



SUSTANABILITY REPORT

The Sustainability Report covers central factors underlying Metinvest's performance in this area: health and safety, people, environment and communities. It also focuses on stakeholder engagement and sustainable development priorities.

SUSTAINABLE DEVELOPMENT

A PRINCIPAL RESPONSIBILITY

Metinvest embeds sustainability principles throughout its business. The Group strives to care for the well-being, health and safety of employees, to be environmentally responsible, to develop local communities, and to support customers and contractors.

A HOLISTIC APPROACH

GRI 102-19; 102-20; 103-2

Metinvest follows the sustainability approach outlined in the Sustainability Policy of SCM, one of its shareholders, which guides the Group's efforts to promote sustainable development and build an ethical business.

Sustainability matters, depending on their nature, are considered at various levels throughout the Group. The Supervisory Board provides advice to the Management Board, including on the sustainability priorities for Metinvest's business operations, overseeing the execution of policies and the implementation of processes for managing significant risks and opportunities.

The Supervisory Board's Health, Safety and Environmental Committee helps the executive team to implement and maintain the highest sustainability standards concerning environmental protection and occupational health and safety.

The Sustainable Development and People Management Directorate at the executive team level works to strengthen labour relations, support an effective system of employee remuneration and professional development, enhance corporate culture, improve the occupational health and safety system, and oversee environmental activities. It also strives to maintain long-term relationships of trust with various stakeholder groups.

UN SDG CONTRIBUTION IN 2021

GRI 102-12

Metinvest has been a member of the UN Global Compact since 2010 and adheres to its Ten Principles of Sustainable Development, which cover human rights, labour relations, environmental protection and anti-corruption. The Group strives to ensure sustainable development in line with the UN Sustainable Development Goals (SDGs) and prioritises those areas where it can make the most significant and tangible contribution.

In 2021, Metinvest continued to focus on the five SDGs that are most relevant for its business: 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 Group worked to ensure health and safety at its assets; support and develop employees and local communities, including the response to COVID-19; improve operational efficiency and reduce environmental impact by modernising equipment; and partner with international leaders in green technologies for low-carbon steel production in the future. It also made material contributions to the achievement of other SDGs.

CONTRIBUTION TO PRIORITISED SDGs**CONTRIBUTION TO OTHER SDGs**

SUSTAINABILITY RISK MANAGEMENT

GRI 102-11; 102-15

Metinvest categorises sustainability-related risks as part of non-commercial risks. For more details about the Group's general risk management approach and practices, see pages 68-69.

Continuous monitoring of sustainability risks is a prerequisite for ensuring the effectiveness of Metinvest's sustainable development approach.

Each of the key sustainable development risks presented in the following table is mapped against conditions identified as causing its occurrence and a list of key risk mitigation efforts.

Key sustainability risks and mitigation efforts in 2021

Risk and description	Risk mitigation efforts
HEALTH AND SAFETY <ul style="list-style-type: none"> - Workplace injuries and fatalities - Inconsistent application of certain risk management tools, leading to reduced effectiveness of the entire health and safety management system 	<ul style="list-style-type: none"> - Expanded the occupational health and safety roadmap by adding new critical risks and rolling out its programmes at newly acquired assets - Revised the approach to on-site risk assessment - Continued to apply health and safety motivation tools throughout the Group - Provided professional development opportunities for specialists in the field - Piloted the contractor safety assessment and rating methodology at its production assets in Ukraine
ENVIRONMENT <ul style="list-style-type: none"> - Environmental impact from the Group's operations, including air pollution, wastewater discharges and waste generation - Increased scrutiny of the Group's activities from stakeholders 	<ul style="list-style-type: none"> - Applied the precautionary principle and evaluated potential relevant impacts when planning investment projects - Implemented technical measures to reduce the environmental impact and monitored compliance with regulatory requirements - Took initiatives to increase energy efficiency - Made progress on Green Centre projects to foster a culture of ecological stewardship in the regions of presence
CLIMATE CHANGE <ul style="list-style-type: none"> - Increased legislative requirements to accelerate the transition to a low-carbon economy 	<ul style="list-style-type: none"> - Worked to develop a long-term decarbonisation roadmap of its business - Partnered with leading companies in green steelmaking - Followed best practices for the calculation and disclosure of direct and indirect GHG emissions and direct GHG emissions intensity for steelmaking assets to meet accountability expectations of stakeholders
BUSINESS ETHICS AND COMPLIANCE <ul style="list-style-type: none"> - Corporate fraud - Commercial bribery 	<ul style="list-style-type: none"> - Monitored compliance with corporate policies and procedures - Introduced the Code of Business Partnership to govern supplier relations - Ensured continued access to the Trust Line and investigated reported incidents - Promoted awareness among employees on business ethics and anti-corruption matters - Revised the Group's approach to corruption and fraud risk - Conducted mandatory anti-corruption verification of suppliers and customers - Performed internal security screenings of all candidates for senior and high-risk positions - Conducted internal audits that included corporate fraud and bribery risk assessment
INFORMATION SECURITY <ul style="list-style-type: none"> - Losses incurred by the Group from critical data leakage - Interruption of critical equipment work or processes caused by an information system failure 	<ul style="list-style-type: none"> - Implemented organisational and technical measures to identify, categorise, protect and monitor the security of confidential information and personal data, consistent with the Group's Privacy Policy - Analysed the security of IT resources - Conducted audits for compliance with information security requirements - Implemented a set of measures to ensure the safety of remote work - Organised training and tested the skills of IT users to prevent phishing attacks

ESG RATINGS

GRI 103-3

Metinvest has ESG ratings from two agencies: MSCI and Sustainalytics.

MSCI measures companies according to industry-specific exposure to ESG risks and their ability to manage those risks relative to peers on a scale ranging from 'CCC' (the lowest) to 'AAA' (the highest). Sustainalytics measures the magnitude of a company's unmanaged ESG risks on a scale from 0 (lowest risk) to 100 (highest risk).

During the reporting period, both agencies upgraded their ESG ratings for the Group.

MSCI improved its ESG rating for Metinvest from 'B' to 'BB' as at 31 December 2021. This was mainly attributed to robust policies and practices in the area of business ethics. MSCI also noted the Group's responsible approach to health and safety programmes and effective labour management.

Metinvest's ESG Risk Rating from Sustainalytics improved to 31.8 in 2021, down from the 32.0 assigned in 2020. Sustainalytics evaluated the Group's exposure to different ESG risks as high due to the nature of the steel industry. At the same time, the agency improved its assessment of Metinvest's management of material issues in the area. Sustainalytics noted the robustness of the Group's ESG programmes, practices and policies, highlighting that ESG is integrated

into its core business strategy and overseen by the Supervisory Board. The agency added that Metinvest's overall ESG-related disclosure implies strong accountability to all stakeholders. Regarding environmental management, Sustainalytics noted the Group's responsible approach to air emissions, effluents, waste issues and use of resources. In relation to the social component, the agency cited Metinvest's strong health and safety management system, contractor safety programmes and human capital practices. The Group's risk management in all categories for governance was also assessed as strong, due to its high standards of business ethics, efficient anti-bribery and anti-corruption programmes, as well as product governance.

In February 2022, after the reporting period but prior to the outbreak of the war, Sustainalytics upgraded its ESG Risk Rating for Metinvest further to 30.3 points. The main driver of this change was the management's consistent work to mitigate health and safety risks. Other factors included regular external audits, training and performance monitoring, as well as comprehensive policies covering both employees and contractors. In addition, the rating improvement was supported by stronger financial results leading to lower exposure. Sustainalytics considered the Group's management of ESG risks as strong and mentioned that it was not involved in significant controversial accidents with substantial environmental or safety liabilities as of the date of review.

SUSTAINABILITY CHARTER

GRI 102-12

Consistent with Metinvest's commitment to sustainable business practices, in early 2022, after the reporting period, the Group signed the World Steel Association's revised and expanded [Sustainability Charter](#). It is organised into nine principles with 20 associated criteria covering environmental, social, governance and economic aspects of sustainability. This reflects the industry's increasing focus on sustainability and its responsibility to generate positive impacts on people, the planet, and the prosperity of society.

WAR IMPACT

The war has significantly influenced the Group's operations and its projects contributing to the achievement of the Sustainable Development Goals. It has brought tremendous grief to Ukraine's people, including Metinvest's employees. Since the start of the war, the Group has directed its resources to help Ukraine to strengthen national defence capabilities and to support its employees and communities.

Metinvest has reprioritised its community development projects and, where possible, refocused its efforts on the provision of humanitarian aid to Ukrainians. The Group's efforts to support its people, communities and the country are described in greater detail in the respective sections of this report.

Even though Metinvest has had to postpone some important projects, such as the development of a decarbonisation roadmap, the Group has proceeded with other key social initiatives, such as Metinvest Polytechnic (for more details, see page 45).




Meanwhile, Sustainalytics has downgraded its ESG Rating for Metinvest to 40.9 points, from the previous 30.3, after incorporating the risks associated with full-scale war in Ukraine in its assessment methodology. This risk is not driven by actions taken by the Group or its management and is out of Metinvest's control.





STAKEHOLDER ENGAGEMENT

PROACTIVE OUTREACH

Metinvest's key groups of stakeholders are employees, customers, suppliers and contractors, local communities, equity and debt providers, government authorities and the media. By adhering to the principles of sustainability, the Group is better prepared to understand and respond to their diverse needs.

GRI 102-40; 102-42; 102-43; 102-44

STAKEHOLDER GROUP	IMPORTANCE	ENGAGEMENT IN 2021
<p>EMPLOYEES</p> 	<p>Metinvest's people are its most valuable asset. Following the consolidation of Kamet Steel and Pokrovske Coal, the Group employed nearly 87,000 people as of 31 December 2021.</p>	<p>Metinvest carried out regular engagement surveys to evaluate the effectiveness of actions taken to increase employee satisfaction. The Group provided numerous training programmes and courses to develop professional and personal skills. A confidential Trust Line is maintained for employees to report concerns.</p> <p style="text-align: right;">See pages 40-45</p>
<p>CUSTOMERS</p> 	<p>Metinvest's priority as a business is to meet the needs of its customers. In 2021, the Group's global network of sales offices served almost 7,200 customers from nearly 100 countries.</p>	<p>Metinvest strived to achieve excellence in customer service. It worked to enhance the quality of existing products and develop new ones tailored to customers' needs. The Group regularly communicated with customers to measure satisfaction and swiftly address concerns.</p> <p style="text-align: right;">See pages 19, 21</p>
<p>SUPPLIERS AND CONTRACTORS</p> 	<p>Metinvest's suppliers and contractors provide a significant part of the goods and services needed to achieve its goals. In 2021, the Group engaged with more than 9,500 suppliers and contractors.</p>	<p>Metinvest engaged with suppliers aiming to set a fair and level playing field for everyone. The Group has established clear requirements to maintain strict compliance with the Code of Ethics and Code of Business Partnership. These guidelines helped to ensure that existing partners and potential suppliers comply with ethical principles and business requirements.</p> <p style="text-align: right;">See pages 66-67</p>

STAKEHOLDER GROUP	IMPORTANCE	ENGAGEMENT IN 2021
LOCAL COMMUNITIES 	<p>Metinvest is an integral part of its local communities and its future as a business is intrinsically linked to them. In 2021, the Group played a major role in the social, economic and environmental well-being of around 2.8 million people in cities and towns throughout Ukraine, Italy, Bulgaria, the UK and the US.</p>	<p>Metinvest maintained partnerships to implement development programmes and enhance sustainability practices in the regions where it operates. In addition, the Group regularly communicated with representatives of local communities to identify key issues and carry out social projects that are of the greatest value for them.</p> <p style="text-align: right;">See pages 51-54</p>
EQUITY AND DEBT PROVIDERS 	<p>Equity and debt providers help Metinvest to ensure it has the financial flexibility for its development. The Group cooperated with more than 600 investors, bank lenders and a wide range of international financial institutions in 2021.</p>	<p>Metinvest worked diligently to maintain the trusted relationships developed with the financial community. Being present on debt capital markets since 2010, the Group has regularly disclosed relevant financial and non-financial information. Prior to 2021, it reported publicly available annual and sustainability reports on a standalone basis; for 2021, it combined these into a single report with a strong emphasis on sustainability matters.</p> <p style="text-align: right;">See page 27</p>
GOVERNMENT AUTHORITIES 	<p>Metinvest must comply with the requirements of around 800 government authorities in the various jurisdictions in which it operates. The Group works with regulators in key areas such as environmental protection, occupational health and safety, ethical business practices, labour rights and financial activity.</p>	<p>Metinvest fostered partnership by meeting local legal obligations, assisting in the socio-economic development of regions and being a responsible taxpayer. The Group's main approach was regular engagement or communication via public meeting platforms.</p> <p style="text-align: right;">See pages 63-65</p>
MEDIA 	<p>The media play an important role in modern society. In addition to ensuring the transparent communication and provision of public information, the media also help Metinvest to engage with other stakeholders. In 2021, the Group's press service fielded media requests from around 100 organisations worldwide.</p>	<p>Metinvest engaged with media representatives transparently and fairly. The Group interacted with this stakeholder group primarily through its press service, news releases, public reports, social media and interviews with the senior management.</p> <p style="text-align: right;">Metinvest's corporate website</p>

This infographic is specific to 2021 and does not cover the impact of the war on Metinvest's stakeholder engagement.

HEALTH AND SAFETY

AN UNWAVERING COMMITMENT

In 2021, Metinvest expanded its safety roadmap to cover new critical risk areas and continued to roll out its healthcare strategy. The Group also began working to overcome the challenge of improving the culture of occupational safety at its newly acquired assets.

GENERAL APPROACH

GRI 103-2; 103-3; 403-1; 403-2

Metinvest remains committed to building an occupational health and safety culture capable of achieving zero incidents involving employees and contractors¹ at its operations. Consistent with this commitment, in 2021, the Group focused on embedding its health and safety policies, standards and practices at the newly acquired Pokrovske Coal and Kamet Steel. This took place alongside the ongoing efforts to expand the safety roadmap, which applies a risk-oriented approach to drive positive change throughout the organisation.

Metinvest's approach to health and safety is outlined in the Policy in the Field of Health, Safety and the Environment. In addition, the Group has 15 corporate standards in place that are based on international best practices.

The Health, Safety and Environmental Committee of the Supervisory Board oversees compliance with internal procedures and local regulations. It reviews the results of incident investigations to search for areas where improvements in governance can be made through risk management initiatives and programmes. The committee also works with the executive team to embed proven occupational health and safety approaches.

The Occupational Health and Safety Department of the Sustainable Development and People Management Directorate coordinates the implementation of programmes at the Group level. Health and safety departments at each production facility ensure compliance with internal and external standards and regulations.

In October 2021, an industrial safety centre of expertise was established at Metinvest Business Services. It provides consultations, assists with internal incident investigations and training, and conducts industrial safety audits.

During the reporting period, Metinvest made further progress certifying its assets in accordance with leading occupational health and safety standards. In particular, by the year-end, 15 assets² had been certified to ISO 45001. The Group expects to continue working to have certification across its facilities.

¹ The term "contractors" refers to both contractors and subcontractors.

² Azovstal, Central GOK, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Mariupol Machining and Repair Plant, Metinvest Holding, Metinvest-Promservice, Metinvest Tramet, Northern GOK, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Zaporizhia Coke and Zaporizhia Refractories.

