

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.

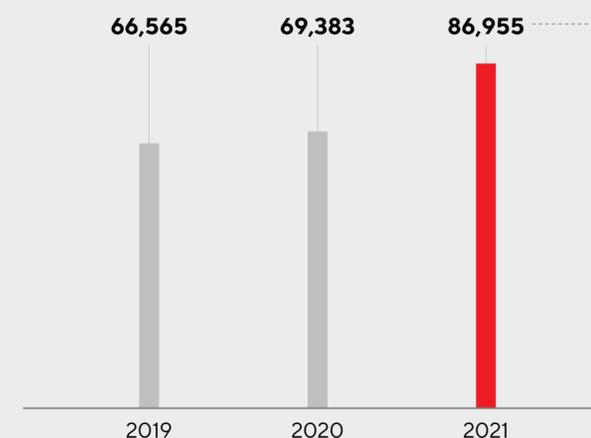
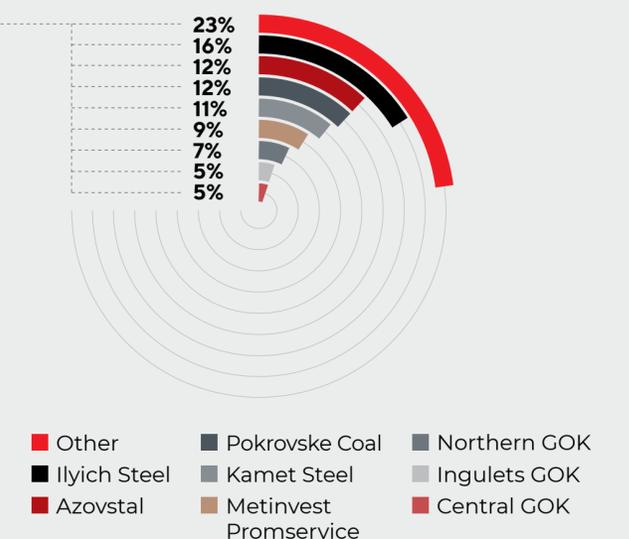
With 97% of its staff employed in Ukraine, Metinvest remained one of the country's largest employers¹.

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

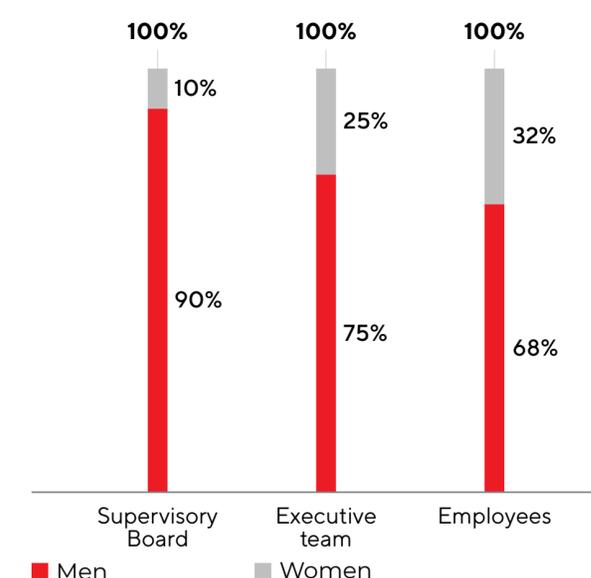
working environment, the Group requires its entities to keep a record of the actual time worked by each employee.

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

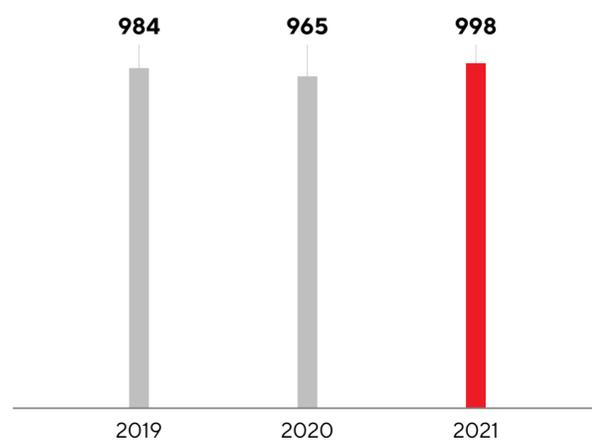
Metinvest strives to provide competitive remuneration to its employees through a combination of salary, bonuses and other monetary incentives. In 2021, the Group conducted a salary review using a model that differentiated depending on the category of personnel. This allowed it to retain employees in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

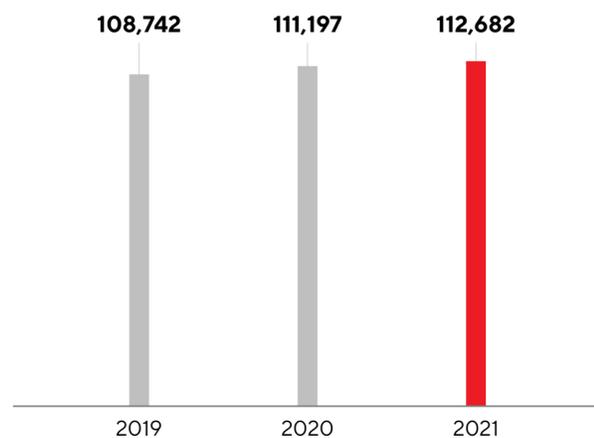
thinking outside the box and indirect influence.

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.

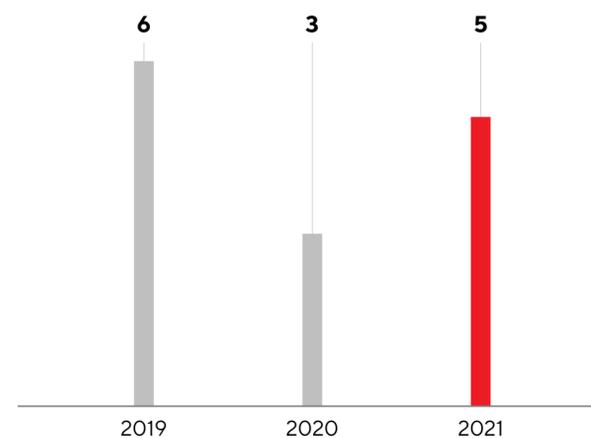
Employee training sessions

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.