

WORKPLACE SAFETY

A CONSTANT PRIORITY

Under the circumstances of a full-scale war, no one in Ukraine, including employees of the Group could be absolutely safe. Nevertheless, Metinvest strived to do everything possible to ensure workplace safety, while continuing to implement the safety roadmap and the Safe Workspace programme.

AN UNWAVERING COMMITMENT

GRI 2-25

Under the circumstances brought about by the full-scale war in Ukraine, the Group directed its efforts to ensure the safety of the employees as their lives are the top priority for Metinvest.

At the same time, it continued to implement its critical long-term safety initiatives at its workplaces, including the safety roadmap and Safe Workspace programme to eliminate the most

common types of high-risk incidents at its production assets.

Overall, Metinvest's spending on workplace health and safety in 2022 totalled around US\$62 million, down 55% year-on-year. The decrease primarily reflected the idling of production activities at the Mariupol steelmakers and at Avdiivka Coke.

The primary focuses of health and safety spending in 2022 were work in gas-hazardous places, safe work at height and provision of specialised medical equipment.

GENERAL APPROACH

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

Metinvest fosters a culture that can achieve its ultimate occupational health and safety goal of zero incidents involving employees and contractors¹ at its operations. While the events of 2022 changed several priorities to protect employees in wartime, the underlying approach and goal have not changed.

Metinvest's health and safety efforts are governed by the Policy in the Field of Health, Safety and the Environment. The Group also has 15 corporate health and safety standards in place based on international best practices. During the reporting year, the Group introduced and fully launched all its occupational health and safety standards and policies at Pokrovske Coal and Kamet Steel which joined Metinvest in 2021.

The Business Security Policy was revised and updated in 2022, amid heightened concerns related to the war. It aims to improve security of the Group's business processes and employees to protect them from the negative impact of external and internal threats of illegal actions. For more details, please see page 61.

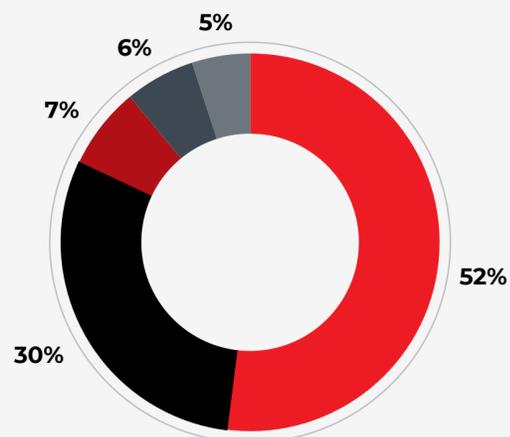
The Health, Safety and Environmental Committee within Metinvest's Supervisory Board ensures adherence to internal procedures and local regulations. It reviews outcomes of incident investigations, seeking opportunities to enhance governance

through risk management initiatives. Additionally, the committee collaborates with the executive team to incorporate established occupational health and safety methods.

At the Group level, the Occupational Health and Safety Department within the Sustainable Development and People Management Directorate oversaw the execution of programmes in 2022. Relevant departments at each production facility maintain compliance with both internal and external standards and regulations. In early 2023, the occupational health and safety function was split between the Operations Directorate (metallurgical and iron ore assets of the Group) and the Coal Directorate (coking coal assets of the Group).

The industrial safety centre of expertise at Metinvest Business Services provides consultations and industrial safety audits and supported internal incident investigations and training.

In 2022, Metinvest made further progress certifying its assets in accordance with leading occupational health and safety standards. As of the year-end, 15 operating assets² had ISO 45001 certification. The Group's goal is to eventually have all production facilities certified.

Spending on workplace safety
US\$62 mn
55%▼


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

² Central GOK, Ferriera Valsider, Ingulets GOK, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest Holding, Metinvest-Promservice, Metinvest Trametel, Northern GOK, Promet Steel, Spartan UK, Sviato-Varvarynska Beneficiation Factory, Unisteel, Zaporizhia Coke and Zaporizhia Refractories.

