



CONTENTS

ABOUT THE
REPORT

ABOUT
METINVEST

SUSTAINABLE
DEVELOPMENT

CORPORATE
GOVERNANCE

ENVIRONMENTAL
ACTION

**HEALTH AND
SAFETY**

EMPLOYEES

LOCAL
COMMUNITIES

ANNEXES



Health and Safety



In this section:

79	Our Approach and Strategy
81	Investments in Safety
82	Occupational Health and Safety Training
83	Occupational Injury Prevention
85	Employee Healthcare
87	Contractor Safety

KEY 2020 RESULTS AND EVENTS

Metinvest invested US\$106 million in occupational health and safety

Metinvest was named the winner of the competition held by the International Institute of Risk and Safety Management (IIRSM) for Best Change Programme of the Year

The Group reduced the number of occupational injuries by 35% compared with 2019 and reached an LTIFR of 0.520, the lowest rate in its history

During 2020, Group employees participated in more than 37,000 occupational health and safety training sessions

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 contractors¹. 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 assets² 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.

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

² 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)³.

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 parks⁴. 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.

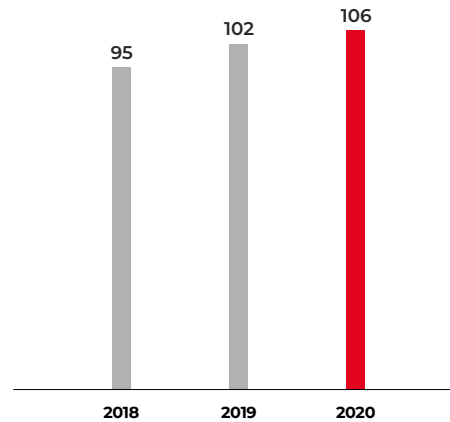
In 2020, line managers conducted around 159,000 safety audits at Group assets, during which some 390,000 incidents of non-compliance with occupational safety requirements were identified and 267,000 corrective measures were implemented. The increase in these metrics is consistent with Metinvest's growth 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.

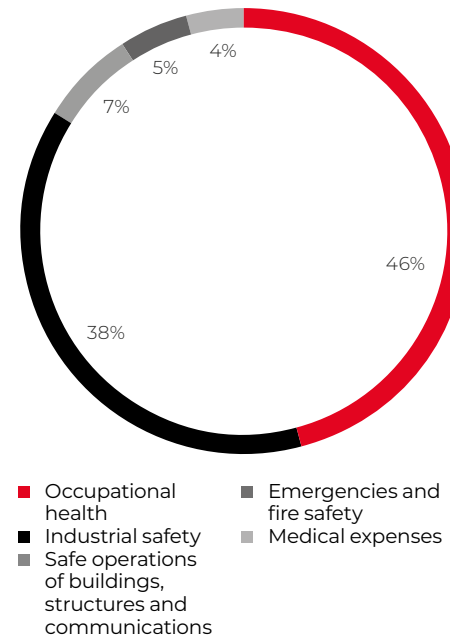
Investments in Safety

Metinvest invests in ensuring safe working conditions at its assets. In 2020, the Group's expenses in this area reached US\$106 million, up 4% year-on-year.

Spending on health and safety, US\$ million



Spending on health and safety in 2020



The spendings were directed primarily to occupational health (46%) and industrial safety (38%).

Metinvest makes significant efforts to modernise industrial machinery and equipment to increase safety at its assets. In 2020, the Group purchased equipment for working at height at Northern GOK and Avdiivka Coke, which contributed to a reduction in fall hazards.

All employees of the Group's assets who work in gas-hazardous areas and may be exposed to acute toxic gases were provided with multichannel portable gas analysers.

In 2020, an ambulance was purchased for Dnipro Coke. This reduced the waiting time for the provision of emergency medical care services.

Occupational Health and Safety Training

GRI 403-5

Continuous training and hands-on skills practice for employees are important prerequisites for achieving our goal of zero incidents and the successful fulfilment of the safety roadmap tasks.

During 2020, the Group's employees attended more than 37,000 training sessions on occupational health and safety. The topics covered the use of appropriate preventive measures to reduce occupational injuries and diseases, the prevention of emergencies and incidents, the provision of emergency health services, the development of leadership in occupational health, and the training of specialists responsible for work safety conditions.

