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# Employees



## KEY 2020 RESULTS AND EVENTS

Metinvest was recognised as the most attractive employer in Ukraine’s steel and mining industry in the 2020 Randstad Employer Brand Research survey

The Group ranked among the top five global steel companies in the “Excellence in Digital Communications” category of the Worldsteel Steelie Awards 2020

Nearly US\$3 million spent on employee training and development

Around 44,000 employees completed corporate learning and development programmes

Around 2,800 students completed internships at Metinvest entities and 1,365 students participated in Metinvest’s scholarship programme

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# Our Approach and Strategy

In 2020, Metinvest provided more than 69,000 jobs worldwide and remained one of Ukraine's largest employers. Our human capital management strategy is aimed at improving the system of labour relations, strengthening corporate culture, ensuring decent remuneration and increasing staff engagement. The Group provides equal opportunities to its employees for professional and personal growth. Metinvest cares for the safety and wellbeing of its employees.

## GRI 103-2; 103-3

We apply best international practices in our approach to personnel management, including the standards of the Society for Human Resource Management (SHRM).

The key focuses of our five-year human capital management strategy, which was approved in 2019, are to enhance Metinvest's attractiveness as an employer, provide the Group with skilled employees and improve staff efficiency, as well as enhance the quality of internal HR services for our workforce. The Sustainable Development and People Management directorate is responsible for implementing the strategy. As outlined in the strategy, we develop KPIs for the Group's Executive Team, key functional managers and employees. We regularly assess the performance of the HR function against its KPIs and monitor the implementation of the strategy.

One of our main personnel management tasks is to attract the best experienced professionals in the labour market and talented graduates. We have an appropriate onboarding system in place for new hires. It helps these new employees to adapt to the corporate environment, so that they can quickly reach the expected levels of performance and engagement. During the reporting period, Metinvest unified the personnel adaptation standards that are aimed at forming common principles for onboarding new hires, ensuring that they have safe and comfortable working conditions at the Group's assets, as well as providing them with professional growth opportunities.



## BEST EMPLOYER

Metinvest was recognised as the most attractive employer in Ukraine's metal processing and mining industry in the 2020 Randstad Employer Brand Research survey, an annual global ranking presented by Randstad<sup>1</sup> and ANCOR<sup>2</sup>.

Almost 8,000 Ukrainians aged 18 to 65 from different regions of the country participated in the research that covered Ukraine. Both employed and unemployed people participated in the survey. The respondents had to rate the 150 largest employers, of which 75 were Ukrainian companies and 75 were international companies from 13 industries.

Companies were rated against such criteria as financial solvency, application of the most advanced technologies, good reputation, job security, career opportunities, social responsibility, interesting work, favourable work atmosphere, work-life balance, competitive wages and social benefits.

Metinvest was also named among Ukraine's 50 employer by Forbes Ukraine (January-February 2021) and one of the country's top 25 employer by Vlada Groshei journal (March 2021), a reputable Ukrainian business journal.

- 1 The Randstad corporation is the global leader in the HR services industry. It is headquartered in the Netherlands.
- 2 ANCOR is Randstad's strategic partner that specialises in recruiting, outsourcing and consulting services.

## METINVEST CAREER CENTRE

In 2020, the Group continued to develop its Metinvest Career Centre network, including opening a new regional office in Mariupol in July. This is gradually becoming the single hiring channel for the Group's assets in Ukraine. When potential candidates contact the Career Centre, they gain access to the list of available job postings in a particular city or town and have the opportunity to choose the positions that interest them the most, participate in job and appraisal interviews, get a job referral and be hired by the Group eventually.

The Career Centre regional offices cooperate with educational institutions, employment centres and local communities. They also conduct awareness campaigns to promote Metinvest's brand as an employer.

Our next step is to open a Career Centre front office at each of the Group's key assets. We also plan to centralise the recruitment function, making the Metinvest Career Centre our sole personnel recruitment agency and centre of excellence for developing regional labour markets and attracting the best employees.

