

SOCIAL FRONT

As part of its comprehensive response to the full-scale war, Metinvest redirected its community support efforts to aid Ukrainians while upholding its commitment to long-term sustainable development priorities. The primary focus was on national defence, humanitarian relief, healthcare initiatives and employee support.

Metinvest has demonstrated unwavering support for Ukraine's defenders. The Group's contributions have been used to supply essential gear, vehicles, tactical equipment and more to the country's defence forces.

In 2022, the Group launched Saving Lives, a large-scale humanitarian project which aims to help people whose lives have been affected by the war.

In addition, Metinvest has provided temporary shelters and psychological support to safeguard its people in the face of instability.

Healthcare initiatives have been at the forefront of Metinvest's response. The Group has provided vital resources to hospitals, including equipment, medicines and consumables.

4 More information about the illustration is on page 96.



SUPPORT FOR UKRAINE AND COMMUNITIES

STEADFAST ASSISTANCE

Following the full-scale invasion of Ukraine, Metinvest reoriented its community support projects to meet the needs of Ukraine and Ukrainians. The Group focused primarily on helping Ukraine's defenders, providing humanitarian aid, supporting healthcare and assisting its employees.

DEVOTING RESOURCES TO HELP UKRAINE

GRI 2-25; 203-1; 203-2; 413-1; 413-2

Amid wartime conditions, the Group focused its efforts on helping Ukraine and Ukrainians.

Metinvest's spending on local communities shifted from pre-war priorities, such as social infrastructure, education, sport and culture, to initiatives that aim to protect the country's defenders, provide humanitarian and medical aid, and support its employees and communities in their time of need.

The Group's existing Ukrainian and wider European supply chain and logistics, as well as its long-standing relationships with local communities, have helped to support the collection and distribution of aid. Metinvest's employees in both Ukraine and at its assets outside the country also volunteered their time and skills to help colleagues and other Ukrainians impacted by the hostilities.

The Group spent around US\$95¹ million on social initiatives in the reporting period. This consisted of US\$92 million allocated for aid to Ukraine and Ukrainians amid the war and US\$3 million on social partnership programmes before 24 February 2022.

In May 2023, the Group was ranked as the largest donor to the armed forces among private Ukrainian businesses, according to leading Ukrainian media publication NV.

¹ It includes all cash payments and other contributions made by the Group totalling US\$82 million and its joint ventures and associated companies totalling US\$13 million. Unless otherwise indicated, all amounts related to aid and other support presented in this section include the Group, its joint ventures and associated companies.

GENERAL APPROACH

GRI 3-3

While Metinvest's spending on communities was transformed in 2022 to meet their wartime needs, the Group's general approach in this area has been designed to provide a cohesive and accountable process in its engagement.

The Group's Supervisory Board approves the budget for local community programmes. In 2022, the Sustainable Development and People Management Directorate was responsible for their implementation. In addition, the Project Office and Operations Directorate at the level of the executive team were actively involved in the Group's initiatives to help the defenders of the country.

In January 2022, Metinvest adopted the internal regulation, Approaches and Principles of Social Spending and Local Community Engagement, to guide this work. It determines areas to prioritise, sets criteria for project selection, and establishes an approach to monitoring and assessing implemented initiatives.

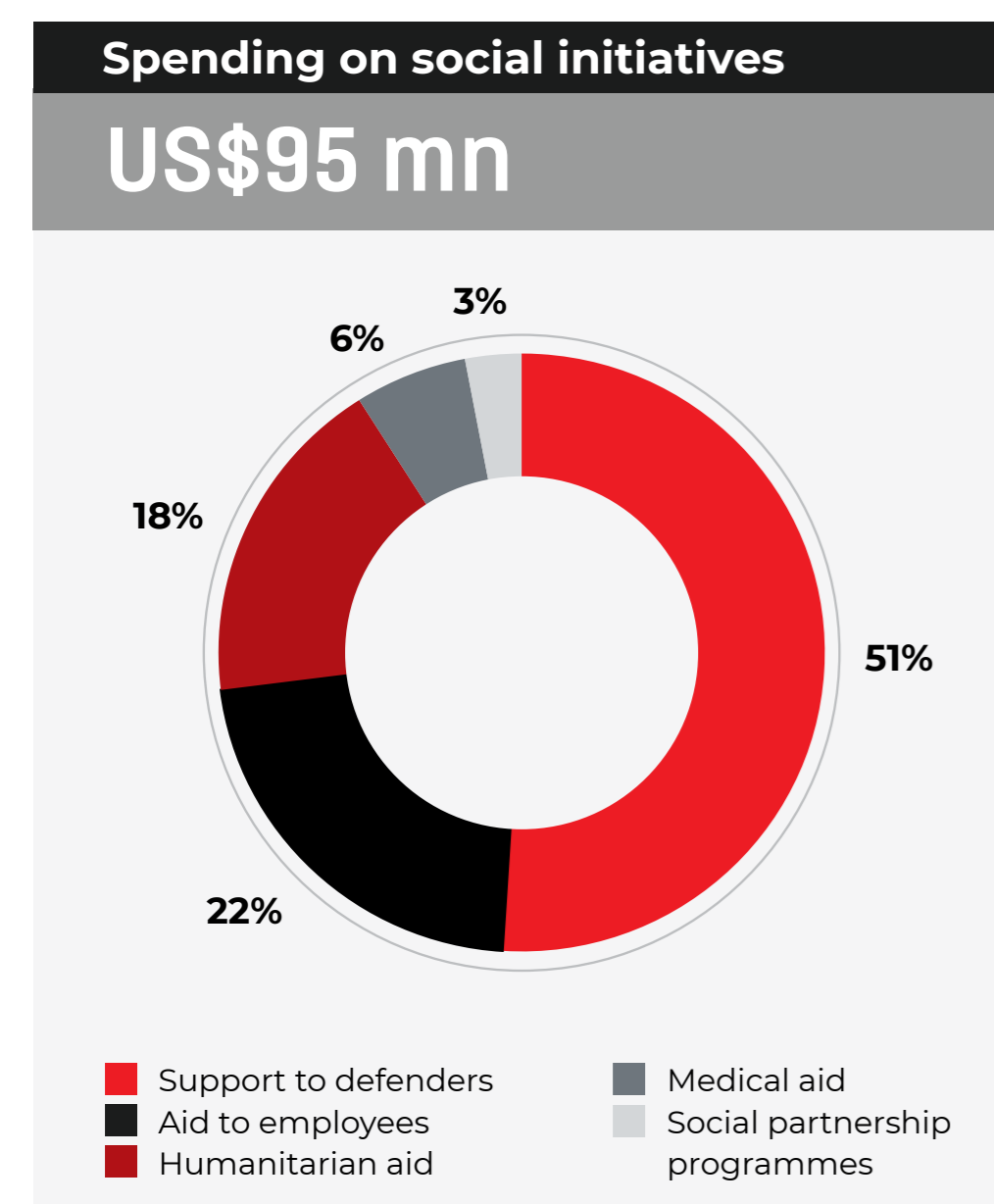
The regulation provides the following guidance:

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 and its relevance.

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



Support to defenders

US\$48 mn

Metinvest has steadfastly supported Ukraine's defenders, implementing key projects as part of Rinat Akhmetov's Steel Front initiative. In 2022, the Group spent over US\$48 million¹ to provide essential gear, tactical and medical equipment, clothing and footwear, vehicles and fuel.

By the end of the reporting period, the Group had supplied 150,000 bulletproof vests to the defence forces of Ukraine. It also donated 25,000 combat helmets. To reinforce frontline positions to protect those serving there, Metinvest's steelmakers crafted around 70 steel mobile shelters, over 80,000 anti-tank hedgehogs, mini-bastions and sapper grappling hooks for remote demining. In addition, the Group manufactured around 2,500 field stoves and donated coal and wood for heating.

In 2022, Metinvest purchased tactical protective equipment from abroad, delivering 1,700 thermal imagers and 1,000 drones. It also provided more than 31,000 first-aid kits, tourniquets, and other critical medical equipment, medicines, and consumables.

In addition, the Group donated 315 vehicles and armour steel for vehicle protection. Also, Metinvest-SMC supplied hot-rolled sheets to manufacture rigid protection elements for vehicles.

In collaboration with the [PULSE charitable foundation](#), the Group supported tactical medicine training for Ukrainian soldiers and organised training in the combat zone.

Aid to employees

US\$21 mn

In 2022, Metinvest directed its efforts to ensure the welfare of its employees and spent over US\$21 million¹ on related initiatives.

The Group established a hotline to register and assist employees evacuated from areas most directly impacted by the hostilities and opened rehabilitation centres in Zaporizhzhia and Kamianske. These centres offered temporary housing, medical and psychological assistance to affected employees and their families.

Overall, Metinvest organised over 6,000 temporary shelter spaces and set up humanitarian aid collection points at its assets to provide essential items for displaced persons. The Group also provided financial support to those employees most affected by the hostilities.

In addition, Metinvest supported the Home for Colleagues programme, whereby employees offered housing for displaced colleagues, and the Group compensated them for the costs involved.

The Metinvest-Together! service has provided psychological support for employees in a time of profound stress and uncertainty. It conducted over 2,000 individual and group consultations in 2022.

For more details, see page 35.

Humanitarian aid

US\$17 mn

The Saving Lives humanitarian project provided the bulk of Metinvest's humanitarian aid. In 2022, the Group allocated US\$17 million¹ for this area.

Two hubs were set up in Poland to collect, sort and prepare wholesale cargoes for dispatch, while Metinvest recruited volunteers among its employees to distribute aid at regional hubs in Zaporizhzhia, Kryvyi Rih, Pokrovsk, Avdiivka and Kamianske. The support extended to the Donetsk, Dnipropetrovsk, Kherson, Kirovohrad, Odesa and Zaporizhzhia regions, benefiting vulnerable populations, Metinvest's employees and their families, people in shelters and residents of de-occupied territories.

By the end of 2022, over 350,000 Ukrainians had received food, essential items, hygiene products and medicines through the Saving Lives project. More than 4,000 tonnes of vital supplies were delivered to Ukraine from abroad.

Medical aid

US\$6 mn

In 2022, Metinvest ramped up its support for healthcare amid the war. The total value of medical aid provided during the reporting period was around US\$6 million¹. As part of the Saving Lives project, hospitals in Zaporizhzhia, Kryvyi Rih, Kamianske, Pokrovsk and Avdiivka have been provided with medicines, equipment and consumables.

Saving Lives also collaborated with the Protez Hub project to launch a significant programme for prosthetics treatment and rehabilitation of wounded Ukrainians, including Metinvest's employees. For more details, see page 42.

Furthermore, Saving Lives partnered with the Masha Foundation for the Unbreakable Mum project, rehabilitating women and children affected by the war through an intensive therapeutic course and follow-up. As of the year-end, 140 women and their children had attended psychological classes, art therapy workshops and had received individual counselling.

In April 2023, Saving Lives and the UN Global Compact in Ukraine started working to create psychological rehabilitation and support centres for civilians in regions where Metinvest operates.

In addition, the Group supplied 1,500 tonnes of medical-grade oxygen to healthcare facilities in 2022 to aid oxygen-dependent patients.

SAVING LIVES

On 1 March 2022, Metinvest, in coordination with the Rinat Akhmetov Foundation, launched the Saving Lives humanitarian project to support people affected by the war in Ukraine.

- **Mission.** To build the future of Ukraine, helping to restore the country with a large, socially responsible business.
- **Vision.** To help civilians in Ukraine overcome the difficulties and pain of the war, as well as its consequences, by providing assistance, involving partners and their business expertise.
- **Goal.** To create an ecosystem based on Metinvest's infrastructure that helps in the recovery and integration into society of veterans and their families.

The humanitarian initiative is focused on target categories that include employees and their families, retired employees, vulnerable members of society, internally displaced persons, critical infrastructure workers and those who have been unable to evacuate from the frontline areas, among others. People in 70 communities in Ukraine received aid through Savings Lives.