In 2020, all of Metinvest's assets conducted external training on working at a height as part of a programme developed by experts from the Ukrainian Industrial Safety magazine. The training was attended by workers, specialists, employees, managers and internal trainers.

At assets in Ukraine, Metinvest started to develop e-learning courses based on local occupational health regulations. In 2020, the first e-learning course on the Organisation and Implementation of Gas-Hazardous Work was completed and piloted at Metinvest-Promservice⁵.

During the reporting period, Metinvest piloted a hands-on skills training project for contractors in Mariupol and Kryvyi Rih, helping to ensure safety when working at height.

GRI 403-4

MOTIVATION OF EMPLOYEES

Metinvest carries out initiatives to strengthen the safety culture at its assets and to instil in its employees a sense of responsibility, both for their own lives and for the health and safety of their colleagues. We encourage employees to participate in the implementation and application of occupational health measures. Metinvest has a proposal submission system in place, which provides rewards for ideas and recommendations on how to improve safety at the Group's assets.

4,000+
PROPOSALS TO ADDRESS THE OCCUPATIONAL HEALTH AND SAFETY ISSUES WERE SUBMITTED BY METINVEST EMPLOYEES IN 2020

In 2020, four of the Group's assets⁶ launched the Safe Work Award motivational programme aimed at improving individual occupational health and safety indicators, as well as strengthening the safety culture among employees. Employees can receive an increased monthly bonus for detecting or preventing unsafe actions or conditions. In 2021, we plan to launch this programme at other Group assets.

Metinvest focuses the attention of the Group's Executive Team and senior managers of assets on safety issues using an incentive tool: the Health and Safety Trigger. Under this introduced mechanism, the occupational health and safety performance indicators of assets directly affect the size of bonuses received by senior managers. Line managers have clear objectives cascaded down from the Group and asset levels. This process ensures clear goal-setting approaches that proactively manage health and safety issues.



New Safety Academy Programme

Kryvyi Rih Machining and Repair Plant became the first facility where Metinvest's new programme, the Safety Academy, was launched. The programme offers a series of lectures, training and practical seminars, which provide a comprehensive review of the attitudes towards occupational health issues and improve the skills of employees at the Group's assets.

Every day, the Group's employees perform hundreds of complex technological processes that require attention to and knowledge of occupational health rules. The Safety Academy is aimed at fostering skills and training specialists to take a comprehensive approach to technological processes and risks

associated with the performance of production tasks.

The training is based on real-life situations that either have occurred or are possible, taking into account the specifics of technological processes. Trainees study global best practice in risk management and apply theory in practice at a special safety training park for working at height and slinging operations.

During the implementation of the programme, training was held for heads of structural units and employees of the HSE function of Kryvyi Rih Machining and Repair Plant. We plan to implement such a format at other Group assets as well.

“We believe that fostering a responsible attitude towards safety in every employee is much more effective than any punishment. Our task is to motivate employees to be more attentive in the workplace and take care of themselves and their colleagues.”

Mykola Honcharenko, General Director of Kryvyi Rih Machining and Repair Plant

⁵ Metinvest-Promservice, a Group subsidiary, is one of Ukraine's largest companies that specialises in the repair and service of mining and metallurgical equipment.

⁶ Ilyich Steel, Kryvyi Rih Machining and Repair Plant, Metinvest-Promservice and Northern GOK.

Occupational Injury Prevention



GRI 403-2; 403-9

Every year, Metinvest undertakes measures aimed at reducing the number of lost-time incidents at its assets and ensuring employee safety. In line with our commitment to respect and protect human rights, our employees have the right to refuse to perform hazardous work or tasks that they believe could have a negative impact on their health.

Metinvest follows international best practice to monitor the level of occupational injuries. The primary metrics that it tracks are the lost-time injury frequency rate (LTIFR)⁷ and fatality frequency rate (FFR)⁸. In 2020, the Group had an LTIFR of 0.520 and an FFR of 0.044, the lowest rates in its history.

The number of occupational injuries decreased by 35%, from 83 in 2019 to 54 in 2020. The Group has achieved this downward trend in occupational injuries at its assets by conducting thorough investigations of previous incidents and implementing the necessary corrective measures to reduce the risk of these accidents reoccurring.

