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GRI 102-20; 103-2; 103-3

Metinvest follows the principles of sustainable development in its business activities. For the Group, sustainable development means being environmentally responsible, developing local communities in the regions where we operate, caring for the wellbeing, health and safety of our employees, and supporting our customers and contractors.

Metinvest shares the approach and principles for sustainable development outlined in the Sustainability Policy of System Capital Management (SCM)¹. SCM's Sustainability Policy defines key sustainability principles and strategic goals and describes the companies' activities in promoting sustainable development and building ethical business.

We create long-term partnerships based on trust and mutual benefit. We measure our success not only in profitability but also in social value created. Metinvest encourages all its business partners to make and implement similar sustainability commitments.

Compliance with sustainability principles is overseen at different management levels within the Group. The Health, Safety and Environmental Committee of the Supervisory Board supports the Executive Team in implementing and maintaining the highest sustainability standards concerning environmental protection and occupational health and safety.

In 2020, to bolster our sustainability efforts, we established the Sustainable Development and People Management directorate within the management company. The directorate is responsible

for strengthening labour relations, supporting an effective system of employee remuneration and professional development, enhancing corporate culture, improving the occupational health and safety system, and overseeing environmental protection activities. It is also in charge of maintaining long-term relations with various stakeholder groups, which include employees, state authorities, trade unions, NGOs and local communities.

These changes allowed us to update our organisational structure, strengthen our team, deepen our knowledge and apply best practice. The reorganisation of functions helped to reduce the number of incidents and personnel outflow, which in turn expanded the range of opportunities for creating a safe and attractive working environment in the Group. The Chief Sustainability Officer, who heads the directorate and reports directly to the CEO, is responsible for coordinating cross-functional involvement and ensuring that sustainability initiatives are harmonised across business units.

In early 2021, after the reporting period, Sustainalytics – a leading global provider of environmental, social and governance (ESG) research, ratings and data – assessed the Group's performance in this area for the second time. Metinvest's ESG Risk Rating improved to 31.7 points, compared with 32.0 points in the previous year. The rating is a measure of unmanaged ESG risk on an absolute scale of 0-100, with a lower score signalling less unmanaged risk. Sustainalytics commented that the Group's general disclosure of ESG topics is in line with best practice and provides for a high level of accountability to all stakeholders.

Regarding environmental management, Sustainalytics emphasised the Group's responsible approach to air emissions, wastewater discharges, waste management and resource use. As to the social component, the agency cited the strength of Metinvest's occupational

METINVEST'S SUSTAINABLE DEVELOPMENT PRIORITIES

- Health and safety of employees
- Environmental protection and energy efficiency
- Employee wellbeing and development
- Development of local communities
- Business ethics and corporate governance
- Stakeholder engagement
- Quality of products and services

health and safety management system, contractor safety programmes and human capital development. Sustainalytics also praised the Group's approach to risk management in all categories of corporate governance based on its high standards of business ethics, effective anti-bribery and anti-corruption programmes, and product quality management.

¹ System Capital Management (SCM) is one of the Group's shareholders.

Contribution to the Sustainable Development Goals

Metinvest has been a member of the UN Global Compact since 2010 and adheres to its Ten Principles of Sustainable Development, which include human rights, labour relations, environmental protection and anti-corruption. The Group shares the approach to ensure sustainable development in line with the 17 UN Sustainable Development Goals (SDGs) and prioritises those areas where it can make the most significant and tangible contribution.

In 2020, Metinvest focused its efforts on the five SDGs that are most relevant for our business. Our initiatives centred on ensuring appropriate occupational health and safety standards, supporting and developing local communities, updating our approaches to operational efficiency during the COVID-19 pandemic, modernising equipment to reduce our environmental impact, and developing a comprehensive action plan to reduce emissions and improve energy efficiency. Consistent with these priorities, we focused on the following goals: SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

As Ukraine moves into a new phase of more active efforts to regulate GHG emissions, the Group added SDG 13 as a priority in 2020 and aligned its approach in this direction. Major efforts will be directed at integrating climate change responses into internal policies and planning processes. We are currently developing a long-term decarbonisation roadmap, which will include target volumes and a list of technological measures designed to achieve our goals.

