

PEOPLE MANAGEMENT AND DEVELOPMENT

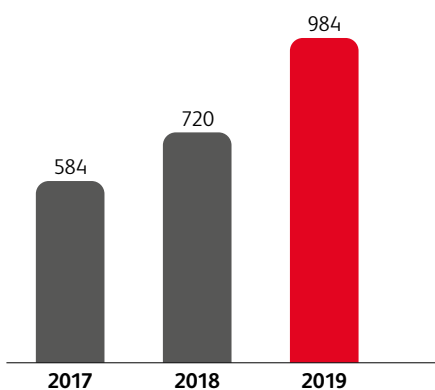
EMPLOYEE REMUNERATION AND MOTIVATION



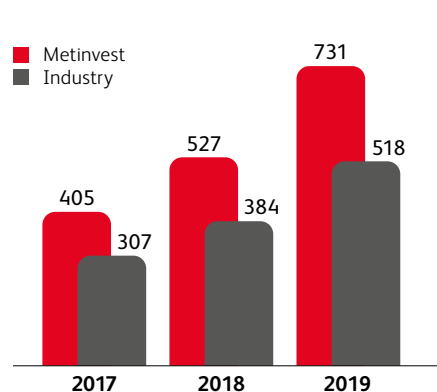
In 2019, Metinvest revised its remuneration package and adjusted it to the benchmark levels established on the market. As a result, the management decided to increase the average salary of production asset personnel in Ukraine by 15% from April 2019. The Group also introduced a single salary system for blue-collar staff: in addition to a basic salary defined for each position, workers are entitled to bonus payments based on their individual performance evaluation. In 2019, coupled with the hryvnia appreciation against the US dollar, the average monthly salary in the Group increased by 37% year-on-year.

GRI 202-1

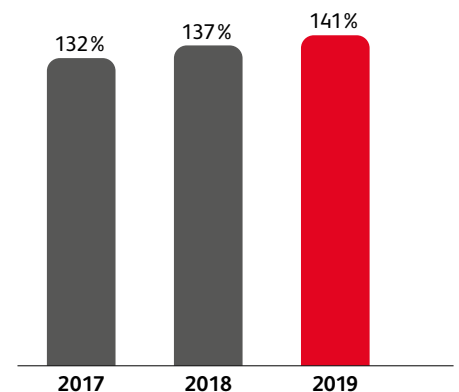
Average monthly salary in the Group, US\$



Comparison of the average monthly salary at the Group's Ukrainian assets with the average monthly salary for the industry in Ukraine³, US\$



Ratio of the average monthly salary at the Group's Ukrainian assets to the average monthly salary for the industry in Ukraine



GRI 404-3

Each employee undergoes a yearly performance appraisal and career development review. It is conducted in the form of a self-assessment, as well as a feedback session between the staff member and their direct supervisor to walk through key achievements, identify areas for improvement and discuss an individual development plan for the following period. If they do not agree

with the performance assessment provided by their direct manager, an HR committee is in place to resolve such disputes and ensure that the business contributions of Metinvest's people are fairly evaluated. In 2019, we introduced individual performance bonuses to reward employees who have demonstrated sustained effectiveness and high levels of productivity. We also

revised bonus payment schemes that were previously linked to the production results of each asset. The new approach links bonus payments to performance results achieved by each production unit within an asset, thereby creating a stronger impetus to improve individual performance and prioritise responsible behaviour.

³ The data on the average salary for the industry in Ukraine was taken from <http://www.ukrstat.gov.ua/>.