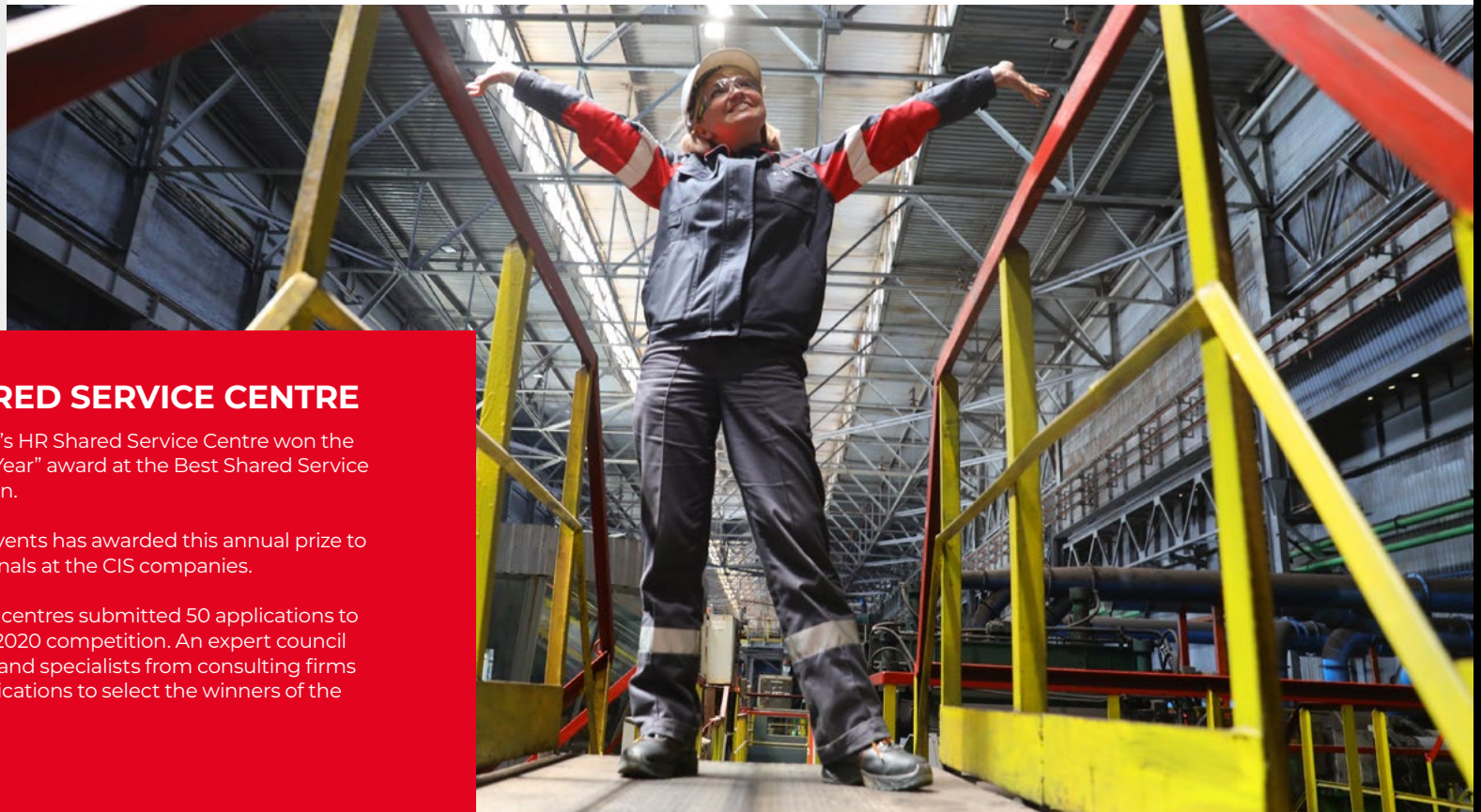
## HR SHARED SERVICE CENTRE

Since 2018, Metinvest Business Services<sup>3</sup> has operated the Group's HR Shared Service Centre, which ensures the effectiveness of personnel management processes. It is the first such centre in Ukraine that performs all personnel management functions. It offers around 130 different services, including organisational planning, personnel administration, training, performance assessment, as well as compensation and benefits management. The HR Shared Service Centre also advises employees on a variety of HR matters. Over 40,000 Metinvest employees use its services.

To centralise the functions of all Metinvest assets, we plan to further transition our assets to the services of the HR Shared Service Centre. To further improve service quality, the Group will soon launch an integrated quality and employee interaction management process. As part of these efforts, we will change evaluation system for services received, establish appropriate committees to evaluate the services provided and develop an online dashboard that will display the HR Shared Service Centre's operational metrics.

The HR Shared Service Centre has digitalised its processes to improve the service level for employees. This resulted in the introduction of additional digital services such as a self-service portal that allows an employee to order services 24/7, to track the progress of work and evaluate the services provided; a chat bot to serve as a round-the-clock tool for informing and polling employees; the OpenText document management solution, which helps to automate the document registration and approval processes; and a contact centre for addressing employee requests.

<sup>3</sup> Metinvest Business Services acts as a shared service centre (SSC) that provides many of the Group's key corporate functions for both its Ukrainian assets and Swiss trading arm. It currently provides accounting and tax, treasury, human resources, legal, sales support and translation services, among others.



## BEST SHARED SERVICE CENTRE

In 2020, Metinvest's HR Shared Service Centre won the "Discovery of the Year" award at the Best Shared Service Centre competition.

Since 2012, MSB Events has awarded this annual prize to industry professionals at the CIS companies.

Overall, 24 service centres submitted 50 applications to participate in the 2020 competition. An expert council of market leaders and specialists from consulting firms reviewed the applications to select the winners of the competition.

GRI 102-17; 410-1

**HUMAN RIGHTS**

Metinvest is committed to protecting labour and human rights in all its business activities. We build a creative and collaborative work environment characterised by trust. We do not tolerate discrimination on the grounds of race, skin colour, gender, age, religion, ethnicity, nationality or any other characteristics. The Group's Code of Ethics outlines our core principles for ensuring the protection and observance of human rights.


