

Our Approach and Strategy

In 2020, Metinvest provided more than 69,000 jobs worldwide and remained one of Ukraine's largest employers. Our human capital management strategy is aimed at improving the system of labour relations, strengthening corporate culture, ensuring decent remuneration and increasing staff engagement. The Group provides equal opportunities to its employees for professional and personal growth. Metinvest cares for the safety and wellbeing of its employees.

GRI 103-2; 103-3

We apply best international practices in our approach to personnel management, including the standards of the Society for Human Resource Management (SHRM).

The key focuses of our five-year human capital management strategy, which was approved in 2019, are to enhance Metinvest's attractiveness as an employer, provide the Group with skilled employees and improve staff efficiency, as well as enhance the quality of internal HR services for our workforce. The Sustainable Development and People Management directorate is responsible for implementing the strategy. As outlined in the strategy, we develop KPIs for the Group's Executive Team, key functional managers and employees. We regularly assess the performance of the HR function against its KPIs and monitor the implementation of the strategy.

One of our main personnel management tasks is to attract the best experienced professionals in the labour market and talented graduates. We have an appropriate onboarding system in place for new hires. It helps these new employees to adapt to the corporate environment, so that they can quickly reach the expected levels of performance and engagement. During the reporting period, Metinvest unified the personnel adaptation standards that are aimed at forming common principles for onboarding new hires, ensuring that they have safe and comfortable working conditions at the Group's assets, as well as providing them with professional growth opportunities.



BEST EMPLOYER

Metinvest was recognised as the most attractive employer in Ukraine's metal processing and mining industry in the 2020 Randstad Employer Brand Research survey, an annual global ranking presented by Randstad¹ and ANCOR².

Almost 8,000 Ukrainians aged 18 to 65 from different regions of the country participated in the research that covered Ukraine. Both employed and unemployed people participated in the survey. The respondents had to rate the 150 largest employers, of which 75 were Ukrainian companies and 75 were international companies from 13 industries.

Companies were rated against such criteria as financial solvency, application of the most advanced technologies, good reputation, job security, career opportunities, social responsibility, interesting work, favourable work atmosphere, work-life balance, competitive wages and social benefits.

Metinvest was also named among Ukraine's 50 employer by Forbes Ukraine (January-February 2021) and one of the country's top 25 employer by Vlada Groshei journal (March 2021), a reputable Ukrainian business journal.

- 1 The Randstad corporation is the global leader in the HR services industry. It is headquartered in the Netherlands.
- 2 ANCOR is Randstad's strategic partner that specialises in recruiting, outsourcing and consulting services.

METINVEST CAREER CENTRE

In 2020, the Group continued to develop its Metinvest Career Centre network, including opening a new regional office in Mariupol in July. This is gradually becoming the single hiring channel for the Group's assets in Ukraine. When potential candidates contact the Career Centre, they gain access to the list of available job postings in a particular city or town and have the opportunity to choose the positions that interest them the most, participate in job and appraisal interviews, get a job referral and be hired by the Group eventually.

The Career Centre regional offices cooperate with educational institutions, employment centres and local communities. They also conduct awareness campaigns to promote Metinvest's brand as an employer.

Our next step is to open a Career Centre front office at each of the Group's key assets. We also plan to centralise the recruitment function, making the Metinvest Career Centre our sole personnel recruitment agency and centre of excellence for developing regional labour markets and attracting the best employees.