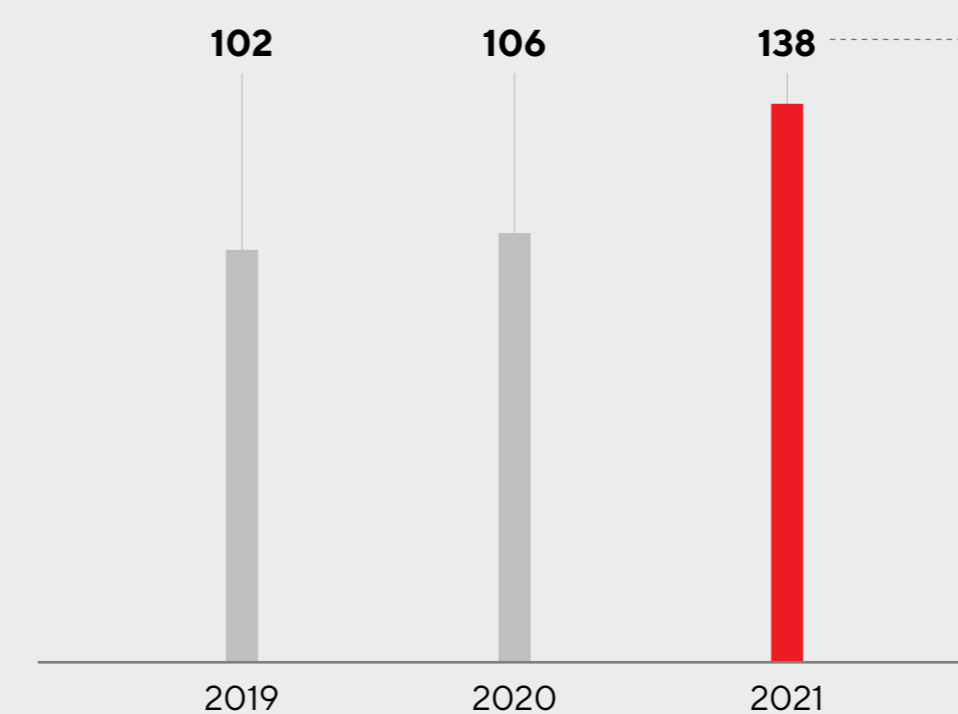
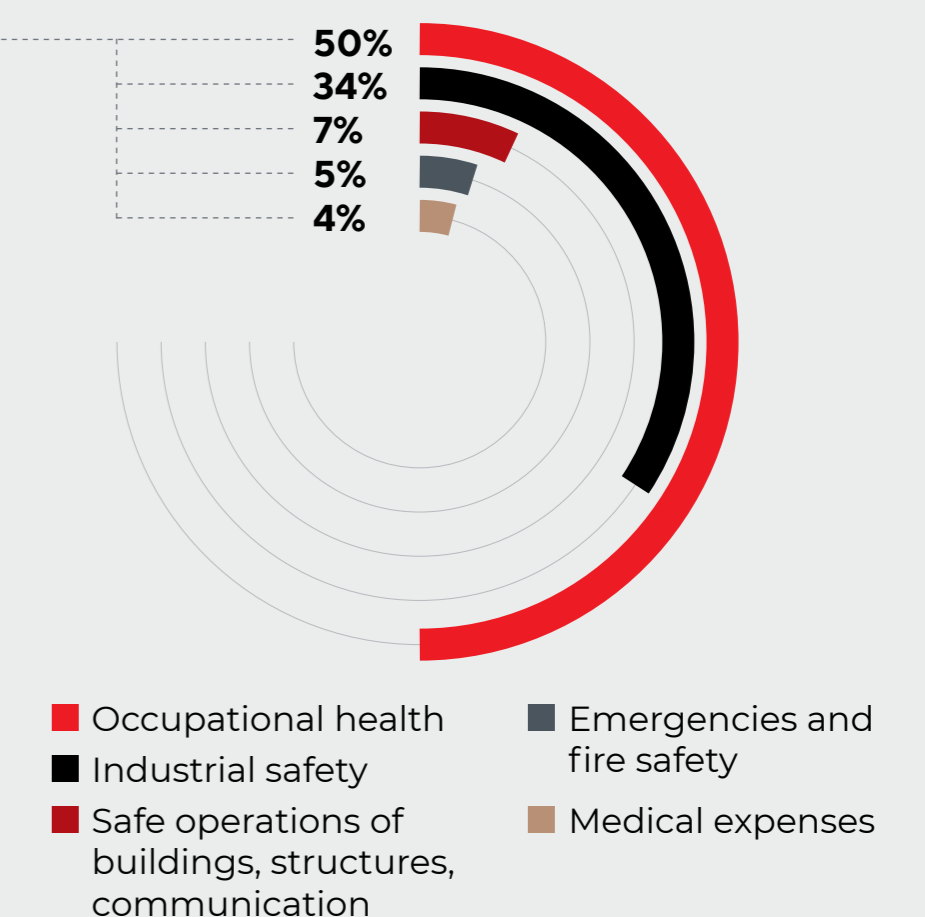
ENHANCED FOCUS

In the reporting period, Metinvest spent US\$138 million on health and safety initiatives, an increase of 31% year-on-year, as the Group prioritised key aspects of occupational health and industrial safety.

The primary focuses of the capital investment programme for 2021 were work in gas-hazardous places, safe work at height, specialised medical equipment and safe work with rail transport and lifting mechanisms.

Spending on health and safety

US\$138 mn +31%

**Spending by focus area in 2021**

AN EXPANDED ROADMAP

In 2021, Metinvest expanded the coverage of critical risks in the safety roadmap, outlining the following areas: work at height, hazardous energy control, railway transportation, hoisting and lifting operations, as well as buildings and structures. Other areas of focus included refining the health and safety incentive system and improving contractor safety.

The expansion also involved rolling out safety roadmap initiatives to cover the Pokrovske Coal and Kamet Steel assets acquired in 2021. This marked the beginning of the Group's journey to synchronise and align the health and safety practices of these assets with its own.

Kamet Steel started to implement the standards and practices applied at the Mariupol steelmakers. In addition, Pokrovske Coal developed a comprehensive programme of improvement measures, some of which were added to the safety roadmap in late 2021. For more details, see the following page.

Focused on prevalent hazards

During the year, Metinvest continued to address the needs of employees working at height. This led to the purchase and installation of additional safety equipment at its operations. The Group also renovated some of its work at height safety training centres.

In addition, Metinvest conducted risk assessments of hazardous energy sources and developed competency matrixes and specific training programmes for employees who work with them.

The Group also focused on technical measures to reduce employee exposure to hazardous energy sources.

Under the new priority of enhancing rail transport safety, Metinvest began to develop and implement measures aimed at mitigating the risk of injuries in this area. This included purchasing new railway safety equipment, installing additional signs at railway tracks and adjacent infrastructure, improving locomotive headlights and organising training for employees involved in work on railway transport.

To mitigate the risks of incidents from hoisting and lifting mechanisms, the Group upgraded certain lifting equipment at its assets, installed special stands for proper storage and testing of removable load-handling devices, and replaced crane lighting with LED lamps among other measures. Metinvest also inspected buildings and structures at its assets for damage or hazardous conditions and carried out repairs to ensure their safety.

Safety incentives

GRI 403-4

Metinvest strives to continuously strengthen the occupational safety culture throughout its operations. The Group has incentive programmes that encourage employees to participate in health and safety initiatives.

For example, in 2021, Metinvest expanded the Safe Work Award to cover an additional seven facilities³ following positive results at the initial four pilot sites⁴. The motivational programme provides incentives for employees who detect or prevent unsafe actions or conditions.

In addition, the Group introduced new software during the year to make it easier to track progress under this programme.

As part of the system for employees to address safety proposals, the best submissions participate in the CEO Award competition. In addition to the proposals selected by the CEO, this initiative has been updated to add incentive levels awarded by various organisational units, such as workshops and departments.

Another incentive tool, the Health and Safety Trigger, aims to focus the attention of Metinvest's senior managers on

safety issues. Under this mechanism, the size of bonuses is directly linked to a range of occupational health and safety metrics at particular assets, including the fatality frequency rate and other internal performance ratings, such as health and safety system efficiency and implementation of safety roadmap measures. Line managers have objectives cascaded down from the Group and asset levels. This process ensures clear goal-setting approaches that lower the risks associated with health and safety issues. Starting from 2022, the Health and Safety Trigger has also been embedded at the newly integrated assets.

Contractor safety

GRI 403-7

Metinvest believes that the safety of contractors working at its assets is just as important as the safety of its own employees. It expects them to comply with the safety rules and procedures in place at its production sites, which are set out in the Group's Safety Standard for Contractor Organisations. Metinvest regularly conducts safety audits and

holds briefings with contractors to ensure compliance with occupational health and safety regulations.

In 2021, the Group piloted the contractor safety assessment and rating methodology that it developed in 2020 at its production assets in Ukraine. It uses this methodology to assess contractors involved in hazardous work. Among other things, Metinvest

analyses their incident documentation and statistics, the results of their workplace audits and inspections, the qualifications of their employees, and the compliance of their equipment with safety requirements. It then prepares a comprehensive rating for each company that includes proposed occupational health and safety improvements. The Group also takes these assessments into consideration in future tenders.

³ Avdiivka Coke, Azovstal, Central GOK, Ingulets GOK, Kamet Steel, Mariupol Machining and Repair Plant and Zaporizhia Coke.

⁴ Ilyich Steel, Kryvyi Rih Machining and Repair Plant, Northern GOK and Zaporizhia Refractories.

PERFORMANCE IN 2021

GRI 403-9

In 2021, Metinvest recorded 99 injuries and eight fatalities among employees, as well as ten injuries and six fatalities among contractor personnel. This is a regrettable performance, and an increase from 2020, when there were 54 injuries and five fatalities among employees, as well as ten injuries and four fatalities among contractors.

Consistent with its general approach, Metinvest conducted a thorough investigation of each incident to identify the root causes. The main causes of injuries in 2021 at the Group's assets, excluding newly acquired ones, were contact with rotating machinery, falls while moving and falling objects. Metinvest used the investigation findings to identify and implement additional control measures aimed at preventing safety violations and incident reoccurrences.

The review also found that the increase in the number of injuries in 2021 was driven primarily by incidents at Pokrovske Coal.

Overall, around a third of the injuries and half of the fatalities throughout Metinvest's operations were recorded there. The higher rate of incidents was partly related to the inherently hazardous nature of underground coal mining.

In 2021, Metinvest engaged third-party experts to check the functioning of the health and safety management systems at its production assets in Ukraine, including the newly acquired Pokrovske Coal and Kamet Steel.

In addition, to address the higher rate of incidents at Pokrovske Coal, the Group reviewed industry best practices and lessons learned at its other underground mining sites, while it also engaged a global consultancy for a separate comprehensive external audit.

As a result of the audits, recommendations for improving the health and safety performance were used to develop action plans. In particular, Pokrovske Coal drew up and began to implement a comprehensive programme of

improvement measures, some of which were added to the Group's safety roadmap through two additional focus areas: explosive work and rock caving.

Consistent with international best practices, the Group includes the lost-time injury frequency rate (LTIFR) and fatality frequency rate (FFR) among the metrics that it uses to track its performance. They are measured in terms of incidents per million man-hours worked. The Group's LTIFR for 2021 stood at 0.794, which remained lower than the global benchmark for the period⁵. The FFR was 0.059 in 2021.

Analysis of these metrics revealed that Metinvest's historical assets (excluding the newly acquired assets of Pokrovske Coal and Kamet Steel) had an LTIFR of 0.541 and an FFR of 0.034 in 2021, compared with a respective 0.520 and 0.044 in 2020. Meanwhile, Pokrovske Coal and Kamet Steel had an LTIFR of 2.396 and an FFR of 0.218 in 2021. During the reporting period, Metinvest also started to disclose the LTIFR for its contractors, which was 0.446⁶.

In line with Group practice, members of the executive team performed a total of 20 onsite inspections in 2021 to verify compliance with internal standards and regulations. In addition, the industrial safety centre of expertise conducted a railway safety audit at Northern GOK; an electrical safety audit at Kryvyi Rih Machining and Repair Plant; and a series of audits of safety roadmap implementation at Metinvest's Ukrainian production facilities.

For more details, see Annex 2.

⁵ According to the World Steel Association, the global LTIFR benchmark for employees only was 1.04 in 2021, compared with 0.98 in 2020.

⁶ This excludes information about the man-hours worked by contractors for Pokrovske Colliery, as the Group was unable to collect this data due to the war. They were considered as 0.

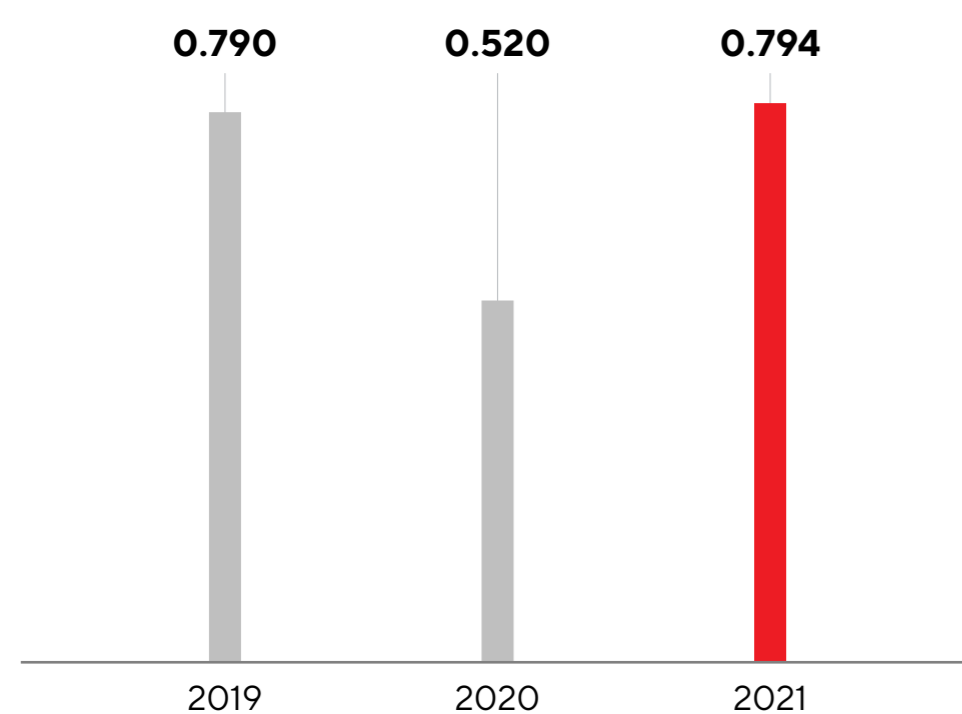
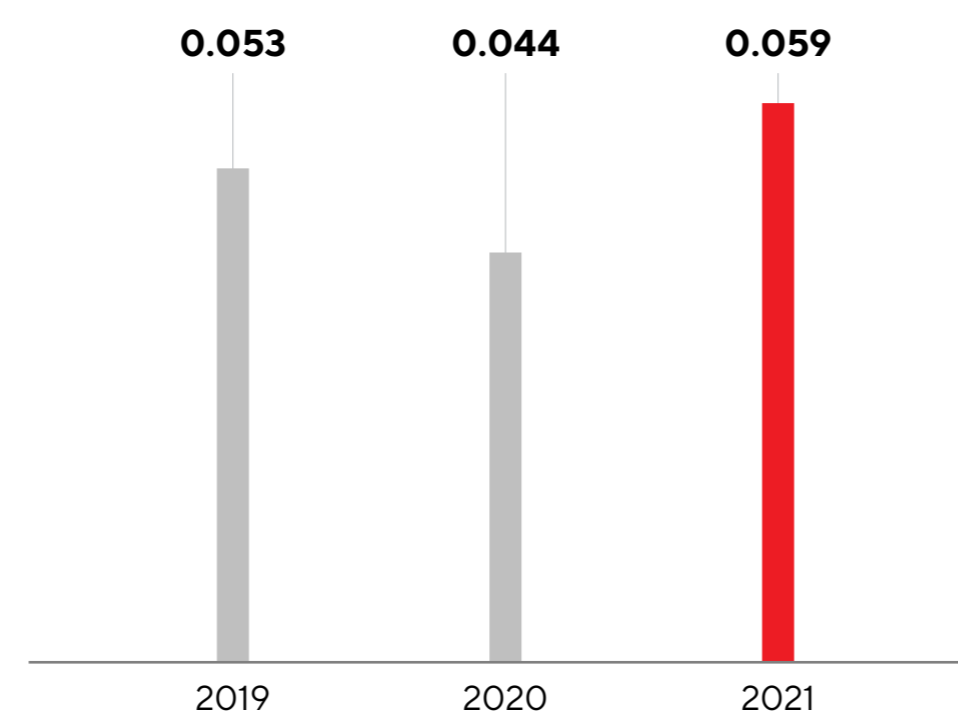
SAFE WORKSPACE PROGRAMME

GRI 403-2

During the year, Metinvest revised its approach to onsite risk assessment through the introduction of the Safe Workspace programme⁷. It replaced HAZID and HAZOP risk assessments, which are applied for large investment projects only. This programme complements the use of the job safety analysis method to assess dynamic risks whenever employees perform their work. The programme is also being rolled out at newly acquired assets.

In 2021, more than 3,500 employees completed Safe Workspace training and more than 7,000 workspaces were assessed under the new programme. Overall, these assessments identified more than 150,000 hazards, of which more than 10,000 were determined to be critical risks. This resulted in the development of more than 30,000 risk mitigation activities, of which more than 20,000 were implemented during the reporting period. These measures included the repair of buildings and structures, deployment of new safety guards and refurbishment of existing ones, installation of alarm systems and repair of equipment.

⁷ Introduced at Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest-Promservice, Northern GOK, Unisteel, Zaporizhia Coke and Zaporizhia Refractories.

