance (ESG) performance and metrics. In addition, it discloses information about material events occurring after the reporting period to 1 August 2022. The previous standalone annual report (published in August 2021) and sustainability report (published in December 2021) covered the period from 1 January 2020 to 31 December 2020.

The report has been prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards. The guidelines of the Sustainability Accounting Standards Board (SASB) have been considered as well. In addition, Metinvest has provided information on the Group's contribution to achieving the UN Sustainable Development Goals (SDGs).

To ensure the quality of the information covered in the report, Metinvest works to improve its internal system for non-financial reporting. The internal audit function reviewed numerical data provided by the business units in charge of sustainable development for both quality and accuracy prior to its inclusion in the report.

Metinvest's IFRS consolidated financial statements for the 12 months ended 31 December 2021, which are part of the report, have been audited by PwC, an appointed independent auditor. For a better understanding of Metinvest's financial position and the results of operations, this document and summary financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2021. 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.

GRI 102-31; 102-32

The Supervisory Board reviewed and approved the report's contents prior to publication.

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

## REPORT BOUNDARIES

GRI 102-5; 102-45

The report provides information on the performance of Metinvest's assets included in consolidated financial statements. The principal subsidiaries of the Group's parent entity Metinvest B.V. are presented on page 78. In 2021, the boundaries of the report were expanded compared with the 2020 reporting to include entities that joined the Group during the year. In March 2021, Metinvest obtained control over Pokrovske Coal, the largest high-quality coking coal producer in Ukraine. In August 2021, the Group via Dnipro Coke acquired assets relating to the integral property complex of a once full-cycle steelmaker in Kamianske, Ukraine. In February 2022, Dnipro Coke was renamed Kamet Steel.

Zaporizhstal and Southern GOK are classified as joint ventures and not subsidiaries of Metinvest. Key financial, operational and other decisions related to them are made jointly with other shareholders. The results of their financial, operational and other activities are not consolidated in the Group's overall performance. They are disclosed selectively and on a standalone basis.

## EVENTS AFTER THE REPORTING PERIOD

Throughout this document, reporting on 2021 results is presented and accompanied by additional commentary about developments relevant to certain material events in 2022, specifically those related to the impact of war. This "dual approach" is explicitly indicated in the report and aims to provide readers with both a transparent representation of the performance in 2021 and a better understanding of the reality facing the Group, Ukraine and its people at the time of writing.

The Group has been significantly affected by the war. As a result, future financial and operational performance of Metinvest is subject to significant uncertainty.

The materiality assessment presented on the following page relates solely to the Group's operations before Russia's full-scale military invasion of Ukraine, which began after the reporting period. The impact of the war in material and moral terms on the Group and the communities where it has operations cannot be assessed fully while the war continues. Therefore, the list of material topics may change for the 2022 report.

In addition to its impact on the core business operations and assets of Metinvest, the war has impacted the Group's ability to collect and process information across its business units. As a result, both the frequency and the level of detail of data published by Metinvest during 2022 has been reduced compared with prior periods, and the Group cannot rule out the 2022 annual report will also be different as to the scope of information being presented compared with the 2021 annual report.

## MATERIALITY ASSESSMENT

GRI 102-44; 102-46

To highlight the topics that the Group believes to be of the greatest interest to its key stakeholders and business, and to disclose the most relevant information in the report, a materiality assessment has been conducted in accordance with GRI guidelines. As the assessment took place in 2021, it did not cover war-related issues.

The materiality assessment considers the extent to which Metinvest's activities related to certain topics: (1) influence key stakeholder assessments and decisions and (2) make a significant economic, environmental or social impact. The approach consists of two steps.

### Step 1 – identifying the material topics

To compile a list of the highest-priority topics for disclosure, the Group analysed the areas of greatest significance to its stakeholders, as well as its activities within these priorities. It also examined issues raised in the media, industry trends and topics defined by industry peers, as well as underlying investor and creditor expectations. As a result, Metinvest identified 20 material topics for 2021 that reflect the economic, environmental and social impacts of its operations.

### Step 2 – prioritising the topics

Although all the chosen topics were material in 2021, some were more important to stakeholders than others and the extent of their impacts on the Group's business varied. As such, the topics were prioritised following an assessment of their importance. To obtain that information, Metinvest asked representatives of key stakeholder groups (customers, employees, suppliers and contractors, investors and creditors, local communities, government authorities and representatives of the media) to rate the importance of each topic. The Group also assessed the expectations of government authorities by reviewing the provisions of major legal acts and standards that it is compliant with.

