

# Employee Remuneration and Motivation

Metinvest provides an economically reasonable level of employee remuneration. Our goal is to provide for the material wellbeing of the Group's employees, including a high standard of living and decent working conditions.

Metinvest's remuneration approach aims to provide earnings for our personnel that are competitive compared with labour market trends. At the Group's assets in Ukraine, the average monthly salary in 2020 was 41% higher than the national industry average. In 2020, despite the unprecedented uncertainty caused by COVID-19, we maintained base salaries at our assets unchanged. However, the depreciation of the hryvnia against foreign currencies caused the Group's average overall monthly salary in US dollar terms to decrease by 2% year-on-year to US\$965.

We use tangible and intangible incentives to increase employee motivation and further improve Metinvest's operational and financial performance.

The Group has bonus systems in place to provide employees remuneration in addition to their base salary depending on their personal performance.

In 2020, the primary focus for maintaining salaries at attractive levels was on managing remuneration through personal efficiency. Employees may receive additional remuneration should they undergo training or take on extra responsibilities. Other motivational tools used by the Group's assets include additional payments for working as a foreman, mentoring, expanding the service area, taking on a second profession, enhancing professional skills or proposing innovative ideas.

In 2020, some of the structural divisions at the Group's metallurgical and mining assets updated and introduced additional motivation approaches for certain categories of workers to improve product quality and increase production.

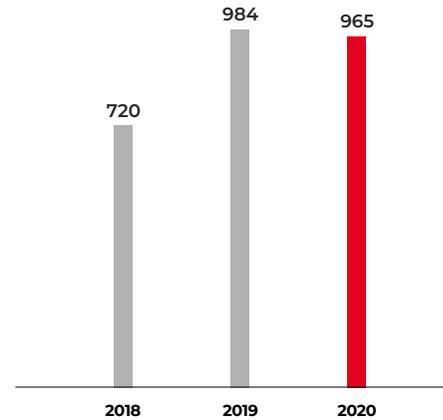
Additional motivation systems were implemented for effective project management at Metinvest Engineering and Metinvest Digital. They are designed to ensure that planned deadlines and budgets are met for high-priority areas.

A pilot project for workers – the Safe Work Award – was also developed and introduced at four Group assets to prevent accidents.



GRI 202-1

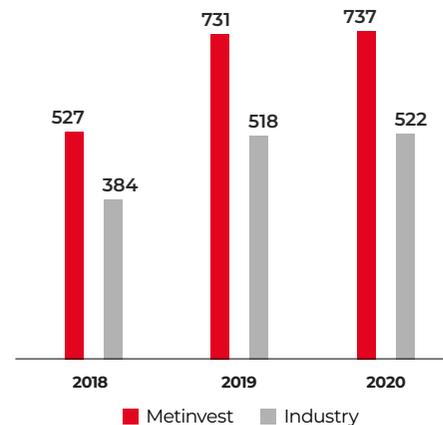
Average monthly salary, US\$



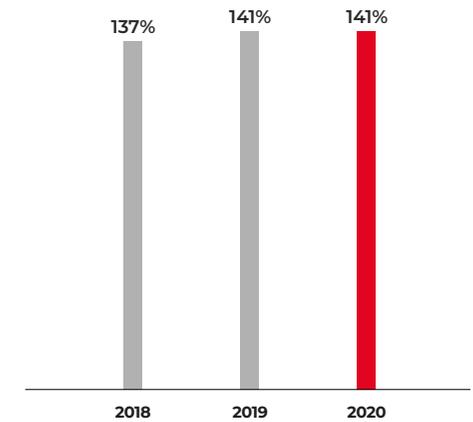
Comparison of average monthly salary for women and men in 2020, US\$



Average monthly salary at the Group's Ukrainian entities versus the national industry average<sup>5</sup>, US\$



Average monthly salary at the Group's Ukrainian entities as a percentage of the national industry average



<sup>5</sup> The data on the average salary for the industry in Ukraine was taken from <http://www.ukrstat.gov.ua/>

### GRI 404-3

Each employee who has worked with the Group for at least three months undergoes an annual performance appraisal and career development review. The first step is in the form of a self-assessment, followed by a feedback session between the employee and their direct supervisor to walk through key achievements, identify areas for improvement and discuss an individual development plan for the following period. An employee who disagrees with the performance assessment provided by their direct supervisor can appeal to the Personnel Assessment Committee at the Executive Team level, which ensures that the business contributions of Metinvest's people are fairly evaluated. During the reporting period, 100% of employees underwent an annual performance appraisal.

In 2020, an additional annual bonus was paid to employees and managers of those production units that significantly contributed to the Group's operational results by exceeding the operational improvement plan.