Lost-time injury frequency rate**0.794** +53%**Fatality frequency rate****0.059** +34%

HEALTH AND SAFETY TRAINING

GRI 403-5

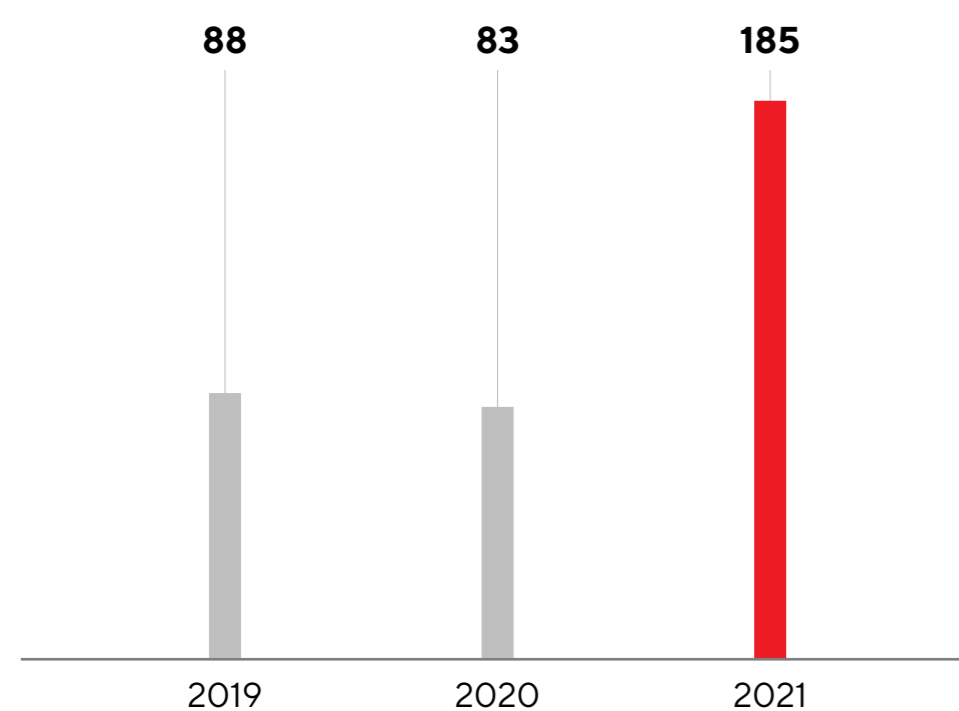
Continuous training and hands-on skills practice for employees are important prerequisites for achieving Metinvest's goal of zero incidents and successfully implementing the safety roadmap.

In 2021, more than 25,500 employees of the Group attended around 53,600 training sessions on occupational health and safety. The average amount of health and safety training received per employee during the reporting period was 12 hours. The training programmes were focused mainly on risk assessment in the most critical hazard areas, such as working at height, lifting mechanisms, LOTOTO procedures, electrical safety and working on railway transport.

In 2021, NEBOSH⁸ certification training was provided for 28 managers of the health and safety function. They passed the British National Examination Council's international exam and received NEBOSH International General Certificates.

Number of cases of workplace illness

185 +2.2x



EMPLOYEE HEALTHCARE

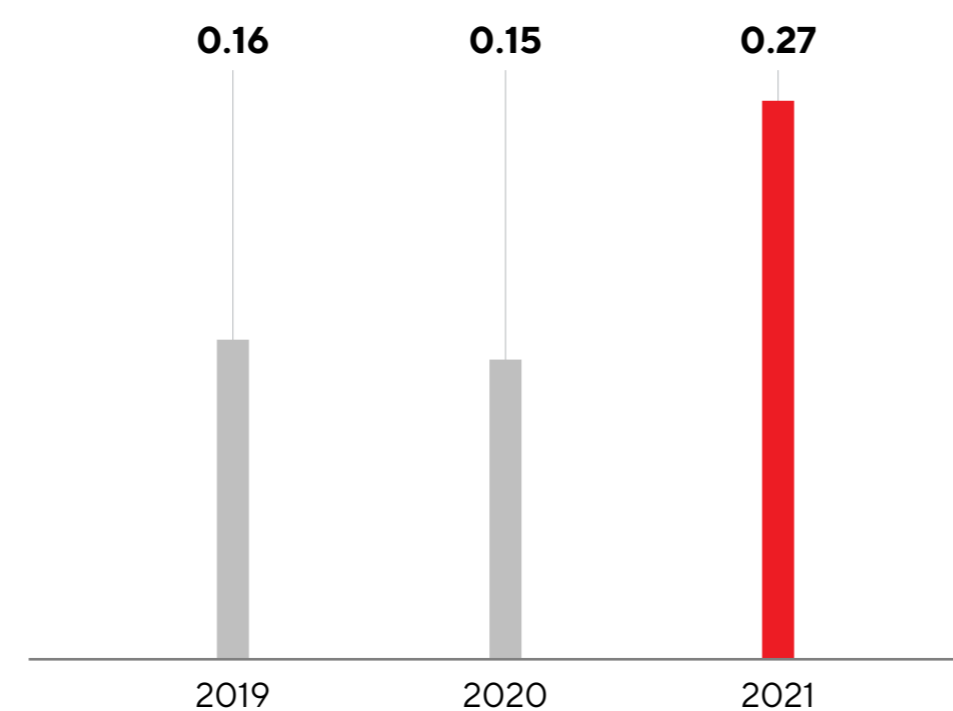
GRI 403-3; 403-6; 403-10

In 2021, Metinvest proceeded to implement the healthcare strategy that it developed in 2020. Working groups were established to assess the performance of medical facilities at the Group's assets. They identified more than 140 employee health risks, defined more than 470 barriers to reduce these risks and implemented 75 priority measures to mitigate them. In the reporting period, Kamet Steel developed a programme to transform its medical unit into an occupational medical centre in Kamianske, Ukraine.

In addition, Metinvest began to introduce electronic medical examination systems at its assets. These are comprehensive software and hardware solutions designed to identify signs of work-related hazard exposure or illness, as well as other health-related conditions that could negatively impact workplace safety. In 2021, the Group installed the first four of these systems at Ingulets GOK, Kamet Steel, Kryvyi Rih Machining and Repair Plant and Zaporizhia Refractories.

Workplace illnesses frequency rate

0.27 +80%



In 2021, the most common workplace illnesses among Metinvest's employees were radiculopathy (46% of all diseases), vibration disease (17%), and chronic obstructive pulmonary disease (10%). In 2021, the number of workplace illnesses and the workplace illness frequency rate⁹ both increased by roughly two-fold, mainly following the acquisition of new assets.

The Group's health index¹⁰ stood at 36% in 2021 (compared with 37% in 2020). In the reporting period, Metinvest continued to engage with those employees who were ill frequently or for long periods and create personal health programmes for workers most prone to certain diseases. These programmes include quarterly medical examinations, preventive procedures, medicine to strengthen the immune system and recreational activities.

The Group continued to implement comprehensive measures to stop the spread of COVID-19 among employees. In 2021, over US\$1 million was allocated to provide special personal protective equipment, purchase rapid antigen tests for prompt detection, and disinfect workplaces and vehicles. In addition, the Group continued to encourage vaccination of employees. This included providing the vaccines on-site, as well as offering three additional days off and other incentives. As of the year-end, 70% of Metinvest's employees had been immunised against COVID-19.

⁸ The National Examination Board in Occupational Safety and Health (NEBOSH) is a leading global organisation, that provides health, safety and environmental qualifications.

⁹ The workplace illness frequency rate is calculated as follows: total number of work-related ill health cases x 200,000 / total number of hours worked per year.

¹⁰ The health index is an indicator that displays the absolute number of employees who did not suffer from a workplace illness resulting in a temporary loss of working ability during a year, presented as a percentage of the total number of an enterprise's employees.

WAR IMPACT

Metinvest's key priority throughout the war has been to protect the health and safety of its people. The Group continues to undertake a range of measures to maintain operations at its assets to the extent that is safe for employees.

Unfortunately, Metinvest has paid a huge price in the fight for Ukraine's freedom and independence. As of 1 August 2022, the Group is aware of 381 employees and family members killed in Russia's armed aggression, although this number does not likely reflect the total as many people remain unaccounted for. Among the known dead are those who gave their lives defending Ukraine and others who died in senseless attacks on their homes, workplaces and public spaces.

To honour their memory, Metinvest has introduced a moment of silence during team meetings at its assets.

In addition, 402 employees and their family members are among the known wounded as of 1 August 2022. The Group provides medical assistance to them as part of its humanitarian support efforts, as well as under insurance programmes for its employees.

PEOPLE

A VITAL ASSET

Metinvest's personnel management system is guided by recognised international labour principles and proven best practices. In 2021, the Group's human capital management function focused primarily on the integration of thousands of new employees at recently acquired assets.

GENERAL APPROACH

GRI 103-2; 103-3

Metinvest applies best international practices in its approach to personnel management, including the standards of the Society for Human Resource Management.

At the highest level of the Group's corporate governance structure, the Appointments and Compensation Committee of the Supervisory Board oversees personnel management, including questions related to dismissal and appointments to senior positions, motivation, assessment and reward systems, as well as succession planning.

The Sustainable Development and People Management Directorate is responsible for strengthening labour relations, supporting an effective system of employee remuneration and professional development, as well as enhancing corporate culture.

Metinvest's human capital management strategy, which was approved in 2019, aims to enhance the Group's attractiveness as an employer and provide it with skilled employees, increase staff efficiency and improve the quality of internal HR services for the workforce.

In 2021, Metinvest developed a Human Capital Management Policy, which came into effect in early 2022, after the reporting period. It is based on the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, as well as the International

Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The policy enshrines Metinvest's commitments to non-discrimination and equal opportunity. It also covers working hours and rest periods, prohibition of child and forced labour, freedom of employee association and the right to collective bargaining. Overall, the policy aims to establish a safe and supportive working environment for employees.

CORPORATE CULTURE

A core aspect of Metinvest's approach to engaging with its people is fostering a cohesive corporate culture. The Group has a dedicated department responsible for this important area within the Sustainable Development and People Management Directorate.

In 2021, Metinvest implemented several key initiatives to develop its corporate culture. For example, the Group enhanced its talent management system by updating its approach to the succession pool and the related corporate training programme. It also worked to create an integrated communication system through the introduction of general corporate feedback mechanisms and an upgrade of the corporate media platform.

Following acquisitions in 2021, the human capital management team prioritised introducing Metinvest's HR practices and corporate culture at Kamet Steel and Pokrovske Coal.

GROWTH THROUGH ACQUISITIONS

GRI 102-7; 102-8

In 2021, Metinvest's headcount expanded by 25% year-on-year to nearly 87,000 people. This significant growth occurred primarily through the consolidation of Kamet Steel and Pokrovske Coal. As of 31 December 2021, production staff constituted almost three quarters of its workforce, while 27% of employees occupied administrative and managerial positions.

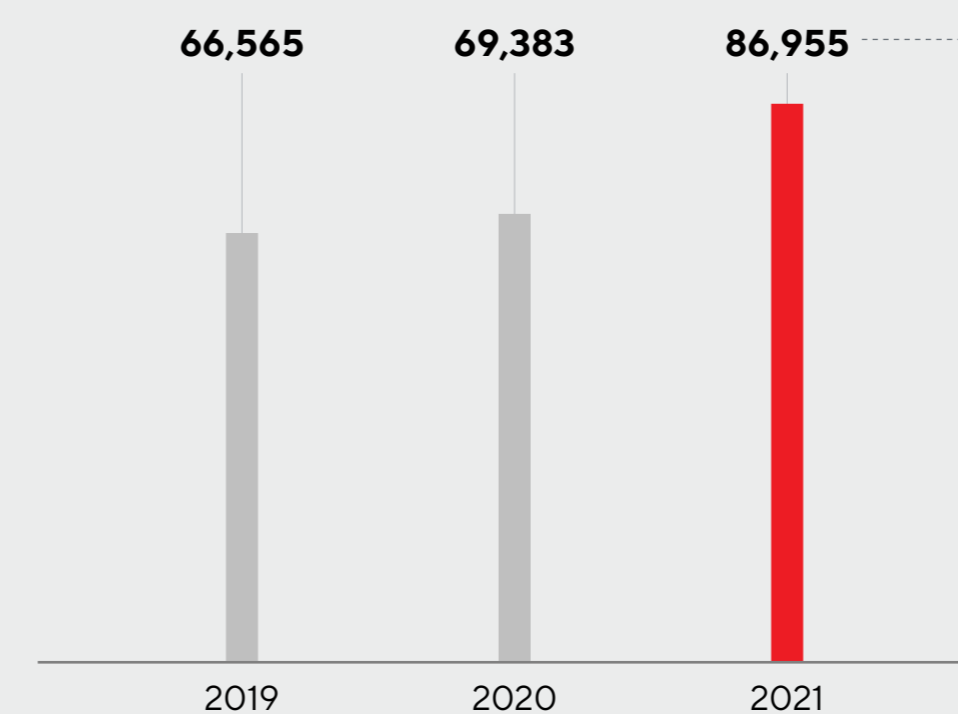
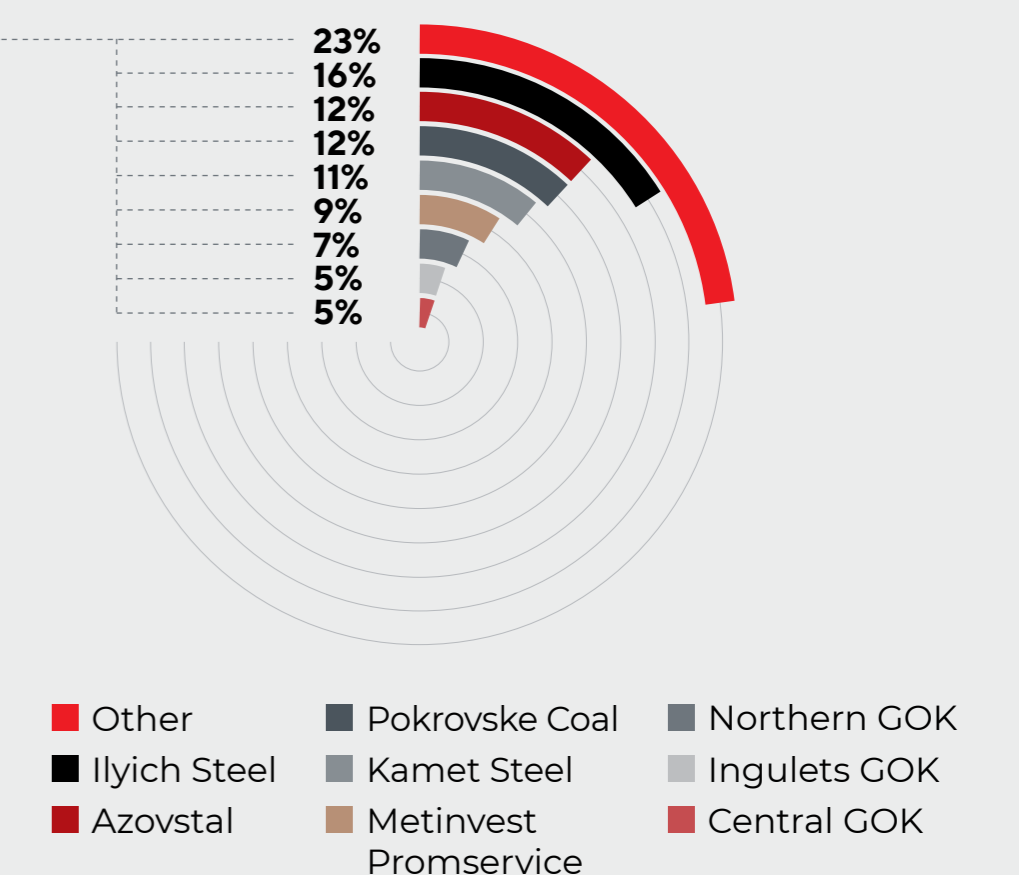
With 97% of its staff employed in Ukraine, Metinvest remained one of the country's largest employers¹.

At the same time, headcount of the Group's JVs – Zaporizhstal and Southern GOK – decreased by 3% and 2% year-on-year to nearly 10,200 and 6,200 people, respectively, as of the end of 2021.

¹ According to Forbes Ukraine as of January 2021 and Vlada Groshei (the Power of Money) as of March 2021.

Employee headcount

86,955 employees +25%

**Employees by asset in 2021**

HUMAN RIGHTS

GRI 102-17; 410-1; 412-1; 412-2

Metinvest is committed to protecting labour and human rights in all its business activities. The Group fosters a creative, collaborative and trusting work environment. It does not tolerate discrimination on the grounds of race, skin colour, gender, age, religion, ethnicity, nationality or any other characteristics. The Code of Ethics and the Human Capital Management Policy outline Metinvest's core principles for ensuring the protection and observance of human rights.

The Group has several communications systems in place to ensure that employees feel comfortable reporting any potential violations of their rights. This includes a Trust Line, Metinvest's communication channels and a corporate portal.