We provide employment in line with legislative regulations that guarantee the prevention of forced or child labour. Metinvest also does not tolerate working conditions that could be viewed as either violent or offensive. We monitor compliance with the statutory requirements of all labour legislation in each country where the Group operates.

We recognise that human rights violations or the failure to properly address them can have a serious impact on individuals and businesses. Therefore, Metinvest uses a Trust Line operated by SCM through which employees can report inappropriate behaviour and violations of their rights anonymously. All reported violations are investigated thoroughly. If a complaint is

substantiated, measures are taken that correspond with the severity of the issue at hand and feedback is provided about the results.

GRI 412-1; 412-2; 412-3

The Group's approaches to ensuring the protection of human rights apply to all its entities. Since 2019, we have tested employees' knowledge of the Code of Ethics using an online course that covers specific aspects related to human rights. During 2019 and 2020, more than 63% of the Group's employees completed this training.

 For more information about Metinvest's Code of Ethics and Trust Line, see the Business Ethics and Anti-corruption section.



GRI 407-1; GRI 102-41

**COLLECTIVE BARGAINING AGREEMENTS AND ENGAGEMENT WITH TRADE UNIONS**

The relationship between Metinvest as an employer and the Group's employees is based on the principles of the International Labour Organisation (ILO) and applicable labour legislation. Public authorities and governing bodies of industry trade unions track compliance with ILO principles. Metinvest also independently monitors the implementation of these principles and does not allow any violations.

We support our employees' freedom of association with various public, industry and civic organisations. The Group fosters strong relationships and effective collaboration with various industry trade unions. Our social dialogue is founded on respect for human dignity and aims to ensure the protection of human rights and social justice. Metinvest strives to resolve all possible conflicts and labour disputes peacefully, through mutual consultations with all interested parties, including trade

unions. During the reporting period, no collective disputes were raised; all issues were resolved through consultation and negotiation.

The Sustainable Development and People Management directorate is responsible for engaging in a social dialogue with trade unions, employers and public authorities at the industry and regional levels. In their work with trade unions, the Group's assets adhere to legislative requirements and strive to comply with applicable labour regulations, industry agreements and collective bargaining agreements.

There are 30 primary trade unions active at the Group's assets. The industry trade unions hold the largest membership numbers. They include the Trade Union of Steelworkers and Miners of Ukraine, Trade Union of Coal Industry Workers of Ukraine, Independent Trade Union of Coal Miners of Ukraine and Italian Federation of Metal Mechanics. Industry agreements and collective bargaining agreements apply to all employees regardless of their

union membership. As of 2020, collective bargaining agreements covered 100% of production personnel at the Group's assets in Ukraine.

Metinvest and its employees are also members of industry organisations, including the Federation of Steelworkers of Ukraine, Centre for Economic Development and Ukrainian Steel Construction Centre. These bodies are tasked with representing their members' business interests in the scientific community, as well as searching for new technologies and solutions to ensure product quality and safety.

The Group is also represented at employer organisations in the Donetsk, Zaporizhia and Dnipropetrovsk regions of Ukraine.

We also work with veteran, youth and public organisations, as well as employers' associations covering industry assets and other employers in the regions where the Group operates.



# Personnel Profile

GRI 102-7; 102-8; 401-1

As of the end of 2020, Metinvest employed 69,383 people.

During the reporting period, several of the initiatives and investment projects that we implemented as part of our technological strategy required us to increase our headcount. Overall, we hired 7,876 new employees in 2020, including 592 recent graduates for whom Metinvest became their first employer.

Most of our personnel work in Ukraine. Production staff constitute almost three quarters of the Group's workforce, while 27% of employees occupy administrative and managerial positions.

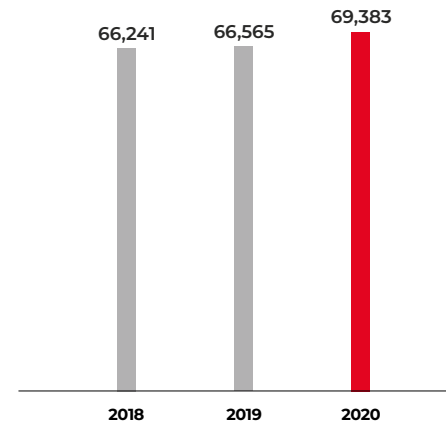
We track employee turnover at Metinvest's assets on a monthly basis. In 2020, it fell to 4.5%, from 6.4% in 2019<sup>4</sup>. Among the factors that have contributed to the reduction in employee turnover are our personnel retention and onboarding programme, competitive personnel remuneration and motivation system, as well as our social benefits package. We use the following key tools to retain employees: regular salary revision based on market trends; free access to training and career development; a competitive social benefits package and health insurance; a feedback loop with

the management; internal mobility within the Group; high standards of occupational health; as well as concern for environmental friendliness and workplace safety.

