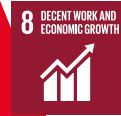


PEOPLE MANAGEMENT AND DEVELOPMENT

OUR APPROACH

Metinvest provides almost 67,000 jobs worldwide and remains one of Ukraine's largest employers. We believe that ensuring fair working conditions, continuous professional growth and the wellbeing of our employees are essential for the long-term success and sustainability of our business.



GRI 103-2; 103-3

In 2019, the Group decided to integrate the people management function into the Sustainable Development and People Management Directorate, along with the health and safety, environmental protection and public relations teams. Beginning its work in April 2020, the new directorate aims to improve Metinvest's system of labour relations, strengthen the corporate culture and employee engagement, enhance the efficiency of remuneration and the employee development system, as well as ensure the safety and wellbeing of the Group's people.

Metinvest strives to apply the best international practices to its human capital management strategy. The key focuses of our five-year strategy are to enhance Metinvest's attractiveness as an employer, provide the Group with skilled employees and improve staff efficiency, as well as upgrade the quality of services for employees. We abide by

the standards of the Society for Human Resource Management (SHRM)¹, which set norms for operational and strategic personnel management. Our human capital management strategy serves as a basis for developing KPIs for the Group's management, key functional managers and employees. We regularly assess the performance of the function against the KPIs and monitor the strategy's implementation.

PEOPLE MANAGEMENT AWARDS IN 2019

Metinvest was recognised in four nominations of the Top 100 Talent Departments, Brands and Employers ranking in Ukraine:

- Top 10 employee brands
- The most efficient HR team in Ukraine
- Top 20 HR directors
- Top 10 educational programmes

¹ The Society for Human Resource Management is a professional human resources membership association promoting the role of HR as a profession and providing education, certification and networking to its members.



In 2019, Metinvest dealt with complex challenges related to human capital management. The migration of the workforce, as well as higher employee demands and expectations regarding working conditions and professional development were aggravated by the steel market downturn. To retain employees and ensure seamless production, we focused on aligning our remuneration package with competitive market rates and developing employees' professional skills by introducing new training and development tools. The Group has also revised its onboarding programme to foster employer brand attractiveness. The programme aims to effectively integrate new hires into corporate activities, so that they can quickly attain expected levels of performance and engagement. On top of that, Metinvest continued investing to build its knowledge resilience and its ability to retain knowledge within the organisation, by designing and adopting knowledge exchange procedures.

METINVEST CAREER CENTRES

We are developing a regional network of Metinvest Career Centres in the Ukrainian cities where the Group operates. Their key task is to create a single-channel information and consultation service for potential candidates, as well as a convenient platform for navigating an aggregated list of job openings at Metinvest's assets. This new approach aims to increase employer brand awareness and promote professional careers in the metallurgical and mining industries.

In December 2019, we opened a new Career Centre in Zaporizhia after successful launching one in Kryvyi Rih in 2017. The centre delivers a variety of career services to make the job application process as seamless and efficient as possible. Candidates gain access to the list of available job postings with information on salary ranges and employee benefits. In 2020, we plan to introduce another Career Centre in Mariupol.

CAREER MANAGEMENT APPROACH

To top up learning opportunities, the Group has introduced a Career Management Policy that outlines our approach to career development, drawing upon the principles of personalisation and diversification of learning opportunities. The approach includes the following elements:

- A total of 11 career maps developed for the key functional areas (management, economics and finance, sales, procurement, etc) that contain transparent career development plans;
- A rotation system that facilitates assignments within the Group's entities and various functions; and
- An internal application and selection process for management positions, which guarantees equal opportunities for all candidates who qualify.

“WE STRIVE TO NURTURE TALENT AND ENCOURAGE OUR PEOPLE TO DEVELOP AND GROW THEIR PROFESSIONAL SKILLS. OUR CAREER MANAGEMENT TOOLS ARE DESIGNED TO FOSTER A LEARNING-ORIENTED CULTURE AND PROMOTE LEADERSHIP.”

Aleksei Komlyk, Chief Sustainability Officer

PEOPLE MANAGEMENT AND DEVELOPMENT

OUR APPROACH CONTINUED



SAP QUALITY AWARDS 2019

Metinvest was recognised as a winner of the 2019 SAP Quality Awards in the “Business Transformation” category for the successful implementation of SAP SuccessFactors at Azovstal, Ilyich Steel and Metinvest Holding. SAP SuccessFactors is a solution for automating personnel performance management, which provides employees with 24/7 online access to their performance tracking, goal setting and bonus records.

In 2019, we also rolled out SAP SuccessFactors at Northern GOK, Central GOK and Ingulets GOK. At the beginning of 2020, more than 42,000 employees were using the system, reducing the amount of time needed for goal setting and annual evaluation by more than 50%.

“IT IS A CHALLENGING AND PROMISING PROJECT, REQUIRING NOT ONLY TECHNOLOGICAL INNOVATION, BUT ALSO FUNDAMENTAL CHANGES TO OUR CULTURE AND PROCESSES.”

Yuliya Riakhovska, Director of the Business Support Department

DIGITAL TRANSFORMATION OF HUMAN CAPITAL MANAGEMENT

In 2019, we continued to integrate SAP solutions and further automate people management processes. Among them is the SAP Human Capital Management module, which we use to enhance services of our shared human capital management centre by consolidating the HR functions on the Group level. This ensures the application of unified standards and provision of rapid, high-quality services to employees, while maximising the productivity of human capital management staff.

Metinvest became the first company in Ukraine to launch the SAP Innovation Management system, which is one of the tools the Group uses to increase the operational efficiency of its assets. The new system has been introduced at 11 assets, empowering employees to develop solutions that improve business performance. Since the launch of the SAP Innovation Management system in 2019, employees have submitted 8,895 ideas for reducing costs, increasing efficiency, improving the health and safety system, as well as enhancing product quality. Of these, 3,289 employee proposals were approved for further development and implementation.

For more information about Metinvest’s digital transformation, please refer to the “Digital Advances” section of the Report.



RESPECT FOR HUMAN RIGHTS

Metinvest is committed to protecting labour and human rights in all its operations and business activities. The Group strives to cultivate a creative and collaborative work environment characterised by trust. We take responsibility for ensuring that all our employees are treated with dignity and respect and enjoy a safe workplace that prioritises their health and wellbeing.

Our Code of Ethics ensures equal opportunities to all employees without barriers or discrimination on the grounds of nationality, race, gender, age, religion or any other characteristics that have no relevance to a person's professional competencies. In terms of labour rights, we strictly abide by the laws and regulations of each country in which the Group operates. We uphold the rights of our employees to join trade unions and collective bargaining agreements, as well as to carry out trade union activities.

GRI 102-17

Metinvest recognises that human rights violations can have a serious impact on individuals and businesses when they are not addressed promptly, and it therefore provides employees with access to grievance mechanisms. Employees can report suspected breaches of the Code of Ethics via the Trust Line.

The Group prohibits any retaliation against employees who report such violations in good faith; all reported violations are subject to thorough investigation. If the complaint is substantiated, measures are taken that correspond with the severity of the issue at hand.

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

GRI 102-41

COLLECTIVE BARGAINING AGREEMENTS

In 2019, collective bargaining agreements covered more than 90% of the Group's employees, who belong to over five trade unions, including the Trade Union of Steelworkers and Miners of Ukraine. We engage in open dialogue with trade union representatives and cooperate with the Federation of Steelworkers, an all-Ukrainian association that balances the interests of the state, metals and mining business owners, and employees.