Since 2019, Metinvest has tested employees' knowledge of the Code of Ethics using an online course that covers specific aspects related to human rights. In the period from 2019 to 2021, 95% of the Group's employees completed this training.

Building a stronger dialogue

GRI 102-41; 407-1

Metinvest recognises the inherent and legally protected right of employees to create and join trade unions and engage in collective bargaining to protect their common interests. Industry agreements and collective contracts apply to all employees regardless of their union membership. As of 2021, collective bargaining agreements covered over 99% of production personnel at the Group's assets.

In 2021, Metinvest adopted four new internal documents aimed at strengthening its dialogue with various employee groups, notably labour organisations, female employees, young professionals, and retired and former employees:

- the Principles of Social Dialogue with Trade Unions – governing the approaches of the Group's facilities to build effective cooperation with trade unions
- the Principles of Gender Equality – promoting gender equality, supporting women's rights and strengthening the Group's corporate culture
- the Principles of Engagement with Metinvest's Youth – designed to help young professionals at the Group to adapt, develop and socialise, as well as to improve retention among young employees
- the Principles of Engagement with Metinvest's Retirees – aimed at enhancing the Group's interaction with former employees who are currently out of work, as well as people who have retired from Metinvest.

Equal opportunities

GRI 405-1

All employees working at Metinvest have equal access to training and professional development programmes. The Group also provides equal opportunities for participation in personnel appointment procedures.

During the year, Metinvest updated its collective agreements with clauses providing equal remuneration for men and women when performing the same job. This aims to ensure that salaries, incentives, benefits and other forms of compensation – both financial and in-kind – are free of any kind of discrimination whether by gender, race, religion or trade union membership.

In addition, the Group enshrined the principles of gender equality in the Remuneration Policy by defining an approach to salary revision for employees returning from a prolonged absence, for example after maternity leave or military service.

Metinvest also launched a gender equality dashboard to continuously monitor gender diversity metrics. They include the share of women in both total headcount and leadership positions at various levels, the average salary of women and men by position level, and the number of new hires and promotions by gender, among other metrics.

The Group offers flexible working hours and parental leave for staff with children. It also has childcare and healthcare programmes designed for the parents in its workforce.

The working hours of Metinvest's employees must comply with the requirements of the national legislation of the countries where it operates and international standards. To ensure a safe

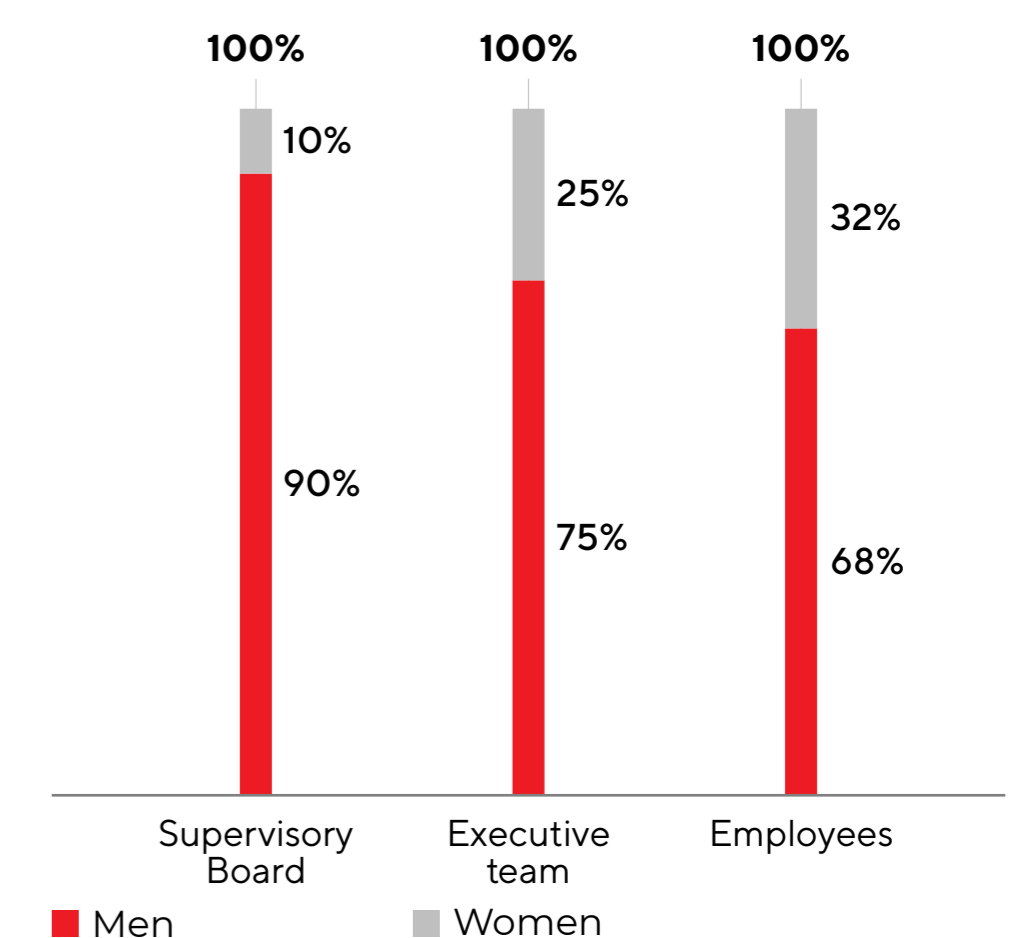
working environment, the Group requires its entities to keep a record of the actual time worked by each employee.

Metinvest strives to improve workplace accessibility and negotiates employment terms for employees with disabilities on an individual basis to ensure that working time and the nature of duties accommodate their specific needs. At the end of 2021, the total number of employees with disabilities was 2,694, compared with 1,961 at the end of 2020. The increase was primarily caused by the consolidation of new assets.

As metallurgical and mining operations have traditionally required hard physical work, male employees have tended to outnumber women in these occupations. As of 31 December 2021, women accounted for around 32% of headcount (up one percentage point year-on-year), 25% of the executive team and 10% of the Supervisory Board (both unchanged year-on-year).

For more details, see Annex 2.

Gender diversity in 2021



COMPENSATION

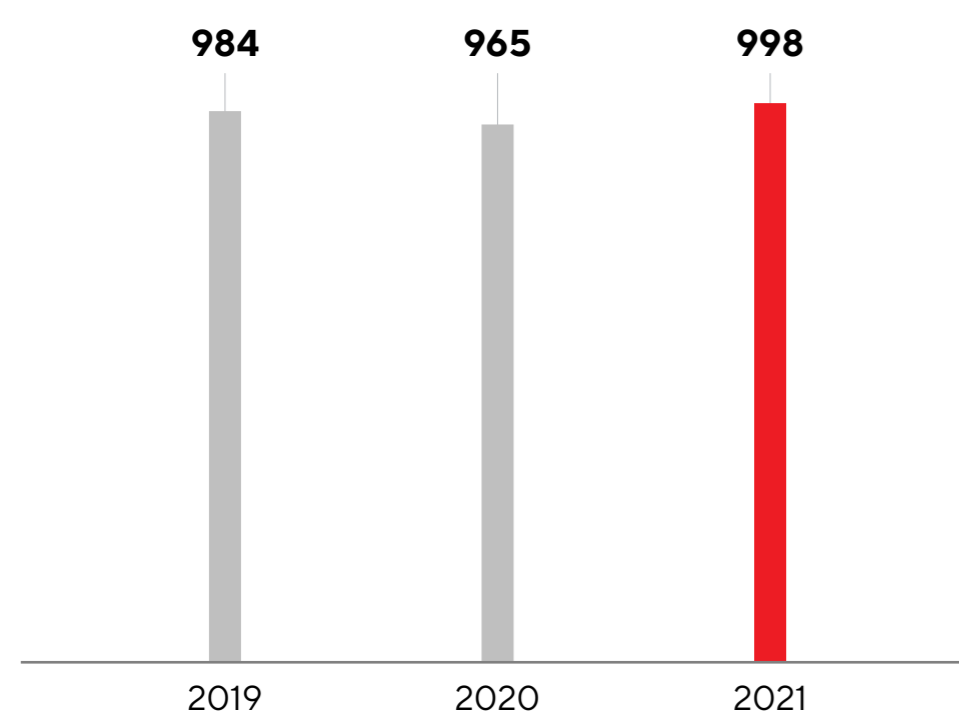
Metinvest strives to provide competitive remuneration to its employees through a combination of salary, bonuses and other monetary incentives. In 2021, the Group conducted a salary review using a model that differentiated depending on the category of personnel. This allowed it to retain employees in the scarcest professions.

As part of this effort, Metinvest increased by an average of 10% the salaries of production personnel at Ukrainian assets in the first half of the year and those of administrative and managerial personnel in Ukraine in the second half of the year. The average overall monthly salary across the Group during the reporting period increased by 3% year-on-year to US\$998.

In addition, to support the operational improvement programme, Metinvest developed a motivation model for its production workforce and sales staff in 2021. This initiative led to the payment of extra bonuses for the year totalling

Average monthly salary

US\$998 +3%



US\$5 million to employees from the most effective departments throughout the Group. Metinvest also continued to focus on health and safety incentives. For more details, see page 37.

SOCIAL BENEFITS

GRI 401-2

Metinvest recognises that the social benefits it offers employees must remain relevant to their needs in order to ensure comfortable working conditions. In 2021, the Group continued to provide health insurance options that allow employees to access a wide range of medical services. It also offered special material assistance programmes to support its personnel during difficult life situations. When such circumstances occurred, employees could request monetary compensation, which was provided at the discretion of the general director and chairperson of the trade union committee at their entity.

In 2021, Metinvest also continued to improve working conditions for employees. Overall, the Group invested US\$20 million (a three-fold increase year-on-year) to enhance the social infrastructure (including administrative buildings, canteens, office furniture and equipment) and transport that it uses to provide amenities to its workers.

In addition, another initiative of Metinvest – the Territory of Childhood programme – was aimed to provide school supply kits for school-age children of employees, as well as gifts to children before the Christmas and New Year holidays.

Also, as a result of the continued pandemic in 2021, employees were offered the opportunity to work remotely on a part- or full-time basis, depending on their job. This required developing the ecosystem of IT tools for effective communication and ensuring continuous training and development opportunities.

My Choice

In 2021, Metinvest continued to expand both the coverage and the range of options available under My Choice, a programme offering individualised social packages that was launched in 2014. As of the year end, over 62,000 employees at 14 assets² participated in the programme after it was launched at two more assets (Metinvest Business Services and Metinvest-SMC) in 2021.

Overall, My Choice offered 70 types of benefits in 2021, among which were healthcare insurance, education and development, as well as additional travel, holiday, entertainment and family options.

Several of the My Choice benefit options that the Group successfully pilot tested at selected facilities in 2020 were also rolled out to other assets during the reporting period. These included early development classes for employees' children, family entertainment and vacation travel, driving courses and personal development trainings for employees, as well as educational and recreation programmes for their children.

At the all-Ukrainian HR Pro Awards 2021, My Choice won the Rewards and Recognition nomination.

HR SHARED SERVICE CENTRE

Since 2018, Metinvest Business Services has operated the Group's HR shared service centre, which ensures the effectiveness of personnel management processes.

It offers around 120 different services, including organisational planning, personnel administration, training, performance assessment, as well as compensation and benefits management. The shared service centre also advises employees on a variety of HR matters.

As of the end of 2021, around 70,000 Metinvest employees used its services, compared with 40,000 in 2020.

In 2021, the Group continued to improve the HR shared service centre's offerings for employees. This included launching the OpenText document management solution to help automate document registration and approval processes; a chat bot to serve as a round-the-clock tool providing employees with information while also polling their sentiments; and the Micro Focus system, which provides employees with digital services including meetings, training sessions and consultations.

In addition, in 2021, Metinvest introduced a tool that systematically assesses the quality of the HR services provided by the shared service centre based on feedback received from employees at different levels of the Group.

² Avdiivka Coke, Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest Business Services, Metinvest Digital, Metinvest-Promservice, Metinvest-SMC, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

TRAINING AND DEVELOPMENT

GRI 404-1; 404-2

Metinvest provides a wide range of training and development opportunities to ensure continuous professional and career growth for all employees to meet business needs. The Group's learning and development system is represented by its Corporate University, the training centres at its assets, as well as Metinvest Polytechnic, a private university for the steel and mining industry established by the Group in 2020.

Overall, Metinvest spent around US\$5 million, up 78% year-on-year, on human development through expanded training programmes in 2021. At the same time, the Group also continued to offer re-training to employees whose positions were made redundant through business process automation.

In total, 47,503 Metinvest employees were engaged in internal training during the year, an increase of 8% year-on-year. They attended 112,682 training sessions³ (up 1% year-on-year) and received an average of 64 hours of training.

The Corporate University launched several new managerial training initiatives in 2021. These included:

- the Project Academy, a module-based programme designed to develop the professional competencies of project managers and chief engineers
- the Sales Academy programme, aimed to develop the professional skills of the sales team
- the Digital Academy programme, designed to enhance the competencies required for the Group's digital transformation

In addition, during the year, Metinvest piloted a mentoring programme for managers and employees. A total of 15 mentors and 30 mentees were involved in the initial cohort.

In 2021, the Group continued to train junior and mid-level leaders at its facilities through regular management practice sessions. The soft-skills training was focused on the development of communication skills, public speaking,

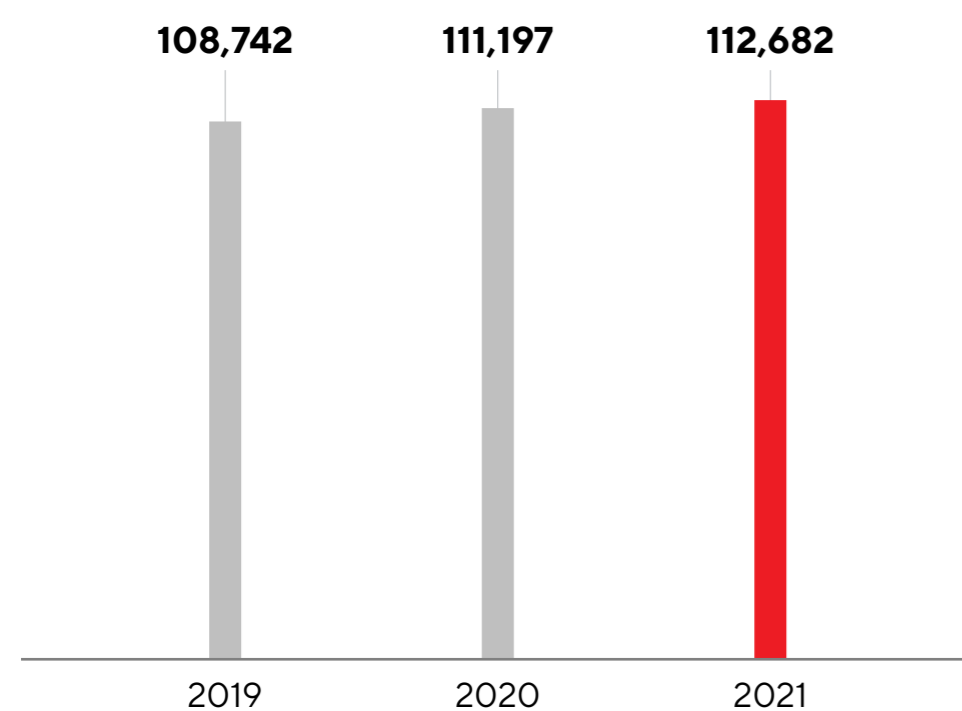
thinking outside the box and indirect influence.

In terms of professional training for workers, during the year, Metinvest introduced several new initiatives under its roadmap aimed at improving training quality at its training centres. One example is hands-on training simulators for maintenance fitters and electric gas welding machine operators that allowed them to gain practical knowledge in various production situations. The Group also designed a pilot online course for sling operators that was accessible from any device for employee convenience.

In addition, Metinvest Polytechnic and the Corporate University introduced a joint programme to organise advanced training for the Group's employees, which had more than 200 participants in 2021. The key areas of training were HSE, metallurgy, mining, coke production, production process automation and business analytics technology.