We are proud to report that Dnipro Coke, which became part of the Group in April 2020, recorded no lost-time injuries during the reporting period.

In 2020, the main causes of injuries at the Group's assets were contact with rotating machinery (30%), falls while moving (24%), falls from height (10%) and falling objects (10%).

To prevent work-related injuries, the Group has strengthened the role of safety programmes and training, updated the roadmap in terms of critical risk management, and continued to actively implement the programme focused on working at height, the safety of operating buildings and structures, and performing gas-hazardous work. In addition, Metinvest takes care of the safety of its employees by providing them with modern and certified personal protection equipment (PPE). In 2020, we began revising and updating the PPE strategy at the Group's assets.

Despite the overall trend of injury reduction, we regret that five fatal accidents occurred at the Group's assets during the reporting period: three due to falls from height, one to contact with lifting mechanisms, and one to injuries caused by moving machinery.

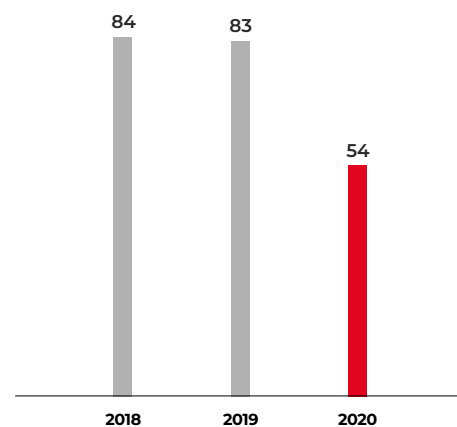
Metinvest conducted a thorough investigation of each incident and developed measures to prevent such events in the future. We have implemented a programme for bringing grill flooring to the design stage and for an observer management system to monitor the performance of hazardous operations. In addition, Azovstal has amended its repair work regulations in terms of planning and preparation and examined the technical condition of lifts.



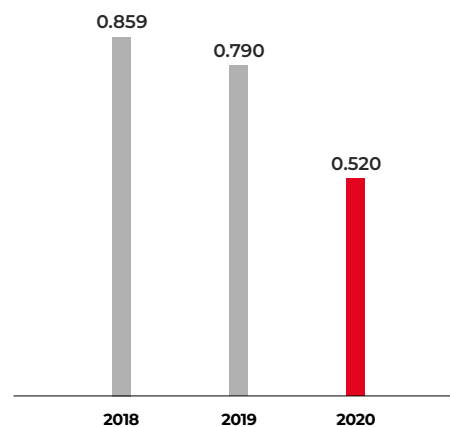
⁷ The lost-time injury frequency rate (LTIFR) is calculated as the number of lost-time incidents per 1 million hours worked.

⁸ The fatality frequency rate (FFR) is calculated as the number of fatalities that result from work-related injuries per 1 million hours worked.

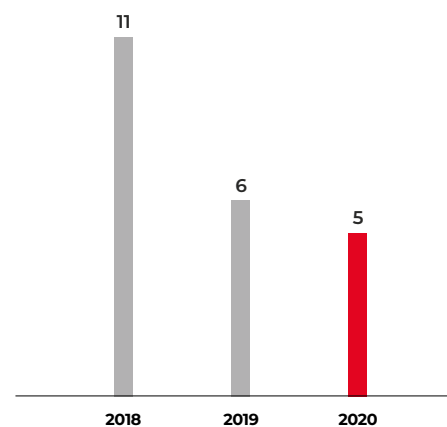
Total number of lost-time injury incidents among Metinvest employees



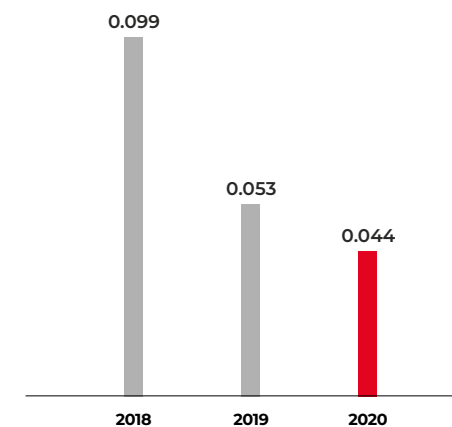
Lost-time injury frequency rate (LTIFR)



Total number of fatal incidents among Metinvest employees



Fatality frequency rate (FFR)



In an attempt to improve the safety of our employees, we are improving our emergency response system and assistance to injured persons at the Group's assets. The upgraded system has already been piloted at Ilyich Steel and includes the following actions:

In 2021, we plan to implement an updated emergency response system at other Group assets.

