

SUSTAINABILITY PRINCIPLES

AS IMPORTANT AS EVER

Metinvest incorporates sustainability principles into key aspects of its business and tracks its performance in this area by participating in various ESG ratings. In 2022, the Group continued to contribute to achieving the 17 UN Sustainable Development Goals and devoted its resources to support Ukraine, its employees and communities in wartime.

ADHERENCE TO SUSTAINABILITY

Metinvest follows the sustainability approach outlined in the [Sustainability Policy](#) of SCM. It guides the Group's efforts to promote sustainable development and build an ethical business. The policy is based on the following principles: take a whole-system approach; work efficiently and effectively; respect the interests of partners, clients and society; provide good and safe working conditions; respect human rights; improve living standards where Metinvest operates; and commit to preventing and reducing the Group's environmental footprint.

Also, 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.

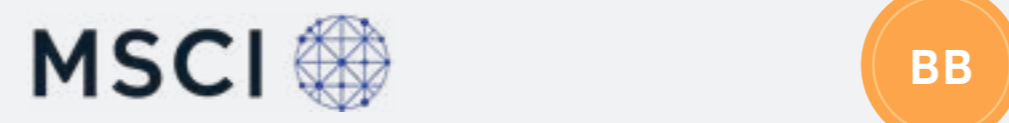
In addition, since 2022 Metinvest has been a member of the [World Steel Association's Sustainability Charter](#), embracing its nine sustainability principles.

ESG RATINGS

GRI 3-3

Independent ESG ratings help assess Metinvest's progress on environmental, social and governance performance and identify areas for further improvement. The Group has ESG ratings from three internationally recognised agencies: MSCI, Sustainalytics and S&P.

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). The S&P Global Corporate Sustainability Assessment assigns an ESG score on a wide range of industry specific sustainability criteria from 0 to 100 (100 being the maximum, the higher the better).



In January 2023, MSCI affirmed its ESG Rating for Metinvest at the level 'BB'¹.

The agency noted the Group's leading position in occupational health and safety programmes, which extend to contractors, while management remuneration is linked to safety performance. In addition, MSCI assessed business ethics practices and labour management initiatives as strong.

The assessment was based on 2018-2020 data.

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In February 2023, Sustainalytics improved Metinvest's ESG Risk Rating to 40.5 from 40.9 (after an annual review). As of 1 July 2023, it was further improved to 39.1.

The agency assessed the Group's management of ESG risks as strong, mentioning that Metinvest strengthened its occupational health and safety measures, as well as human resources strategy.

The assessment was based on 2019-2021 data, but includes the risk associated with the full-scale war in Ukraine, which is out of Metinvest's control.

If this risk effect was excluded, the Group's estimated ESG Risk Rating would have been 27.9, implying the medium risk category.



In March 2023, S&P assigned a debut ESG Score to Metinvest of 37. The rating has further improved to 38.

The agency assessed the Group's performance on governance and economic dimension with the highest score.

The assessment was based on 2018-2021 data.

UN SDG CONTRIBUTION IN 2022

The Group seeks to deliver on its commitments under the UN Sustainable Development Goals (SDGs) and prioritises those areas where it can make the most significant and tangible contribution.

In 2022, the full-scale war significantly affected Metinvest's activities and projects that contribute to the achievement of the SDGs. Despite this, the Group did not revise the five priority SDGs that it believes to be most relevant for its business in the long term:

- 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)
- SDG 13 (Climate Action)

The Group also continued to contribute to the achievement of other SDGs. Since the full-scale invasion of Ukraine, Metinvest has focused its efforts on helping the country and its people to survive the war.

CONTRIBUTION TO PRIORITISED SDGs



- Maintain operational efficiency and conduct critical repairs
- Strive to provide safety for its employees and their families
- Provide medical, psychological and other assistance to affected employees and their families
- Work with the Ukrainian government and businesses on the post-war reconstruction of Ukraine



- Develop Metinvest's Career Centres together with rehabilitation centres to provide a full range of services in one place
- Provide an extensive array of training and development opportunities through the Corporate University and Metinvest Polytechnic
- Enhance digital transformation and improve information security



- Provide humanitarian aid to affected people in Ukraine through the Saving Lives humanitarian aid centre
- Support defenders with protective and medical items
- Equip shelters and places to accommodate people from hot spots
- Provide hospitals with medicines, equipment and consumables



- Improve energy safety management to minimise losses as a result of forced shutdowns and production cutbacks
- Use innovative, resource-efficient technologies
- Recycle by-products from steelmaking
- Increase consumption of reused and recycled water



- Improve energy efficiency programmes
- Enhance carbon reporting
- Analyse climate-related governance and risk management in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)
- Assess climate change risks and opportunities using scenarios recommended by the [Paris Agreement](#)

OTHER SDGs