Key projects of Savings Lives cover the following activities:

Humanitarian aid kits

Food and hygiene packages for adults, children, disabled people and retirees.

Medicine and medical equipment

Support for hospitals that receive a large influx of victims.

Psychological support and development

Psychological recovery programmes for women and children, implementation of training programmes (Unbreakable Mum, psychological rehabilitation and support centres for civilians).

Prosthetics and rehabilitation

Help with prosthetics and rehabilitation for injured defenders and civilians (for example, in cooperation with the Protez Hub project). For more details, see page 42.

Saving Lives includes charitable organisations registered in Poland and the US. It has a Programme Council with representatives from several European countries. Saving Lives prepares audited reporting and has implemented corporate governance processes to ensure efficiency and transparency.

The initiative is also supported by 400 volunteers and 10 foundations, as well as non-governmental organisations.

Do It Together Foundation

The Do It Together Foundation was established in 2022 to finance Saving Lives and other initiatives supporting Ukraine and Ukrainians in wartime. More than 200 companies from around the world have already joined the project as donors.

As of 1 July 2023, the amount of donor's assistance was around EUR3 million. Metinvest has set up and funded the administration of the foundation and PricewaterhouseCoopers has supported its financial and legal processes to ensure that 100% of donations are spent to help Ukrainians in need.



OUR PEOPLE

IRREPLACEABLE

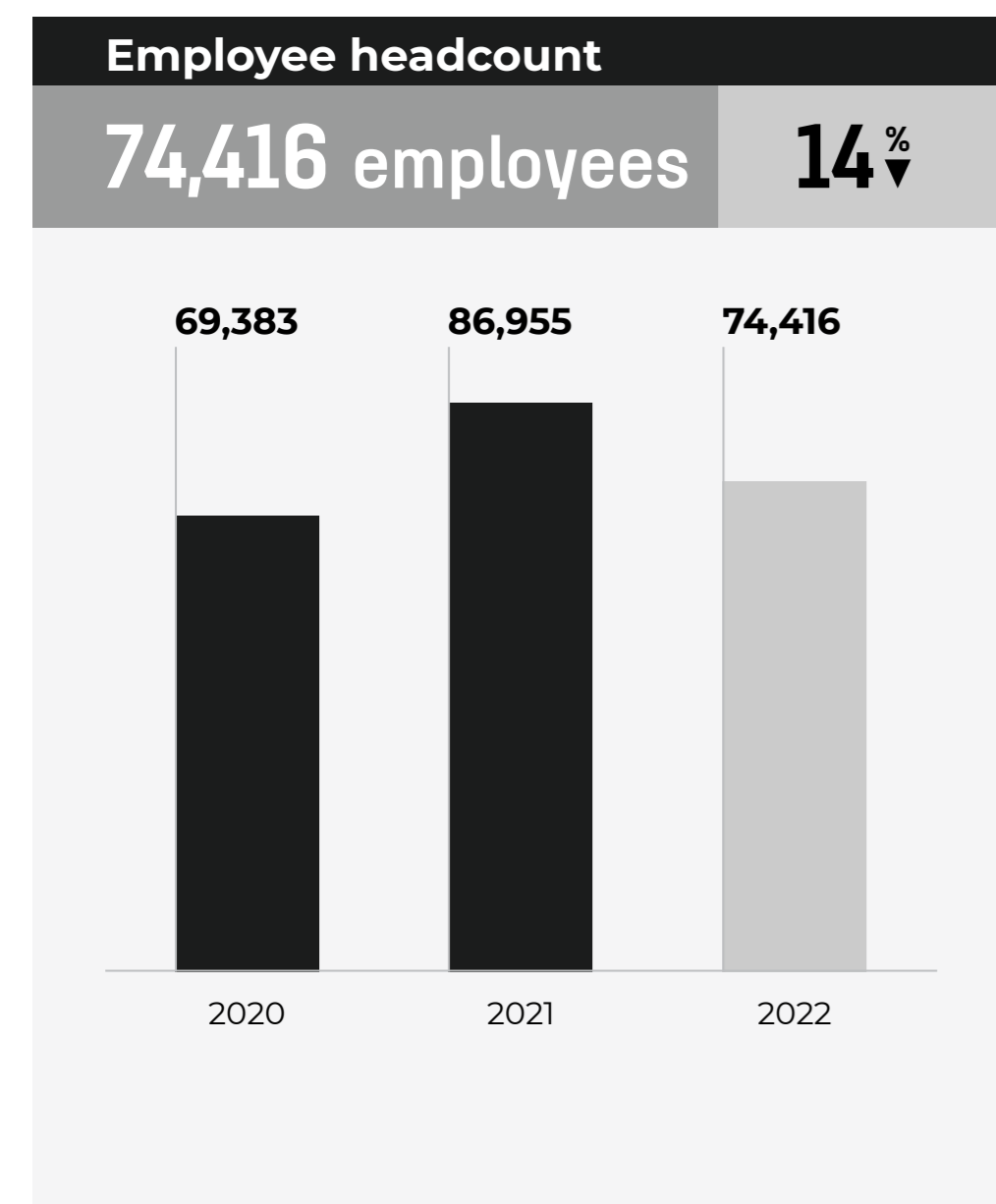
In response to the full-scale invasion, Metinvest prioritised the safety and well-being of its employees.

A WAR OF ATTRITION

GRI 2-7; 2-25

The full-scale war has had a significant impact on Metinvest's people. Tragically, among those identified, 504 died, including 313 employees and 191 of their family members as of the end of 2022. These losses cannot be replaced and will never be forgotten.

In addition, 588 of the Group's people were wounded, including 488 employees and 100 family members. Metinvest provided medical assistance to them as part of its humanitarian support efforts.



Overall, the Group faced a 14% reduction in headcount to 74,416 people as of the year-end. Despite this, Metinvest remained among the largest employers in Ukraine in 2022, where 97% of its staff were employed. The lower headcount is primarily due to the outflow of employees from the Mariupol and Avdiivka assets.

Since June 2022, Metinvest has suspended labour relations with 24,239 employees¹ as a result of the Russian Aggression. Still, these employees were recorded in total headcount and the Group has sought to keep contact with them and preserve the workforce for further possible job opportunities. This approach will help to quickly restore production capacity after the war ends.

Meanwhile, the headcount of the Zaporizhstal and Southern GOK JVs decreased to 9,947 and 5,921 people, respectively down 3% and 4% year-on-year.

The Group's approach to its employees and their families has been to do everything possible in the circumstances to help them. Metinvest supported government-led efforts to evacuate its people from the affected cities to safer locations. The Group provided temporary shelters for more than 6,000 such employees and their family members. It also established a comprehensive support programme providing material, medical, psychological and employment assistance.

¹ As at 31 December 2022.

GENERAL APPROACH

GRI 3-3

While the events of 2022 have led to major changes in Metinvest's human resource priorities and focus, its general approach to its people remains unchanged. It is grounded in best international practices, including the standards of [the Society for Human Resource Management](#).

At the apex of the Group's corporate governance structure, the Supervisory Board's Appointments and Compensations Committee supervises all aspects of personnel management, such as senior position appointments and dismissals, motivation, evaluation and reward systems, and succession planning.

The Sustainable Development and People Management Directorate oversees labour relations, employee remuneration, the professional development system and corporate culture.

Metinvest's human capital management strategy seeks to heighten the Group's appeal as an employer, secure a skilled workforce, elevate staff efficiency and refine the quality of internal HR services provided to employees.

In early 2022, Metinvest approved its Human Capital Management Policy which seeks to foster a supportive working environment. A key focus is on non-discrimination and equal opportunity, in alignment with the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Other important aspects are working hours and rest periods, prohibition of child and forced labour, freedom of employee association and the right to collective bargaining.

As part of Metinvest's personnel management approach, the Group's HR shared service centre offers comprehensive human resource management support. Operated by Metinvest Business Services, it covers around 130 processes such as organisational planning, personnel administration, staff training, assessment procedures, compensation and benefits.

The centre played a vital role in maintaining the stability of processes during this challenging year, ensuring the continuity of work and regular payment of salaries for employees.

In the first months of the war, Metinvest launched a hotline staffed by 50 volunteers from the Group's entities and its joint ventures who worked 24/7 to provide their fellow employees with critical information, including on humanitarian aid, evacuation, resettlement and employment at the Group's assets. Metinvest also established communication support through social media chats, sorted by location to provide remote access to HR services and to connect colleagues, encouraging collaborative participation in volunteer initiatives.

In addition, to address the immediate needs of employees, Metinvest rehabilitation centres were set up in Zaporizhzhia and Kamianske, where the Group operates. To provide its staff with the widest range of services in one place, Metinvest's Career Centres were temporarily relocated to the rehabilitation centres. In 2022, in cooperation with partners, they employed more than 1,300 internally displaced employees. Also, Metinvest Career Centres provided retraining programmes aimed at further enhancing employment opportunities and workforce development.

As of the end of 2022, more than 5,000 Metinvest employees were serving in the Armed Forces of Ukraine. The Group honours their service and is supporting them and other defenders with life-saving protective equipment and warm clothes.

METINVEST RANKS AMONG TOP-15 WARTIME EMPLOYERS IN UKRAINE

In April 2023, the Ukrainian publication dsnews.ua analysed the best employers in Ukraine and ranked Metinvest among top-15 wartime employers in the country. It recognised companies that offer decent working conditions, build strong and trusting relationships within the team, care for employees' physical and psychological health, and provide training and development programmes.

COMPENSATION

Metinvest strives to offer competitive compensation for its employees, encompassing a mix of salary, bonuses and additional monetary incentives. In 2022, the Group temporarily adjusted its approach to remuneration in response to the changing circumstances. Salaries and bonuses for production personnel in Ukraine were tied to the level of production capacity utilisation. For a certain period, Metinvest supported employees leaving the war zone in Mariupol by retaining two-thirds of their salary once they registered at a Metinvest Career Centre.

Across the Group, the average overall monthly salary during the reporting period was US\$801, down 20% year-on-year primarily as a result of the devaluation of the Ukrainian hryvnia, loss of operational control over assets in Mariupol and lower production capacity utilisation at other Group assets in Ukraine.

For more details, see [Annex 2](#).

SOCIAL SUPPORT

GRI 401-2

Metinvest understands the importance of providing social benefits that cater to employees' evolving needs and foster a supportive work environment. In 2022, the Group continued to provide access to medical services through voluntary health insurance options.

In the reporting period, Metinvest offered a scaled-back version of its My Choice individualised social package. The key benefits of the package included healthcare and accident insurance for employees and their family members, as well as preferential passenger transportation. As of the end of 2022, the programme was available to around 28,000 employees from ten of the Group's operating assets².

Metinvest also launched and implemented various social projects to support its employees. For example, the Saving Lives initiative has provided essential assistance to those in need. For more details, see page 33.

In 2022, Metinvest continued its Territory of Childhood programme by providing school supply kits for employees' children starting their first year of school.

Also, the Group strived to improve working conditions for employees by investing US\$3 million in social infrastructure enhancements. These investments made it possible to renovate some workspaces and catering facilities.

In addition, Metinvest harnessed the experience of supporting remote work to ensure that office personnel had secure access to its IT systems when needed. This helped to provide options for staff members who had to relocate to safer places within Ukraine or abroad.

² Central GOK, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Metinvest Business Services, Metinvest Digital, Metinvest-Promservice, Metinvest-SMC, Northern GOK, Zaporizhzhia Coke and Zaporizhzhia Refractories.

PROVIDING PSYCHOLOGICAL SUPPORT

The Russian Aggression has had a profound impact on the mental health of people living in a wartime environment. In response, Metinvest has launched several initiatives to provide free psychological support to the Group's employees and their families.

The Metinvest Together! service, established by the Group in 2022, engages professional psychologists and trainers for online individual sessions to help employees to cope with stress and anxiety. Also, online group meetings are held on a regular basis and cover a wide range of topics.

Metinvest provides psychological assistance at its rehabilitation centres. It includes working with war-related traumas and post-traumatic conditions; adaptation programmes for displaced employees, as well as psychological rehabilitation for employees and their children.