GRI 403-2

Employees and contractors must report accidents or crises to the management and responsible occupational health professionals. The incident reporting system helps to ensure a prompt response to mitigate or remediate an accident or risks and allows management to perform root-cause analysis and minimise the consequences of an incident. The CEO is notified in the event of a fatal accident within two hours of its occurrence, and within 24 hours in the event of an employee being injured. Any cases of intentional concealment of information about such events are deemed gross violations of labour discipline.

ACTION	OBJECTIVE
Implementation of advanced technologies enabling control of methane content at gas pressure regulation station	To eliminate the possibility of explosion or fire
Provision of a specialised emergency rescue vehicle to the gas rescue service	To reduce the rescue team's arrival time to the accident area
Introduction of compressed-air breathing apparatus for emergency teams of gas rescuers that connects them with injured persons during the evacuation	To provide gas rescuers with the necessary atmospheric air
Provision to the operational staff of the gas rescue station of new advanced equipment that helps them to remove blockages and obstacles	To assist in removing accumulations of metal structures when extracting injured persons and providing first aid
Supplementing the first automatic defibrillator with the Medumat ventilator	To enable cardiopulmonary resuscitation with artificial ventilation
Provision of operational digital radio communication	To improve interaction between rescue team members, as well as the overall coordination of their actions
Equipping emergency rescue teams with chemical protection suits	To protect employees during ammonia and acid drainage work, as well as during the elimination of spills

Employee Healthcare

GRI 403-3; 403-6

In late 2020, Metinvest developed a new employee healthcare strategy, primarily focused on the introduction of effective criteria for providing health services and transparent indicators for monitoring the progress of their implementation. We have assessed the performance of medical facilities at the Group's assets with a focus on safe handling of infectious materials and sanitation.

As part of the new strategy, we performed workplace assessments and developed measures to reduce the impact of harmful factors in the production process, organised a series of complete medical examinations and preventive health screenings to identify employees with acute health risks, introduced regular pre-shift examinations for people with cardiovascular disease, changed our approach to filling first aid kits, and continued first aid training for the Group's employees. We closely monitor the quality of these examinations by providing an expert assessment, analysing each sudden death and cases of employees experiencing deteriorating health after the incident had taken place, and analysing complaints and suggestions received from employees.

GRI 403-6; 403-10

In 2020, the most common workplace illnesses of the Group's employees were vibration disease (35% of all diseases), radiculopathy (31%) and lung diseases (24%). In addition to the main production processes, poisoning by harmful substances of the production cycle, in particular benzene and carbon monoxide poisonings, may also adversely affect the health of employees.

All types of hazardous work and harmful substances are determined during the certification of the workplace by specialised accredited laboratories.

GRI 403-3

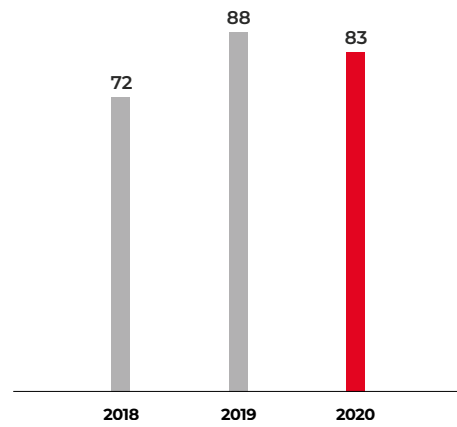
Metinvest continues to use its health index⁹, which was 37% in 2020, to analyse the dynamics of the workplace illness numbers and causes. Following our practice of taking an individual approach to each employee, we continue to engage with any employees who are ill frequently or for long periods. The measures help to promptly respond to potential hazards and create personal health programmes for workers that are most prone to certain diseases.

⁹ The health index is an indicator that displays the absolute number of employees who did not suffer from a workplace illness resulting in a temporary loss of working ability during the year, presented as a percentage of the total number of an enterprise's employees.