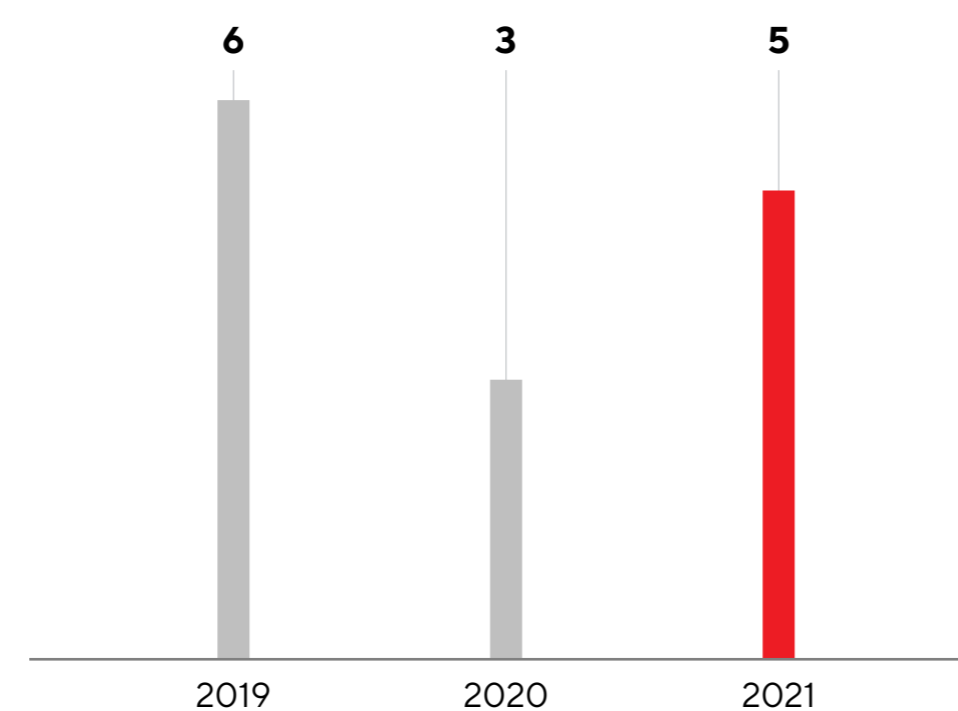
Employee training sessions

112,682 +1%



Spending on employee training

US\$5 mn +78%



³ Numbers represent the cumulative number of training sessions attended by employees during the reporting period.

YOUNG TALENT

GRI 404-2

In 2021, Metinvest adopted a new approach to the development of vocational education. To modernise the educational system in Ukraine, the Group is working to improve the quality of education in schools, increase students' interest in STEAM disciplines and develop secondary specialised educational institutions.

In particular, during the year, Metinvest launched a vocational guidance programme for schoolchildren. In addition, the Group organised the Steel-Tok career exhibition for pupils, which took place in January 2022 in Zaporizhzhia. It used a quest format with simulator areas to present occupations that are currently in high demand.

To foster the development of the next generation of young professionals, during the reporting period, Metinvest supported internships, dual education programmes, student case study championships, the WorldSkills Ukraine professional skills competition and scholarships. In 2021, more than 7,000 students participated in these programmes.

For the sixth consecutive year, Metinvest served as the general partner of WorldSkills Ukraine, a vocational skill competition for vocational school students and young professionals.

Under COVID-19 restrictions, the competition was organised and held in a mixed format: individual offline competitions and online broadcasts on social networks. The contest had more than 200 participants. The winners included 19 young employees of Metinvest.

In 2021, more than 260 students from universities and vocational schools in Kryvyi Rih, Mariupol and Zaporizhzhia took part in Metinvest's pilot dual education programme. The Group also provided scholarships to more than 1,500 students from five universities and six vocational schools in Ukraine.

During the year, 2,100 students from 45 universities and colleges in Ukraine participated in Metinvest's annual programme offering placements for practical study and internships. As a result, the 362 best performing interns received job offers upon completion. They were among some 600 recent graduates in Ukraine who accepted the first employment offers in their careers from the Group.

Metinvest also continued to develop professional standards to update the training system at enterprises and educational institutions. This helped to align state qualification and educational standards in Ukraine with modern production requirements. To date, the Group has developed 50 professional standards that have been approved by the Ukrainian government. In 2021, it revised 33 educational standards and three professional standards.

In addition, the Metinvest Young Leaders programme provided a unique opportunity for employees under the age of 30 to work in cross-functional teams, receive professional guidance from the Group's executive leadership and develop solutions to improve production processes. In 2021, more than 700 employees applied for the programme's seventh season and over 100 of them were accepted.

CAREER GROWTH

Metinvest strives to provide opportunities for career growth to motivated employees.

The Group posts information about available vacancies publicly and holds open competitions for appointments to mid-level and senior management positions.

A dedicated committee makes hiring decisions based on the results of a competitive test assignment where applicable.

Metinvest measures the performance of its personnel development and promotion initiatives using specific KPIs.

For example, the number of appointments to senior positions from the Talent Pool (a programme to train candidates for leadership positions) is indicative of the quality of employee training programmes, as well as how well the pool is being built.

Another KPI is the number of equipment failures caused by human error. Monitoring this metric helps to shape training and focus on problem areas. It also reflects the quality of mentorship provided to young employees.

In 2021, Metinvest updated its competency model to ensure that it has the digital expertise and knowledge needed to quickly respond to new business challenges.

METINVEST POLYTECHNIC

GRI 404-2

Consistent with its commitment to improve the quality of technical education in Ukraine, the Group has established Metinvest Polytechnic, the country's first private steel and mining university.

Construction of a modern, comfortable campus started in 2021 in Mariupol. Metinvest Polytechnic planned to open the doors to the initial cohort of students in September 2022. While the war has forced some aspects of these plans to be postponed, the university and its staff have shifted gears to offer the university's innovative programmes through an online platform.

Ultimately, the essence of Metinvest Polytechnic is derived from people, not a specific place. The university has a qualified teaching staff. It has obtained licences from the Ministry of Education and Science of Ukraine to offer advanced learning courses in metallurgy, mining, computer science, innovation technologies, environmental protection, occupational health and safety and economics. In addition, it is developing new educational programmes to prepare specialists to rebuild and modernise metallurgical production.

This innovative concept for training modern engineers concentrates the most relevant global scientific achievements and practices in the fields of metallurgy, industrial business and transformational management. The Group also expects its leadership team to be engaged in the learning process and is creating a special independent centre to monitor the quality of education. The capstone of each educational programme will be the implementation of an individual or group project commissioned at one of Metinvest's facilities.

In addition to offering a wide range of courses for the Group's employees, in mid-2022, after the reporting period, Metinvest Polytechnic launched the admissions process for its bachelor and master programmes. The university has prepared an educational facility in Zaporizhzhia to welcome students. Importantly, education will be provided free of charge for employees of the Group and their children.

WAR IMPACT

The war has had a profound impact on Metinvest's people. Several thousand employees have joined the military forces to defend Ukraine. Tens of thousands of employees have had to evacuate their homes, in particular from Mariupol and Avdiivka, to safer areas in Ukraine or to other countries.

Since the start of the war, the Group has stepped up to help its employees and their families. It has established rehabilitation and reintegration centres away from combat zones that provide affected employees temporary accommodation, humanitarian aid, medical care and psychological support. Metinvest has also set up a hotline to register employees evacuated from hot spots and ensure they receive support. In addition, it has arranged temporary housing, food and medical care at its existing social facilities.

Many employees in less affected areas have opened their homes, volunteering to take in colleagues and their families.

In addition, to support its people to the extent possible, the Group has made new job opportunities available at assets not directly impacted by the war, including facilities in Kamianske and Zaporizhzhia. In cooperation with partners, Metinvest Career Centres have offered job opportunities for internally displaced employees. If they cannot find a job for which they are qualified, the Group offers help for them to adapt to a new one or learn another profession through retraining.

Given the inherent unpredictability of war, Metinvest continues to monitor developments and adapt its approach to ensure that it is providing its people the support they need in this difficult time.

ENVIRONMENT

AN ENDURING PRIORITY

In 2021, Metinvest worked diligently to reduce its environmental impact and contribute to global efforts to tackle climate change. The Group continued to make significant investments in efficient production equipment and partnered with leading international experts in green steelmaking.

GENERAL APPROACH

GRI 103-2; 103-3

Metinvest's strategic vision on environmental protection is based on the following priorities:

- reduce environmental impact
- preserve raw materials and energy resources and use them efficiently
- safeguard natural landscapes and biodiversity

The Group's key environmental principles include complying with legislative requirements and establishing multi-level control systems. Metinvest's approach to managing its impact in this area is governed by the Policy in the Field of Health, Safety and the Environment.

At the highest level of the Group's corporate governance, the Supervisory Board's Health, Safety and Environmental Committee provides strategic oversight of Metinvest's environmental management.

The environmental function within the Group's Sustainable Development and People Management Directorate ensures compliance with legislative requirements, conducts risk assessments and internal audits, and develops strategies to reduce the ecological footprint of the business, among other priorities.

At the asset level, members of senior management meet quarterly to discuss key environmental issues and take decisions regarding the implementation of relevant projects.

In 2021, Metinvest continued to evaluate its assets for compliance with international standards. In particular, Metinvest-Promservice and Zaporizhia Coke obtained ISO 14001:2015 environmental management system certification during the reporting period. As of the year-end, 14 of the Group's assets¹ had such certification.

Throughout the year, Metinvest conducted regular internal audits to assess its environmental impact. They covered production activities and included analysis of measures to reduce air and greenhouse gas (GHG) emissions, waste management initiatives, use of water resources and compliance with water quality standards.

The Group seeks to maintain an open dialogue with all stakeholders to jointly solve ecological issues in the regions where it operates. Any direct complaints about environmental matters may be submitted via the Trust Line.

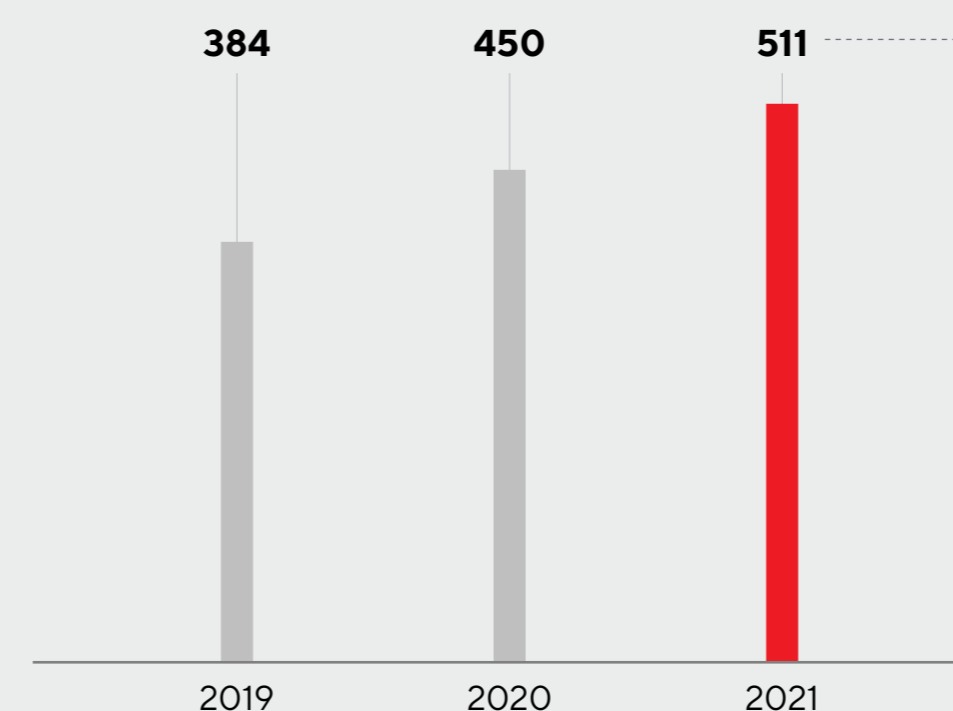
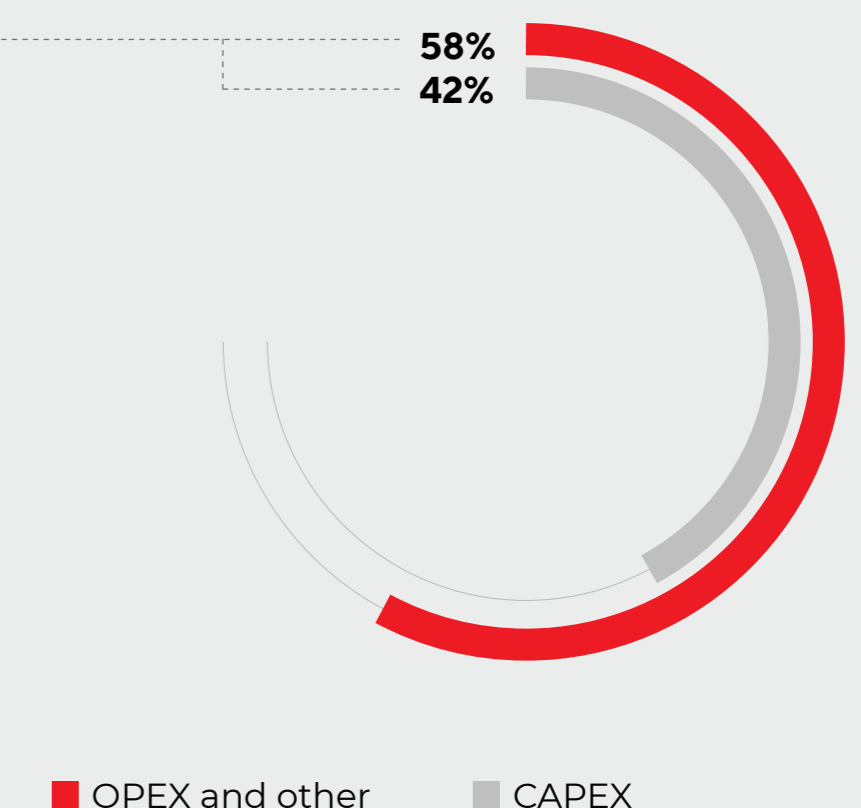
¹ Azovstal, Central GOK, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Mariupol Machining and Repair Plant, Metinvest Holding, Metinvest-Promservice, Metinvest Tramet, Northern GOK, Promet Steel, Spartan UK, Unisteel and Zaporizhia Coke.

REACHING NEW HEIGHTS

During the reporting period, Metinvest spent US\$511 million on environmental initiatives, up 14% year-on-year.

Of this, US\$213 million was capital expenditure², an increase of 4% from the previous year's record amount.

² Environmental CAPEX for assets located in Ukraine is calculated based on Ukrainian regulatory requirements and methodology and may differ from the IFRS approach.

Spending on environment**US\$511 mn** +14%**Spending by type in 2021**

ADDRESSING CLIMATE CHANGE

Metinvest recognises that climate change is a global challenge and supports the fight against it. Consistent with UN SDG 13 (Climate Action), this was one of the Group's sustainability priorities in 2021. For more details about SDG contributions, see page 31.

During the reporting period, Metinvest considered decarbonisation options for its operations, engaged with industry associations on climate change to find technological solutions in this area, and worked to enhance community awareness of related topics.

GHG emissions disclosures

GRI 305-1; 305-2; 305-4

The GHG emissions of Metinvest's assets include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), while CO₂ remains the primary greenhouse gas emitted by the Group.

As of 1 January 2021, the way in which Metinvest calculates its CO₂ emissions changed, following the adoption of Ukraine's new law "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions". It amended the methodology used to calculate CO₂ emissions from stationary sources, using the full carbon balance at an installation's input and output points. Previously, calculations were based on the emission rates of relevant substances under the terms of an installation's applicable permits. As the new approach is in line with the one adopted by the EU, it made the Group's CO₂ intensity reporting comparable with those of EU-based peers.

Although Metinvest was not obliged to begin using the new methodology until 2022 in its reporting for 2021, for reasons of accountability and transparency, it recalculated and presented historical numbers proactively in its sustainability reporting for 2020 for the first time.

This was intended to ensure comparability between reporting years and with other similar metals and mining companies. In addition, although not required by this new framework, the Group calculated direct Scope 1 CO₂ emissions from mobile sources and indirect Scope 2 CO₂ emissions associated with its electricity purchases in accordance with the Greenhouse Gas Protocol.

In 2021, the Group's CO₂ emissions increased. In particular, Scope 1 CO₂ emissions totalled 24.8 million tonnes, up 7% year-on-year, while Scope 2 CO₂ emissions amounted to 3.1 million tonnes, up 15% year-on-year. The Scope 1 CO₂ emissions grew primarily because of the consolidation of the newly acquired assets of Kamet Steel. Scope 2 CO₂ emissions increased year-on-year as electricity consumption grew at some of the Group's existing assets, mainly due to higher production and repair loads, as well as the integration of Pokrovske Coal.