As of 1 January 2021, the way in which the Group calculates its GHG emissions changed, following the adoption of Ukraine's new Law "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions". It amends the methodology used to calculate CO₂ emissions (a major part of GHGs), using the full carbon balance at an installation's input and output points.

For more information about Metinvest's environmental initiatives, see the Addressing Climate Change section.

Metinvest's UN SDG Contributions

SDG targets	Our contribution	Where to find
 <p>PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL</p>		
<p>8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p>	<ul style="list-style-type: none"> - We prioritise enhancing sustainability, strengthening our low-cost producer position, enhancing our product portfolio to strengthen our position in key strategic markets, focusing on customer needs and pursuing selective acquisition opportunities 	<ul style="list-style-type: none"> - Sustainable Development
<p>8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</p>	<ul style="list-style-type: none"> - We modernise production facilities and introduce innovative, resource-efficient technologies and solutions to reduce the environmental impact of our operations 	<ul style="list-style-type: none"> - About Metinvest - Environmental Action
<p>8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none"> - We implement our human capital management strategy, provide a competitive remuneration package, and offer opportunities for career growth and development - We develop our Talent Pool programme to train candidates for leadership positions - We conduct the Metinvest Young Leaders programme for talented and ambitious employees under the age of 30 - We hire people with disabilities - We implement innovative SAP solutions for automating personnel management processes - We continue to implement our safety roadmap to upgrade the health and safety management system, extending the critical risk-oriented approach introduced in 2019 - In 2020, we developed a new healthcare strategy that aims to change the approach to health, increase professional longevity and enhance the degree of care for employees. We provide health insurance and other social benefits for employees and their family members 	<ul style="list-style-type: none"> - Employees - Health and Safety
<p>8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training</p>	<ul style="list-style-type: none"> - We collaborate with educational institutions to promote interest in the steel industry among the younger generation - We recruit young professionals and are developing a regional network of Metinvest Career Centres in the Ukrainian cities where the Group operates - We support promising talent and implement educational projects for young people - We develop our Talent Pool programme to train candidates for leadership positions - We conduct the Metinvest Young Leaders programme for talented and ambitious employees under the age of 30 - We support the WorldSkills Ukraine professional skills competition - In 2020, we established Metinvest Polytechnic, Ukraine's first private university dedicated to the steel and mining industry 	<ul style="list-style-type: none"> - Employees - Local Communities
<p>8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<ul style="list-style-type: none"> - We continue to implement our safety roadmap to upgrade the health and safety management system, extending the critical risk-oriented approach introduced in 2019 - We introduce comprehensive health and safety programmes to achieve zero injuries at our assets - We provide health insurance and other social benefits for employees and their family members - We promote a healthy lifestyle and engage employees in sporting events and marathons - In 2020, we developed a new healthcare strategy that aims to change the approach to health, increase professional longevity and enhance the degree of care for employees 	<ul style="list-style-type: none"> - Employees - Health and Safety

SDG targets	Our contribution	Where to find
<div data-bbox="168 186 264 287">  </div> <div data-bbox="271 223 1794 253"> <p>BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION</p> </div>		
<p>9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>	<ul style="list-style-type: none"> - We systematically implement strategic social investment programmes to support urban infrastructure and public services in the towns where we operate - We build social partnerships with local authorities and institutions to develop our communities 	<ul style="list-style-type: none"> - Local Communities
<p>9.2. Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</p>	<ul style="list-style-type: none"> - We implement our human capital management strategy and collaborate with educational institutions to promote interest in the steel industry among the younger generation - We recruit young professionals and are developing a regional network of Metinvest Career Centres 	<ul style="list-style-type: none"> - Employees - Local Communities
<p>9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<ul style="list-style-type: none"> - We modernise production facilities and introduce innovative resource-efficient technologies and solutions to reduce the environmental impact of our operations 	<ul style="list-style-type: none"> - Environmental Action
<p>9.5. Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<ul style="list-style-type: none"> - We engage with the scientific community, develop joint projects, and participate in scientific conferences and forums 	<ul style="list-style-type: none"> - Environmental Action
<div data-bbox="168 976 264 1076">  </div> <div data-bbox="271 1013 1352 1043"> <p>MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE</p> </div>		
<p>11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>	<ul style="list-style-type: none"> - We take a strategic approach to social partnership and develop social infrastructure projects in the cities where we operate, which include the construction and renovation of residential buildings and their surrounding areas, healthcare institutions and other social facilities 	<ul style="list-style-type: none"> - Local Communities
<p>11.2. By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p>	<ul style="list-style-type: none"> - We construct and repair roads as part of social infrastructure projects in the cities where we operate - We donate slag products to municipal utility assets to be used for road repairs 	<ul style="list-style-type: none"> - Local Communities - Environmental Action

