

ENVIRONMENTAL ACTION

OUR APPROACH

Environmental protection is a non-negotiable value at Metinvest; our primary strategic priority is to enhance sustainability, including by ensuring modern, energy-efficient and environmentally friendly production at our assets. To achieve this goal, we have been gradually reducing our environmental impact and tackling climate change, introducing efficient, energy-saving technology. The Group operates in compliance with local regulations while striving to operate in line with global best environmental practices. Metinvest has developed a roadmap for compliance with European environmental standards and steadily works to implement international environmental techniques and methods.

The measures introduced by the Group are aimed at mitigating the environmental impact of every stage of the production process. To this end, Metinvest has embarked on a comprehensive approach to automating environmental protection, allowing it to manage environmental indicators and risks in the medium and long term; unify environmental business processes; predict, model and minimise the impact of production sites; and pre-emptively identify potential environmental risks.

GRI 103-2

Metinvest's Policy and Principles in the Field of Health, Safety and the Environment guides our daily operations and ensures that managers at all levels are involved in environmental management. This cascades down from the level of the Supervisory Board, where the Health, Safety and Environmental Committee meets every quarter to discuss key environmental issues and determine the pace at which environmental programmes are rolled out at the Group's production facilities.

Metinvest conducts regular environmental site audits to ensure compliance with environmental legislation, evaluate the effectiveness of technology upgrades and scheduled maintenance, as well as revise risk registers to monitor environmental protection measures using internally designed checklists. We have assigned designated environmental protection departments at each production site responsible for environmental matters in accordance with procedures, policies and standards. We work closely with accredited laboratories that use modern equipment, which allows us to regularly monitor the environmental impact of our production activities.



GRI 103-3

Our environmental management system is designed to meet ISO 14001 standards. We regularly assess our key production assets for conformity with all requirements of this standard. As of the end of this reporting period, we have certified the environmental management systems of 15 of our assets¹ in compliance with the latest ISO 14001:2015 requirements.

Metinvest has been piloting an automated monitoring system at its Kryvyi Rih assets since 2017: 10 automatic monitoring posts check the areas affected by four of our assets². In 2019, we were elaborating reliable automated ways to report collected data directly to the city council.

The Group's Policy and Principles in the Field of Health, Safety and the Environment, issued in 2016, contains requirements for the conservation and optimal use of water resources, land restoration, emission reduction and waste management. It applies to all assets of the Group.

As part of the process of sustainably reducing Metinvest's environmental impact, one of our main goals in 2019-20 is to upgrade our existing management system to include additional functions, which will cover important aspects of sustainable development such as: enhancing the dialogue with internal and external stakeholders on environmental matters, extending the scope of greenhouse gas (GHG) emissions management, as well as implementing environmental digitalisation and comprehensive environmental monitoring.

SUPPORTING OPEN DIALOGUE

When it comes to environmental protection, engaging with stakeholders is crucial for detecting and addressing any red flags. Metinvest seeks to maintain an open dialogue with all stakeholders to jointly solve ecological issues in the regions where it operates. The official channel for submission of direct complaints is the Trust Line, through which individuals can lodge environmental complaints directly. Each complaint is registered in a unified automated incident management system, processed in accordance with Metinvest's procedures for internal corporate audit, verified and transmitted to the responsible directorate, which promptly takes the necessary action.

Metinvest makes every effort to deal with ecological questions at our assets. If we detect any irregularities after fact-checking a complaint, we send the results of our investigation back to the originator. In 2019, no direct complaints were lodged.

📄 **For more information about the Trust Line, please refer to the "Business Ethics and Anti-Corruption" section of the Report.**

In the interest of transparency, we do our best to keep all stakeholders informed about the environmental activities and regularly organise discussions on environmental matters. Our senior management and the general directors of our assets regularly meet with community leaders, voluntary organisations and NGOs. Metinvest also participates in the World Steel Association's Environment Committee, where we share our experience, educate ourselves and learn about the most effective industry practices from our peers all over the world.

In 2019, Azovstal held meetings and roundtable discussions in Mariupol with both the media and members of the public, who were able to visit our production sites, as well as environmental facilities that are under construction. Azovstal also took part in a business forum at Waste Management 2019, an international exhibition and conference dedicated to the discussion of legislative, financial and technological issues surrounding waste regulation.

Avdiivka Coke participates in numerous regional environmental programmes, as part of which it discloses information about the results of its activities on a quarterly basis. During 2019, Avdiivka Coke successfully participated in such programmes as "Clean Air", "Protecting the Environment of the Donetsk Region: Action Plan for 2013-20", the Regional Waste Management Programme and the Avdiivka Socio-Economic Development Programme. Environmental experts of Inkor Chemicals participated in an interregional scientific and technical conference titled "The Functioning and Sustainable Development of Environmental Protection Monitoring Systems".

- 1 Metinvest Holding, Azovstal, Ilyich Steel, Northern GOK, Central GOK, Ingulets GOK, Zaporizhia Coke, Metinvest-Promservice, Mariupol Machining and Repair Plant, Unisteel, Inkor Chemicals, Ferriera Valsider, Spartan UK, Metinvest Trametel and Promet Steel.
- 2 Ingulets GOK, Central GOK, Northern GOK and Kryvyi Rih Machining and Repair Plant.

