

WE ARE METINVEST

STRATEGIC GOALS AND PRIORITIES

STRATEGIC GOALS

- Sustain competitive advantages in steelmaking through vertical integration
- Strengthen positions in strategic markets
- Achieve business excellence through best practices

STRATEGIC PRIORITIES 2030

- Enhance sustainability
- Strengthen low-cost steel producer position
- Increase production capacity by growing organically
- Expand product portfolio to strengthen position in key strategic markets
- Focus on customer needs
- Increase efficiency
- Pursue selective acquisition opportunities

Metinvest's strategic vision is to become a leading, vertically-integrated European steel producer that delivers sustainable growth and profitability that is resilient to business cycles, providing investors with returns above industry benchmarks.




GRI 102-16

CORPORATE VALUES

Metinvest has defined the following five core corporate values:

- Life, health and environment: human life remains our top priority as we strive to achieve our business goals.
- Customer focus: we continuously refine our customer service approach, strengthening cooperation with customers to offer goods that meet changing needs.
- Professionalism: we show a high level of professionalism in everything we do.
- Leadership: we demonstrate leadership every day, regardless of our position or occupation.
- Teamwork: we share common values and act for the benefit of the Group as a whole.

 **For more information about our corporate values, please refer to Metinvest's website.**

TECHNOLOGY VISION

The Group's business strategy sets long-term goals that lay a foundation for the Technological Strategy 2030. This strategy serves as a roadmap for fulfilling the Group's strategic commitment to upgrading operations while improving product quality and reducing production costs.

To go beyond essential maintenance of machinery and equipment, Metinvest has decided to focus its efforts on introducing cutting-edge technologies that increase the overall operational efficiency and eco-friendliness of production cycles. In line with the Technological Strategy 2030, Metinvest's major projects include the overhaul and upgrade of Azovstal's blast furnace no. 3, which was completed last year and is expected to increase its hot metal production capacity. In addition, the new continuous casting machine no. 4 at Ilyich Steel, the construction of which was completed in late 2018, allowed the plant to deliver a 10% year-on-year increase in crude steel production in 2019. In the Metallurgical segment, the revamp of Ilyich Steel's HSM 1700 allowed the

Group to advance its product strategy by increasing the plant's annual coil output capacity. In the Mining segment, we have upgraded the Lurgi 278-A and OK-306 roasting machines at Northern GOK and beneficiation equipment at Central GOK.

PRIMARY FOCUSES OF THE TECHNOLOGICAL STRATEGY 2030

HEALTH, SAFETY AND ENVIRONMENT

- Reduce emissions to meet EU standards.
- Ensure safety to achieve zero injuries among employees.

STEEL

- Increase steel production capacity at Mariupol plants by 30% by performing major blast furnace repairs, constructing new continuous casting machines, and upgrading rolling mills.
- Boost the economic efficiency of production.

IRON ORE


- Increase Fe content in iron ore products.
- Improve mechanical and chemical properties of pellets.

DIGITAL ADVANCES

Digital technology has become a strategic priority for nearly every business, Metinvest included. In 2019, we succeeded in initiating or completing several transformative projects.

The Group completed the largest migration to SAP HANA Enterprise Cloud (SAP HEC) in Central and Eastern Europe, becoming its first Ukrainian user. The cloud now encompasses 17 productive systems and more than 21,000 users. The main outcomes of the system's deployment include reduced costs of IT services, increased data processing speed and enhanced cybersecurity. In addition, the robust platform allows new services and extensions to be added, opening a window of opportunity for innovative transformation.

In recognition of our dedicated work, Metinvest was recognised in two nominations at the 2019 SAP Quality Awards among other participants from Central and Eastern Europe. Metinvest Digital, Metinvest's centre for IT expertise, earned the Group gold and silver awards in the fields of cloud technology and HR digital solutions. Metinvest was ranked first in the Business Transformation category for integrating SAP SuccessFactors into staff performance management, and we placed second in the Innovations category for successfully migrating to SAP HEC.

 **For more information about the digital transformation of our Human capital management function, please refer to the "People Management and Development" section of the Report.**

Additionally, Metinvest was shortlisted in the top five companies for "Excellence in digital communications" at the 10th Worldsteel Steelie Awards, which recognise achievements in the field of digital communications, from websites to mobile applications and social media activities.

BENEFICIAL DIGITAL PARTNERSHIP

In 2019, Metinvest Digital became a Microsoft Gold Certified Partner. This status unlocks a variety of benefits for Metinvest, including immediate access to Microsoft's innovations, information about new developments and products, training programmes, technical support and consulting services.

"WE ARE CONFIDENT THAT TECHNOLOGIES AND SOLUTIONS WILL ALLOW OUR CUSTOMERS TO ACCELERATE PROCESSES AND CREATE ADDED VALUE FOR THE BUSINESS."

Sergiy Detyuk, General Director of Metinvest Digital