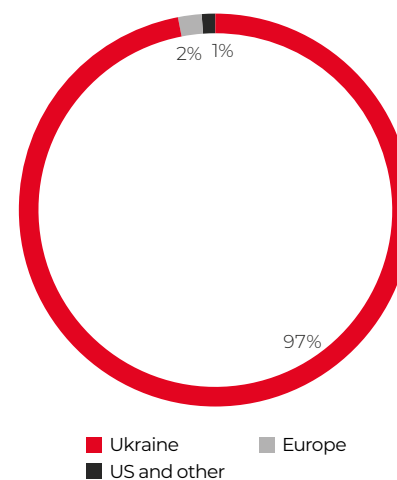
During the reporting period, Metinvest completed all planned headcount management measures. Some positions were eliminated as a result of the automation and optimisation of business processes, as well as the decommissioning of old equipment. Meanwhile, the Group's investment projects and production capacity expansion created new jobs and the employees affected by such changes were offered retraining to receive the appropriate qualifications for these roles.

<sup>4</sup> We previously calculated our employee turnover metric using an internal methodology developed to reflect the voluntary resignation of employees. In 2020, we have switched to a methodology based on guidelines from the Ukrainian Ministry of Justice (no. 286 of 28 September 2005) and have restated the data for 2018-19 to correspond with this change.

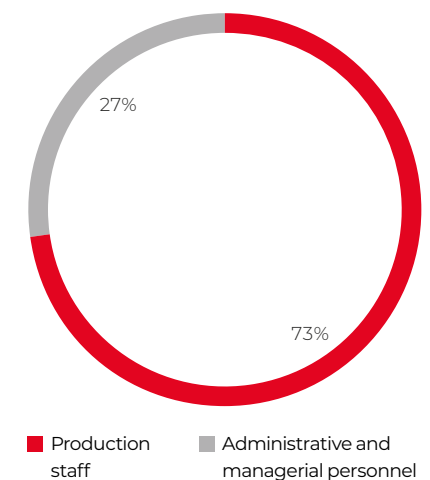
Total number of employees



Employees by region in 2020



Employees by category in 2020





GRI 405-1

**EQUAL OPPORTUNITIES**

Metinvest strives to ensure equal opportunities for all its employees. Representatives of various national and civic groups, men and women, all of whom work at the Group, have equal access to social events, training and professional development programmes, as well as equal opportunities to participate in personnel appointment procedures.

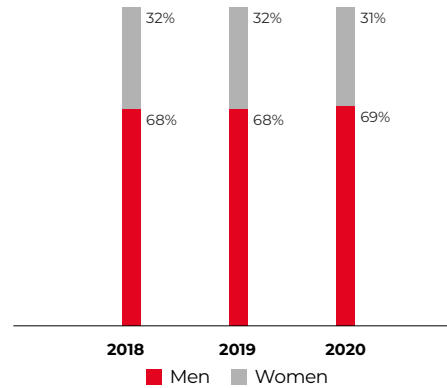
We regularly hold open competitions for appointments to middle and senior management positions. All interested people, regardless of their gender and age, have access to information about available vacancies.

As metallurgical and mining operations require hard physical work, male employees traditionally outnumber women in these occupations. However, thanks to automation and technological upgrades, we expect an increase in the number of women hired for jobs that previously had been considered too physically demanding.

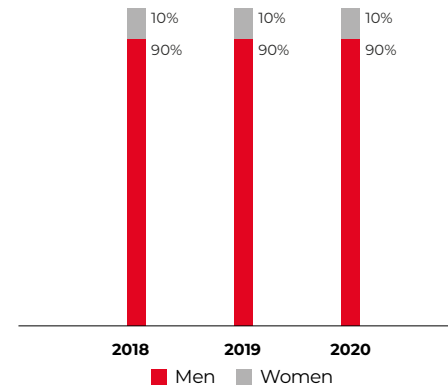
In 2020, over 31% of our personnel were female. Women accounted for 25% of the Executive Team.

The age diversity of the Supervisory Board is as follows: 50% of members are 30-50 years old and the other 50% of members are over 50 years old. In terms of gender diversity, 10% of Supervisory Board members are women and 90% are men.

