

# Our Approach and Strategy

GRI 403-1; 103-2

**Metinvest carries out its activities and develops its strategy according to the principles of sustainable development. As protecting human life is our priority, we seek to provide the safest possible working conditions for our employees and contractors<sup>1</sup>. To achieve the goal of zero injuries, Metinvest strives to comply with the external and internal occupational safety and health requirements at Group assets by implementing necessary measures and improving the safety culture.**

The Group's integrated approach to health and safety is set out in the Policy and Principles in the Field of Health, Safety and the Environment and related regulations. In addition, Metinvest has 15 corporate standards in place, which are based on international best practice.

The Supervisory Board's Health, Safety and Environmental Committee oversees compliance with international standards and requirements at the level of general directors of Group assets, reviews the results of investigations of potentially dangerous incidents, and promotes initiatives and programmes to reduce the risk of such incidents. The Occupational Health and Safety department of the Sustainable Development and People Management directorate coordinates the Group-level implementation of the occupational health and safety programmes. Occupational health and safety units monitor compliance with safety rules and the implementation of necessary measures at each asset.

By supporting the International Social Security Association's Vision Zero campaign, which is aimed at reducing occupational injuries and diseases, the Group sets itself the highest standards for protecting people.

GRI 403-1

We continue to certify our assets in accordance with the leading occupational health standards, in particular ISO 45001, replacing OHSAS 18001. At the end of the reporting period, ten of the Group's assets<sup>2</sup> that had passed the required audit were certified as being compliant with ISO 45001. The plan is for six more assets to complete the ISO 45001 certification process in 2021.

GRI 103-3

In 2020, Metinvest continued to implement its safety roadmap to upgrade the health and safety management system. We made important progress in implementing best practice across the roadmap, with a focus on previously identified priorities, including working at height, developing the health and safety incentive system and working with contractors. In addition, the Group developed Safe Workspace, a new programme designed to manage risks and eliminate hazards at each workplace. In 2021, Metinvest plans to implement best practice in health and safety at newly acquired assets, including Pokrovske Coal, which became part of the Group in March 2021.

## Metinvest's occupational health and safety strategic priorities:

- Implementation of the safety roadmap
- Transformation of the occupational health and safety function, as well as activities to promote a culture of health and safety
- Enhancement of the system for ensuring occupational health and safety competencies

The Group monitors the effectiveness of the occupational health and safety management system using a set of key performance indicators (KPIs). In 2020, Metinvest revised its performance assessment approach by involving health and safety managers from different assets in the process.

<sup>1</sup> For the purposes of this report, the term "contractors" refers to both contractors and subcontractors.

<sup>2</sup> Azovstal, Central GOK, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Mariupol Machining and Repair Plant, Metinvest Holding, Northern GOK, Promet Steel and Spartan UK.



## The Change Programme of the Year

In 2020, Metinvest won the IIRSM's Risk Excellence Awards 2020 competition for Best Change Programme of the Year.

Metinvest presented its safety roadmap along with the first results from its implementation. The win was recognition of the Group's implementation of several important changes. These included the development of occupational health and safety competencies among the general directors of assets; the introduction of appropriate KPIs for the Group's Executive Team and senior general directors of assets; and the development and implementation of a

critical risk management programme and an electronic database created using an in-house software solution enabling occupational health and safety management. In implementing these initiatives, we undertook systemic changes and adopted best industry practices and advanced technologies. The decreasing number of injuries contributed to us winning the award.

The Group's victory in the competition reinforced the feasibility of the programme, as well as the chosen risk management and occupational safety focus.

**“Many thanks to the International Institute of Risk and Safety Management for this opportunity to present and share our experience, as well as to learn from others and gain new insight.”**

Pavlo Okara, Line Manager of Occupational Health and Safety department

3 HAZID, ENVID and HAZOP are procedures for assessing the safety and environmental impact of both new projects and existing processes. LOTO is a safety procedure to ensure that potentially dangerous equipment has been shut down correctly to prevent hazardous releases during maintenance, repair or cleaning. JSA is a procedure that helps to integrate accepted occupational health and safety principles and practices into a specific job or task.

4 Avdiivka Coke, Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Northern GOK.

### GRI 403-2

#### MANAGING HEALTH AND SAFETY RISKS

The Group's assets regularly assess the occupational health and safety risks inherent in different aspects of their activities. We rely on generally accepted international standards such as hazard identification (HAZID), environmental impact identification (ENVID), hazard and operability studies (HAZOP), work safety procedures, the lock out, tag out (LOTO) and permit-to-work methods, and job safety analysis (JSA)<sup>3</sup>.

In 2020, Metinvest focused on the risk of work-related injuries when working at height or in buildings and structures as the most common causes of injuries.

To reduce the threat of critical situations when working at height, we continued to implement practical skills training programmes to promote safety in such work at the Group's seven safety parks<sup>4</sup>. Metinvest also held training sessions for functional managers and leaders on the implementation of the risk management system for such work, created registers within the structural divisions of all of the assets of work performed at height and purchased equipment to ensure safe working conditions.

The Group also launched a monitoring system for the safe operation of industrial buildings to reduce associated risks. In 2020, more than 1,500 buildings and structures were inspected. To ensure the timely planning of repairs, a system of 'live maps' was launched to reflect the actual state of construction elements, and a schedule for repairs and restoration work was developed to bring more than 30,000 stairs and sites in line with regulatory and technical requirements.

In addition, several measures were introduced to reduce risks associated with transport usage. The Group's mining and processing facilities installed LED lights on excavators to ensure the reliability of light signals, purchased convex spherical mirrors with a 140-degree wide-angle, installed LED headlights with an increased luminous flux on heavy dump trucks, and marked supporting structures, signs and vehicles with reflective tape.

At the end of 2020, Metinvest reviewed the implementation of the critical risk management programme running as part of the roadmap and additionally prioritised measures for 2021-22 aimed at reducing risks associated with working on railway transportation and electrical safety.

### GRI 103-3; 403-2

#### SAFETY AUDITS

To verify proper compliance with legal requirements and internal standards for occupational health and safety, the Group has a system of internal audits that engages the management at all levels. Such inspections allow us to promptly identify and respond in a timely manner to crises and implement measures to prevent their reoccurrence in the future.

In 2020, line managers conducted around 159,000 safety audits at Group assets, during which some 390,000 incidents of non-compliance with occupational safety requirements were identified and 267,000 corrective measures were implemented. The increase in these metrics is consistent with Metinvest's growth through the addition of new assets, as well as the intensification of efforts to unify health and safety standards throughout the Group. In addition, the Executive Team participated in 16 occupational safety audits during the reporting period.

Given the COVID-19 pandemic, we also introduced special audits performed at the Group's assets to verify how preventive measures are used to reduce the spread of the virus.