

Training and Development



GRI 404-1; 404-2

We provide a variety of training and development opportunities to ensure continuous professional and career growth for all employees. In 2020, the Group spent around US\$3 million on human potential through its expanded training programmes to ensure that employee knowledge and skills correspond to today's changing job requirements. The outbreak of the COVID-19 pandemic resulted in the cancellation of planned external programmes for general directors, which lead to a decrease in training investments compared with 2019. Given that this group accounts for less than 10% of total personnel, it did not significantly impact the overall training performance.

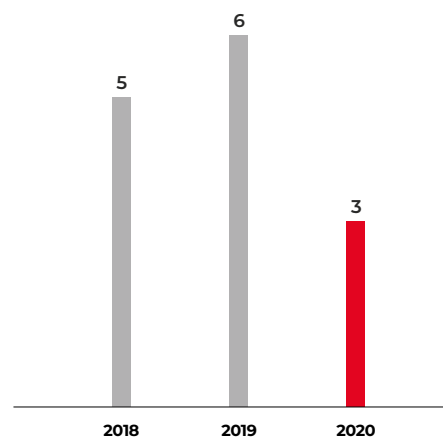
Metinvest's learning and development system is represented by two core learning providers: our Corporate University and training centres at the assets. The Group offers a variety of mandatory and voluntary learning opportunities tailored for specific functions and grade levels, with a focus on developing both hard and soft skills.

Metinvest's Corporate University learning programmes are aimed at improving personnel performance, including onboarding for new hires, managerial and professional training, teaching staff relevant skills and developing their leadership capabilities. The Corporate University also actively collaborates with educational institutions to ensure that the learning content and chosen teaching methods are effective and translate into the desired outcomes.

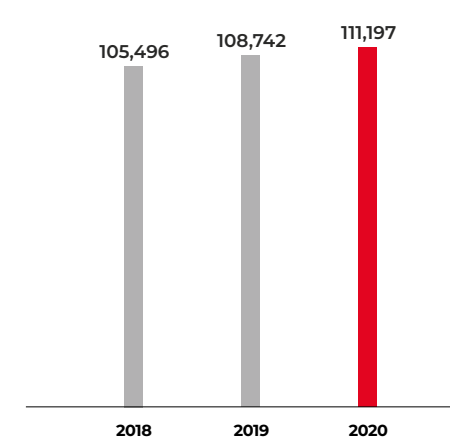
We have also integrated e-learning tools into our programmes, including the Eduson online learning management platform, which offers multiple training courses. The Corporate University website serves as a gateway to our Wiki-Master database, which contains a collection of useful articles and learning materials prepared by Metinvest's experienced specialists and subject matter experts.

In 2020, we completed the transition of the Corporate University's in-person trainings to online webinars. New e-training sessions on occupational health and safety, the Code of Ethics and cybersecurity acted as an additional tool for personnel to transition to the new training method.

Spending on employee training, US\$ million



Number of training enrolments⁷



GRI 404-1

43,899
EMPLOYEES COMPLETED CORPORATE LEARNING AND DEVELOPMENT PROGRAMMES

78 hours
AVERAGE AMOUNT OF TRAINING RECEIVED PER EMPLOYEE DURING THE YEAR

33%
OF THE GROUP'S EMPLOYEES PARTICIPATED IN E-TRAINING

For mid-level managers, the Group's strategy is focused on addressing key skill areas. We have created 12 training programmes for line managers of production shops to cover crucial engineering and business disciplines, fill potential skill gaps and teach new techniques.

In 2020, Metinvest updated its personnel training and development strategy to harmonise it with the annual performance appraisal and career development systems. One aspect of this was focusing on the development and strengthening of the

regular personnel appraisal. Another was differentiating approaches and tools depending on the training objectives, such as professional development in the current role ('to be effective today') or development for a future role ('to be effective tomorrow'). In addition, we updated our approaches used for the career development system.

⁷ These figures represent the cumulative number of training sessions attended by employees during the reporting period.