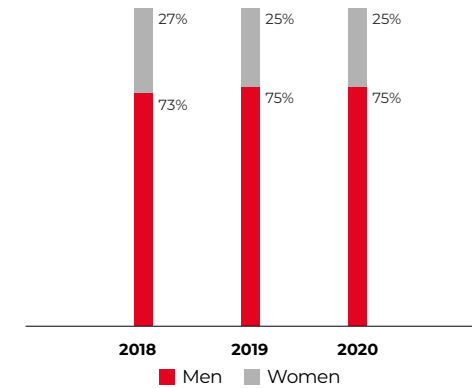
**Employee gender diversity**



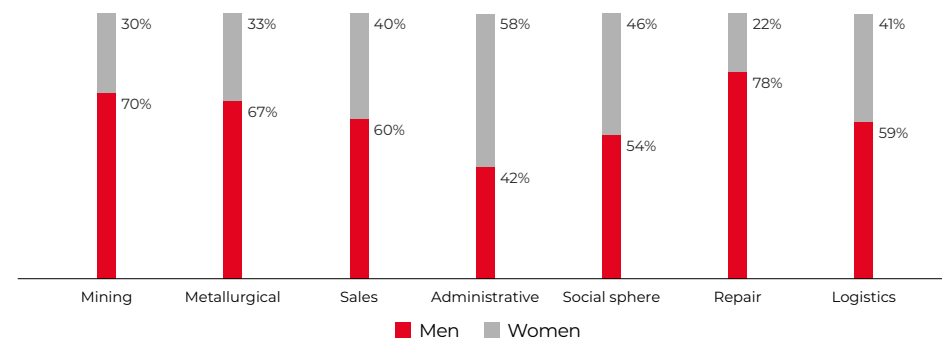
**Supervisory Board gender diversity**



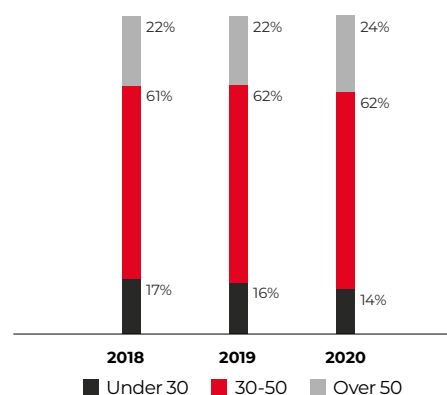
**Executive Team gender diversity**



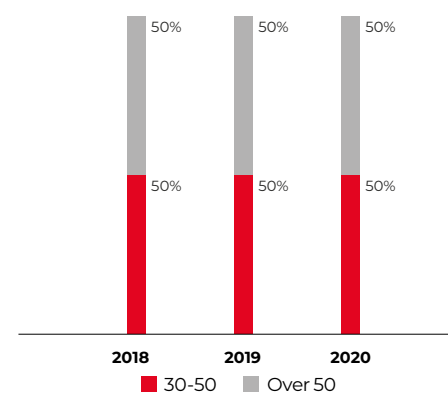
**Employee gender diversity by business area in 2020**



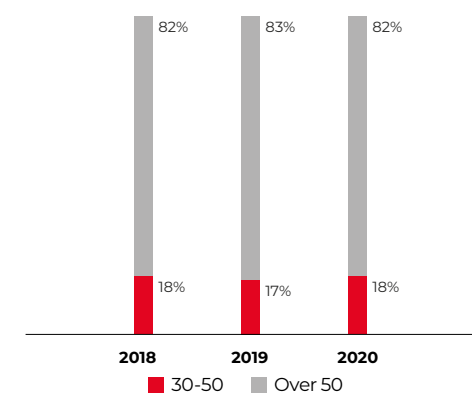
**Employee age diversity**



**Supervisory Board age diversity**



**Executive Team age diversity**





As an equal opportunity employer, Metinvest provides professional opportunities to people with disabilities and regularly participates in dedicated career fairs. The Group takes measures to improve the accessibility of workplaces and negotiates employment terms on an individual basis to ensure that working time and the nature of duties accommodate employees' special needs. In 2020, we hired 215 persons with disabilities. The total number of employees with disabilities was 1,961 at the end of 2020, an increase of 5% year-on-year.

**GRI 405-1; 405-2**

In 2020, we analysed employee gender equality and diversity within the Group. This revealed that 5% of men and 7% of women were placed in roles during the period, both existing and new ones.

No gender discrimination was identified in terms of salary increases. The increase in employee remuneration was found to be dependent on the salary range for a specific position. Among the Group's ten highest paid employees, 20% are women.

In 2020, 680 women – 3% of all female employees – took maternity leave. A total of 1,356 employees returned from maternity leave or military service, of whom 199 people (15%) received a salary increase after a prolonged absence.

As a result of this analysis, Metinvest developed a comprehensive approach to ensure fair gender relations within the Group and will introduce several related measures in 2021:

- Enshrining the principles of gender equality in the Remuneration Policy by defining an approach to salary revision for employees returning from a prolonged absence, for example after maternity leave or military service
- Launching a Gender Equality Dashboard to continuously monitor gender diversity metrics, including the share of women in both total headcount and leadership positions at various levels, the average salary of women and men by position level, and the number of new hires and promotions by gender, among others
- Developing a Diversity Policy based on the principles of equal protection of the rights of all employees without discrimination on any grounds, the absence of a gender pay gap between men and women occupying the same professions and positions, equal career opportunities, an integrated approach to increasing the remuneration of employees returning to work after a prolonged absence, and the integration of diversity principles into educational programmes
- Introducing training programmes for staff on the principles of the Diversity Policy.





# 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.

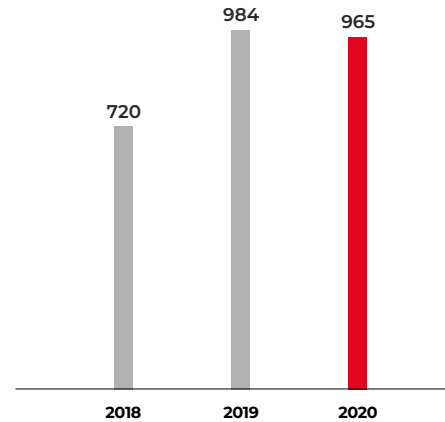
Additional motivation systems were implemented for effective project management at Metinvest Engineering and Metinvest Digital. They are designed to ensure that planned deadlines and budgets are met for high-priority areas.