SDG targets	Our contribution	Where to find
11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> - We reduce the environmental impact of our operations by modernising production facilities and introducing innovative resource-efficient technologies and solutions - We create opportunities for household waste separation and recycling through community projects - We engage local residents in landscaping and clean-up initiatives organised by the Metinvest Green Centre - We conduct projects aimed at promoting environmental behaviour and environmental education among children and adults 	<ul style="list-style-type: none"> - Environmental Action - Local Communities
11.7. By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	<ul style="list-style-type: none"> - We perform landscaping projects at production sites and public spaces, and implement initiatives aimed at creating and modernising public recreational areas - We repair and equip sport grounds, as well as sport and cultural facilities 	<ul style="list-style-type: none"> - Environmental Action - Local Communities



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

12.2. By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> - We introduce innovative resource-efficient technologies and solutions to ensure the efficient use of natural resources, raw materials and energy - We reuse and recycle industrial water - We implement projects aimed at reducing waste volumes and improving efficiency of raw material use 	<ul style="list-style-type: none"> - Environmental Action
12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> - We implement waste management programmes for both industrial waste from metallurgical and mining operations and household waste - We recycle by-products of metallurgical production 	<ul style="list-style-type: none"> - Environmental Action
12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> - We publish sustainability reports that reflect our economic, social and environmental impacts 	<ul style="list-style-type: none"> - About the Report



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

13.2 Integrate climate change measures into national policies, strategies and planning	<ul style="list-style-type: none"> - We participate in the newly introduced national system for greenhouse gas emissions monitoring, reporting and verification (MRV) used to calculate GHG emissions in Ukraine - We are currently developing a long-term decarbonisation roadmap. Based on it, specific measures on GHG emissions reduction will be designed and implemented 	<ul style="list-style-type: none"> - Environmental Action
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To learn more about Metinvest's other SDG contributions, see Annex 4.

Sustainability

Risk Management

GRI 102-15

Continuous sustainability risks monitoring as part of the corporate risk management system is a prerequisite for ensuring the effectiveness of Metinvest's sustainable development approach.

We regularly take measures to track, identify, assess and monitor risks at all levels and assets to promptly respond to external challenges.

The Group's risk map is updated annually. It includes most challenges that affect the business and the ability to achieve our goals. During this process, we review and re-evaluate all risk groups to ensure that they are properly accounted for, the

monitor and control measures are up-to-date, and the necessary improvements have been implemented. The map covers financial and non-financial risks associated with environmental impact, occupational health and safety of our employees and contractors, lack of qualified personnel, working with local communities, information security and non-compliance with business conduct rules, and so on.

Each of the key sustainable development risks is mapped against conditions identified as causing its occurrence and a list of risk management measures.

Key sustainability risks and management measures

Risk	Description	Risk management measures
Environmental risks	<ul style="list-style-type: none"> – Environmental impact from the Group's operations, including air pollution, wastewater discharges and waste generation – Increased scrutiny of the Group's activities from local communities and regulatory bodies in the regions where it operates – Increased legislative requirements to accelerate the transition to a low-carbon economy 	<ul style="list-style-type: none"> – Applying the precautionary principle and evaluating the potential environmental impact when planning investment projects – Implementing technical measures to reduce emissions and monitoring compliance with regulatory requirements – Developing a long-term decarbonisation roadmap, backed by clear targets and technological tasks – Enhancing the corporate governance system by adopting international approaches and standards, including the integration of ESG factors into Metinvest's functional strategies – Conducting environmental upgrades at the Group's production facilities in accordance with its technological strategy – Implementing waste management initiatives for metallurgical and mining operations – Implementing technical and technological initiatives to increase energy efficiency – Developing Green Centre initiatives to foster a culture of environmental stewardship in the regions where the Group operates – Engaging with industry associations and supporting open dialogue with the stakeholders on climate change issues to find opportunities for joint research and development initiatives in this area
Occupational health and safety risks	<ul style="list-style-type: none"> – Workplace injuries and fatalities among employees and contractors – Inconsistent application of certain risk management tools, leading to reduced effectiveness of the entire occupational health and safety management system 	<ul style="list-style-type: none"> – Implementing the safety roadmap to increase the effectiveness of critical risk management measures – Integrating industrial safety requirements into the supplier selection process (for work performed by contractors) – Implementing key health and safety performance indicators at all levels of the Group's management – Providing professional development opportunities for occupational health and safety specialists