SAFETY ROADMAP

In 2022, the Group reviewed its safety roadmap priorities to identify the most critical areas to minimise occupational health and safety risks in wartime conditions. These areas included lifting mechanisms and operations, railway transportation, repair work, working in gas-hazardous areas, and mining functions, including drilling and blasting.

For lifting mechanisms and operations, the roadmap set out procedures for the timely inspection and monitoring of equipment and additional training for slingers and crane operators.

The focus on railway transportation safety included the development of an enterprise audit function and improved scheduling of repairs and maintenance of locomotives and rolling stock.

Repair work safety measures included the revision of requirements for the providers of these services, updating documentation, conducting training, and monitoring of contractors.

The programme for safe work in gas-hazardous places, carried out at Kamet Steel, Ingulets GOK and Pokrovske Colliery, was designed to eliminate the risk of accidents by using analysers to detect the presence of gases before they become a danger. During 2022, the Group acquired new sensors to detect gases and provided training for the gas rescue services at its assets.

Regarding coal mining operations, Metinvest implemented additional measures to manage critical risks associated with drilling and blasting following the extensive investigation of fatal incidents that happened in 2021 and the results of an external audit.

Safety Incentives

GRI 403-4

The Group has a health and safety goal-setting and incentive system in place at its assets for employees at all levels, from the shopfloor to senior management.

In the reporting period, Metinvest continued to implement the Safe Work Award programme at seven operating production assets³ in Ukraine, encouraging staff to detect or prevent unsafe actions or conditions.

Despite the war, Metinvest continued to implement the Health and Safety Trigger incentive tool for general directors and senior managers. It aligns their bonuses at the asset level with key health safety metrics at their facility.

Contractor Safety

GRI 2-8; 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 at its production sites, which are set out in the Group's Safety Standard for Contractor Organisations.

Metinvest's efforts to ensure that contractors meet the requirements of the Standard include pre-qualification procedures during tenders. Other measures cover health and safety briefings, knowledge tests, equipment and gear checks, inspections of repair documentation, and regular monitoring throughout the work.

In addition, the Group uses the contractor safety assessment and rating methodology at its production assets in Ukraine to assess contractors involved in hazardous work. Among other factors, 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. The Group also considers these assessments in future tenders.

Safe Workspace Programme

The key health and safety initiative in 2022 was further development of the Safe Workspace programme, which applies a risk-based approach. In the reporting period, Metinvest continued to implement the Safe Workspace programme at assets acquired a year earlier. In particular, the Group conducted a full risk assessment

at all of Kamet Steel's subdivisions. Also, Metinvest began implementing the programme at Pokrovske Coal following the audits conducted in 2021.

Under the Safe Workspace programme, during the reporting period, Metinvest identified over 207,000 hazards in more

than 6,000 workspaces at eight operating assets⁴.

Also, the Group developed the Safe Workspace Procedure and implemented it at production assets in Ukraine. It establishes the assessment and minimisation of the health and safety risks.

³ Northern GOK, Ingulets GOK, Central GOK, Kryvyi Rih Machining and Repair Plant, Kamet Steel, Zaporizhia Coke, and Zaporizhia Refractories.

⁴ Central GOK, Ingulets GOK, Kamet Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

PERFORMANCE IN 2022

GRI 403-9

In 2022, Metinvest recorded 75 injuries and two fatalities among employees. This is a decrease from 2021, when there were 99 injuries and eight fatalities among employees. Any fatalities are deeply regrettable. Also, despite the year-on-year decrease in the overall injury indicators, the results remain unsatisfactory given the reduced number of hours worked.

Consistent with its general approach, Metinvest thoroughly investigated each incident to identify the root causes. The main causes of injuries in 2022 at the Group's assets were contact with rotating machinery, falls while moving, falling objects and falling from height. Metinvest used the investigation findings to identify and implement additional control measures aimed at preventing safety violations and incident reoccurrences.