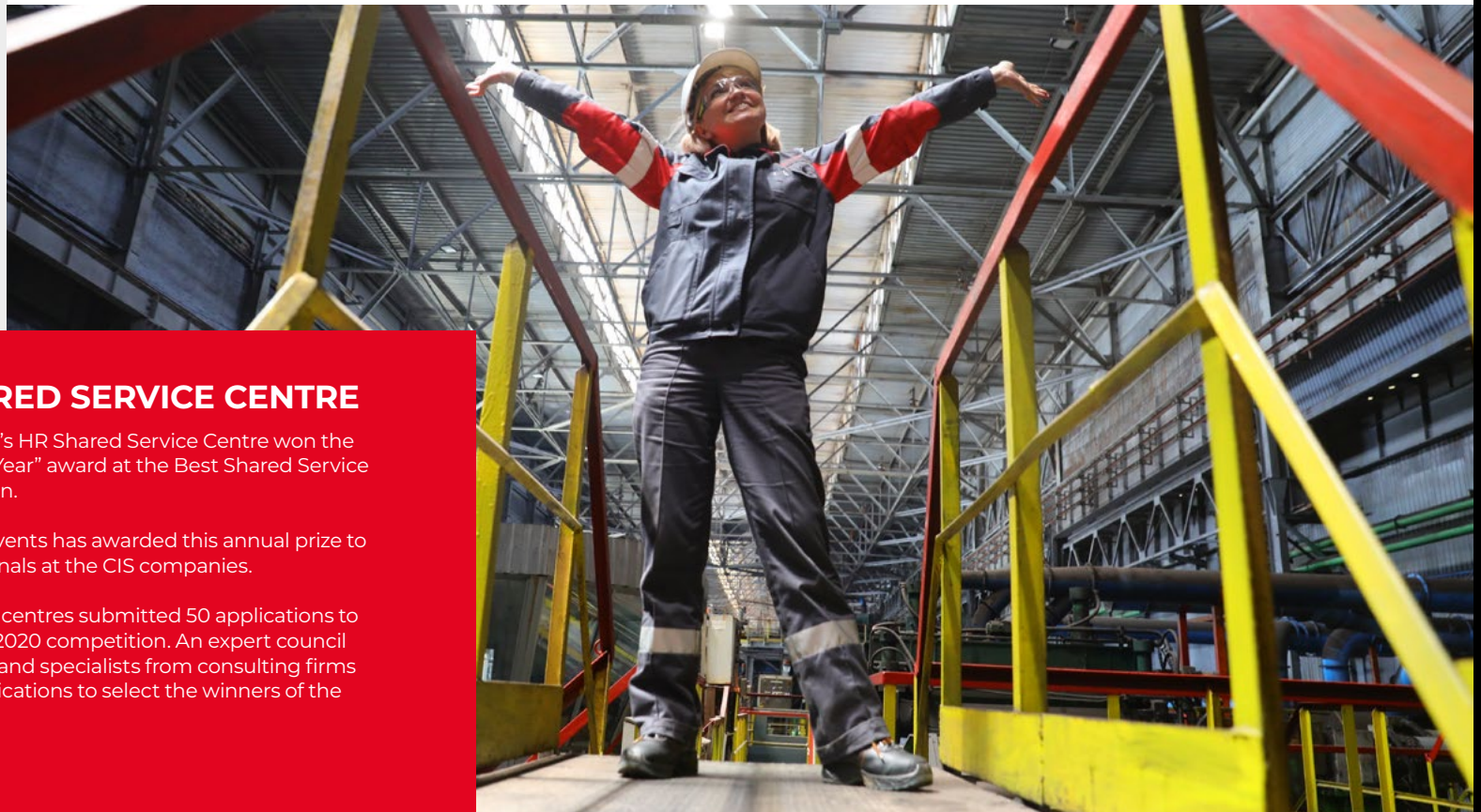
HR SHARED SERVICE CENTRE

Since 2018, Metinvest Business Services³ has operated the Group's HR Shared Service Centre, which ensures the effectiveness of personnel management processes. It is the first such centre in Ukraine that performs all personnel management functions. It offers around 130 different services, including organisational planning, personnel administration, training, performance assessment, as well as compensation and benefits management. The HR Shared Service Centre also advises employees on a variety of HR matters. Over 40,000 Metinvest employees use its services.

To centralise the functions of all Metinvest assets, we plan to further transition our assets to the services of the HR Shared Service Centre. To further improve service quality, the Group will soon launch an integrated quality and employee interaction management process. As part of these efforts, we will change evaluation system for services received, establish appropriate committees to evaluate the services provided and develop an online dashboard that will display the HR Shared Service Centre's operational metrics.

The HR Shared Service Centre has digitalised its processes to improve the service level for employees. This resulted in the introduction of additional digital services such as a self-service portal that allows an employee to order services 24/7, to track the progress of work and evaluate the services provided; a chat bot to serve as a round-the-clock tool for informing and polling employees; the OpenText document management solution, which helps to automate the document registration and approval processes; and a contact centre for addressing employee requests.

