

# Sustainability

## Risk Management

GRI 102-15

**Continuous sustainability risks monitoring as part of the corporate risk management system is a prerequisite for ensuring the effectiveness of Metinvest's sustainable development approach.**

We regularly take measures to track, identify, assess and monitor risks at all levels and assets to promptly respond to external challenges.

The Group's risk map is updated annually. It includes most challenges that affect the business and the ability to achieve our goals. During this process, we review and re-evaluate all risk groups to ensure that they are properly accounted for, the

monitor and control measures are up-to-date, and the necessary improvements have been implemented. The map covers financial and non-financial risks associated with environmental impact, occupational health and safety of our employees and contractors, lack of qualified personnel, working with local communities, information security and non-compliance with business conduct rules, and so on.

Each of the key sustainable development risks is mapped against conditions identified as causing its occurrence and a list of risk management measures.

### Key sustainability risks and management measures

Risk	Description	Risk management measures
Environmental risks	<ul style="list-style-type: none"> <li>– Environmental impact from the Group's operations, including air pollution, wastewater discharges and waste generation</li> <li>– Increased scrutiny of the Group's activities from local communities and regulatory bodies in the regions where it operates</li> <li>– Increased legislative requirements to accelerate the transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>– Applying the precautionary principle and evaluating the potential environmental impact when planning investment projects</li> <li>– Implementing technical measures to reduce emissions and monitoring compliance with regulatory requirements</li> <li>– Developing a long-term decarbonisation roadmap, backed by clear targets and technological tasks</li> <li>– Enhancing the corporate governance system by adopting international approaches and standards, including the integration of ESG factors into Metinvest's functional strategies</li> <li>– Conducting environmental upgrades at the Group's production facilities in accordance with its technological strategy</li> <li>– Implementing waste management initiatives for metallurgical and mining operations</li> <li>– Implementing technical and technological initiatives to increase energy efficiency</li> <li>– Developing Green Centre initiatives to foster a culture of environmental stewardship in the regions where the Group operates</li> <li>– Engaging with industry associations and supporting open dialogue with the stakeholders on climate change issues to find opportunities for joint research and development initiatives in this area</li> </ul>
Occupational health and safety risks	<ul style="list-style-type: none"> <li>– Workplace injuries and fatalities among employees and contractors</li> <li>– Inconsistent application of certain risk management tools, leading to reduced effectiveness of the entire occupational health and safety management system</li> </ul>	<ul style="list-style-type: none"> <li>– Implementing the safety roadmap to increase the effectiveness of critical risk management measures</li> <li>– Integrating industrial safety requirements into the supplier selection process (for work performed by contractors)</li> <li>– Implementing key health and safety performance indicators at all levels of the Group's management</li> <li>– Providing professional development opportunities for occupational health and safety specialists</li> </ul>

Risk	Description	Risk management measures
Risk of shortage of qualified employees	<ul style="list-style-type: none"> <li>– Lack of qualified line managers and technical/ technological experts and workers</li> </ul>	<ul style="list-style-type: none"> <li>– Developing material motivation systems for employees focusing on such key priorities as project motivation for teams involved in strategic projects, production bonuses, and repair personnel motivation systems</li> <li>– Implementing a training plan to ensure that the Group's employees have the necessary qualifications</li> <li>– Devising communication programmes to enhance employee loyalty</li> <li>– Developing and implementing approaches to improve Metinvest's employer brand</li> </ul>
Business ethics risks	<ul style="list-style-type: none"> <li>– Corporate fraud</li> <li>– Commercial bribery</li> </ul>	<ul style="list-style-type: none"> <li>– Monitoring compliance with corporate policies and procedures, including the Code of Ethics, Procedure on Anti-Money Laundering and Countering the Financing of Terrorism, as well as the Procedure for Declaring Conflicts of Interest</li> <li>– Adhering to the Compliance Programme</li> <li>– Ensuring access to the Trust Line</li> <li>– Promoting awareness among employees through ongoing training and communication campaigns on business ethics and anti-corruption matters</li> <li>– Conducting mandatory anti-corruption verification of suppliers and customers</li> <li>– Conducting mandatory internal security screening of all internal and external candidates for senior and high-risk positions</li> <li>– Performing internal audits that include a fraud risk assessment</li> <li>– Introducing the Code of Business Partnership to govern supplier relations</li> </ul>

In 2021, after the reporting period, we added a separate risk related to the impact of climate change on the sustainability of the Group's business to the risk map.

## Sustainability Risk Management

### GRI 102-30

Metinvest's systematic approach to risk management within the Group allows us to identify risk groups comprehensively and respond to the challenges we face

efficiently. The risk management system cascades from the Executive Team to managers directly involved in operational processes.

The implementation of processes for managing significant sustainable development risks and opportunities takes place at the level of the Supervisory Board and CEO, as well as within the

framework of functional management, the Economics and Business System Development directorate and the Internal Audit directorate.

### GRI 102-3; 403-2

#### ANTI-CRISIS MANAGEMENT SYSTEM

Metinvest has an anti-crisis management system in place that aims to minimise the chances of risk situations occurring and counter any effects that may impact the Group's operations. The system is based on the principles of crisis prevention and prompt response in case such situations occur.

We audit our assets to prevent crisis situations. These audits allow us to identify potential risks of crisis situations occurring, assess their impact on business processes, the quality of the response, and implement appropriate preventive measures.

The Group operates an anti-crisis headquarters headed by the CEO and has specially trained rescue teams to ensure an effective response to crisis situations.

Should a crisis situation occur, the Group has a clear mechanism for prompt notification in place in the form of a 24-hour Emergency Call-911 Hotline. This allows employees of our assets to pass on information about workplace incidents that they witness in a timely manner. The reporting channel extends to the Group's CEO, who notifies the Supervisory Board members and shareholders as appropriate.

## Risk management organisational structure of Metinvest

