

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

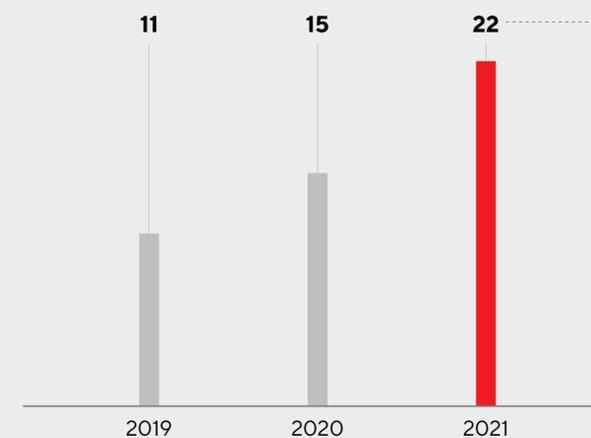
In 2021, Metinvest spent US\$22 million (up 40% year-on-year) on social partnership programmes in six key areas: social infrastructure, healthcare, education, culture and sport, community engagement and environmental stewardship.

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.

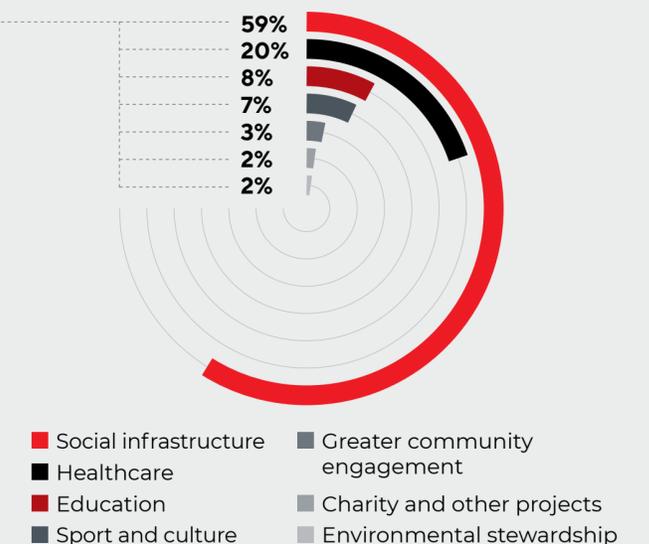
¹ The numbers include non-monetary donations.

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.