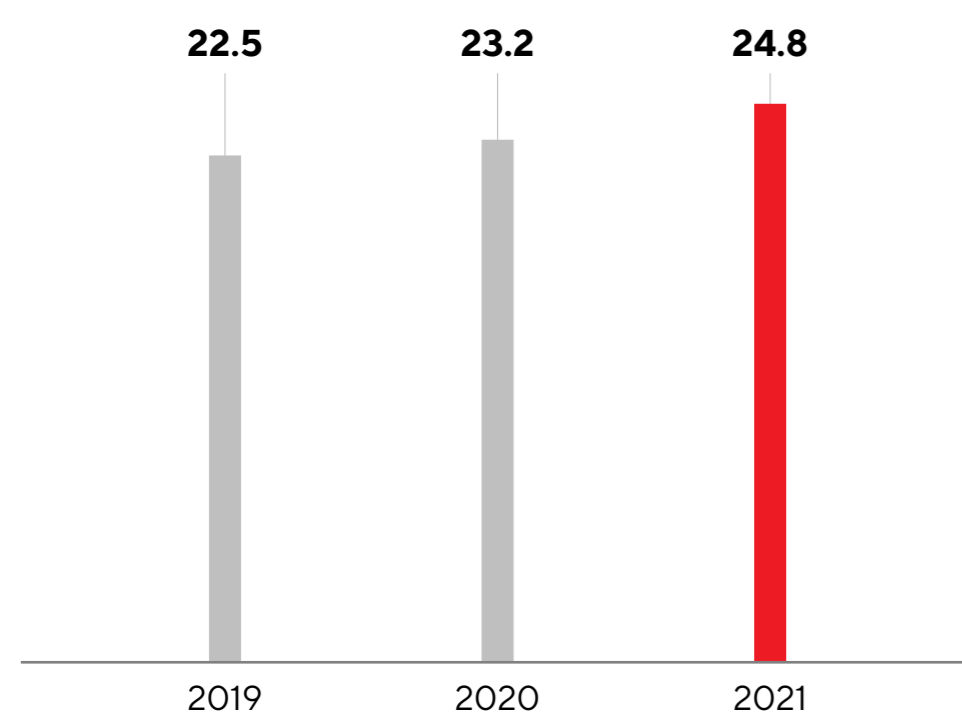
Meanwhile, the direct CO₂ emissions intensity of Metinvest's steelmakers fell by 6% year-on-year to 2.17 tonnes of CO₂ per tonne of crude steel production. This was primarily caused by growth in production efficiency, as well as a reduction in the consumption of carbon-containing materials. The latter was achieved mainly through the implementation of the following initiatives:

- upgrading the gas cleaning facilities for the casthouse and stockhouse of blast furnaces Nos. 4 and 5 at Ilyich Steel
- undertaking the complex modernisation of the sinter plant at Ilyich Steel
- overhauling the heating walls of coke oven batteries Nos. 3 and 4, as well as air heaters of blast furnaces Nos. 3 and 4 at Azovstal
- a quality improvement in the coal blend at Azovstal and burden in the BF-process at Ilyich Steel

Metinvest emits methane mainly from its coking coal underground mining operations. In 2021, the Group's CH₄ emissions increased to 84 thousand tonnes (compared with 12 thousand tonnes in 2020) as a result of the consolidation of Pokrovske Coal. Meanwhile, United Coal decreased its methane emissions year-on-year, primarily by sealing off abandoned areas in its Affinity mine, which are the largest source of such emissions, and installing a methane flare.

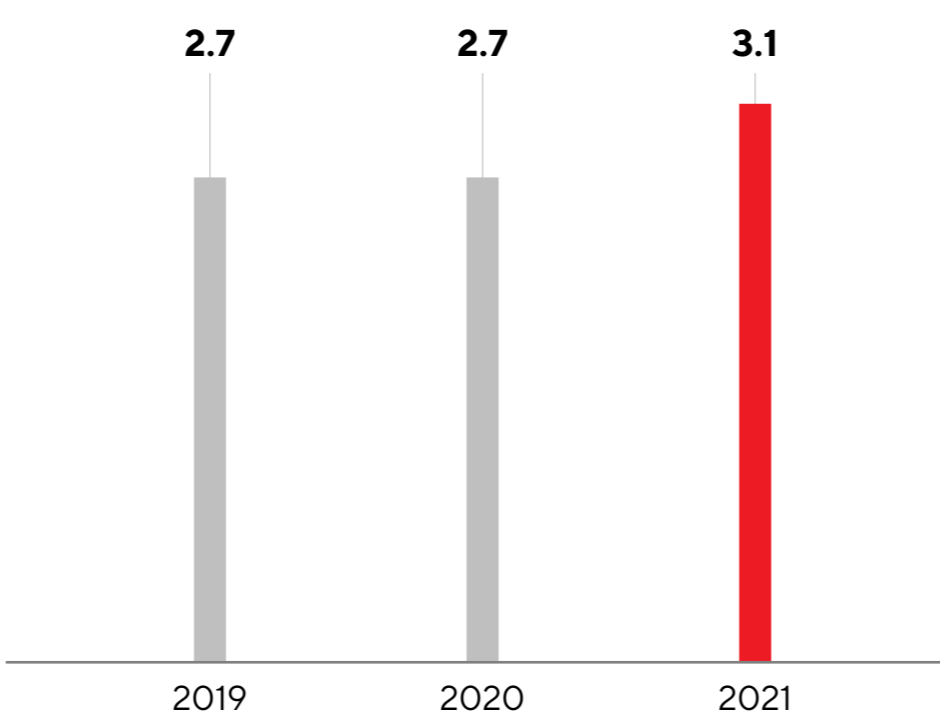
Direct CO₂ emissions (Scope 1)

24.8 mt +7%



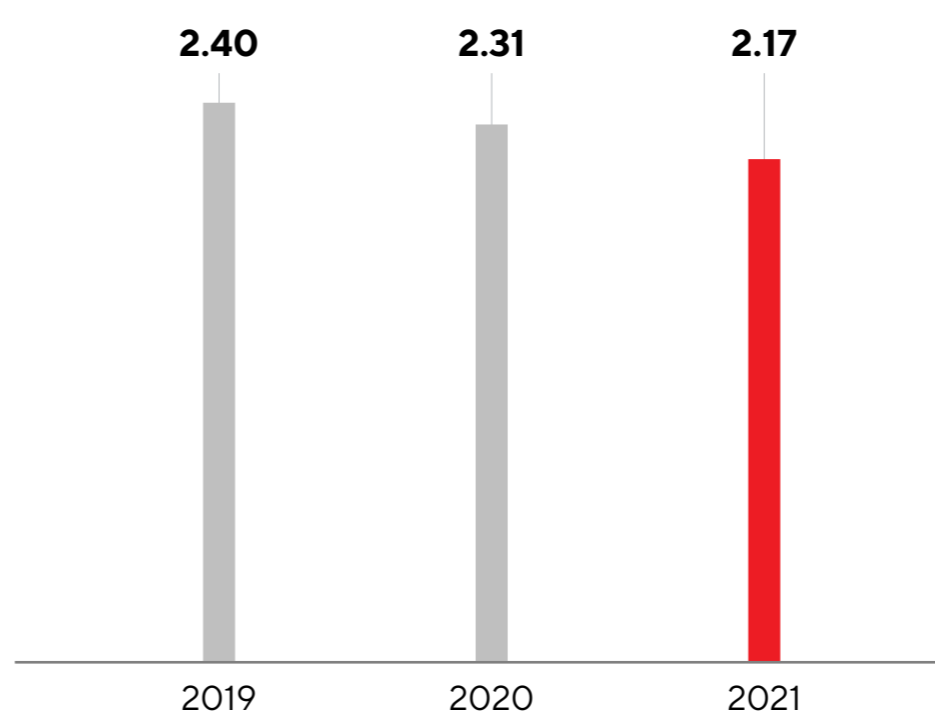
Indirect CO₂ emissions (Scope 2)³

3.1 mt +15%



Direct CO₂ emissions intensity, per tonne of crude steel⁴

2.17 tonnes -6%



³ Scope 2 CO₂ emissions were calculated using the location-based method. As Metinvest generally purchases electricity from traders, this approach reflects the average emissions intensity of power grids through which energy consumption occurs, primarily using grid-average emission factor data. This data cannot be used for the purposes of taxation or other withholdings.

⁴ The calculation is based on Scope 1 stationary and mobile CO₂ emissions of the Group's steelmakers. As Metinvest is a vertically integrated company and is self-sufficient in core raw materials for steel production, only those material flows directly used in steelmaking processes were taken into account, while volumes of merchant pig iron were not included. The intensity indicators for 2019-2020 were restated to exclude raw materials used in the production of merchant pig iron.

Decarbonisation

In 2021, Metinvest worked to develop a long-term decarbonisation roadmap, although it has since had to postpone these efforts because of the war. The intended step-by-step approach was to include key milestones for the transition to low-carbon operations, in line with international best practices. The decarbonisation journey was planned to be supported with respective targets and a list of technological measures designed to achieve these goals.

The Group's search for feasible pathways was focused on known and proven technologies, including direct reduced iron (DRI) in combination with the electric arc furnace (EAF). For more details, see the following [interview with Metinvest's CEO](#).

Metinvest was pursuing its decarbonisation agenda through partnerships with international leaders in green steelmaking. During the reporting period, the Group signed memoranda of understanding on the development of decarbonisation technologies with several experts in metals and mining, including K1-MET, Primetals Technologies and SMS group⁵.

Notably, in 2021, the Financial Times and the research company Statista named Metinvest Trameal, one of the Group's Italian re-rollers, in its listing of Europe's Climate Leaders. The rating consisted of 300 companies that achieved the greatest reduction in their GHG emissions intensity in 2014-2019, adjusted for revenue growth. To earn its place in the ranking, Metinvest Trameal reduced its core GHG emissions by 6.8% during that period.

In early January 2022, after the reporting period, Metinvest became a member of the European Steel Technology Platform (ESTEP), which gathers stakeholders from steel companies, the academic and scientific fields, steel technology and equipment suppliers, and customers in the steel industry. Participation in ESTEP will make it possible to enhance collaboration with industry leaders on innovative, low-carbon steelmaking technologies in the future.

ENERGY EFFICIENCY

GRI 103-2; 103-3; 302-1; 302-4

Metinvest has a dedicated division at the executive team level, as well as energy management and efficiency departments at each production asset. They are responsible for planning and controlling energy resource consumption in production and implementing energy efficiency measures.

The Group has been developing energy management systems at its production assets that conform to international standards. At the end of the reporting period, ten assets⁶ had certified their energy efficiency management systems as compliant with ISO 50001:2011.

In 2021, the direct energy consumption of Metinvest's assets increased by 13% year-on-year to 236,547 terajoules, mainly due to the consolidation of the new Kamet Steel assets.

The Group spent US\$16 million on energy efficiency measures during the reporting period, a nearly two-fold increase year-on-year. It implemented the following key energy efficiency projects at several of its assets:

- installing more efficient lighting systems, pumps and other equipment
- increasing the productivity of sintering machines
- modernising the compressed air system

This contributed to an increase in energy savings by 4% year-on-year to 5,179 terajoules.

In 2021, Metinvest also engaged a contractor to implement turn-key projects that deliver energy savings. The Group pays for the provision of such services using the economies achieved.

AIR EMISSIONS

GRI 305-7

In 2021, Metinvest's air emissions increased by 8% year-on-year to 388 thousand tonnes. This was primarily driven by the integration of the newly acquired assets of Kamet Steel, which emitted 30 thousand tonnes in the period following their consolidation into the Group.

Excluding the new assets, total air emissions would have fallen by around 2% year-on-year, primarily because of lower carbon monoxide emissions at Azovstal, following the repair of the air heaters of its blast furnaces.

⁵ K1-MET is a leading Austrian competence centre for the development of advanced metallurgical and environmental processes. Primetals Technologies is an international pioneer in the fields of engineering, plant building and lifecycle services for the metals industry. SMS group is a leading company in iron and steelmaking technologies.

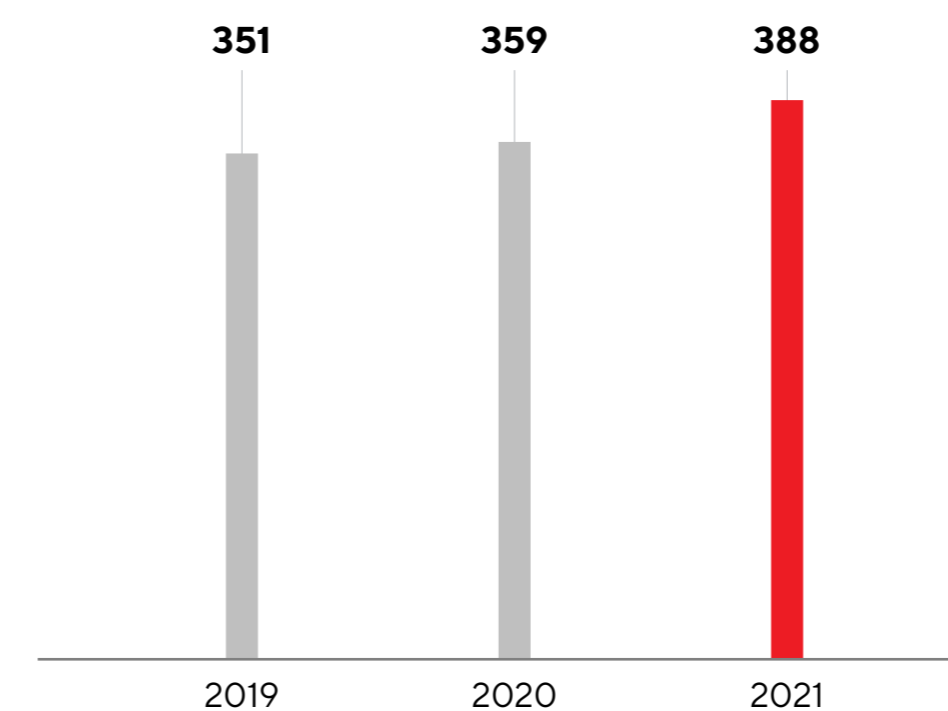
⁶ Avdiivka Coke, Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kamet Steel (coking facilities), Mariupol Machining and Repair Plant, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

⁷ The air emissions indicators were restated for 2019-2020 because of a revised approach that excludes N₂O and CH₄ generated by Ukrainian assets from the calculation of the total, as they are included in GHG emissions.

⁸ For 2021, this indicator excludes some non-material data of Mariupol-based assets that could not be retrieved when preparing the reporting because of the impact of the war in 2022. Only purchased (or extracted) fuel was factored into the calculations. The coefficient used for conversion from TOE to TJ is 1 TOE = 0.0293076 TJ. Metinvest does not use higher heating values (HHV), also known as gross calorific values (GCV), in its calculations of energy consumption from fuel.

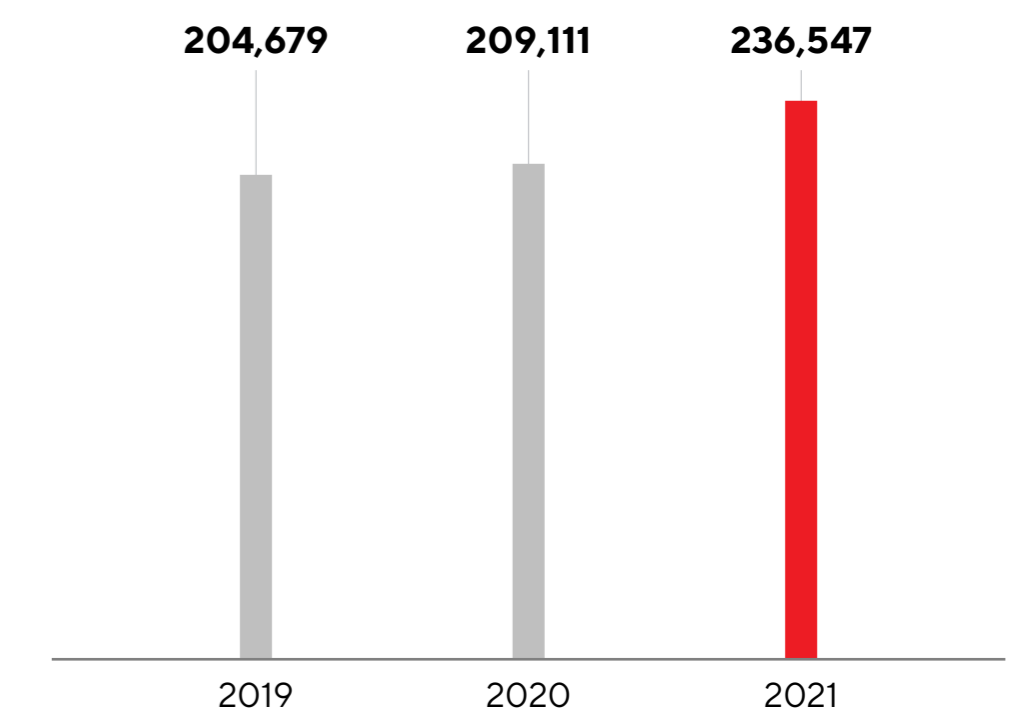
Air emissions (excluding GHG emissions)⁷

388 kt +8%



Direct energy use⁸

236,547 TJ +13%



WASTE MANAGEMENT

GRI 306-1; 306-2; 306-3; 306-4

Responsible waste management is an important aspect of Metinvest's environmental agenda. The production cycle generates industrial waste, including overburden and tailings from ore extraction and enrichment, chemical by-products from coke production, as well as slag and iron-containing sludge from hot metal and steel production.