To measure its health and safety performance, Metinvest follows the guidelines of the World Steel Association, the ISO 45001 standard and other international best practices. It also tracks composite performance indicators, such as the lost-time injury frequency rate (LTIFR) and fatality frequency rate (FFR), both of which are calculated in terms of incidents per million man-hours worked. Other indicators that the Group uses include the lost-time incident severity rate, the number of near-misses, the provision of medical and pre-medical care, detected non-conformities, hazardous practices and conditions, and the number of training and induction sessions.

In 2022, Metinvest's LTIFR was 0.977⁵ and its FFR stood at 0.025. These metrics compare with an LTIFR of 0.794 and an FFR of 0.059 in 2021. Since 2021, Metinvest

has also disclosed LTIFR for its contractors, which was 0.476 in 2022 and 0.446 the year before. The LTIFR metrics were higher in 2022, despite the lower absolute numbers of injuries, because the number of hours worked was significantly less due to the suspension of operations at the Mariupol and Avdiivka assets and reduced capacity utilisation of other assets due to the Russian Aggression.

Notably, while Metinvest's LTIFR increased year-on-year, the FFR decreased. The latter was primarily driven by Pokrovske Coal, which saw a reduction after introducing the Group's health and safety standards and safety roadmap during the year.

During the year, ISO certification audits were also conducted at Metinvest's assets in line with the established periodicity. In addition, the industrial safety centre of expertise conducted quarterly audits of the Safe Workspace programme and safety roadmap implementation at assets in Kamianske, Zaporizhzhia and Kryvyi Rih.

For more details relating to the Health and Safety disclosures, see [Annex 2](#).

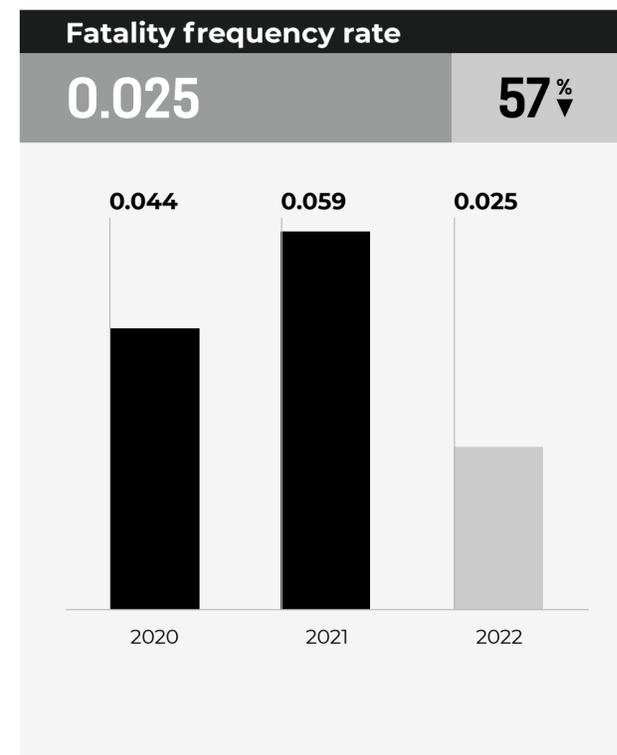
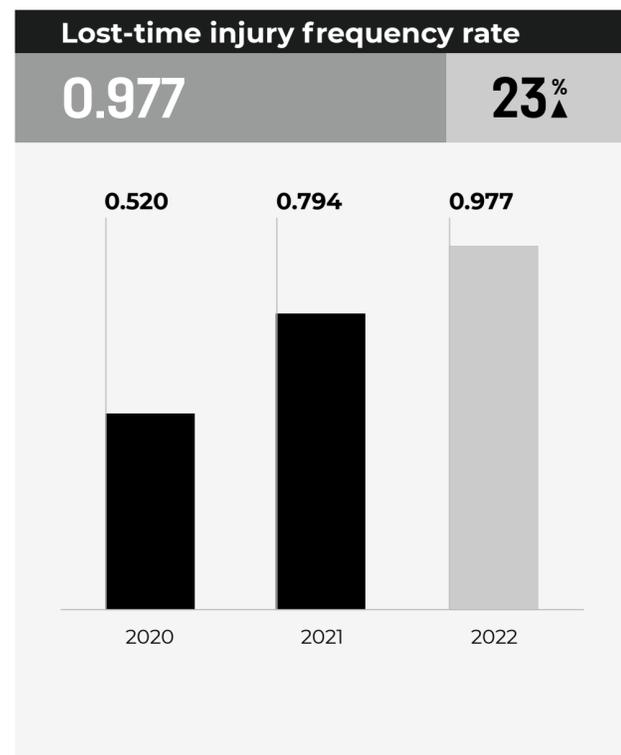
HEALTH AND SAFETY TRAINING