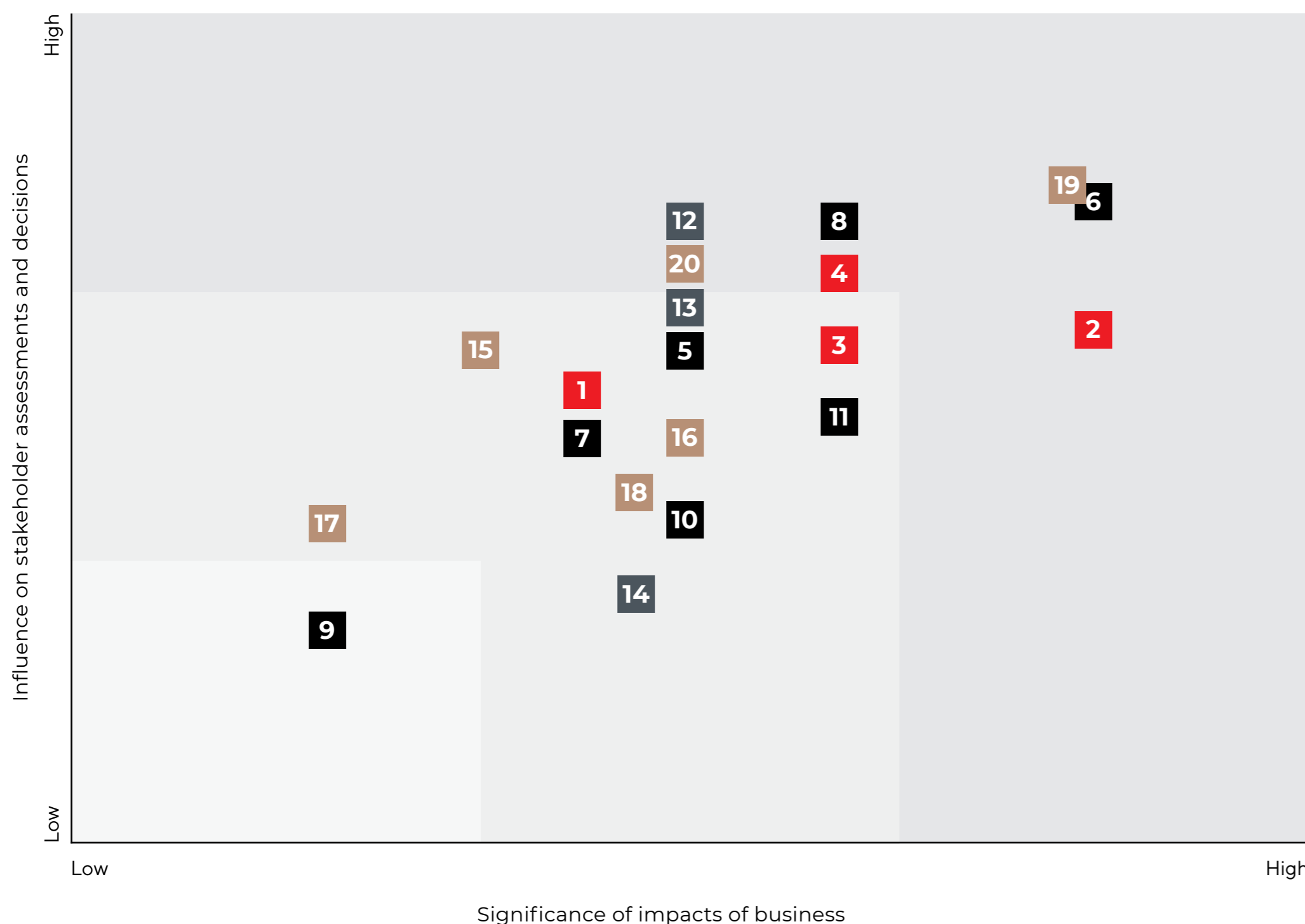
In addition, Metinvest held roundtable discussions with internal experts from different functional units that are responsible for stakeholder engagement.

The Group assessed the significance of its impact with regard to each topic through an analysis of opinions expressed during internal discussions with the executive team, which provided an overview of Metinvest's sustainability performance and economic, social and environmental impacts.

The results of the assessment are presented in the materiality matrix on this page. The horizontal axis shows the significance of the economic, environmental or social impacts of the Group. The vertical axis shows each topic's influence on stakeholder assessments and decisions.

## Materiality matrix

GRI 102-47; 103-1



## CORPORATE GOVERNANCE

- 1 Corporate governance
- 2 Anti-corruption
- 3 Ethics and compliance
- 4 Business transparency and openness

See pages 56-65

## ECONOMIC

- 12 Economic performance
- 13 Responsibility for the quality of products and services
- 14 Supply chain and supplier environmental assessment

See pages 16, 21-27, 66-67

## SOCIAL

- 5 Human rights
- 6 Occupational health and safety
- 7 Training and education
- 8 Fair working conditions, decent wages and social benefits, and employee well-being
- 9 Diversity and inclusion
- 10 Local community engagement
- 11 Economic support for communities and social investment

See pages 36-45, 51-54

## ENVIRONMENTAL

- 15 Energy efficiency
- 16 Water management
- 17 Biodiversity
- 18 Climate change
- 19 Emissions
- 20 Waste generation

See pages 46-50