The Unbreakable Mum project was set up to meet vital needs as part of the Saving Lives initiative and in cooperation with the Masha Foundation. It provides psychological help to female employees, as well as the wives and children of employees. The offline psychological sessions are three-week programmes held in Ukraine's Carpathian Mountains.

In 2023, as part of the Saving Lives initiative, the Group launched a new programme for the psychological rehabilitation of children of Metinvest employees. Called Strong Generation Camp – The Future, experts from the Ukrainian Psychologists Association will provide help to children affected by the war.

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-1

Metinvest employees have equal access to training and professional development programmes, as well as the same opportunities to participate in personnel appointment processes.

The Group's collective agreements include provisions designed to provide equal remuneration for men and women performing the same job. This approach helps to ensure that salaries, incentives, benefits and other forms of compensation – both monetary and non-monetary – remain free from discrimination based on gender, race, religion or trade union membership.

The Remuneration Policy further upholds these principles by outlining an equitable approach to salary adjustments for employees returning from extended absences, such as maternity leave or military service.

In the metallurgical and mining industries, which have traditionally demanded strenuous physical labour, the workforce has typically seen a higher proportion of men than women. As of 31 December 2022, women comprised around 31% of staff (down one percentage point year-on-year), 27% of the executive team (up two percentage points year-on-year) and 10% of the Supervisory Board (flat year-on-year).

For more details, see [Annex 2](#).

The working hours of Metinvest's employees must adhere to the requirements of the national legislation of the countries where it operates and international standards. The Group provides flexible working hours and parental leave for employees with children, along with childcare and healthcare programmes tailored to the needs of working parents.

Metinvest is committed to providing workplace accessibility and negotiates terms for employees with disabilities on a case-by-case basis, ensuring that working hours and job responsibilities accommodate their unique requirements. At the end of 2022, the Group employed 2,350 people with disabilities, compared with 2,694 at the end of 2021. The difference was mainly because of the decreased headcount in 2022.

HUMAN RIGHTS

GRI 2-26; 410-1; 412-1; 412-2

Metinvest remains dedicated to safeguarding labour and human rights throughout the business.

While placing primary importance on protecting the safety of all its employees, the Group also strives more widely to foster a trust-based work environment, exhibiting zero tolerance for discrimination based on race, gender, age, religion, or any other personal attributes.

Metinvest's Code of Ethics and Human Capital Management Policy articulate the core principles that underpin its commitment to protecting and upholding human rights in alignment with the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, and the ILO's Declaration on Fundamental Principles and Rights at Work.

To ensure that employees feel supported and comfortable when reporting potential rights violations, the Group has implemented multiple communication systems, including a Trust Line, dedicated Metinvest communication channels and a corporate portal.

Metinvest used to test employees' knowledge of the Code of Ethics using an online course that covered specific aspects related to human rights. In the period from 2019 to 2021, 95% of the Group's employees completed this training. In 2022, the Group paused its mandatory training on the Code of Ethics because of the Russian Aggression.

COLLECTIVE BARGAINING

GRI 2-30; 407-1

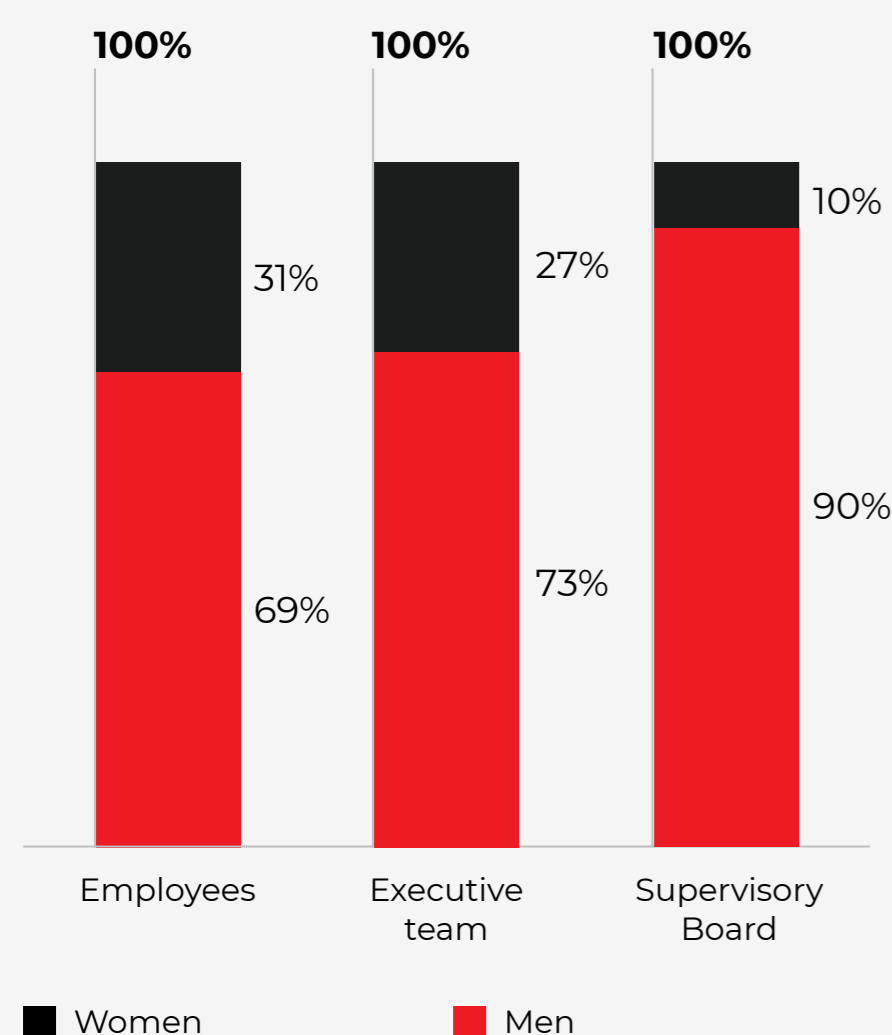
Metinvest acknowledges the fundamental and legally enshrined right of employees to establish and join trade unions, as well as engage in collective bargaining to protect shared interests. Industry agreements and collective contracts apply to all employees, irrespective of union membership.

To reinforce its dialogue with diverse employee groups – including labour organisations, female employees, young professionals, and retired and former employees – Metinvest relies on the following internal documents:

- the Principles of Social Dialogue with Trade Unions
- the Principles of Gender Equality
- the Principles of Engagement with Metinvest's Youth
- the Principles of Engagement with Metinvest's Retirees

At the end of 2022, a total of 99% of production personnel at the Group's assets were covered by collective bargaining agreements.

Gender diversity in 2022



TRAINING AND DEVELOPMENT

GRI 404-1; 404-2

The Group's learning and development framework is embodied by its Corporate University, asset-based training centres and Metinvest Polytechnic, the private university for the steel and mining industry established by the Group. For more details, please see page 38.

In the reporting period, Metinvest narrowed the scope of its efforts in the training area to critical initiatives aimed at supporting production efficiency and retaining relocated staff. The scope of management and software training was reduced to prioritise core employee training.

As a result, training programmes offered by the Group in 2022 covered the following areas: requalification and advanced employee skills; occupational health and safety; first aid in wartime; managerial and employee qualification improvement (through Metinvest Polytechnic); mentorships for production personnel; Ukrainian-language study programmes; and software and management skills for employees of service assets.

Employee training sessions

57,986

Overall, Metinvest's spending on human capital development totalled around US\$1 million, down 79% year-on-year. In particular, 26,262 employees attended 57,986 internal training sessions, resulting in an average of 34 hours of training per employee in 2022.

Aiming to support professional development, the Group also opened proficiency testing centres at Metinvest Promservice, Kamet Steel and Kryvyi Rih Machining and Repair Plant for retraining employees from the assets affected by the full-scale war. These centres allowed employees to receive professional qualifications through the evaluation of their skills against industry standards. In 2022, more than 500 employees passed qualification testing as part of this initiative.

In addition, 220 employees completed advanced training courses through the joint programme offered by Metinvest Polytechnic and the Corporate University in 2022. The key areas of training were HSE, risk management, modern steelmaking and mining technology, and business-oriented Ukrainian language courses.

YOUNG TALENT

GRI 404-2

Metinvest recognises that its business relies on the availability of high-quality, forward-thinking young professionals. Its longer-term aim is to play a major role in reinvigorating the vocational educational system in Ukraine to ensure the country has the skilled professionals it needs for the future.

One initiative that continued despite the full-scale war was the internship programme, which is critical to the Group's ability to help to prepare the next generation of highly qualified mining and steelmaking professionals.

Meanwhile, the Steel-Tok career exhibition for pupils was scaled back to only cover the city of Zaporizhzhia. It provided career consultation to 970 students in the eighth and ninth grades at 18 local schools during the reporting period.

Graduates who joined the Group

510

Overall, 1,070 students from 29 educational institutions completed internships and Metinvest hired 194 of them. They were among 510 recent graduates who accepted the first employment offers in their careers from the Group.

In addition, Metinvest remained focused on the refinement of professional standards to modernise training systems across enterprises and educational institutions. These ongoing efforts seek to align state qualification and educational standards in Ukraine with the production needs of modern industry.

In addition, the Group's experts participated in developing methodological recommendations for professional standards development in Ukraine.



METINVEST POLYTECHNIC

Metinvest Polytechnic demonstrates the Group's commitment to enhancing the quality of technical education in Ukraine.

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 Russian Aggression has forced some aspects of these plans to be postponed, the university successfully adapted to provide innovative online programmes to the hundreds of students who began their studies in 2022. Education at Metinvest Polytechnic is offered free of charge for both the Group's employees and their children.

In a remarkable display of resilience, Metinvest Polytechnic managed to retain nearly all its teaching staff following the full-scale invasion. Throughout 2022, the university not only continued to prepare for its licensed bachelor's and master's degree programmes, but also resumed training courses in seven areas for employees of the Group seeking to upgrade their skills and qualifications.

The university offered 11 bachelor's degree programmes and 12 master's degree programmes, of which metallurgy, computer science, automation, computer integration technologies and occupational safety were the most popular among the first-year students.

The focus on global scientific achievements and advanced practices in the fields of metallurgy, industrial business and transformational management ensures that the university continues to train a new generation of specialists in the metals and mining sector.

Students of Metinvest Polytechnic come from diverse backgrounds, including graduates of colleges and lyceums, employees of Group enterprises from Zaporizhzhia, Pokrovske, Kamianske and Kryvyi Rih, as well as residents displaced from Mariupol and Avdiivka.

In 2022, a total of 442 people started their programmes of study at Metinvest Polytechnic, comprising 195 students working towards bachelor's degrees and 247 in master's degree programmes. Overall, 62% of enrollees in the 2022 cohort were Metinvest employees and 12% were their children.



5 More information about the illustration is on page 96.

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.