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



GRI 202-1

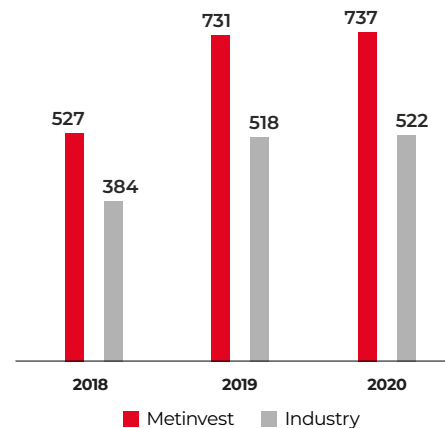
Average monthly salary, US\$



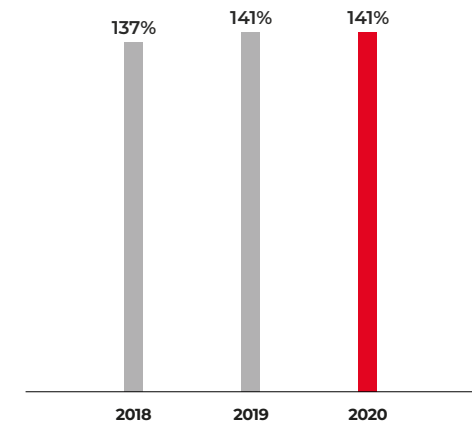
Comparison of average monthly salary for women and men in 2020, US\$



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.



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# Social Benefits

## GRI 401-2; 404-2

Every year, Metinvest improves the social benefits that it offers and works to provide comfortable and safe working conditions for its employees.

We have special material assistance programmes dedicated to providing our personnel with support during difficult life situations. Should such circumstances occur, employees can request monetary compensation, which is provided at the discretion of the general director and chairperson of the trade union committee at their entity.

The Metinvest Career Centre regional offices in Mariupol, Zaporizhia and Kryvyi Rih cooperate with local employment centres and municipal authorities to help employees who decide to resign find work at other organisations. Employees whose positions are transferred to outsourcing

organisations receive guarantees concerning their employment, salary level and social benefits for one calendar year. They are also invited to participate in the social events held by the Group's assets. When employees retire, Metinvest offers a severance package of one to three average monthly salaries depending on how long they have worked at the Group's assets, which is in addition to any other retirement benefits they might receive.

The Group follows a personalised approach to employee social benefits and other incentives. Employees can create customised social benefit plans for themselves and their families by choosing among 40 different options within My Choice, a programme offering individualised social packages that was launched in 2014. The principal goal of this tool is to meet employees' personal needs in the best way possible.

The most popular My Choice services include medical insurance, mobile phone account replenishment, reduced transport fares, corporate discount programmes, vouchers for recreation centres and travel packages, additional paid vacation, training programmes for employees and their children, as well as sport, entertainment and other options.

At the end of 2020, My Choice covered almost 60,000 employees from 12 of Metinvest's assets<sup>6</sup>. During the reporting period, we also worked to standardise the range of options available within the Group. This allowed us to extend some unique social services to assets where they were previously unavailable. The list of social package options is now the same at all assets in Ukraine and is openly available to employees of all categories, regardless of their employment type.

The Group's Territory of Childhood programme provides school supply kits for school-age children of employees ahead of the new school year, as well as gifts to children under 14 years of age before the Christmas and New Year holidays. In 2020, the format of New Year's greetings was expanded from a traditional gift box of sweets to an additional gift of an age-appropriate toy or gadget for every child. In addition, festivities were held for children on International Children's Day, and other entertainment and educational activities were conducted with careful consideration of the COVID-19 prevention protocols.

Understanding that working conditions are important for staff, in 2020, the Group continued to prioritise the further implementation of the Working Life programme. The programme aims to improve working conditions through retrofitting changing rooms, restrooms, meeting rooms, common areas and so on. In 2020, a total of 235 social improvement projects were implemented for employees, of which 178 were continuations from previous periods and 57 were new. Spendings to improve working conditions amounted to around US\$7 million.



<sup>6</sup> Avdiivka Coke, Azovstal, Central GOK, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest-Promservice, Metinvest Digital, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

# Metinvest Steel Games 2020

The Group holds the Metinvest Steel Games, an annual corporate sport competition, to promote sport and healthy lifestyles among its employees. In 2020, the competitions were held in Kryvyi Rih, Mariupol, Zaporizhia and Kyiv. Overall, 595 athletes from 20 Group assets and associated companies participated in the sport competition.

