

OCCUPATIONAL HEALTH AND SAFETY

OUR APPROACH

GRI 103-2

Metinvest is committed to providing a safe work environment for its employees and contractors¹. We apply a proactive approach to ensure that every individual who enters the Group's facilities is engaged in health and safety and committed to the safety culture. To live up to our zero injuries commitment, we focus on cultivating positive behavioural changes, which includes encouraging every employee and contractor to take personal responsibility for their health and safety and improve their individual safety performance.

Metinvest's Policy and Principles in the Field of Health, Safety and the Environment defines our long-term priorities for continuous improvement in this area. The Group has 15 corporate health and safety standards based on international best practices that lay out our comprehensive approach to the field.

Our responsible health and safety practices cascade down from the highest level of the organisation, beginning with the Supervisory Board's Health, Safety and Environmental Committee, which provides effective oversight to ensure compliance with the relevant requirements and practicable global standards.

The Sustainable Development and People Management Directorate, which took over the responsibilities of the Directorate for Occupational Safety and Environment at the Executive Team level, coordinates the Group's work in this area, while the Occupational Health and Safety departments of each asset are responsible for these matters at the entity level.

VISION ZERO

With human life as our overriding priority, we continue to focus on delivering our ultimate health and safety goal of achieving zero incidents.

In 2019, Metinvest became the first organisation in Ukraine to receive Vision Zero certification from the International Social Security Association (ISSA). The Vision Zero approach is based on seven "golden rules" aimed at developing a sustainable safety culture and creating a zero incident working environment.

¹ For the purposes of the Report, the term "contractors" refers to both contractors and subcontractors.



GRI 103-3

In 2019, Metinvest developed a new five-year roadmap for further improving its occupational health and safety management system and reducing the risk of work-related incidents. The roadmap aims to enhance staff motivation and competencies in the area using modern training methods, revise the Group's qualification standards, as well as improve safety performance monitoring and tracking progress.

In 2019, we rolled out a new proprietary health, safety and environment software solution throughout the Group to improve incident monitoring and reporting systems. It consists of eight cloud-based modules, which include incident reporting and investigation, audits and inspections, risk assessment and training, as well as development planning. During the reporting period, more than 1,300 employees were trained to use the new system.

GRI 403-1

In 2018, ISO 45001 replaced OHSAS 18001 as the best practice in international occupational health and safety standards. As of the end of 2019, four Metinvest assets were certified in accordance with the ISO 45001:2018 standard. Another six assets were certified in compliance with OHSAS 18001:2007 and plan to undergo ISO certification audits once their current OHSAS certificates expire².

Metinvest has developed a comprehensive set of KPIs called the Health and Safety Traffic Light, which captures the performance of each asset's occupational health and safety management system.

Health and safety performance is an important part of the bonus programme for both senior management and line

managers of the Group. In 2019, we introduced a supplemental incentive tool for the Executive Team and general directors of production assets called a Health and Safety Trigger to strengthen their focus by increasing or reducing the amount of their bonus based on the Group's performance in this area. In 2020, the trigger was extended to senior management of the Group's assets. In addition, a certain part of line managers' bonus was linked to such KPIs. As a result, the 2020 KPIs of almost 4,000 senior and line managers were linked to their performance in the area.

**GRI 103-3; 403-2
MANAGING HEALTH AND SAFETY RISKS**

Metinvest's risk assessment encompasses all aspects of the Group's operations, from existing production processes to planned investment projects. Across the Group, it has introduced globally recognised standards, including hazard identification (HAZID), environmental hazard identifier (ENVID) and hazard and operability studies (HAZOP), job safety and work safety analysis procedures, as well as lock out, tag out (LOTO) and permit-to-work methods.³

During the reporting period, we carried out 31 risk assessments in accordance with HAZID methodology and two HAZOP risk assessments.

As a part of our five-year roadmap, we have launched a critical risk management programme aimed at preventing fatalities and severe injuries at our production sites. The programme involves conducting an in-depth analysis of the Group's health and safety performance and identifying the root causes of incidents.

During the reporting period, we chose two priority areas for the first stage of the critical risk management programme:

working at height and work that requires isolating hazardous energy sources. Combined, they have accounted for 40% of all severe injuries at the Group over the past 10 years.

Building on global best practices, we have adopted new regulations governing the LOTO procedure and working at height, along with implementation and action plans.

Metinvest has built and equipped new safety parks, as well as upgraded existing ones, for employees at its Ukrainian assets to practice working at height. Safety parks contain multifunctional training areas that simulate real working conditions and allow workers to master practical safe-working skills using safety equipment and personal protective equipment (PPE). This approach to high-risk work helps to minimise the fear factor that may occur in critical situations and mitigate risks when employees perform such tasks.

**GRI 103-3; 403-2
CONDUCTING INTERNAL AUDITS**

Metinvest relies on its internal audit system to evaluate the compliance of the Group's assets with legislative requirements and corporate standards governing occupational health and safety. We conduct regular audits and inspections to detect and promptly eliminate cases of non-compliance. During the reporting period, the Executive Team conducted 23 audits at the production sites. Meanwhile, line managers performed around 116,000 safety inspections and identified over 167,000 cases of non-compliance. To properly address these issues and mitigate future risks, we introduced around 127,000 measures. The results of internal audits conducted in 2019 helped the Group's assets to increase the effectiveness of their health and safety management systems.

² The Group's assets that are certified in compliance with OHSAS 18001:2007 and plan to undergo ISO certification audits once their current OHSAS certificates expire as of the end of the reporting period are Azovstal, Ilyich Steel, Ingulets GOK, Metinvest-Promservice, Mariupol Machining and Repair Plant, Ferreira Valsider and Promet Steel. The Group's assets certified under the ISO 45001:2018 standard as of the end of the reporting period included Metinvest Holding, Northern GOK, Central GOK and Spartan UK.

³ HAZID (Hazard Identification), ENVID (Environmental Hazard Identification) and HAZOP (Hazard and Operability Study) are procedures for assessing the safety and environmental effect of both new projects and existing processes. LOTO (lock out, tag out) is a safety procedure to ensure that potentially dangerous equipment has been shut down correctly to prevent hazardous releases during maintenance, repair or cleaning activities.