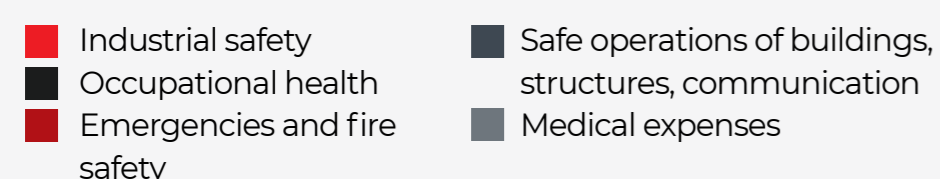
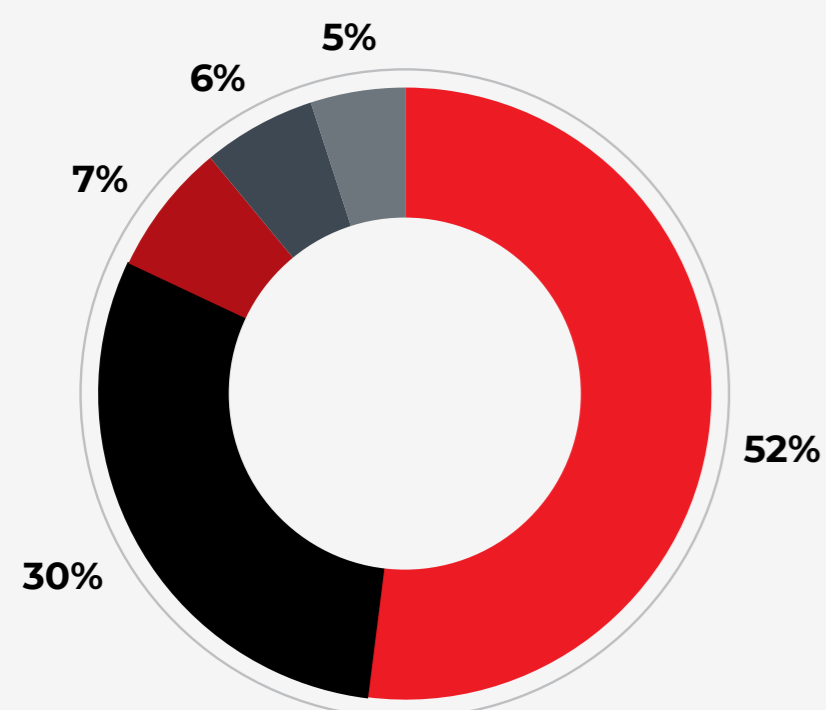
The Health, Safety and Environmental Committee within Metinvest's Supervisory Board ensures adherence to internal procedures and local regulations. It reviews outcomes of incident investigations, seeking opportunities to enhance governance

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](#).

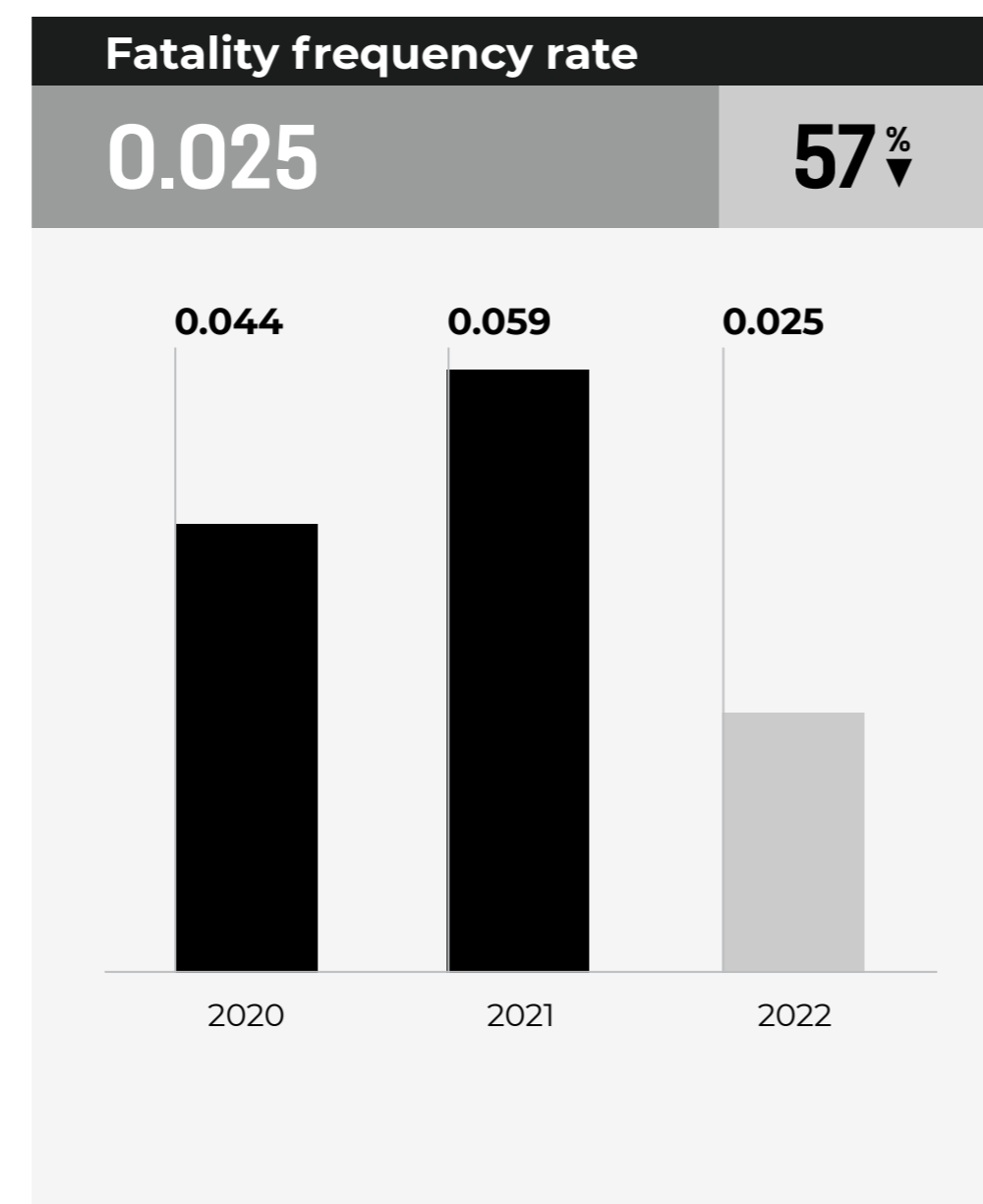
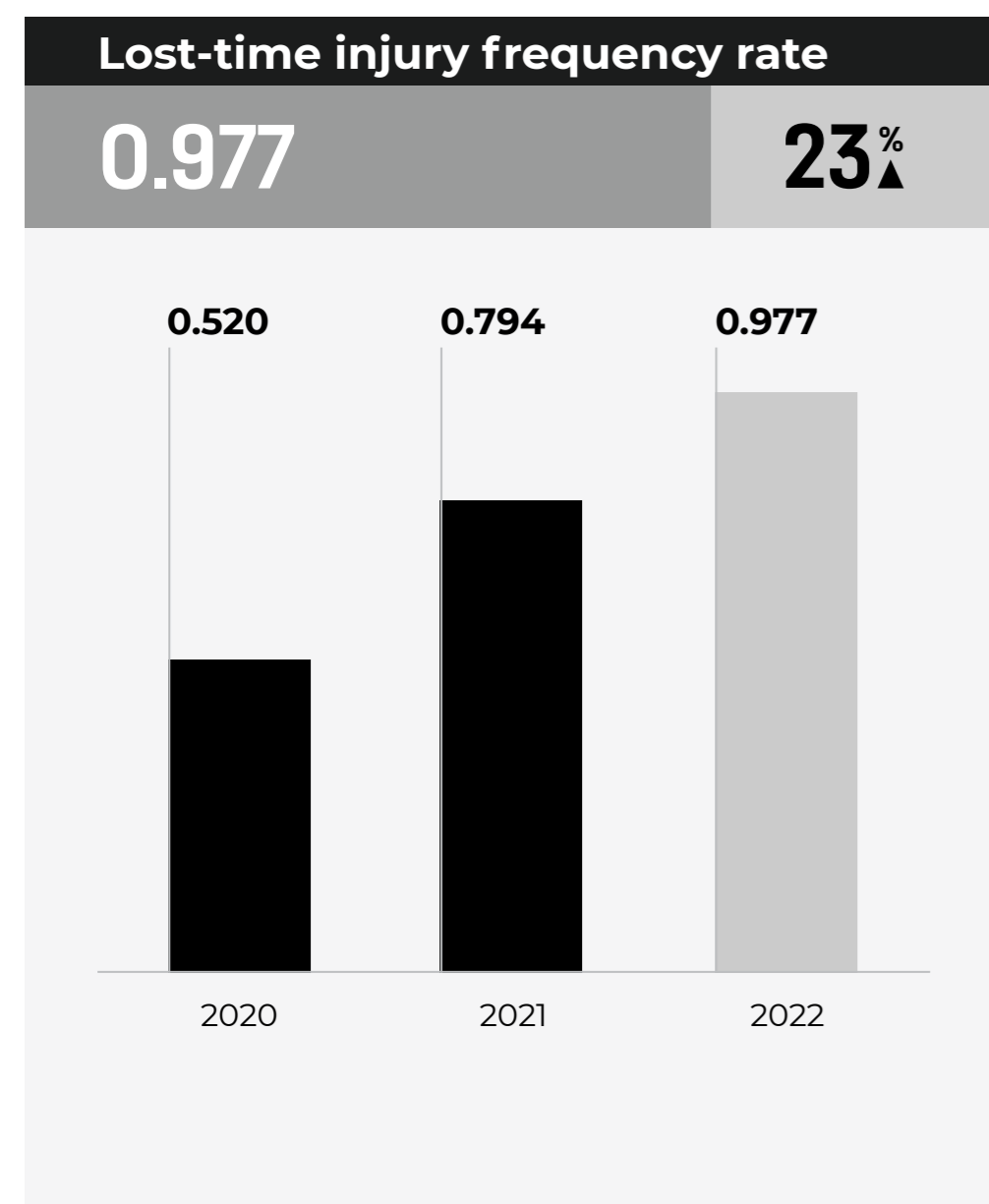
HEALTH AND SAFETY TRAINING

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.

