

ABOUT THE REPORT

MATERIALITY ASSESSMENT

GRI 102-46

In order to highlight the topics that the Group believes to be of the greatest interest to its key stakeholders¹ and business, and to disclose the most relevant information in the Report, a materiality assessment has been conducted in accordance with GRI guidelines.

We assessed whether Metinvest's activities related to certain topics (1) influenced key stakeholder assessments and decisions, and (2) made a significant economic, environmental or social impact.

The materiality assessment consisted of the following steps:

STEP 1 – DEFINING A POOL OF MATERIAL TOPICS

To compile a list of topics relevant to Metinvest, we undertook a comprehensive analysis of the Group's activities during the reporting period, the outcomes of ongoing engagement with key stakeholders and comments collected during interviews with Metinvest's senior management. We also examined issues raised in the media and topics defined by industry peers. Moreover, we considered the broader context in which the Group operates, including industry trends, as well as underlying investor and creditor expectations.

As a result, we identified 20 material topics, which reflect the environmental, social and economic impact of Metinvest.

STEP 2 – PRIORITISING THE TOPICS

We are aware that although all the chosen topics are material, some are more significant than others in terms of importance to stakeholders and the scale of Metinvest's impact. To assess their relative level of materiality, we surveyed representatives of key stakeholder groups, which included customers, employees, suppliers and contractors, as well as representatives of local communities, who were asked to rate the significance of each topic on a scale from 1 (being the lowest) to 5 (being the highest). We assessed the expectations of government authorities, as well as equity and debt providers by reviewing provisions of major legal acts and standards Metinvest is compliant with, in addition to analysing expert opinions of managers responsible for government and investor relations, as well as managers responsible for local community projects.

The level of significance of Metinvest's impact with regard to each topic was determined based on the analysis of opinions expressed during the interviews with senior management and some members of the Supervisory Board, who were expected to provide an objective overview of Metinvest's sustainability performance and economic, social and environmental impacts.

The outcomes of the engagement with stakeholders and the Group's management were used to prioritise material topics. The following topics were attributed the highest scores in terms of both relative importance to stakeholders and the impact of Metinvest's activities, and hence are considered the most material for the reporting period:

- Anti-corruption
- Business transparency and openness
- Emissions
- Ethics and compliance
- Fair working conditions, wages and social benefits for employees
- Human rights
- Occupational health and safety
- Responsibility for the quality of products and services
- Water, effluents and waste

For more information on topics raised by various groups of stakeholders, please refer to the "Stakeholder Engagement" section of the Report.

¹ According to the Global Reporting Initiative, a stakeholder is defined as an entity or individual that can reasonably be expected to be significantly affected by the reporting organisation's activities, products and services, or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

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No.	Material topic	More details
Corporate Governance		
1	Corporate governance structure and composition	Sustainability Governance, Corporate Governance, Annual Report 2019
2	Anti-corruption	Business Ethics and Anti-Corruption
3	Ethics and compliance	Business Ethics and Anti-Corruption
4	Business transparency and openness	About the Report, Annual Report 2019
Social		
5	Human rights	Respect for Human Rights
6	Occupational health and safety	Occupational Health and Safety
7	Training and education	Staff Training and Development
8	Fair working conditions, wages and social benefits for employees	Employee Remuneration and Motivation, Social Benefits
9	Diversity and inclusion	Personnel Structure
Economic		
10	Economic performance	Strategic Goals and Priorities, Annual Report 2019
11	Responsibility for the quality of products and services	Products, Customer Service
12	Procurement practices and supplier environmental assessment	Supply Chain
Environmental		
13	Energy efficiency	Energy Efficiency
14	Water, effluents and waste	Protecting Water Resources, Managing Waste
15	Biodiversity	Protecting Ecosystems and Biodiversity
16	Emissions	Mitigating Impact on Air Quality
Local communities		
17	Local community engagement	Local Community Development
18	Impact assessments and development programmes	Local Community Development
19	Involvement in the social and economic development of the country	Strategic Goals and Priorities, Metinvest and the UN Sustainable Development Goals, Local Community Development
20	Improving living standards in the areas affected by the Group's	Local Community Development

MATERIALITY MATRIX

