

## WE ARE METINVEST

## PRODUCTS



## GRI 102-2

**Metinvest is a trusted partner and supplier of high-quality products for approximately 6,800 customers in over 100 countries. The Group sells products through its own distribution network, which includes 45 sales offices and 37 steel distribution centres in Europe, Asia, Africa and North America<sup>5</sup>.**

Our product portfolio includes flat products (hot-rolled and cold-rolled plates and coils, as well as galvanised steel), long products (rebars, railway products and fasteners, merchant bars, sections, special profiles and grinding balls), semi-finished products (pellets, pig iron, slabs and billets) and iron ore products. We also sell coke and coking coal. The Group's steel products are used in construction, shipbuilding, railcar and machine building, thermal and wind energy, mining, as well as the construction of bridges and roads worldwide.

**THE SHARD**

- A skyscraper in the heart of London and the tallest building in the United Kingdom
- Over 5,000 tonnes of Metinvest steel products were used in its construction

**HUDSON YARDS. THE SHED**

- A large-scale complex of skyscrapers, office buildings, art spaces and malls in Manhattan, New York
- Metinvest supplied 9,000 tonnes of steel plates for the cultural centre, The Shed

**NSC OLIMPIYSKIY**

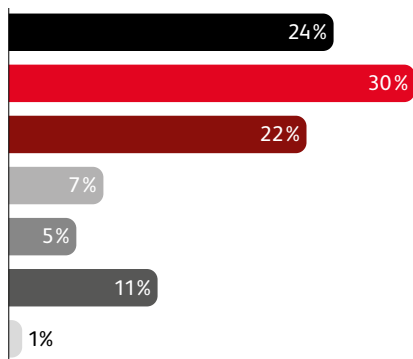
- The largest sport arena in Ukraine
- Its overall area is 145,000 square meters and its seating capacity is over 70,000
- Metinvest delivered steel plates and long products for the stadium's large-scale reconstruction

**CHERNOBYL NEW SAFE CONFINEMENT**

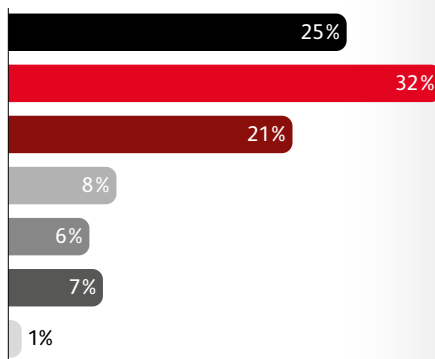
- This megastructure was designed with the primary goal of confining the radioactive remains of reactor four for the next 100 years
- The project used 15,000 tonnes of Metinvest's steel plates

<sup>5</sup> As of the end of the reporting period.

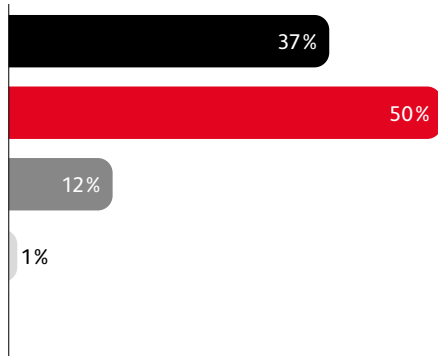
GRI 102-6

**METINVEST'S SALES DISTRIBUTION BY MARKET****Metallurgical segment**2018: **17.0MT**

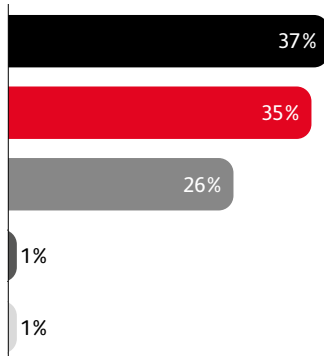
■ Ukraine  
 ■ Europe  
 ■ MENA  
 ■ CIS

2019: **16.3MT**

■ Southeast Asia  
 ■ North America  
 ■ Other Regions

**Mining segment**2018: **15.9MT**

■ Ukraine  
 ■ Europe  
 ■ Southeast Asia

2019: **18.5MT**

■ North America  
 ■ Other Regions

We introduce new product offerings each year to meet the needs of our customers. In 2019, Metinvest's steel plants and the Zaporizhstal JV succeeded in producing 53 new product types. Azovstal introduced the highest number of new goods (32), followed by Ilyich Steel (13) and the Zaporizhstal JV (8).

The new products invented by Metinvest assets include:

- 34 hot-rolled plate products;
- 9 semi-finished products;
- 1 cold-rolled product; and
- 1 galvanised rolled product.

The Zaporizhstal JV's new product types include:

- 6 hot-rolled products; and
- 2 cold-rolled products.

Investing to expand our production capacity enables us to better navigate changing markets and swiftly respond to spikes in demand. In 2019, we launched the HSM 1700 at Ilyich Steel after its reconstruction. Design development of the large-scale revamp started in 2017, followed by active construction in August-November 2019, which resulted in increased production capacity for the asset.

**HIGHLIGHTS OF METINVEST'S NEW PRODUCTS**

Ilyich Steel started manufacturing eight new types of slabs after the launch of its new continuous casting machine no. 4 and ladle furnace.

Metinvest developed a new chemical composition for rolled products, alloying its compounds with molybdenum, boron and nickel. These elements increase the strength, hardness, corrosion resistance and high-temperature resistance of the product.

Metinvest has begun to manufacture heavy plates in accordance with two new standards: GOST R 52927-2015 (for shipbuilding) and GOST 27772-2015 (for construction in the CIS region).

For more information about the new products, please refer to Metinvest's webpage.

## WE ARE METINVEST

### PRODUCTS CONTINUED

#### PRODUCT QUALITY MANAGEMENT

Growing production volumes create a challenge for quality control, encouraging us to strive to make our product quality management system more effective. Metinvest monitors the quality of products at every production stage and takes advantage of innovative, cutting-edge equipment. We do our best to conform with the quality standards of foreign markets, where strict requirements apply to both final products and the production process. Coupled with our focus on customer service, proper quality management enables the Group to offer products that meet the most exacting industry standards.

#### GRI 103-2

Metinvest's quality management systems are certified under the ISO 9001 international standard at almost all production facilities. Our assets are guided by our Regulation on product quality management, a key corporate standard on quality control on which our relevant internal procedures are based. The Technology and Quality Departments oversee quality management at each asset.

#### GRI 103-3

Each asset assesses its quality management systems monthly. To measure their effectiveness, the assets adopt several performance indicators, which include the number of rejected and non-conforming products, as well as the number of complaints received from customers. The Technology and Quality Departments on the Executive Team's level serves as a second tier of control and conducts internal audits when necessary. The procedures for checking product quality include the control of:

- chemical composition of products, which is carried out in certified laboratories at every asset for each production lot;
- mechanical properties;
- geometrical dimensions;
- technological parameters; and
- packaging within visual inspections.

#### GRI 417-1

Before preparing products for sale, the Technology and Quality Departments issue a quality certificate for each product unit/production lot that describes its properties and confirms compliance with quality requirements. In addition, some orders are also examined prior to shipment by independent inspectors, who perform visual checks and control products' geometric dimensions. Appropriate documentation is enclosed with the orders, and our customers may request confirmations from Metinvest if needed.