³ Metinvest Business Services acts as a shared service centre (SSC) that provides many of the Group's key corporate functions for both its Ukrainian assets and Swiss trading arm. It currently provides accounting and tax, treasury, human resources, legal, sales support and translation services, among others.



BEST SHARED SERVICE CENTRE

In 2020, Metinvest's HR Shared Service Centre won the "Discovery of the Year" award at the Best Shared Service Centre competition.

Since 2012, MSB Events has awarded this annual prize to industry professionals at the CIS companies.

Overall, 24 service centres submitted 50 applications to participate in the 2020 competition. An expert council of market leaders and specialists from consulting firms reviewed the applications to select the winners of the competition.

GRI 102-17; 410-1

HUMAN RIGHTS

Metinvest is committed to protecting labour and human rights in all its business activities. We build a creative and collaborative work environment characterised by trust. We do not tolerate discrimination on the grounds of race, skin colour, gender, age, religion, ethnicity, nationality or any other characteristics. The Group's Code of Ethics outlines our core principles for ensuring the protection and observance of human rights.


We provide employment in line with legislative regulations that guarantee the prevention of forced or child labour. Metinvest also does not tolerate working conditions that could be viewed as either violent or offensive. We monitor compliance with the statutory requirements of all labour legislation in each country where the Group operates.

We recognise that human rights violations or the failure to properly address them can have a serious impact on individuals and businesses. Therefore, Metinvest uses a Trust Line operated by SCM through which employees can report inappropriate behaviour and violations of their rights anonymously. All reported violations are investigated thoroughly. If a complaint is

substantiated, measures are taken that correspond with the severity of the issue at hand and feedback is provided about the results.

GRI 412-1; 412-2; 412-3

The Group's approaches to ensuring the protection of human rights apply to all its entities. Since 2019, we have tested employees' knowledge of the Code of Ethics using an online course that covers specific aspects related to human rights. During 2019 and 2020, more than 63% of the Group's employees completed this training.

 For more information about Metinvest's Code of Ethics and Trust Line, see the Business Ethics and Anti-corruption section.



GRI 407-1; GRI 102-41

COLLECTIVE BARGAINING AGREEMENTS AND ENGAGEMENT WITH TRADE UNIONS

The relationship between Metinvest as an employer and the Group's employees is based on the principles of the International Labour Organisation (ILO) and applicable labour legislation. Public authorities and governing bodies of industry trade unions track compliance with ILO principles. Metinvest also independently monitors the implementation of these principles and does not allow any violations.

We support our employees' freedom of association with various public, industry and civic organisations. The Group fosters strong relationships and effective collaboration with various industry trade unions. Our social dialogue is founded on respect for human dignity and aims to ensure the protection of human rights and social justice. Metinvest strives to resolve all possible conflicts and labour disputes peacefully, through mutual consultations with all interested parties, including trade

unions. During the reporting period, no collective disputes were raised; all issues were resolved through consultation and negotiation.

The Sustainable Development and People Management directorate is responsible for engaging in a social dialogue with trade unions, employers and public authorities at the industry and regional levels. In their work with trade unions, the Group's assets adhere to legislative requirements and strive to comply with applicable labour regulations, industry agreements and collective bargaining agreements.

There are 30 primary trade unions active at the Group's assets. The industry trade unions hold the largest membership numbers. They include the Trade Union of Steelworkers and Miners of Ukraine, Trade Union of Coal Industry Workers of Ukraine, Independent Trade Union of Coal Miners of Ukraine and Italian Federation of Metal Mechanics. Industry agreements and collective bargaining agreements apply to all employees regardless of their

union membership. As of 2020, collective bargaining agreements covered 100% of production personnel at the Group's assets in Ukraine.

Metinvest and its employees are also members of industry organisations, including the Federation of Steelworkers of Ukraine, Centre for Economic Development and Ukrainian Steel Construction Centre. These bodies are tasked with representing their members' business interests in the scientific community, as well as searching for new technologies and solutions to ensure product quality and safety.

The Group is also represented at employer organisations in the Donetsk, Zaporizhia and Dnipropetrovsk regions of Ukraine.

We also work with veteran, youth and public organisations, as well as employers' associations covering industry assets and other employers in the regions where the Group operates.