Risk	Description	Risk management measures
Risk of shortage of qualified employees	<ul style="list-style-type: none"> – Lack of qualified line managers and technical/ technological experts and workers 	<ul style="list-style-type: none"> – Developing material motivation systems for employees focusing on such key priorities as project motivation for teams involved in strategic projects, production bonuses, and repair personnel motivation systems – Implementing a training plan to ensure that the Group's employees have the necessary qualifications – Devising communication programmes to enhance employee loyalty – Developing and implementing approaches to improve Metinvest's employer brand
Business ethics risks	<ul style="list-style-type: none"> – Corporate fraud – Commercial bribery 	<ul style="list-style-type: none"> – Monitoring compliance with corporate policies and procedures, including the Code of Ethics, Procedure on Anti-Money Laundering and Countering the Financing of Terrorism, as well as the Procedure for Declaring Conflicts of Interest – Adhering to the Compliance Programme – Ensuring access to the Trust Line – Promoting awareness among employees through ongoing training and communication campaigns on business ethics and anti-corruption matters – Conducting mandatory anti-corruption verification of suppliers and customers – Conducting mandatory internal security screening of all internal and external candidates for senior and high-risk positions – Performing internal audits that include a fraud risk assessment – Introducing the Code of Business Partnership to govern supplier relations

In 2021, after the reporting period, we added a separate risk related to the impact of climate change on the sustainability of the Group's business to the risk map.

Sustainability Risk Management

GRI 102-30

Metinvest's systematic approach to risk management within the Group allows us to identify risk groups comprehensively and respond to the challenges we face

efficiently. The risk management system cascades from the Executive Team to managers directly involved in operational processes.

The implementation of processes for managing significant sustainable development risks and opportunities takes place at the level of the Supervisory Board and CEO, as well as within the

framework of functional management, the Economics and Business System Development directorate and the Internal Audit directorate.