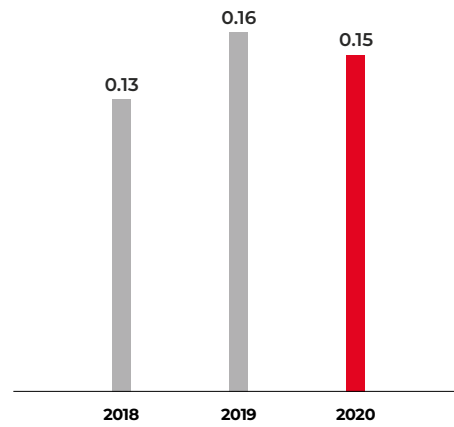




Total number of cases of workplace illness among Metinvest employees



Workplace illnesses frequency rate



COVID-19 RESPONSE

As a consequence of the COVID-19 pandemic, we have implemented special measures to prevent the spread of the virus among employees, protect their health and ensure a safe workplace at all Group assets. In 2020, Metinvest spent about US\$5 million on special protective masks, respirators and gloves for workers; thermometers and pyrometers for temperature control; and disinfectants for sanitation of work premises and vehicles that deliver employees to work and home.

To restrict the number of personal interactions, we transformed the dining rooms into snack counters, offering packaged products and bottled water. In order to track the spread of the coronavirus on a daily basis, emergency response headquarters were established at the Group's assets. We also introduced a special [#DoctorMetinvest video blog](#) to raise awareness of COVID-19 among employees and provide recommendations on what to do in the event of symptoms.

Contractor Safety

GRI 403-7

The safety of contractors working at Metinvest's assets is just as important to us as the safety of our own employees. We expect our contractors to comply with the rules and procedures for safe work at our production sites set out in the Group's Safety Standard for Contractor Organisations.

In 2020, we developed a supplier assessment methodology allowing us to identify contractors that pay the most attention to occupational health and safety based on the results of their previous work with the Group's assets. When assessing suppliers, we analyse their incident documentation and statistics, the findings of the contractor's workplace audits and inspections, the awareness and qualifications of their employees, and the compliance of the contractors' equipment with safety requirements. Based on the results, a single rating of companies and proposals on how to improve the occupational health and safety state is developed individually for specific counterparties.

The methodology is used to assess contractors involved with hazardous types of work. At the tender and pre-qualification stage, the contractor must present occupational health and safety management plans to confirm its ability to ensure control measures necessary to address the risks associated with hazardous operations.

Once the contractor has begun work, we continue to supervise both the production process and its compliance with the regulations. Before the contractors perform any hazardous work, a joint meeting is held to discuss measures on preventing possible risks. A separate occupational health and safety manager is

appointed to oversee the activities carried out by the subcontracting organisation. We regularly conduct safety audits and occupational health and safety briefings to ensure compliance with the health and safety regulations.

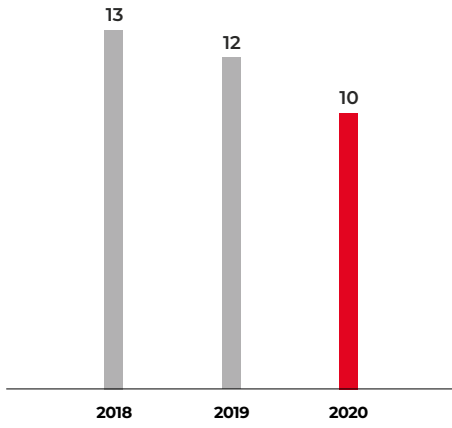
GRI 403-9

During 2020, the implementation of measures to increase the safety of contractors and effective interaction regarding occupational health and safety issues resulted in the reduction of incidents among the employees of contractors. Unfortunately, there were four fatal accidents caused by falls from height. Based on the results of investigations

of the incidents, we have implemented numerous initiatives and additional control measures to reduce the risk of falls and injuries. In particular, we conducted unplanned inspections of cranes, implemented a maintenance check system for special-purpose machinery used by contractors, and introduced a mechanism to check for driver errors when operating a crane.



Total number of lost-time injury incidents among contractors



Total number of fatal incidents among contractors