DEVELOPING MANAGEMENT SKILLS

The modernisation of production and introduction of innovative technologies and new approaches require a high level of knowledge and management competencies. In this regard, continuous learning is one of our key areas for personnel development. We have introduced over 20 managerial programmes designed to develop leadership competencies and valuable skills. The training includes interactive sessions conducted by a dedicated team of internal trainers that help attendees to experience real-life situations and practice effective decision-making. In 2020, approximately 6,000 employees participated in our managerial training programmes.

The Regular Management Practices programme was launched for junior and middle managers and transitioned to online study. The programme includes such modules as task setting, providing feedback, delegating, holding meetings and bypassing linear hierarchies.

Dedicated online training courses to improve leadership skills are also held for general directors and high-potential managers being considered for executive positions. These courses include Communication Skills, Thinking Outside the Box, and Indirect Impact.

PROFESSIONAL STAFF TRAINING

Metinvest has outlined a roadmap within its strategy to improve training quality at its assets' training centres. The following stages of the roadmap have been implemented: develop a training facility for practicing hands-on skills, improve the quality of employee training, and adapt workers to hands-on training in the workplace. Training facilities were launched for diesel locomotive drivers and blast furnace gas operators at Azovstal, excavator and dump truck drivers at Northern GOK, blast furnace gas operators at Ilyich Steel and electricians at Central GOK. In addition, a project was approved to procure and install new training simulators for three professions in 2021.



The training simulators make it possible to safely practice all the skills needed to ensure uninterrupted operation under various working conditions. The training centre simulators are available to employees from our assets who are either obtaining a new profession or improving their qualification, as well as to student trainees.

We have introduced digital learning technologies for working professions to improve training quality and access to knowledge anytime, anywhere and from any device. Metinvest is in the process of piloting the Reading Technical Drawings online course that it has developed for employees at the Group's repair services, which aims to improve the quality of their technical documentation reading skills. We have also finished piloting a project to update the periodic personnel testing system. The changes that we have adopted help to improve the quality and relevance of the assessment by considering the requirements of each individual workplace and the assets' current priorities, as well as adjusting the process for determining training needs to fill existing gaps. The project was piloted at Kryvyi Rih Machining and Repair Plant and has been used to draft standard regulations for the updated system, which will be used to scale the improved approach to other assets in 2021.

WorldSkills Ukraine 2020

For the fifth consecutive year, Metinvest served as the general partner of WorldSkills Ukraine⁸, a vocational skill competition for trade school students and young professionals. In 2020, to adapt to the pandemic restrictions in place, the competition was held in a hybrid format featuring in-person individual competitions and online social media broadcasts.

The competition took place in two stages in Zaporizhia and Mariupol. The qualifying stage was held in 2019, followed by the final stage in 2020. The jury evaluated the contestants' skills in the fields of railway transport maintenance, welding, electrical installation, mechanical and mill work, and brick laying.

To ensure the participants' safety and comply with COVID-19 restrictions, the competitions for each field were held in a single day.

The contest had a total of 83 participants, 58 of whom competed in professional competencies relevant to Metinvest. Five of the 25 winners were young employees from the Group's assets.

Nearly 3,000 schoolchildren took part in career guidance webinars based on the Map of Professions programme during the competition.

“WorldSkills Ukraine is an excellent opportunity for personal fulfilment and for understanding one’s potential. It is a great chance for any participant: you can get employed by one of Metinvest’s assets, work in good conditions and perfect your knowledge.”

Yuriy Rahytskyi, student at Ukrainian Polytechnic College, Kryvyi Rih



8 WorldSkills Ukraine is part of the WorldSkills International competition, which is held in 74 countries.

DEVELOPING YOUNG TALENT

Empowered, skilled and engaged young minds drive the future of sustainable business. Metinvest continues to actively invest in training and development programmes for talented young employees to motivate them and create an engaging work environment.