Because of the difficulties caused by the pandemic, a special regulation was introduced for this year's competition: a decision was made not to gather all participating teams, but to hold separate regional competitions, which made it possible to increase the number of participants. The assets' teams were split into regional divisions. One-stage competitions were held for nine sport events: mini-football, basketball, volleyball, arm wrestling, kettlebell lifting, athletics (4x400 metre relay race), table tennis, rapid chess and darts.

All competitions were held in line with COVID-19 protocols.

**“Our victory was made possible through properly coordinated team play. We have been playing with this line-up for some time now. We work together and we train together.”**

Yevhen Sharuda, steelmaker at the Ilyich Steel BOF shop and captain of the mini-football team



## EMPLOYEE WELLBEING

The health and wellbeing of our employees is the Group's top priority. The COVID-19 pandemic has brought strengthening and protecting the health of our personnel into even greater focus as one of our priority social policy areas.

Metinvest provides its employees with the option of health insurance to access a wide range of medical services. In 2020, we provided compensation for the costs of COVID-19 diagnosis and treatment, as well as free seasonal flu vaccinations.

To ensure the safety of our personnel, we have taken measures aimed at preventing the spread of COVID-19. To reduce the number of social contacts wherever possible, we initiated remote work for administrative staff and cancelled public events and business trips. We enhanced the disinfection and cleaning of administrative facilities, started using ultraviolet lamps, introduced regular body temperature measurements for employees at our assets and provided them with the necessary personal protective equipment.

The pandemic restrictions caused Metinvest to cancel employee wellness resort trips for the 2020 season. Since it was impossible to ensure social distancing and guarantee the safety of employees and their families during their stay at wellness facilities, such actions were taken to prevent the transmission of COVID-19. In return, the Group offered other social benefits.



# 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.

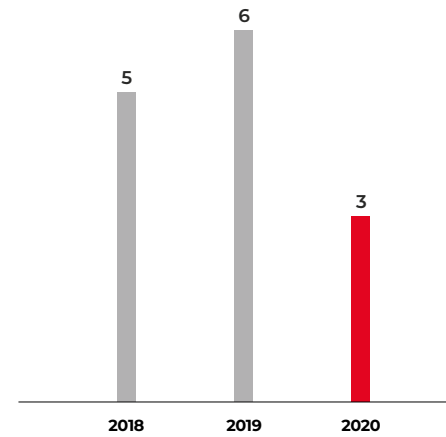
Metinvest's learning and development system is represented by two core learning providers: our Corporate University and training centres at the assets. The Group offers a variety of mandatory and voluntary learning opportunities tailored for specific functions and grade levels, with a focus on developing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

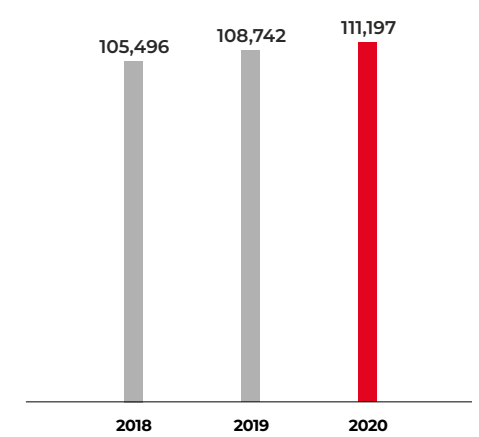
We have also integrated e-learning tools into our programmes, including the Eduson online learning management platform, which offers multiple training courses. The Corporate University website serves as a gateway to our Wiki-Master database, which contains a collection of useful articles and learning 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 enrolments<sup>7</sup>**



**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.

<sup>7</sup> 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 Ukraine<sup>8</sup>, 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



<sup>8</sup> 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.