GRI 403-5

In 2022, the Group provided occupational health and safety training to more than 17,000 employees, who attended around 36,000 training sessions. Each employee received an average of seven hours of health and safety training during the year. New training programmes were developed for the Safe Workspace programme, covering all levels of managers, workers and risk assessment teams at the production assets. Cascade training, when asset-level general directors and health and safety heads teach workshop leaders, who in turn teach workers, was conducted across Metinvest's Ukrainian sites.

In the reporting period, the Group continued to implement the HSE Top Risks programme developed in cooperation with Metinvest Polytechnic. It is designed to train employees to assess risks that they face in the workplace. In 2023, it incorporated four risk categories (work at height, moving/rotating equipment, lifting mechanisms and LOTOTO). The target audience for the training programme is more than 4,500 employees. As part of the project, coaches from Metinvest Polytechnic train managers who oversee high-risk work.

In addition, Metinvest implemented a training course for more than 1,500 employees on medical aid in wartime. The course provides personnel responsible for providing medical aid with additional training in protocols for helping colleagues injured by shelling or an explosion. An online video course with 12 modules covering related topics has also been developed in this area that is accessible to all employees.



⁵ This compares with the global LTIFR benchmark for employees only of 0.85 in 2022 according to the World Steel Association.

EMPLOYEE HEALTHCARE

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

Metinvest strives to align its approach to employee healthcare with the recommendations of the International Labour Organization (ILO), World Health Organization (WHO) and the ISO 45001 standard and use these guidelines to assess its performance in this area.

In 2022, the Group focused its efforts to responding to the hostilities. It provided humanitarian aid to medical institutions, including medicine and medical equipment, and arranged medical care for employees and their families affected by the war. In addition, Metinvest implemented several projects to purchase specialised medical equipment for the health centres at its assets.

At the same time, Metinvest continued to implement some organisational measures in line with its healthcare strategy. Kamet Steel reorganised its medical unit to focus

on occupational illness and injury, to analyse the effectiveness of services, and to retrain and recruit staff.

During the reporting period, the most common workplace illnesses among Metinvest's employees were radiculopathy (32% of all diseases), vibration disease (17%), and chronic obstructive pulmonary disease (11%). The number of workplace illnesses decreased by 4% year-on-year, but the workplace illness frequency rate⁶ grew almost two times to 0.45, primarily because of the reduction of the number of hours worked in 2022 due to the suspension of production at assets in Mariupol and Avdiivka and reduced capacity at other assets, while workplace illnesses can continue to be registered even when an employee is not working.

The health index⁷ for the Group's employees was 38% in 2022 (compared with 36% in 2021). Metinvest maintained

its efforts to support employees who suffered frequent or prolonged illnesses by developing individualised health plans for those at higher risk of certain diseases. These plans involved quarterly medical check-ups, preventative measures, immune-boosting medication and recreational activities.

To prevent the incidence of occupational illness, in 2022 working groups were formed across the Group's assets under the leadership of the health and safety team. Their analysis was used to create a plan to reduce illness rates.