The Metinvest Young Leaders programme provides a unique opportunity for employees under the age of 30 to work in cross-functional teams, receive professional guidance from the Group's Executive Team and develop solutions to improve production processes. In the last season of the programme, 320 young employees participated, around 80 of whom have received promotions. Overall, 40 of the projects that they proposed have been approved for implementation at the Group's assets.

In 2020, we introduced our first individually tailored development programmes for 126 employees. They include a specific set of training activities for target and current positions based on the necessary competencies.

INVESTING IN NEXT GENERATIONS

We strive to attract the next generation of talented young people by actively engaging with young specialists and students. Metinvest's human capital management strategy envisages promoting the Group as an employer of choice.

To hire the best graduates, each year, Metinvest provides hands-on training and internship placements for university, college and vocational school students.

In 2020, this collaboration covered 55 academic institutions and vocational schools. Around 2,800 students completed internships at the Group's assets, 305 of whom were hired upon graduation.

Metinvest also continued to develop dual education programmes that combine classroom and workplace learning. Currently, 250 students from academic institutions and vocational schools in Mariupol, Zaporizhia and Kryvyi Rih are enrolled in the programme.

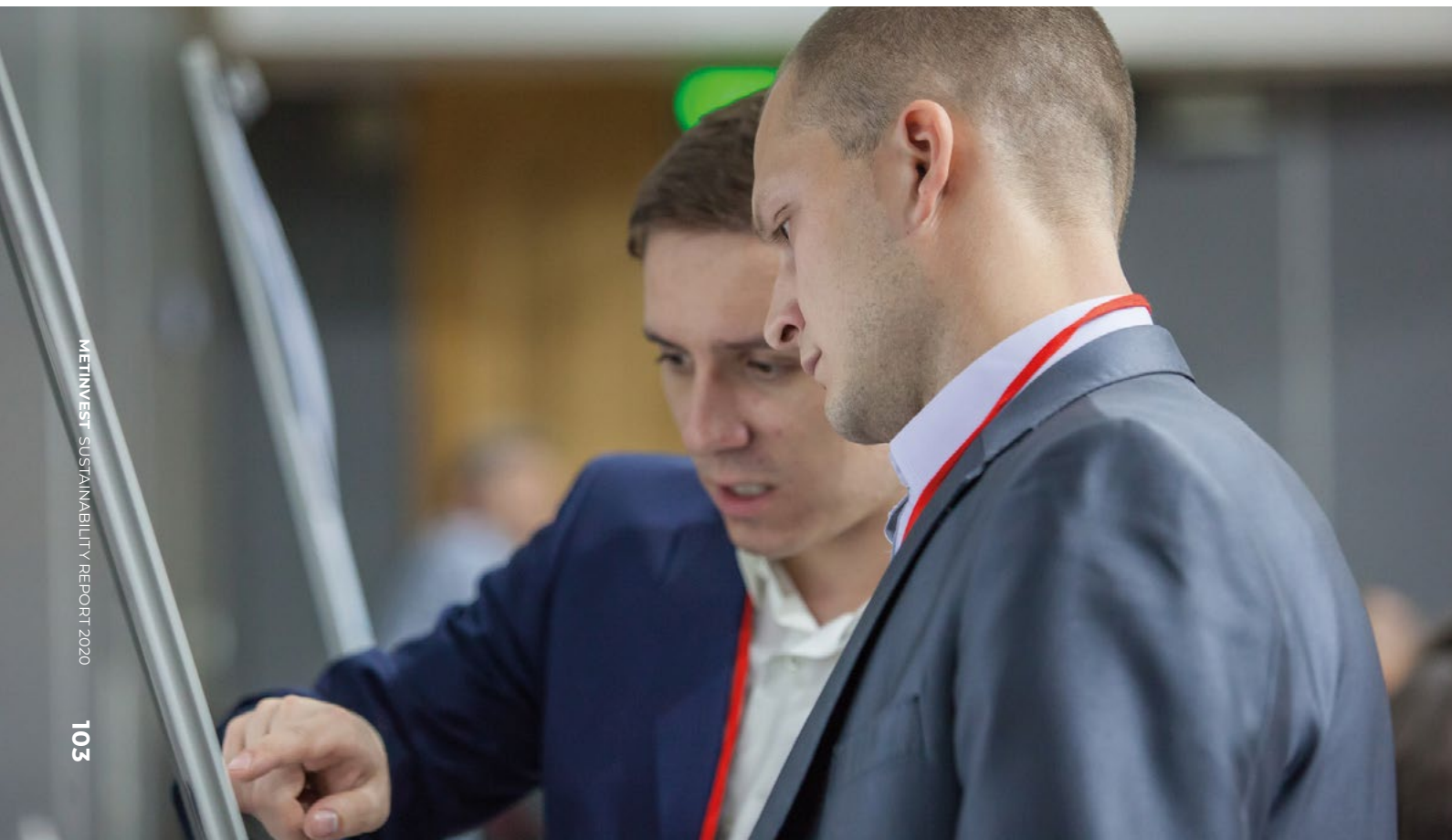
To identify and attract the best students of academic institutions and vocational schools, Metinvest has launched student case competitions aimed at solving production issues in all the regions where it operates. In 2020, the programme covered 11 assets⁹, 29 educational institutions and 560 participants. Students have developed more than 100 projects in such areas as production, technology and quality,