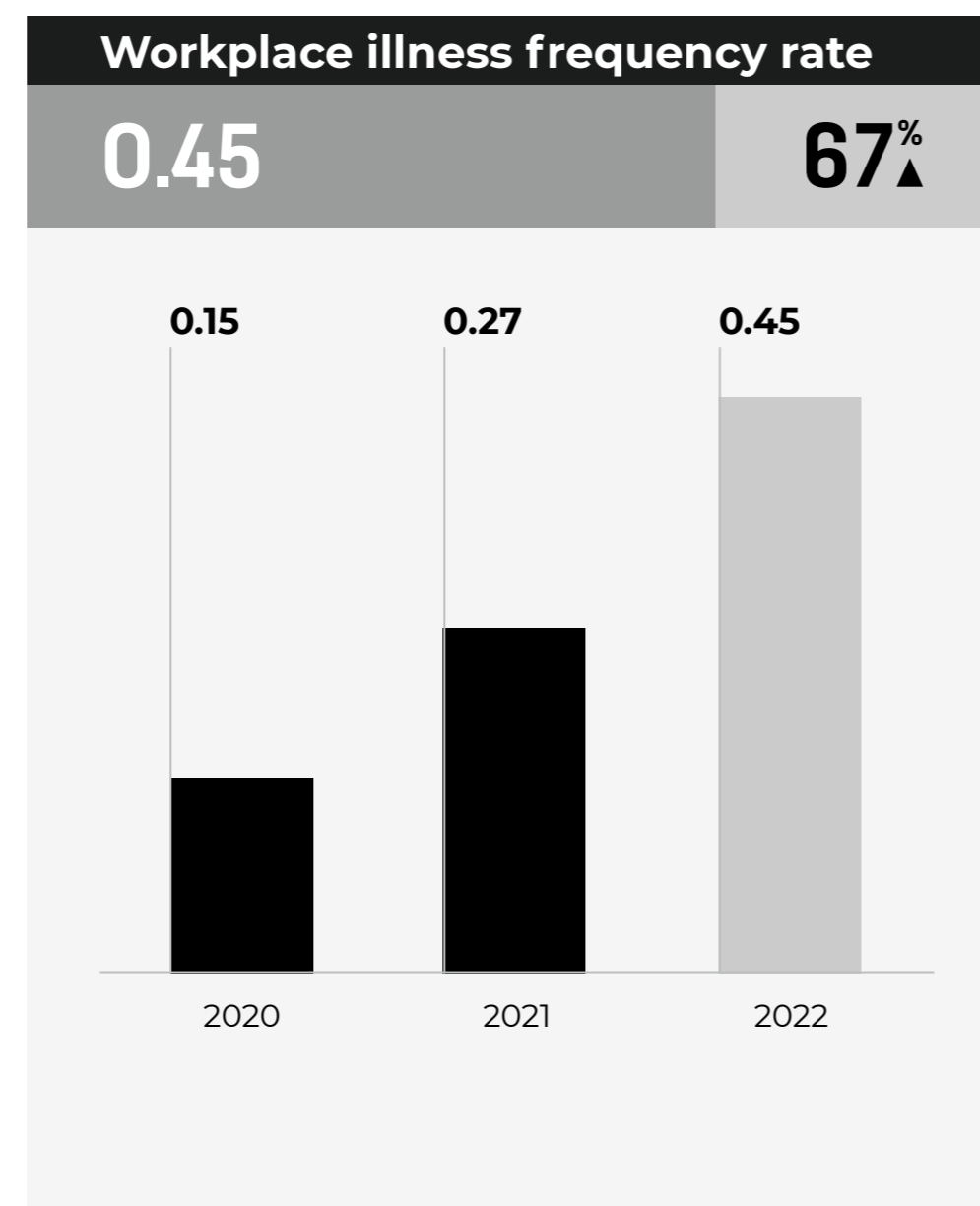
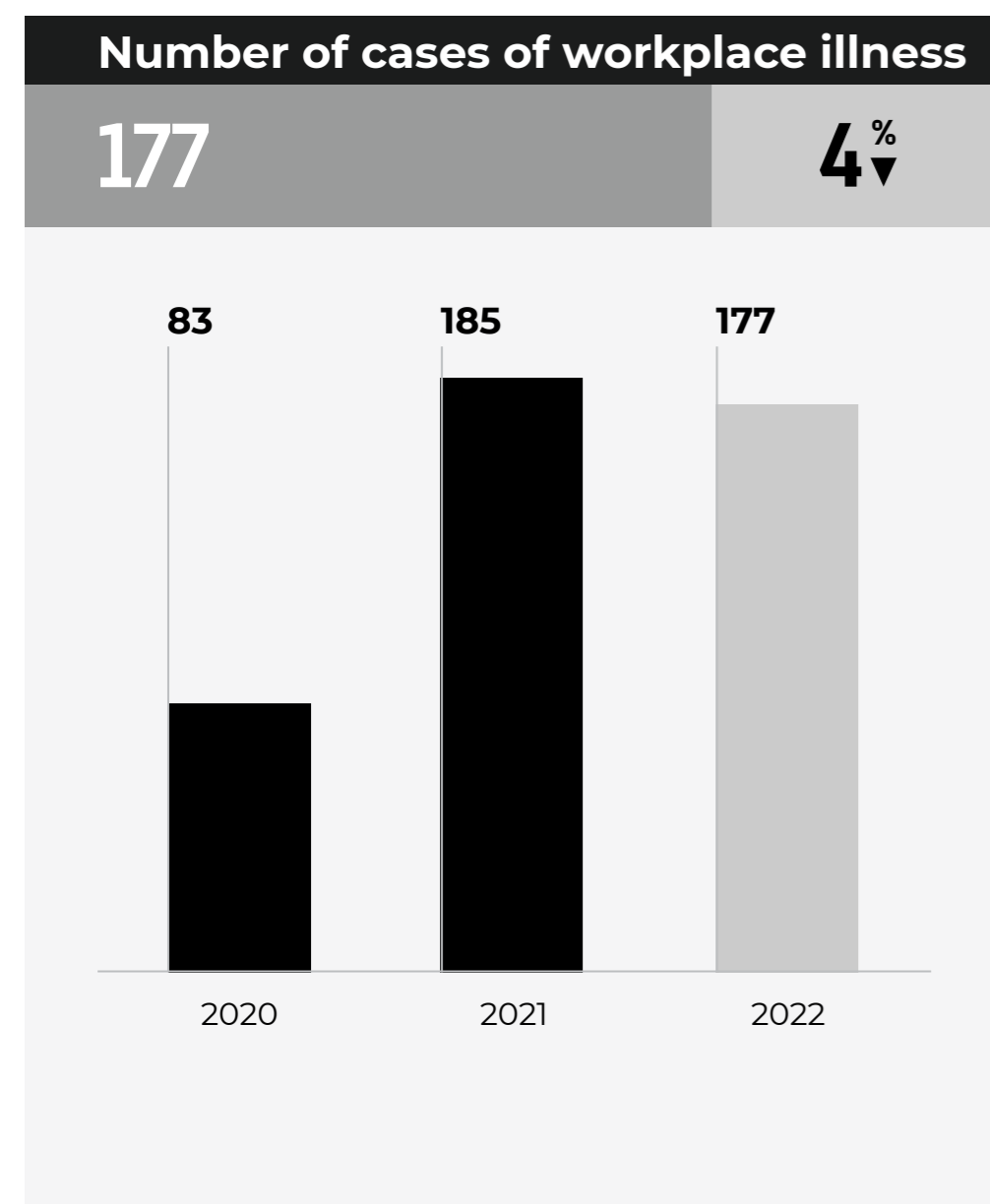
PROSTHETICS RESTORING LIVES

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.

ENVIRONMENT

A LONG-TERM COMMITMENT

The war impacted both Metinvest's environmental performance and reporting at affected assets, while new projects were put on pause in 2022. Nonetheless, the Group maintained its ongoing ecological approach and practices and continued to plan for a greener future.

A STEADFAST OBLIGATION

GRI 2-25; 203-2

The impact of the Russian Aggression on Metinvest's environmental projects has been significant. The Group placed some of its Ukrainian assets in hot conservation mode to ensure its employees' safety and prevent any industrial accidents. Halted production at the Mariupol steelmakers and Avdiivka Coke, one of the most significant contributors to Metinvest's environmental exposure, materially impacted its ecological footprint. In addition, owing to various risks, numerous programmes initially scheduled to

commence or continue during the year were suspended.

At the same time, the full-scale war has not altered the Group's long-term commitment to environmental protection. In 2022, Metinvest continued to adhere to the highest standards in this area at its operational facilities. The related specialists continued to perform comprehensive impact assessments on air, land and water resources, and conduct laboratory analysis and internal audits across the Group's operations, supplemented by third-party audits.

Overall, in 2022, Metinvest spent US\$163 million on environmental initiatives, down 68% year-on-year. This included capital expenditure¹ of US\$58 million, which is 73% lower year-on-year. At the same time, the Group proceeded with critical repairs, mainly to keep dust and gaseous emissions at below-permitted levels.

¹ The environmental CAPEX for assets located in Ukraine is calculated based on Ukrainian regulatory requirements and methodology and may differ from the IFRS approach.

GENERAL APPROACH

GRI 3-3

The Group's primary environmental principles involve adherence to applicable legislative requirements and implementation of best practices. The Policy in the Field of Health, Safety and the Environment directs Metinvest's strategy for managing its impact in this area.

At the upper level of the Group's corporate governance, the Supervisory Board's Health, Safety and Environmental Committee delivers strategic supervision over its environmental management.

In 2022, the environmental function within Metinvest's Sustainable Development and People Management Directorate ensured compliance with legislative mandates, performed risk evaluations and internal audits, and devised measures to reduce, where possible, the ecological footprint, among other concerns. In May 2023, the environmental function was merged into the Technological Directorate to further enhance the effective implementation of the environmental agenda.

At the asset level, senior management representatives convene quarterly to address essential environmental matters and decide on the execution of related projects.

In 2022, Metinvest continued to evaluate its assets for compliance with international

standards. During the reporting period, the certification for ISO 14001:2015 was extended to Kryvyi Rih Machining and Repair Plant, Pokrovske Colliery and Zaporizhia Refractories. As a result, 16² operating assets of the Group were certified as of the end of 2022.

Building on this base of common standards, the environmental certification of steel products is an essential trend for the industry as customers seek to reduce emissions in their supply chains. In Italy, Metinvest Trameal implemented the Environmental Product Declaration (EPD) in 2022 and received an official certificate from independent assurance provider DNV in early 2023.

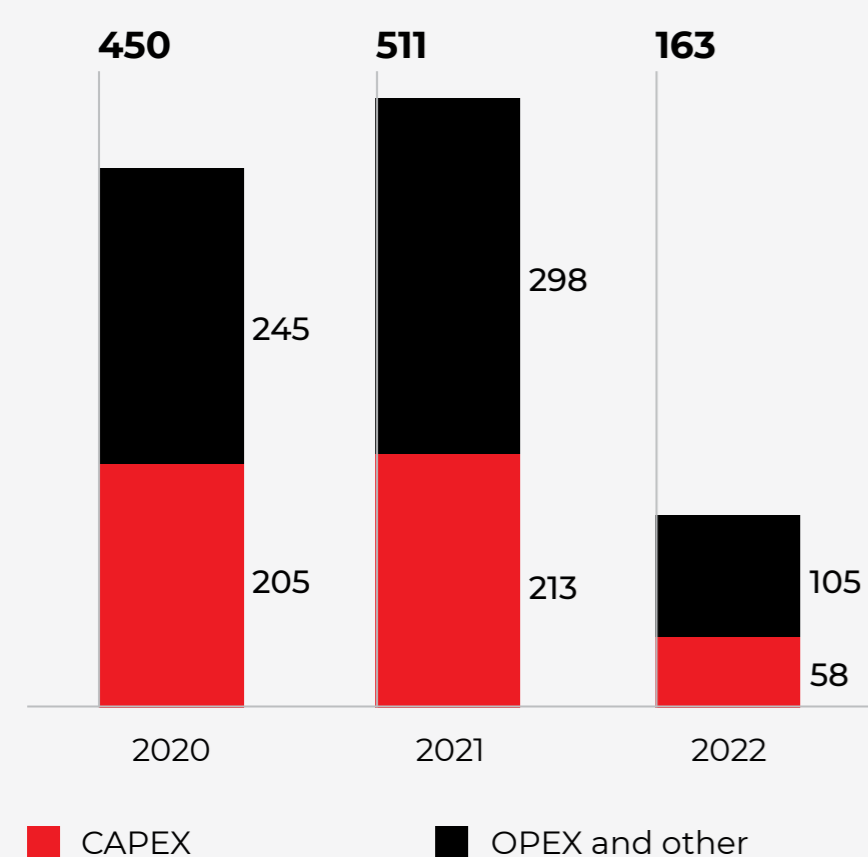
The Group seeks to maintain an open dialogue with all stakeholders to solve ecological issues in the regions where it operates jointly. Any direct concerns about environmental matters may be submitted via the [Trust Line](#). In 2022, no complaints were made through the Trust Line by stakeholders, regulators or other public organisations about environmental protection matters.

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

Spending on environment

US\$163 mn

68%
▼



ADDRESSING CLIMATE CHANGE

Decarbonisation

The Russian Aggression affected Metinvest's work on a long-term decarbonisation roadmap. Once the war is over and its impact is assessed, the Group plans to return to its decarbonisation journey, which is currently suspended.

Metinvest remains committed to its green steel future. While significant investments cannot be made at present in Ukraine, the Group is focused on the following areas of development in the future: improving the quality of its iron ore products as its magnetite ores are well suited for pelletising; and shifting to proven and prospective low-carbon technologies used in steel production, such as direct reduced iron (DRI), electric arc furnace (EAF) and smelter.