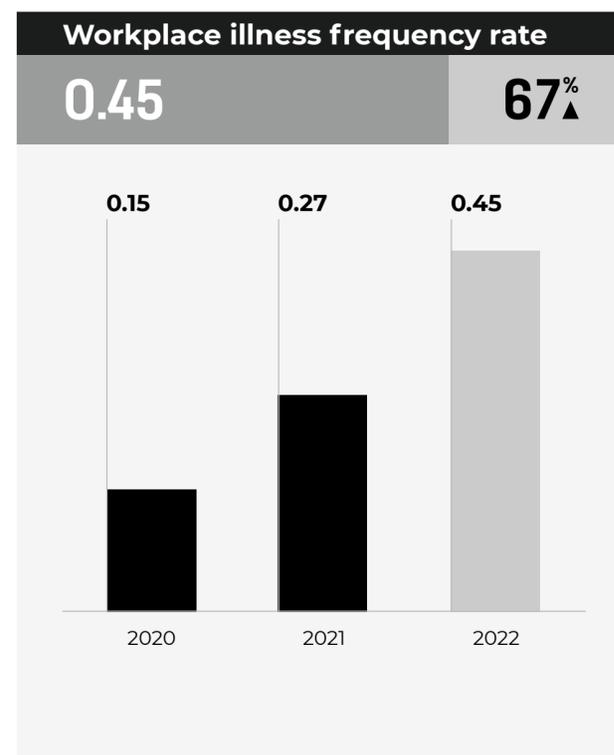
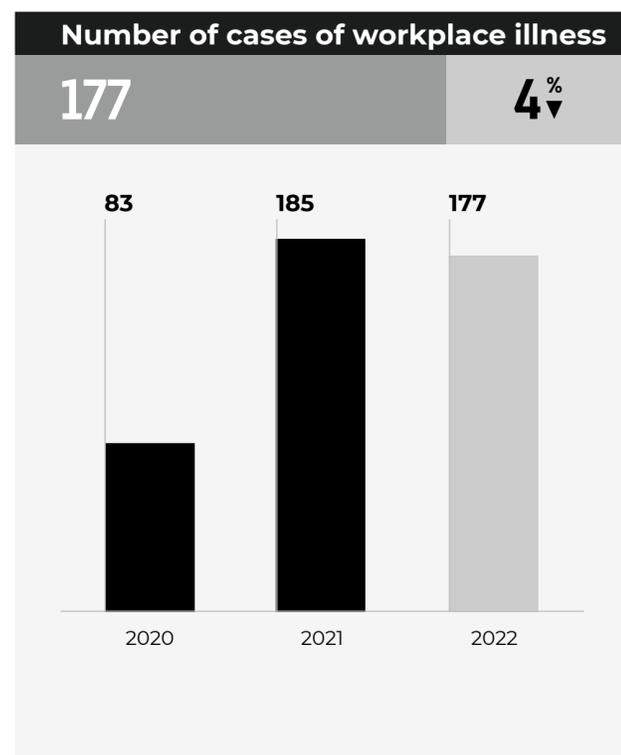
PROSTHETICS RESTORING LIVES

Since the beginning of the full-scale war, the need for prosthetics has increased significantly.

In response to this, Metinvest's Saving Lives humanitarian project launched a programme in cooperation with Protez Hub to provide prosthetics and rehabilitation services for Ukraine's defenders and civilians, including the Group's employees and their family members.

The programme includes preparation for prosthetics, the installation of prostheses and follow-up care in Ukrainian clinics, as well as physical and psychological rehabilitation. Seven prosthetics centres in Lviv, Odesa, Dnipro, Kyiv, Vinnytsya, Ternopil and Poltava provide treatment under the programme. As of 1 July 2023, a total of 48 people were being provided with assistance and 13 people had already received prostheses.

The Saving Lives and the Protez Hub also launched the first online educational portal in Ukraine for prosthetics specialists and injured people. It will help everyone involved to understand better the sequence of rehabilitation and prosthetics stages and the process of choosing the prosthesis for those who has lost a limb.



⁶ The workplace illness frequency rate is calculated as follows: total number of work-related ill health cases multiplied by 200,000 and divided by the total number of hours worked per year.

⁷ 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.