engineering, automation, occupational health and safety, transport and logistics, IT, continuous improvement, finance and economics, industrial construction and personnel management. The best teams made it to the finals and received either invitations to participate in hands-on training or internships, or job offers from the Group's assets.

During the reporting period, Metinvest continued to implement its scholarship programme targeting top-performing students enrolled in technical degree programmes (majoring in metallurgy, earth sciences, energy management, mechanic engineering, computer science or similar fields) at five universities in Kryvyi Rih, Mariupol and Zaporizhia¹⁰. In 2020, 1,365 students received scholarships from Metinvest.

The Group supports the development of professional and educational standards to update the training system for vocational professions at assets and educational institutions. Professional standards help to align the state qualifications and educational standards to the present needs of employers. In 2020, the Ministry of Economy of Ukraine approved 53 professional standards supported by Metinvest.

- 9 Avdiivka Coke, Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest-Promservice, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.
- 10 Kryvyi Rih National University, Technological Institute of the State University of Economics and Technology, Zaporizhia Polytechnic National University, Zaporizhia National University and Pryazovskyi State Technical University.



Metinvest Polytechnic

In 2020, the Group established Metinvest Polytechnic, Ukraine's first private university dedicated to the steel and mining industry. This fully accredited institution has its own faculty, modern educational programmes and technology.

Metinvest Polytechnic is open to all young people who want to become engineering professionals, who are highly sought after in Ukrainian industry today, as well as to Metinvest employees seeking to improve their qualifications.

The university has already received licences from the Ministry of Education and Science of Ukraine to offer advanced training courses in metallurgy, metal science, computer science, economics, occupational health and safety, and mining.

The initial students are Metinvest employees seeking to expand their knowledge in these areas. The first class of 200 students in the bachelor's programme is planned for 2022.

The training programmes are designed to correspond with the latest business requirements and international best practice. A team of 11 doctors and 18 doctoral candidates is developing them with the assistance of the European Society of Occupational Safety and Health (ESOSH).

Metinvest Polytechnic has signed agreements with leading international manufacturers of technology and equipment, including Siemens, Schneider Electric, Honeywell Ukraine and Festo, to build and outfit modern laboratory facilities for the university. Microsoft is developing the IT infrastructure of Metinvest Polytechnic.

“Metinvest Polytechnic’s curriculum will be designed to meet the specific needs of Ukrainian business. We are recruiting the best Ukrainian and foreign lecturers and utilising the latest digital technologies. Dual education will enable our students to gain practical knowledge and will help companies to recruit highly qualified specialists.”

Alexander Povazhnyi, Rector of Metinvest Polytechnic