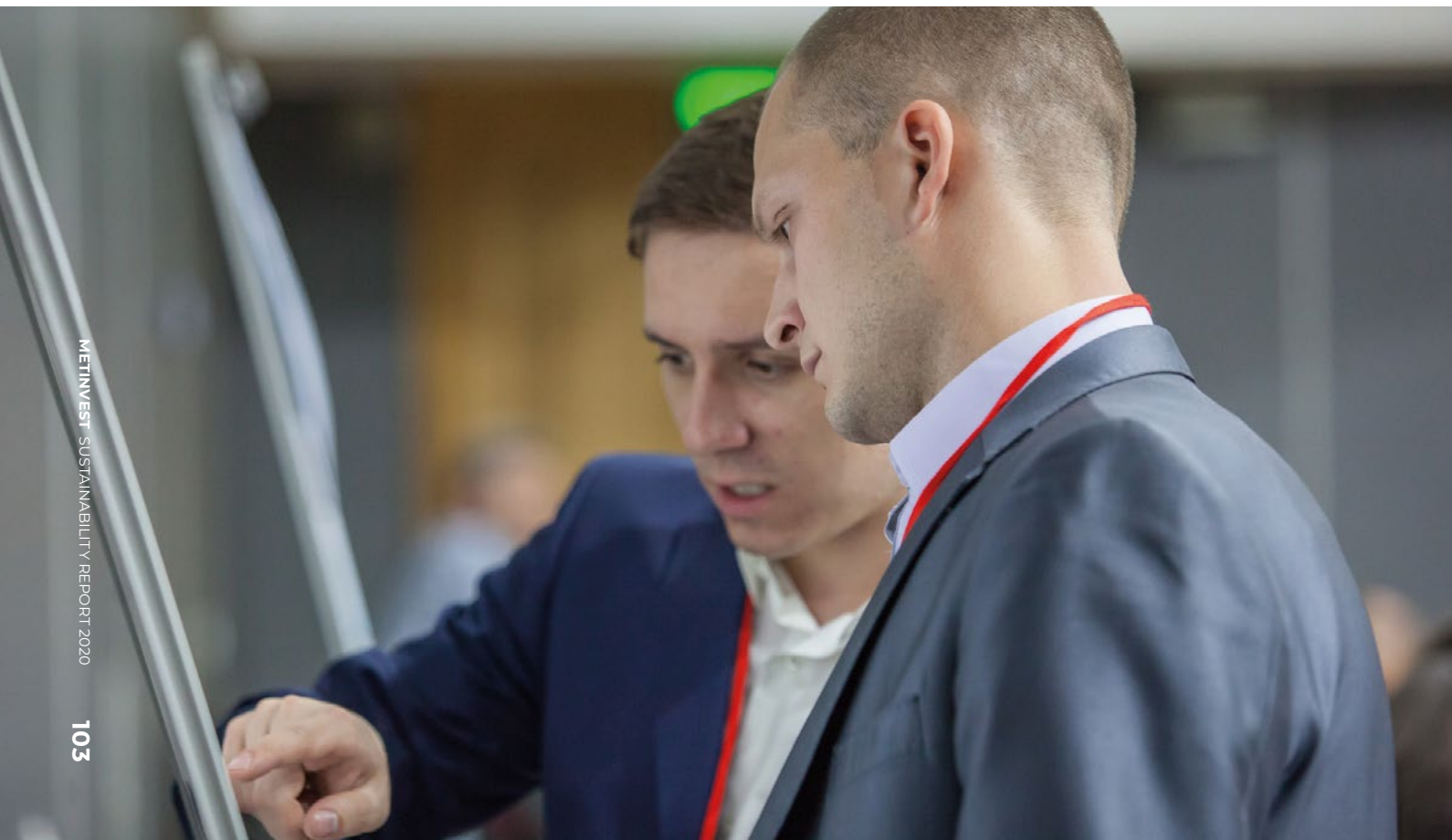
To identify and attract the best students of academic institutions and vocational schools, Metinvest has launched student case competitions aimed at solving production issues in all the regions where it operates. In 2020, the programme covered 11 assets<sup>9</sup>, 29 educational institutions and 560 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 Zaporizhia<sup>10</sup>. 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





# Internal Communications

The Group's internal communications system forms a single information space for employees in different regions and ensures an effective dialogue with them. Due to the various COVID-19 restrictions and preventative measures introduced in 2020, Metinvest has suspended large staff meetings at its entities. The Executive Team and department line managers meet via the Microsoft Teams platform. They then share information with the workforce at shift meetings under strict observance of all pandemic-related measures. In 2020, such online meetings helped to inform employees about key issues and changes within the Group. Metinvest's Executive Team also held live question-and-answer sessions for employees using Microsoft Teams.

In 2020, Metinvest created a new communication channel called Territory of Health. This electronic corporate news digest regularly updates employees about the current status of COVID-19, pandemic-related measures that have been implemented, medical recommendations to avoid contracting the disease, as well as what to do in case of infection. During the year, the digest was published 45 times.

To minimise the spread of COVID-19 among employees, additional corporate communication channels were used to provide regular information about pandemic safety measures, including flyers in corporate newspapers, posters on information stands at the Group's assets, as well as videos on the Metinvest TV corporate broadcasting system.

In 2020, all the Group's Ukrainian assets were connected to a single corporate portal. Employees also gained access to the portal's content using the My Metinvest mobile application. The corporate portal's average daily traffic exceeded 12,000 users.

We also continued to scale the Metinvest TV corporate broadcasting system by connecting new assets to the channel and installing additional video monitors at our divisions, which allowed us to increase the daily coverage from 7,000 to 11,000 employees.

Employee surveys are an additional feedback tool that gives our people an opportunity to openly voice their opinion about key processes within the Group and helps us to meet their expectations. In 2020, a feedback service was launched on the corporate portal and in the My Metinvest mobile application. We also developed an online analytical dashboard for requests that Metinvest employees submit to electronic communication channels at Azovstal, Ilyich Steel, Northern GOK and Metinvest-Promservice. In 2021, the analytical system is being scaled to all Ukrainian assets within the Group. In 2020, due to quarantine restrictions, we held corporate events online using the Yammer internal social network. To provide a comfortable and convenient environment for those employees working remotely, we used this format to celebrate Metinvest's birthday, hold a Week of Ethics and Compliance to promote basic corporate culture principles, as well as organise our While Everyone is At Home online corporate knowledge marathon.