GHG emissions disclosures

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

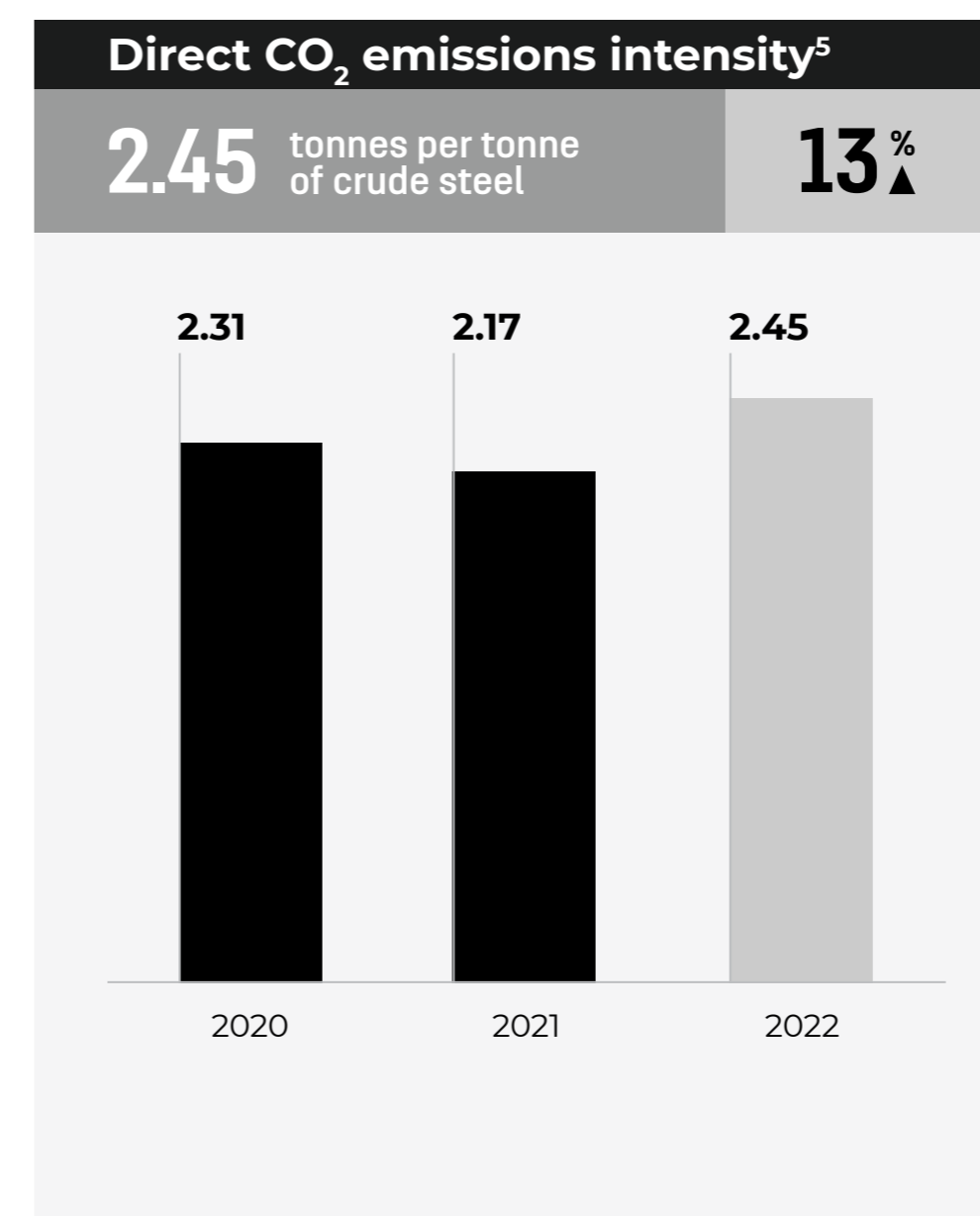
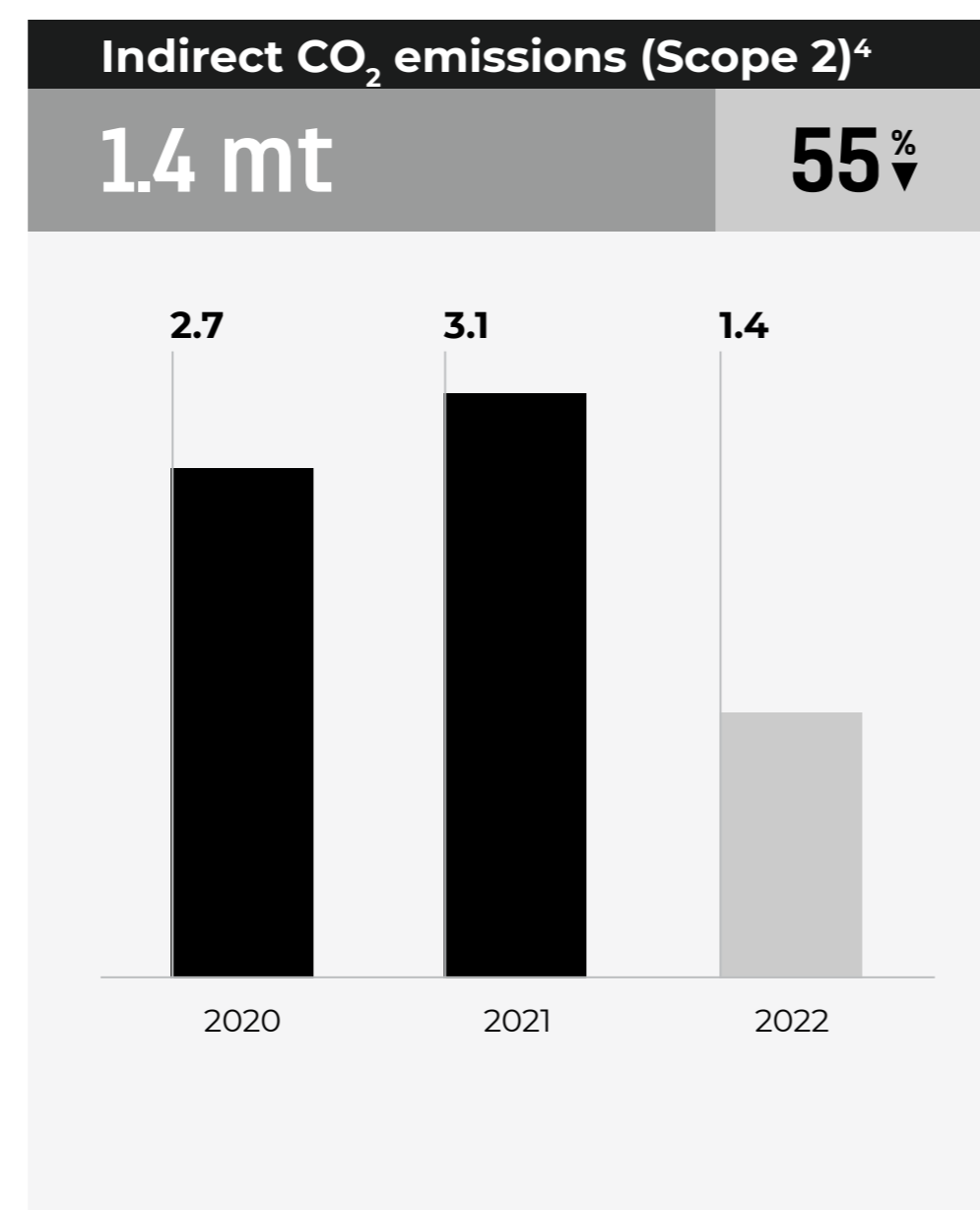
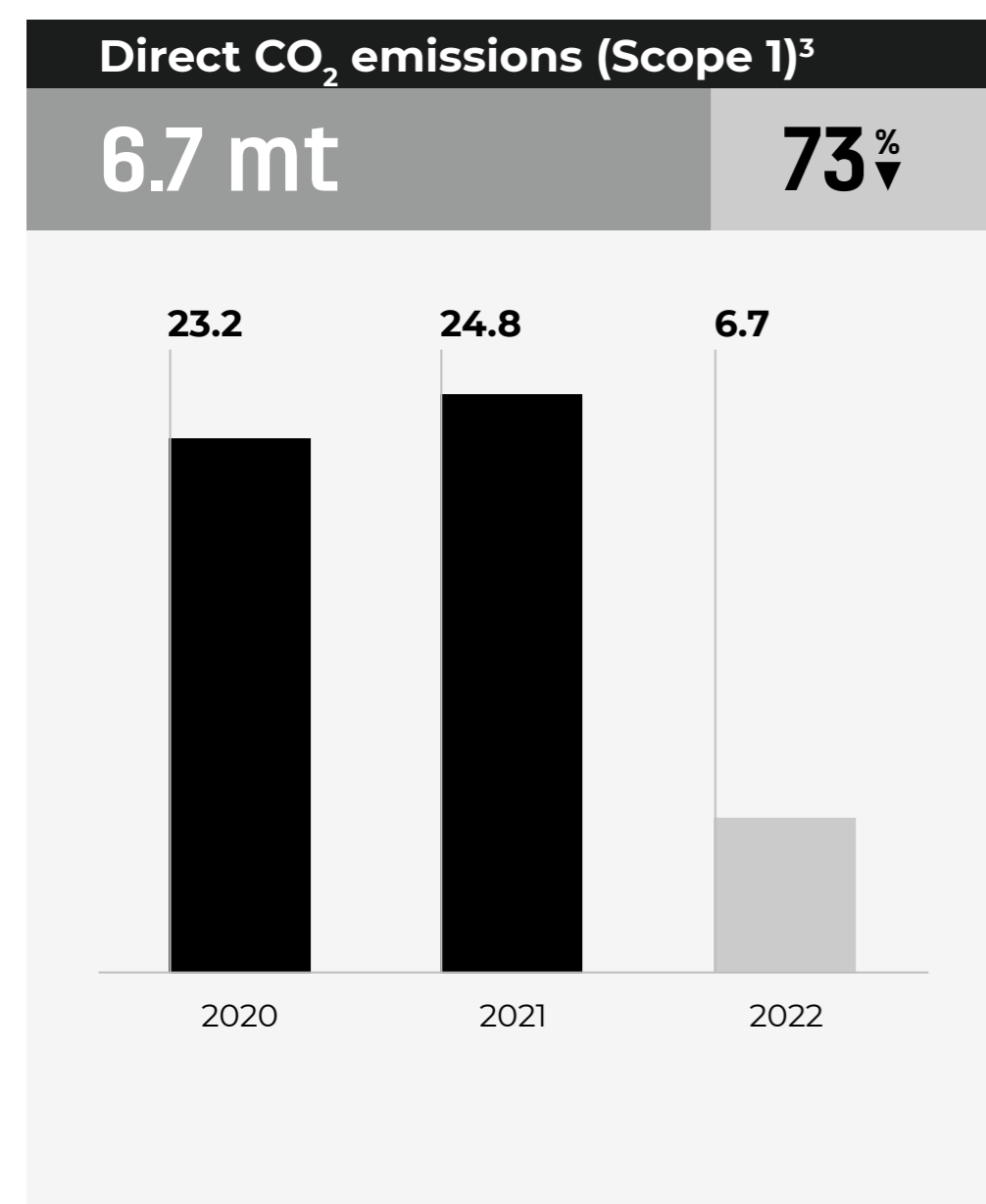
Metinvest's greenhouse gas (GHG) emissions consist primarily of carbon dioxide (CO₂), and to a lesser extent methane (CH₄) and nitrous oxide (N₂O).

Since 2021, Metinvest has reported its CO₂ emissions in compliance with Ukraine's law "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions". It calculates direct Scope 1 CO₂ emissions from stationary sources using the entire carbon balance at an installation's input and output points. This approach aligns with the one adopted by the EU, making the Group's CO₂ reporting and intensity benchmarks comparable with those of EU-based peers. In addition, it calculates direct Scope 1 CO₂ emissions from mobile sources and indirect Scope 2 CO₂ emissions associated with its electricity purchases under the Greenhouse Gas Protocol.

In 2022, Metinvest's CO₂ emissions decreased primarily because the Mariupol steelmakers and Avdiivka Coke suspended operations: Scope 1 CO₂ emissions totalled 6.7 million tonnes³, down 73% year-on-year, and Scope 2 CO₂ emissions were 1.4 million tonnes⁴, down 55% year-on-year.

At the same time, the Group's direct CO₂ emissions intensity climbed by 13% year-on-year to 2.45 tonnes of CO₂ per tonne of crude steel production⁵. This mainly resulted from the disruption of production operations at Kamet Steel, including electricity cuts that began in the fourth quarter of 2022 amid damage to power infrastructure across Ukraine. This and other factors forced the plant to restart operations, requiring greater energy consumption in the process, which in turn led to higher CO₂ emissions intensity.