Throughout its operations, the Group strives to minimise the volume of waste generated and store it safely in specially designated areas. Metinvest also works to maximise its reuse and recycling, including through the production of crushed rock for road repair and construction, the commercialisation of by-products such as coal tar pitch, naphthalene, benzene produced from coking gas generated during coke production, and the replacement of iron ore raw materials with scrap. Overall, in 2021, the share of scrap consumed by

the Group's steelmakers for total steel production was 20%, up one percentage point year-on-year.

In accordance with applicable legislative requirements and Metinvest's internal regulations, all assets regularly collect data about the volumes and types of waste that they generate. Each asset has coordinators responsible for gathering the required information and uploading it digitally into the Group's centralised database.

Metinvest deposits its waste in specially designated areas, including slag and sludge storage facilities at steelmaking assets. In addition, the Group's iron ore mining assets operate tailings storage facilities for waste material from the production of concentrate. These structures are commonly located in areas that feature relatively low seismic activity and reduced exposure to strong rains. Metinvest fully complies with regulatory requirements and applicable legislation

to retain the licences required to operate such facilities. The Group closely monitors dam stability at the tailings facilities and designates employees responsible for checking them twice a day. It also tracks waste volumes and disposal methods and assesses any associated impacts. In addition, external control is performed annually by the Ukrainian state authorities that analyse the condition of the tailings facilities.

In the reporting period, Metinvest generated 270 million tonnes of industrial waste from production, 99% of which was non-hazardous, mostly overburden and tailings from the iron ore producers. The slight increase (6% year-on-year) in waste generation was mainly due to the production growth of the Group's iron ore producers. Meanwhile, the total volume of recycled wastes increased by 15% year-on-year to 69 million tonnes as a result of an increase in the use of mining waste as a construction material for roads in Ukraine.

ENVIRONMENTAL PROJECTS

GRI 203-2

In 2021, Metinvest achieved progress on numerous environmental initiatives. Consistent with the Group's commitment to its ESG agenda, it completed the auxiliary work for the modernisation of the Ilyich Steel sinter plant during the reporting period. Its direct environmental impact resulted in a reduction of dust emissions by 90% and sulphur dioxide emissions by 46%. In addition, in June 2021, Ilyich Steel finished the upgrade of gas cleaning facilities for the casthouse and stockhouse of blast furnace No. 5. It also completed a similar project at blast furnace No. 4 in February 2022, after the reporting period. These initiatives aimed to cut dust emissions from the blast furnaces by over 65%.

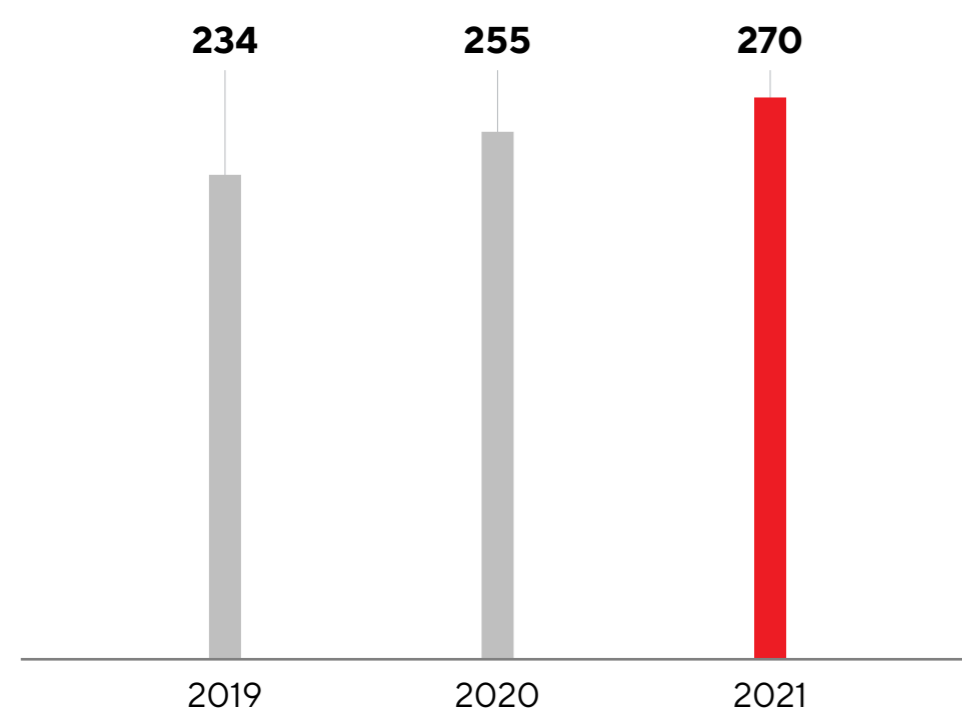
Azovstal was working on the modernisation of gas cleaning equipment of the basic oxygen furnaces, which aimed to cut dust emissions and reduce water usage through the application of best available techniques. The project was expected to be one of the Group's largest environmental initiatives following the completion of work at Ilyich Steel's sinter plant.

Northern GOK advanced the replacement of gas cleaning units for its Lurgi 552-A roasting machine, which was completed in early 2022, after the reporting period, to reduce dust emissions from the equipment by 40%.

Metinvest also continued to implement a programme of extensive maintenance on the coke oven batteries at Azovstal, Avdiivka Coke, Kamet Steel and Zaporizhia Coke to keep air emissions well below the permitted local levels.

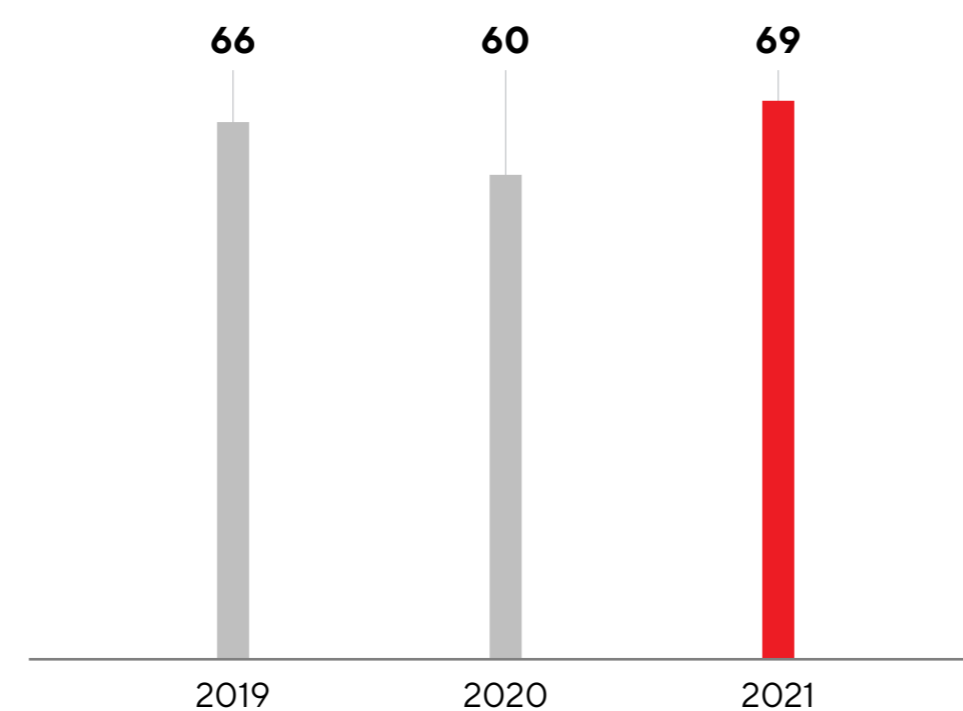
Waste generated

270 mt +6%



Waste recycled

69 mt +15%



WATER MANAGEMENT

GRI 303-1; 303-2; 303-3; 303-4; 303-5

Metinvest seeks to proactively identify, prevent and reduce the potential impact of its operations on water resources.

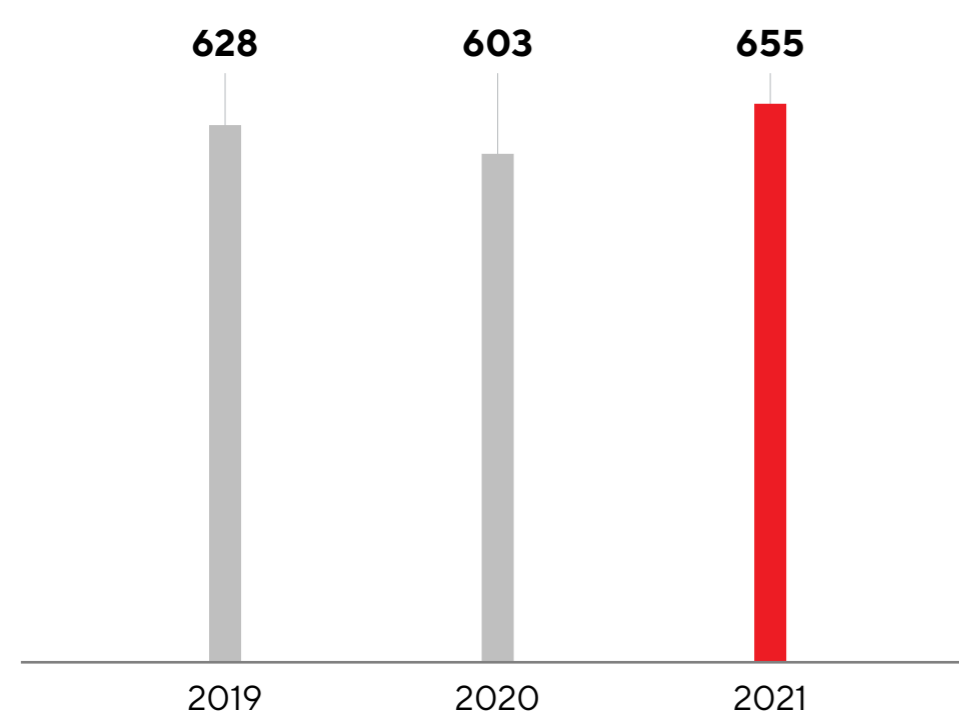
The Group's production assets use only fresh and salt water from surface and ground water sources and utility systems. They do not consume water from areas undergoing water stress.

In 2021, Metinvest primarily used water to cool equipment or substances without direct contact with the raw materials or products. Systems were designed to require insignificant freshwater intake to replenish the reverse cooling cycles when water evaporates.

The Group's iron ore mining assets use recycled water to prepare a mixture with milled ore before separating the valuable components from the waste material, known as 'tails'. The latter are sent to the assets' tailings storage facilities.

Water intake

655 mcm +9%



In addition, the BOF production process uses water to purify the gas from steel production. This recycled water is cleaned in storage ponds and returned to the production process.

Metinvest carefully monitors the quality of water resources that are used and withdrawn by its assets to ensure compliance with existing environmental legislation. It also regularly modernises its laboratories to ensure the accuracy of measurements.

In 2021, the total volume of water intake and consumption increased by 9% year-on-year each to 655 million cubic metres and 639 million cubic metres, respectively. This was driven primarily by the integration of new steelmaking assets in Kamianske and greater output by Azovstal.

Recent acquisitions also impacted the share of freshwater intake, which reached 25% in 2021, up three percentage points year-on-year.

During the reported period, water discharge increased slightly by 1% year-on-year to 532 million cubic metres, mainly due to consolidation of the newly acquired assets of Kamet Steel. This was almost fully compensated by a lower discharge at Azovstal.

During the reporting period, the Group recycled and reused 81% of water consumed from all sources, which was the same level as in 2020.

For more details on key environmental data, see Annex 2.

BIODIVERSITY

GRI 304-1; 304-2; 304-3; 304-4

Metinvest cares about the preservation of biodiversity and monitors the efficiency of the measures that it takes to reduce its impact in this area. The Group's assets do not operate in any protected natural areas or areas of high biodiversity value. In addition, its activities do not affect the habitats of species on the International Union for Conservation of Nature (IUCN) Red List or national conservation list.

Metinvest strives to restore lands disturbed through its mining operations. It also undertakes a range of measures aimed at preserving landscapes, reducing the area of disturbed land and restoring sites to their previous condition.

According to Ukraine's Mineral Resources Code, Land Code, Mining Law and Land Protection Law, as well as other Ukrainian and US legislation and regulations, the Group is responsible for site restoration and soil rehabilitation upon decommissioning all non-hazardous waste storage facilities and mines. Metinvest's commitment to such rehabilitation work is underpinned by the licences for subsoil use obtained from the government authorities.

The Group's facilities continuously implement greening measures to reduce dust at dumps, tailings facilities and sanitary protection zones. They also engage in joint efforts to enhance the urban ecosystem.

Since the creation in 2001 of the Vizyrka nature preserve, Ingulets GOK has provided comprehensive support to protect its landscape. During the project's implementation, the Group significantly improved the health of water bodies and enhanced the fertility of the land in the nature preserve. The area has become home to more than 100 new species of animal life.

WAR IMPACT

The war has presented Metinvest and Ukraine with immediate and potentially serious environmental risks. To mitigate them, the Group has moved rapidly and decisively to safeguard its Ukrainian facilities.

For example, the decision to suspend production at some of the Group's assets minimised the risk of environmental impacts from damage incurred to the plants by shelling, disruptions in energy and water supplies, and other factors.

As of the time of writing, it is too early to assess the impact of the war on Metinvest's long-term environmental strategy and plans. Many of the initiatives in this area have been postponed, primarily because of the temporary occupation of some of Ukraine's territory, including Mariupol.

Metinvest remains committed to its overall agenda in this area and is carrying out some investment and maintenance work at facilities not directly affected by the hostilities, for instance at Kamet Steel. The Group's iron ore assets are implementing ongoing environmental projects, including dust suppression measures at tailings storage facilities. Metinvest's facilities outside Ukraine are also making progress on their environmental initiatives.

COMMUNITIES

A LASTING PARTNERSHIP

Metinvest strives to make a long-term, positive impact on community development in the areas surrounding its operations. To guide these efforts, in 2021, the Group developed a new internal regulation covering social spending and community engagement.

GENERAL APPROACH

GRI 103-2; 103-3

Metinvest's well-coordinated sustainable development approach is a key aspect of achieving its strategic business goals. At the Group level, the Supervisory Board approves the budget for social partnership programmes. The Sustainable Development and People Management Directorate oversees this process, while the Regional Development Department is responsible for implementing these projects at the regional level.

Metinvest supports an open dialogue with residents to gain insight into public opinion so that it can implement projects that create the greatest value. In 2021, a dedicated business function provided support by monitoring and analysing public opinion. The Group used the results of the studies to ensure that its initiatives met the needs of local people and to form a basis for future decision making.

In 2021, Metinvest developed a new internal regulation to guide this work: the Approaches and Principles of Social Spending and Local Community Engagement. Adopted in January 2022, after the reporting period, it determines which areas to prioritise and sets criteria for project selection. It also establishes an approach to monitoring and assessing initiatives that are implemented.