Metinvest's primary source of methane emissions is its underground coking coal mining operations. In 2022, the Group's CH₄ emissions increased by 22% year-on-year to 102 thousand tonnes, mainly because the consolidation of Pokrovske Coal in March 2021 created a low base effect for comparison. At the same time, methane emissions at United Coal fell by 35% year-on-year because of decreased production.



³ The indicator for 2022 includes data of the Mariupol steelmakers for January 2022 only. These data cannot be used for the purposes of taxation or other withholdings.

⁴ 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.

⁵ The calculation is based on Scope 1 stationary and mobile CO₂ emissions of the Group's steelmakers. The indicator for 2022 includes data of the Group's Mariupol steelmakers for January 2022 only. Uniquely those material flows directly used in steelmaking processes were taken into account, while volumes of merchant pig iron were not included.

ENERGY EFFICIENCY

GRI 3-3; 302-1; 302-4

The Operational Directorate is responsible for the energy management and implementation of energy efficiency programmes at Group level. Metinvest maintains a specialised division at every operating production facility that oversees energy resource usage in manufacturing and implements efficiency initiatives.

The Group works to ensure that the energy management systems operate in accordance with relevant international standards. At the year-end, the energy efficiency management systems at six operating assets⁶ were certified as compliant with ISO 50001.

In 2022, Metinvest prioritised energy security, emergency prevention, maintaining production continuity and exploring alternative power sources for critical infrastructure. It also focused on optimising energy costs, implementing energy-saving

programmes, and increasing in-house electricity generation. Overall, the Group's spending on energy efficiency initiatives decreased by 39% year-on-year to US\$10 million. Key measures in energy security in Ukraine included:

- implementing hot mothballing programmes
- managing hourly electricity consumption under power supply limitations
- conducting unscheduled inspections of protective equipment and electrical installations
- connecting backup gas, electricity and water supply sources to critical equipment
- optimising heating systems in buildings

In 2022, Metinvest's direct energy consumption totalled 82,157⁷ terajoules, down 65% year-on-year, primarily because of the halt of operations at the assets in Mariupol and Avdiivka Coke.

During 2022, the Group continued to use contractor services to implement turn-key energy savings projects. For example, natural gas was partially substituted with crushed sunflower husk at the particular production units of Central GOK and Zaporizhia Refractories, saving 40% and 55% of total natural gas consumed by each unit respectively.

⁶ Central GOK, Ingulets GOK, Kamet Steel (coking facilities), Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

⁷ For 2021-2022 diesel fuel and petrol consumption of the Mariupol assets are excluded from the total energy use due to unavailability. The indicators for 2020 and 2021 were restated as natural gas consumed by United Coal was added. 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.

ASSESSMENT OF CLIMATE RISKS

To adhere to best global practices in managing climate change risks, Metinvest engaged an expert to assess applicable climate change risks and opportunities using recommendations provided by four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) frameworks: Governance, Strategy, Risk Management, and Metrics and Targets.

This expert review covered the following:

- improvement of climate-related governance structure
- integration of climate change risks into the Group's risk management system
- assessment and management of material physical and transition risks identified for Metinvest
- analysis of potential climate change impacts on the Group under at least two warming scenarios

Governance

- assessment of the Group's governance relating to climate-related risks and opportunities
- analysis of Supervisory Board oversight of climate change issues
- designation of the executive team's role in assessing and managing climate-related risks and opportunities

Strategy

- identification and assessment of climate-related risks and opportunities over the short, medium and long term
- impact evaluation of climate-related risks and opportunities on operational and financial results in the short, medium and long term, using different climate-related scenarios

Risk Management

- analysis of the processes for identifying, assessing and managing climate-related risks
- identification of owners of climate risks
- integration of assessment of climate-related risk processes into the risk management system

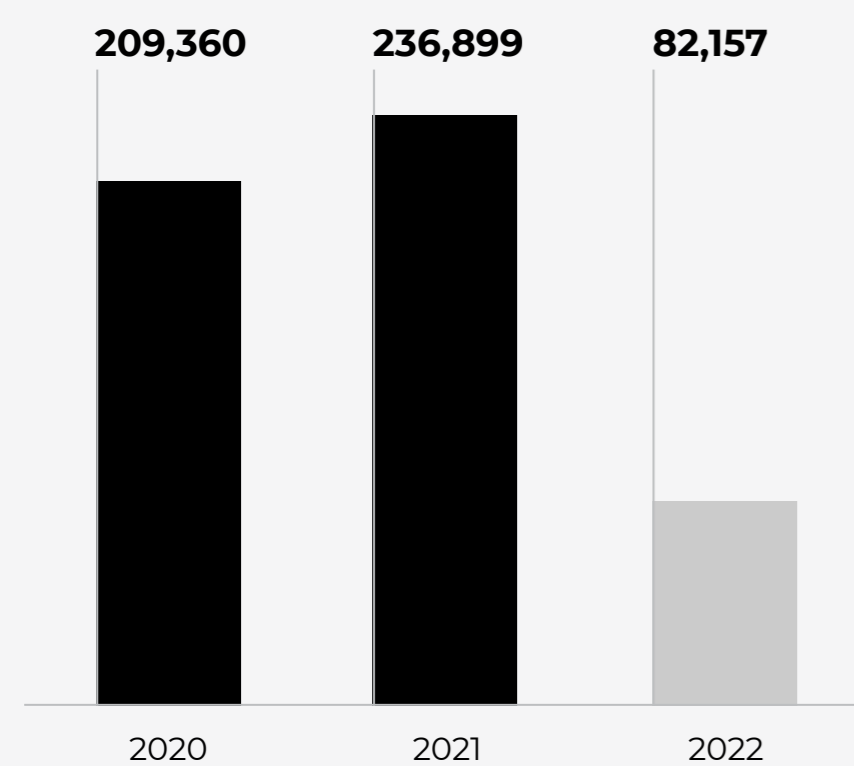
Metrics and Targets

- Metinvest calculates and discloses its carbon emissions and carbon intensity in accordance with common industry practices
- assessment of climate change risks related to the Group's carbon emissions

Direct energy use⁷

82,157 TJ

65%↓



WATER MANAGEMENT

GRI 303-1; 303-2; 303-3; 303-4; 303-5
Metinvest strives to identify, prevent and mitigate the potential impact of its operations on water resources. The Group's steel assets use water primarily for cooling equipment and for flue gas cleaning systems. Iron ore mining assets utilise recycled water to mix with milled ore before separating valuable components from waste material, or 'tails', which are then sent to tailings storage facilities. Moreover, the BOF production process employs water to purify gas from steel production, recycling the cleaned water back into the process. Metinvest closely monitors the quality of water resources used and withdrawn by its operating assets to ensure compliance with environmental legislation. It also regularly upgrades its laboratories to guarantee measurement accuracy.

In 2022, the Group focused primarily on control measures to reduce risks associated with the Russian Aggression and unforeseen changes in water resource usage. Suspended operations at the affected assets had a material impact on the relevant water indicators.

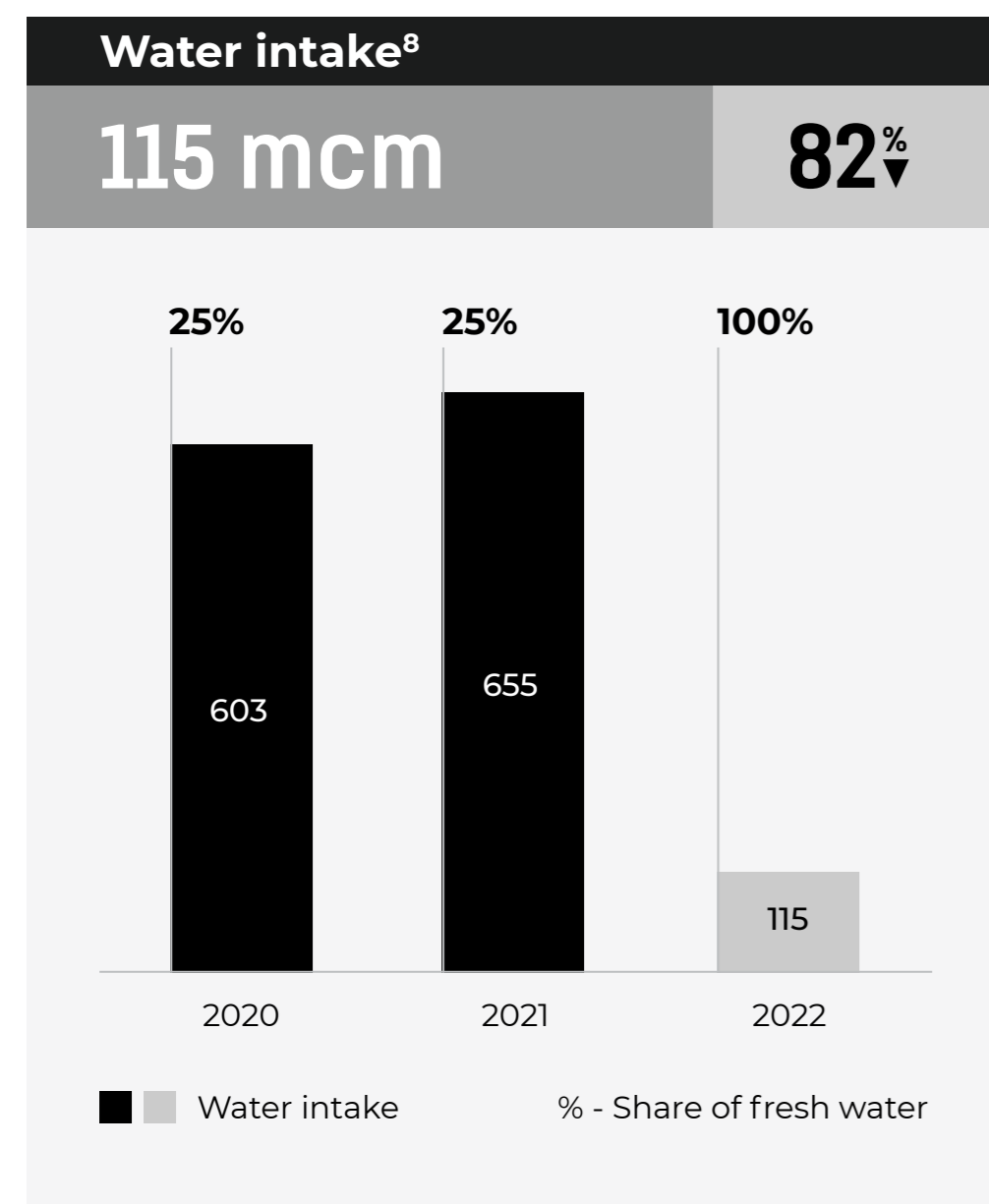
In particular, in 2022 the total volume of water intake was 115 million cubic metres⁸, down 82% year-on-year, while the total volume of water consumption was 101 million cubic metres⁸, 84% lower year-on-year. At the same time, the total water discharge decreased by 86% year-on-year to 77 million cubic metres⁸.

Meanwhile, the share of freshwater intake was 100% in 2022 compared with 25% in 2021 because, historically, Azovstal was the only asset of the Group that withdrew salt water from the Azov Sea.

Also, the Group recycled and reused 91% of water consumed from all sources in 2022, up ten percentage points year-on-year.

In June 2023, after the reporting period, Russian occupying forces intentionally destroyed the dam of the Kakhovska Hydroelectric Power Plant on the Dnipro River. This led to extensive flooding and damage to communities in the Kherson region. It also caused a critical drop in the water level at the Kakhovska reservoir, which supplies water to Kryvyi Rih. Based on the management's best estimates of the potential impact of this event, it is not expected to have a severe impact on the operations of the Group's assets in the city because they are mainly sourced by groundwater from a quarry.

⁸ The water indicators for 2022 exclude data for the Mariupol-based assets and Avdiivka Coke.



WASTE MANAGEMENT

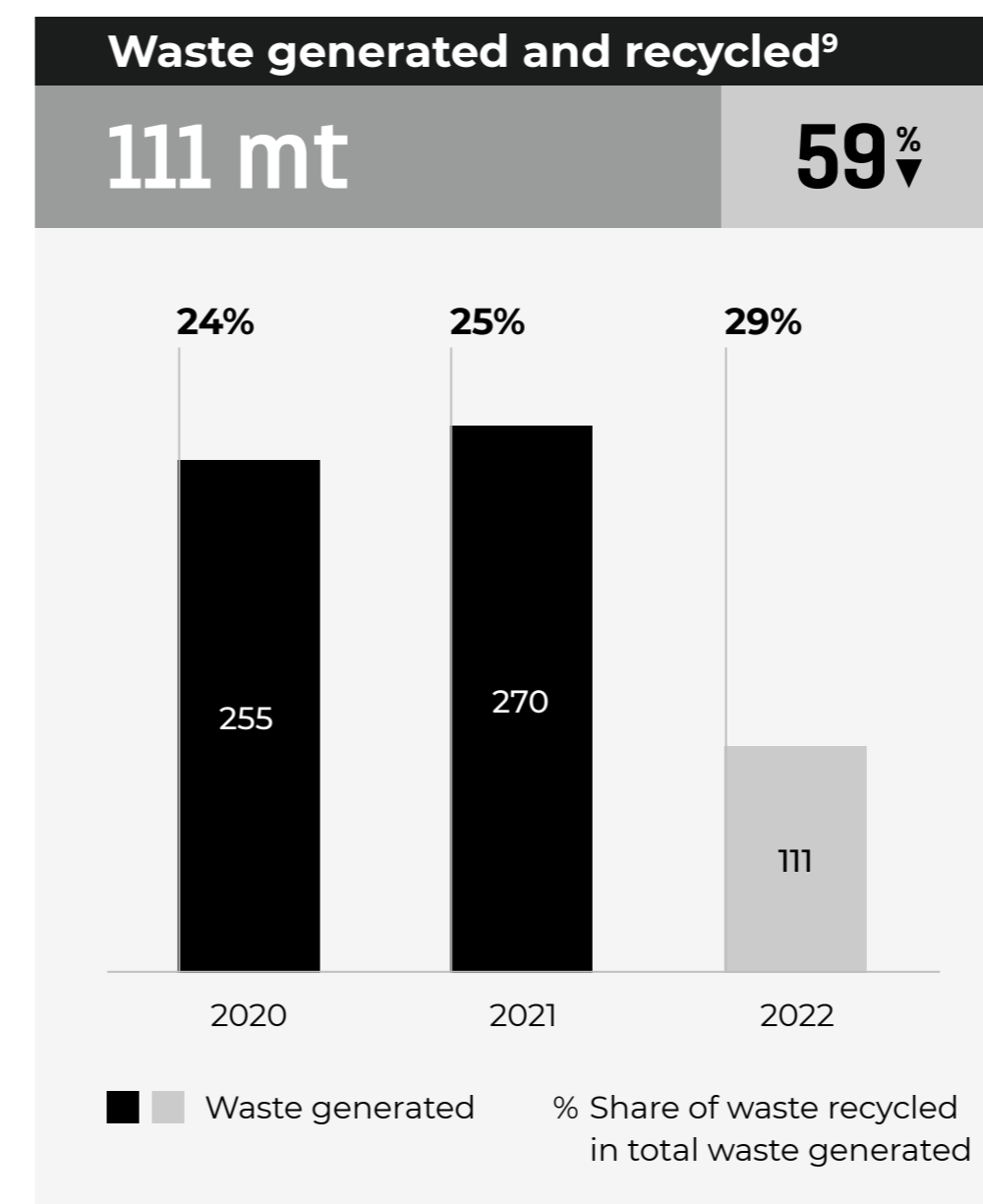
GRI 306-1; 306-2; 306-3; 306-4
Responsible waste management is an integral part of Metinvest's environmental agenda. Industrial waste generated through the production processes includes overburden and tailings from ore extraction and enrichment, chemical by-products from coke production, as well as slag and iron-containing sludge from hot metal and steel production.

The Group continues to focus on reusing and recycling waste, such as utilising crushed rock for road repair and construction, commercialising by-products like coal tar pitch and naphthalene, and substituting iron ore raw materials with scrap. The amount of scrap consumed as a share of total steel production in 2022 was 14%, a decrease of six percentage points year-on-year because of lower output.

Metinvest stores its waste in designated areas, such as slag and sludge repositories at steelmaking sites and tailings storage facilities at iron ore mining assets for waste from concentrate production. These structures are typically located in regions with low seismic activity and minimal risk of heavy rainfall. The Group adheres to regulatory requirements and relevant laws, maintaining the necessary licences for facility operation. Metinvest rigorously conducts internal audits of tailings dam stability and assigns employees to inspect them regularly, while tracking waste volumes and disposal methods, and evaluating potential impacts. Moreover, annual external assessments of tailings facilities are conducted by Ukrainian state authorities and an independent expert organisation, ensuring compliance with the Group's tailings management approach and long-term safety measures like tailings dam loading and drainage system cleaning.

During the reporting period, Metinvest's industrial waste from production decreased by 59% year-on-year to 111 million tonnes⁹. Almost 100% of total waste was non-hazardous, mainly overburden and tailings from the iron ore producers. The Group recycled a total of 32 million tonnes of waste, down 54% year-on-year. A decline in these metrics was caused by the downtime of iron ore assets in 2022. Despite the reduction in the total amount of waste recycled, the share of recycled waste in the total rose by three percentage points year-on-year to 29%.

For more details on key environmental data, see [Annex 2](#).



⁹ The indicator 2022 excludes data of Mariupol-based assets and Avdiivka Coke.

AIR EMISSIONS

GRI 305-7

Metinvest regularly monitors air emissions at its operating assets in accordance with applicable legislation regarding the pollutant thresholds set out in the permits. The air emissions of the Group include primarily carbon monoxide (CO), dust, sulphur oxides (SO₂) and nitrogen oxides (NO₂), while CO emissions contribute the biggest portion.

In the reporting period, Metinvest focused on critical repairs to keep dust and gaseous emissions below permitted levels. At the same time, prior to 24 February 2022, the Group completed a project at Northern GOK to replace gas cleaning units for its Lurgi 552-A roasting machine helping to reduce dust emissions.

In 2022, Metinvest's air emissions totalled 80 thousand tonnes¹⁰, down 79% year-on-year primarily because of the suspended operations at Azovstal and Ilyich Steel and the lower capacity utilisation at the Group's other production assets.

BIODIVERSITY

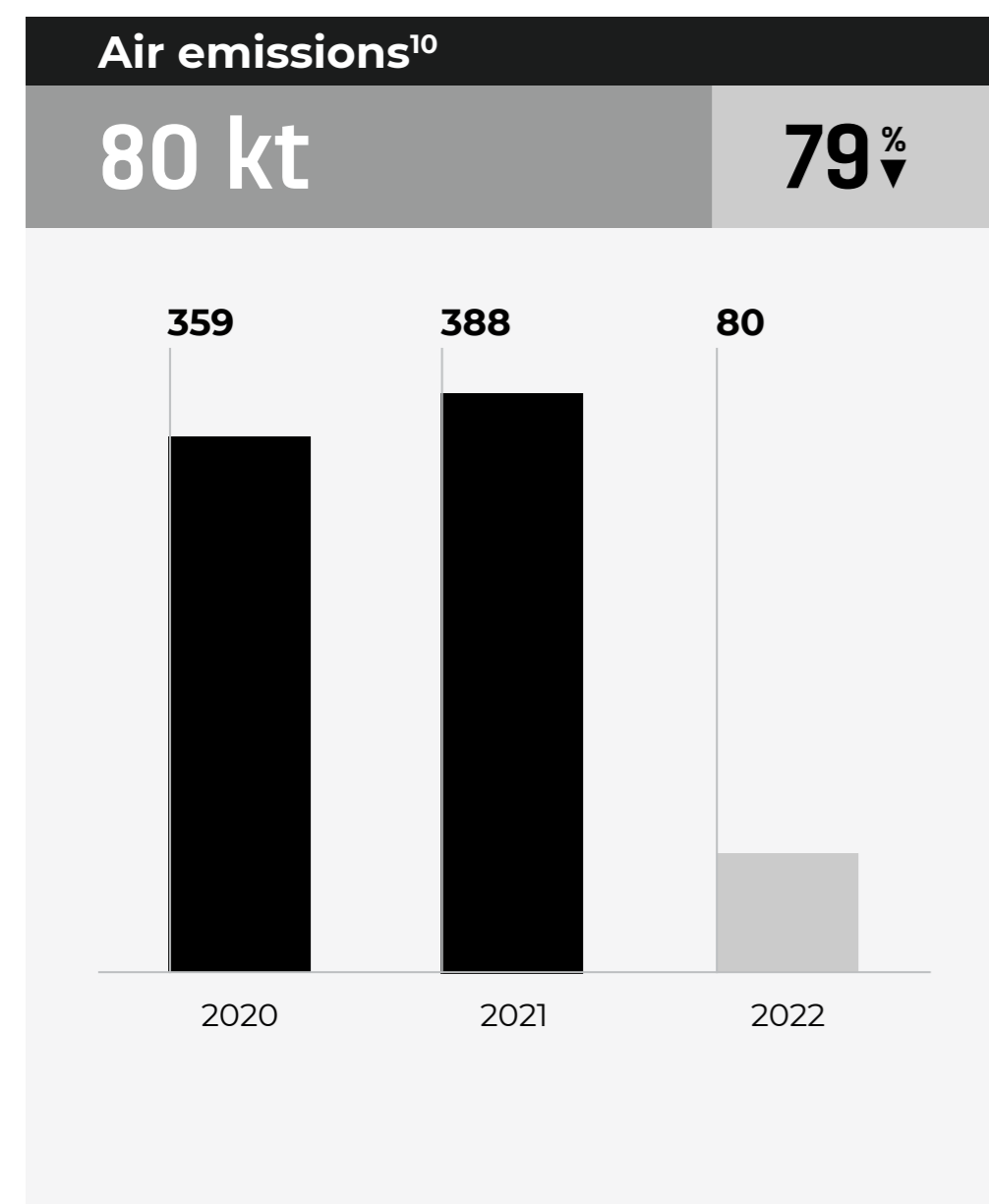
GRI 304-1; 304-2; 304-3; 304-4

Metinvest strives to preserve biodiversity as a part of its overall efforts to minimise its environmental impact. The Group's assets do not operate in protected natural areas or areas of high biodiversity value, nor do they affect the habitats of species listed on the Red List of the International Union for Conservation of Nature (IUCN) or national conservation list.

Metinvest aims to restore lands disturbed by its mining operations and implements measures to preserve landscapes, reduce the extent of disturbed land and return sites to their original condition.

In accordance with 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 non-hazardous waste storage facilities and mines. This commitment is supported by subsoil use licences obtained from government authorities.

In 2022, Metinvest's operating facilities continued to implement greening measures to reduce dust at dumps and tailings facilities. In particular, Central GOK planted more than 3,000 saplings in its sanitary protection zones to preserve atmospheric air quality. Also, Ingulets GOK participated in a municipal programme aimed at increasing the number of green spaces at production sites and adjacent territories. In addition, it has provided comprehensive support to protect the Vizyrka nature preserve, created on previously mined quarry land.



¹⁰ The air emissions indicators for 2022 exclude data of the Group's Mariupol assets.



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.

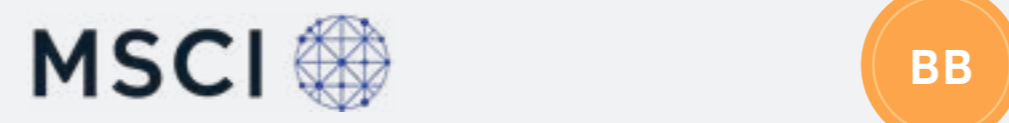
In addition, since 2022 Metinvest has been a member of the [World Steel Association's Sustainability Charter](#), embracing its nine sustainability principles.

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