The regulation provides the following guidance:

Comprehensive approach. Take a comprehensive approach to social investment to solve urgent problems more effectively and contribute to regional development

Partnership. Join forces with stakeholders, including local authorities, residents and public organisations, to develop and implement social projects

Relevancy and efficiency. Strive to improve the efficiency of social investment management so that the result meets goals and is of maximum benefit to communities

Strategic focus. Take a strategic approach to social investment, planning activities for the long term and with a significant impact

LOCAL FOCUS

GRI 203-1; 203-2; 413-1

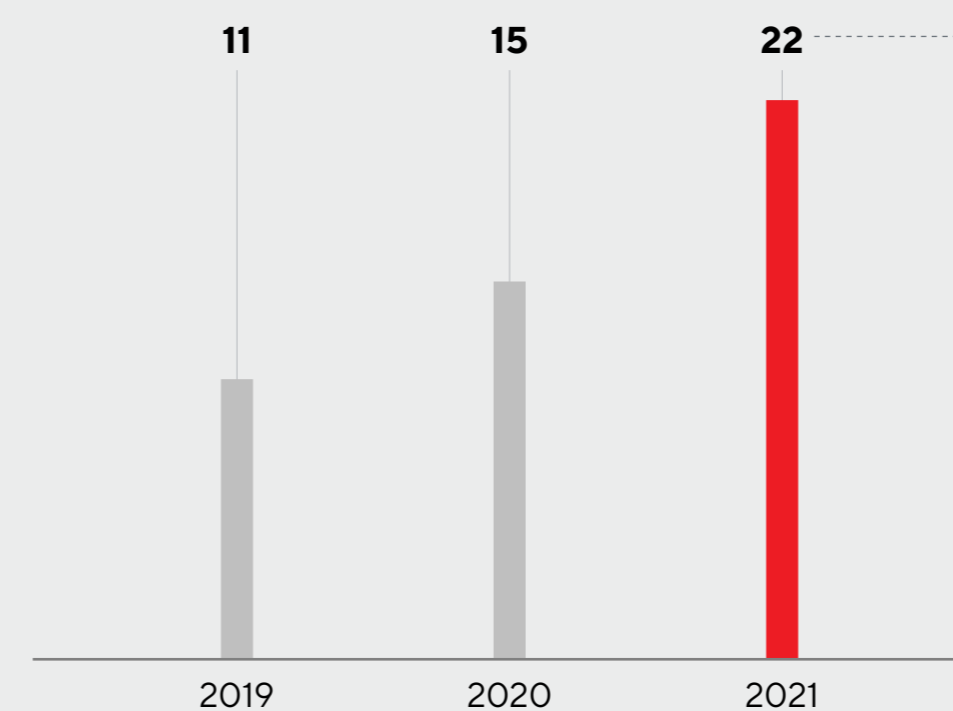
In 2021, Metinvest spent US\$22 million (up 40% year-on-year) on social partnership programmes in six key areas: social infrastructure, healthcare, education, culture and sport, community engagement and environmental stewardship.

The Group also continued to provide financial support to socially disadvantaged groups and those in distress and donated more than US\$0.5 million for charities.

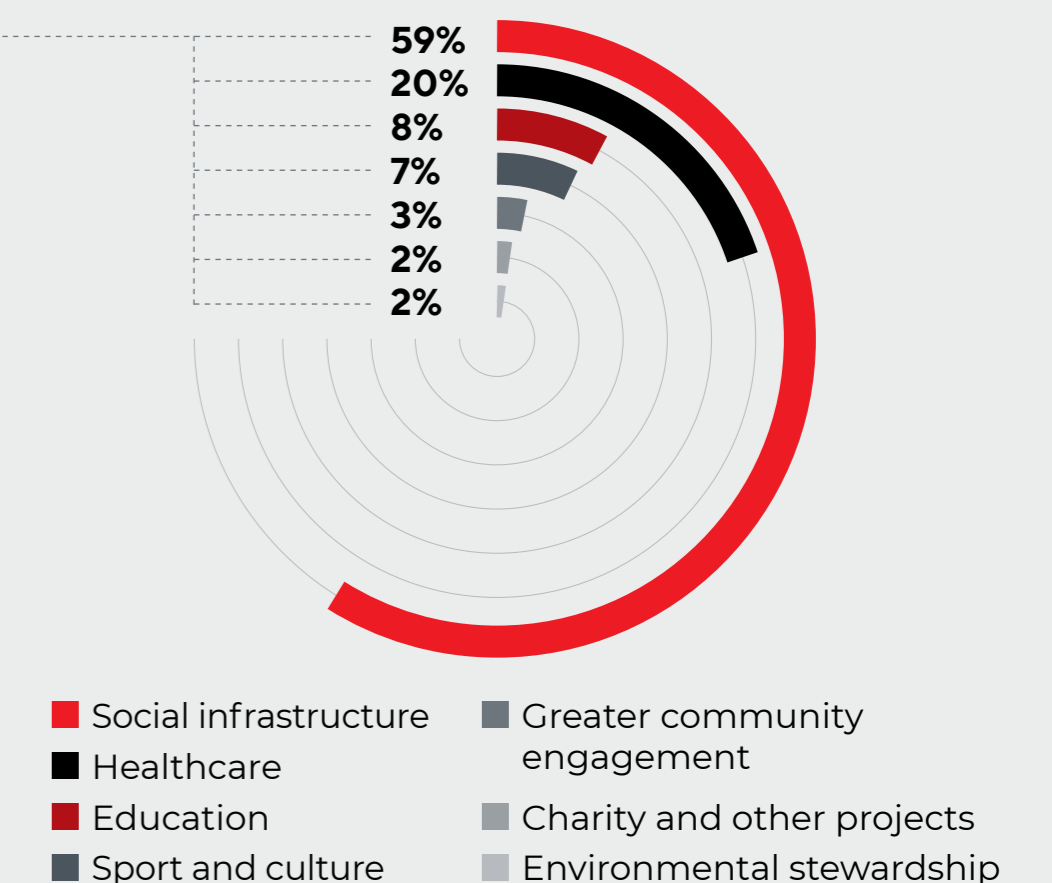
¹ The numbers include non-monetary donations.

Spending on communities¹

US\$22 mn +40%



Spending by focus area in 2021



UPGRADING SOCIAL INFRASTRUCTURE

Parks and public spaces modernised

44

Social infrastructure improvement was an essential component of Metinvest's community spending during the reporting period. Priority was given to various projects that improve the overall quality of life for residents, including construction of playgrounds, parks and public spaces, as well as upgrades and repairs of apartment buildings. The Group spent around US\$13 million on infrastructure development in 2021, a two-fold increase year-on-year.

Among the many projects implemented, Metinvest was involved in initiatives in Avdiivka to upgrade transport stops and build a modern playground to enhance public spaces. In Kryvyi Rih, the Group helped to implement the "Green city. Comfortable areas" project, which aimed to improve districts in the city. Metinvest also supported various infrastructure projects in the villages surrounding Kryvyi Rih.

Upgrading city park in Mariupol

In 2021, Metinvest partnered with the municipal government of Mariupol and city NGOs to upgrade the municipal Gurov Park. This was one of the largest social projects in the city and was implemented in several stages. It was opened for visitors in September 2021. Overall, more than 70,000 flowers, trees and alpine herbs were planted throughout the park's vast territory. As part of the initiative, two fountains were installed, including the largest cascade fountain in Ukraine. The project also entailed creating the largest children's playground in the country in the form of a fairy-tale castle.

Apartment buildings repaired

37

Preserving national heritage in Zaporizhzhia

In 2021, Metinvest participated in the restoration of Khortytsia Island in Zaporizhzhia as a part of the Khortytsia National Reserve Revival project under the "Large Construction" Programme. The project was implemented in conjunction with a number of government bodies and a diverse range of other stakeholders.

The Group supported the development of Khortytsia Island's brand book, as well as the modernisation of Unity Hill and the Museum of the History of Zaporizhzhia Cossacks. During the reporting period, Khortytsia Island was recognised at the [Ukraine Tourism Awards 2021](#) for its barrier-free design and at the [Epica Awards 2021](#) for its branding and laser show.

SUPPORTING HEALTHCARE

Oxygen supplied to hospitals in Ukraine

3,000 tonnes

Supporting healthcare was one of Metinvest's most important areas of focus in 2021. The Group continued to upgrade medical facilities and provided hospitals with modern medical equipment. Among other healthcare projects, as part of Avdiivka city hospital's upgrade programme, Metinvest supported major overhaul of the hospital's administrative building and neurological department. With the Group's support, the wards in the infectious diseases department of hospital No. 17 in Kryvyi Rih were also upgraded.

As COVID-19 remained a constant presence throughout the year, Metinvest continued to help communities prevent the spread of the virus and care for people who have been infected.

In 2021, the Group supported hospitals in Avdiivka, Kryvyi Rih, Mariupol, Pokrovsk and Zaporizhzhia by constructing additional oxygen stations; providing medical equipment and other supplies; and renovating and outfitting medical facilities. In addition, it supplied 11 artificial respiration units to hospitals in Zaporizhzhia.

Metinvest's assets in Ukraine also coordinated with national and local government bodies to efficiently distribute oxygen to hospitals throughout the country. In 2021, the Group supplied around 3,000 tonnes of oxygen to cover the daily needs of hundreds of patients, while the Zaporizhstal JV additionally provided about 4,500 tonnes.

MAKING A POSITIVE IMPACT

GRI 203-2

In many of the towns, cities and regions where Metinvest operates, it is an economic anchor. It is often one of the largest employers, as well. The Group recognises the responsibility that this status entails. Paying corporate and other taxes in Ukraine and other countries where Metinvest conducts business in a timely, transparent and accurate manner is a core ethical obligation. In 2021, the Group paid US\$1,587 million in taxes globally (up 2.6 times year-on-year).

Over the years, Metinvest has built lasting strategic partnerships with local public authorities and NGOs to support communities. This approach helps the Group to better understand the strategic development priorities and the needs of residents, which increases the effectiveness and positive impact of its spending in this area. Partnering with international agencies and NGOs, such as the UN Population Fund, UN Development Programme and International Alert makes it possible to draw on their extensive expertise and increase the scope and budget of projects.

In 2021, as Metinvest's operations expanded to Pokrovsk (Donetsk region, Ukraine), it began to cooperate and implement projects with NGOs in the city. Similar partnerships are in place in Avdiivka, Kryvyi Rih, Mariupol and Zaporizhzhia.

ADVANCING EDUCATION

Educational projects implemented

38

The Group works with schools and institutions of higher learning across Ukraine on educational projects designed to promote the disciplines of science, technology, engineering, the arts and mathematics (STEAM) and to foster leadership, entrepreneurship and soft skills among students and teachers. In the reporting period, Metinvest continued to implement milestone initiatives, such as the Master of Public Administration programme, which is aimed at the development of local leaders, and the STEAM-CAMP, a leadership programme for teachers. The Group also supported the Best Teachers of Pryazovia competition.

Promoting technical education

Metinvest supports initiatives that aim to improve technical education in Ukraine, an important aspect of training talented future professionals for the steel and mining industry. Jointly with the Mariupol Development Fund, Zaporizhzhia Joint Action Platform and Kryvyi Rih Foundation of the Future, the Group implemented the STEAM-CAMP Leadership Educational Programme. More than 500 teachers of STEAM disciplines from over 200 schools participated in the programme and developed more than 400 integrated lessons. As an indication of this initiative's results in 2021, the number of graduates who passed the external, independent testing required to study technical professions increased by 13% year-on-year, based on data provided by universities in Mariupol, Kryvyi Rih and Zaporizhzhia. The number of students interested in studying majors relevant to Metinvest's needs also grew by 17% year-on-year.

Schools participated in STEAM programme

200

During the reporting period, the STEAM-CAMP Leadership Educational Programme was a finalist in the "Society" category of the UN Global Compact Partnership for Sustainability Award 2021 in Ukraine.

In addition, the Group supported the "STEM is FEM" exhibition on women in science. This special educational event was held jointly with the EU Delegation, UN Women, and the Danish, French and German embassies in Ukraine, among other organisations. The project aimed to dispel stereotypes and show schoolgirls that female professionals belong in mining and metallurgy.

Providing practice in urban management

In 2021, Metinvest continued to support the Master of Public Administration programme. This initiative was implemented jointly with Donetsk State University of Management and Lviv Regional Institute of Public Administration under the President of Ukraine. The universities offered a two-year degree to prepare the new generation of municipal leaders in Avdiivka, Kryvyi Rih, Mariupol, Melitopol, Pokrovsk and Zaporizhzhia. The programme is focused on the practical application of knowledge and skills necessary to drive urban development and improve quality of life for residents. During the reporting period, the first cohort of students underwent an internship in the Netherlands designed to bring international best practice in urban management to Ukraine. This was supported by the United States Agency for International Development's Democratic Governance East programme.

PROMOTING CULTURE AND SPORT

Cultural and sporting events supported

22

In 2021, Metinvest continued its support of cultural and sporting events aimed at strengthening ties between people and encouraging a healthy lifestyle.

The Group was engaged in a variety of vibrant performances during the reporting period, including a number of music festivals in Ukraine; the street film festival in Avdiivka; the Arena di Verona Opera Summer Festival 2021 and October-December 2021 symphonic and opera season of Teatro Filarmonico in Verona; as well as the Spring and Autumn Rolli Days 2021 and 56th edition of the International Violin Competition's Paganini Prize in Genova.

As part of its efforts to promote culture and sport, Metinvest also helped to renovate and equip sport and cultural facilities, including the Music School in Avdiivka. This project was implemented in cooperation with the EU and the UN Development Programme. It involved creating modern and spacious classrooms, a concert hall and rest areas in the school.

Supporting cultural events in Ukraine

The MRPL City music festival was held for the fourth time on the beach at Mariupol. This large festival was attended by more than 35,000 residents of the city and guests from throughout Ukraine.

The GogolFest international festival was another bright cultural event in Mariupol. It offered more than 70 theatre, music, film and visual performances, as well as educational programmes. More than 5,000 visitors and 50,000 online guests participated in the event.

Cultural and sport facilities renovated

11

The Zound electronic music festival was a large event that spanned two days in Zaporizhzhia. Representatives of different musical cultures performed on the main stage, including rock, hip-hop and ethno. The festival also had a second stage that featured electronic music performances by musicians from Germany and France. Zound was the first music festival to be held at the location renovated as part of the reconstruction of Khortytsia Island. About 10,000 music lovers from cities around Ukraine visited the festival.

ENCOURAGING GREATER COMMUNITY ENGAGEMENT

Winning projects implemented

48

In 2021, Metinvest continued to engage with its communities to empower them to implement important projects that improve the living conditions and well-being of residents.

During the reporting period, the Group held two competitions: “Transforming Avdiivka Together!” and “Transforming Ukrainian New York Together!” As a result, 28 winning projects were implemented in Avdiivka and 20 in New York (named Novhorodske before 2020). The projects were selected based on their significance for the community and included renovating housing, landscaping public spaces and organising cultural events.

In 2021, Metinvest continued to support the Housing Cooperative Practical School Project in Zaporizhzhia. It included a series of training sessions, webinars, workshops, online conferences and off-site events for heads of housing cooperatives. These opportunities helped participants to learn about the specifics of effective housing cooperative management, ways to attract additional funding, the basics of financial activities and how to implement energy efficiency measures.

PROMOTING ENVIRONMENTAL STEWARDSHIP

Beautification projects implemented

300

Metinvest also worked to promote environmental stewardship among children and adults in its communities during the reporting period. For example, the Group continued to implement urban landscaping and educational campaigns under the Green Centre initiative in Kryvyi Rih, Mariupol and Zaporizhzhia. Its Green School programme included various contests and workshops on landscaping, growing plants, and separate collection of household waste and recycling. In addition, the “Open Spaces” programme was launched, a contest that provided teachers and students an opportunity to win the installation of modern pavilions at their schools where open-air lessons can be held.

The “Forever Green” initiative engaged cities in urban greening, waste management and plant propagation and resulted in the planting of over 14,000 trees in 2021. The Green Centre also continued the “Recycle a Battery” project to promote responsible waste management by collecting batteries in Kryvyi Rih, Kyiv, Mariupol and Zaporizhzhia. Around 1.8 tonnes of used batteries were sent for recycling at the GreenWEEE International SA facility in Romania.

WAR IMPACT

The impact of the war on local communities cannot be understated. People’s lives and health are always Metinvest’s highest priority. At a time when Ukraine is in danger, the Group is working tirelessly to protect its communities and help them to survive the war.

Metinvest has joined forces with other SCM companies and the Rinat Akhmetov Foundation through the [Saving Lives](#) project to provide humanitarian aid in Ukraine. This initiative operates an international hub in Poland and regional hubs in Zaporizhzhia, Kamianske and Kryvyi Rih. With the support of the Office of the President of Ukraine, municipalities and international partners, Metinvest has helped to organise the purchase, delivery and transfer of food, medicine and essential goods to those who need them most. Employees have volunteered to unload, aggregate, sort and distribute the humanitarian aid to where it is most needed.

Also, the Group equipped bomb shelters with food, sleeping places, power generators and water filters at all of its Ukrainian production assets. Azovstal’s bomb shelters accommodated around 6,000 people during the peak of hostilities there. Metinvest has also arranged accommodation for displaced people and provided necessities for their comfort.

Another vital aspect of the Group’s work to protect communities has been providing support to the Armed Forces of Ukraine, Territorial Defence Forces and the National Police. This has included clothing, personal protective equipment, cars, first aid kits, helmets, body armour and other supplies. In addition, Metinvest-produced steel has been used to make ballistic plates for armoured vests, as well as anti-tank obstacles and mobile barriers that help in the defence of local communities.

Overall, as of 1 August 2022, the Group has donated over US\$60 million² to assist Ukraine and its people since the beginning of the war.

Metinvest remains committed to protecting its communities and helping them overcome the devastation of war.

² The amount includes all cash payments and other contributions made by the Group, its joint ventures and associated companies.