GRI 102-3; 403-2

ANTI-CRISIS MANAGEMENT SYSTEM

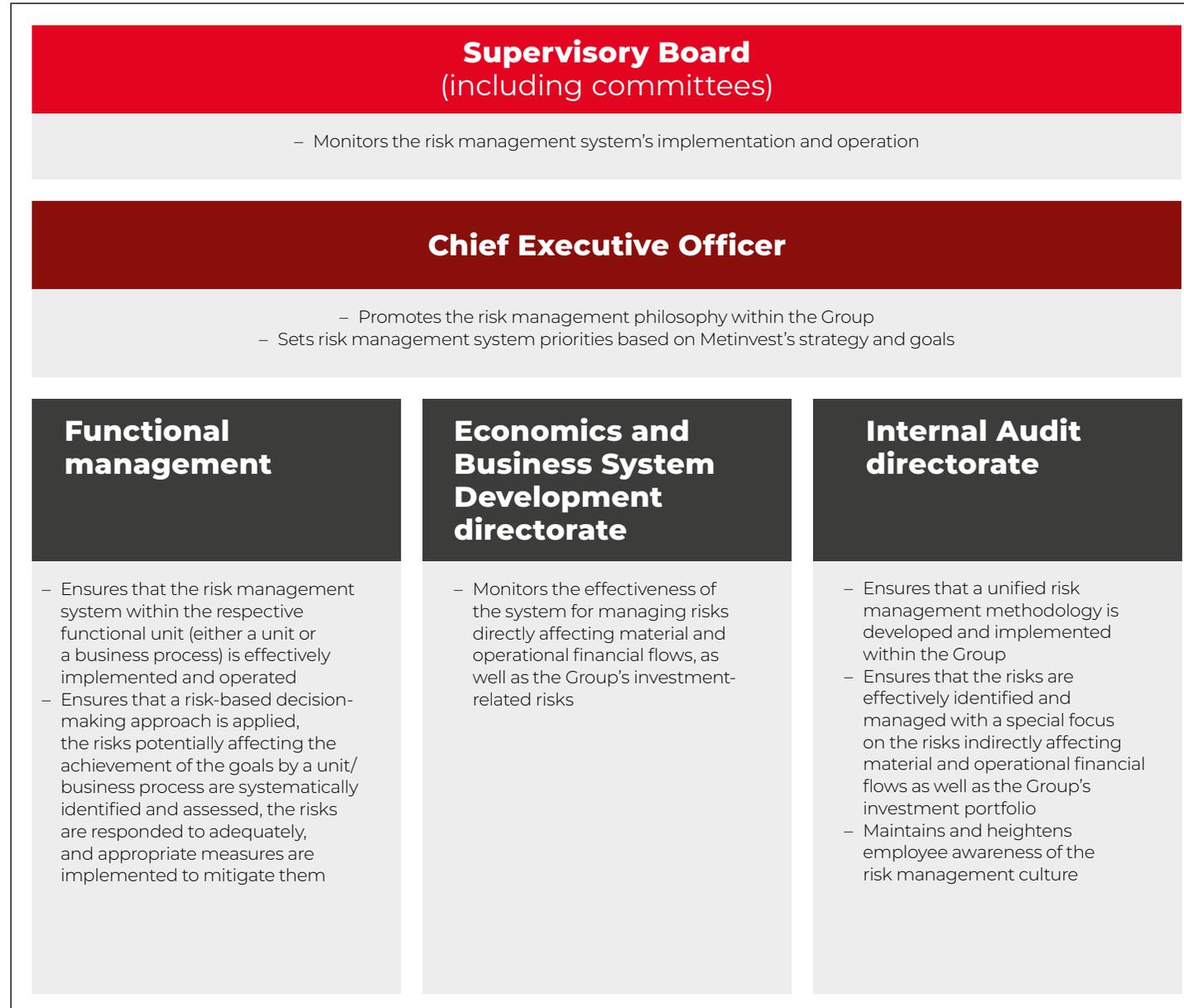
Metinvest has an anti-crisis management system in place that aims to minimise the chances of risk situations occurring and counter any effects that may impact the Group's operations. The system is based on the principles of crisis prevention and prompt response in case such situations occur.

We audit our assets to prevent crisis situations. These audits allow us to identify potential risks of crisis situations occurring, assess their impact on business processes, the quality of the response, and implement appropriate preventive measures.

The Group operates an anti-crisis headquarters headed by the CEO and has specially trained rescue teams to ensure an effective response to crisis situations.

Should a crisis situation occur, the Group has a clear mechanism for prompt notification in place in the form of a 24-hour Emergency Call-911 Hotline. This allows employees of our assets to pass on information about workplace incidents that they witness in a timely manner. The reporting channel extends to the Group's CEO, who notifies the Supervisory Board members and shareholders as appropriate.

Risk management organisational structure of Metinvest



Stakeholder Engagement

GRI 102-42; 102-43

Fostering a constructive dialogue with a wide range of stakeholders is extremely important to us. This encourages us to regularly inform stakeholders about the Group's ESG activities using external communication channels, as well as to seek feedback, which is of crucial importance for improving future operations and establishing long-term partnerships.

We support the right of any interested person to express concerns about the results of their cooperation with us and report inappropriate behaviour through the Trust Line.

 **For more information on the Trust Line, see the Ethical Standards section.**

Metinvest shares important information with stakeholder through updates on its [corporate website](#), which also serves as a platform to receive their inquiries. To reach a wider audience, the Group also actively uses social media platforms ([Facebook](#), [Twitter](#), [LinkedIn](#), [Instagram](#), [YouTube](#)).

GRI 102-40; 102-44

Based on their ability to influence the Group's operations, we distinguish the following key stakeholder groups: employees, customers, suppliers and contractors, equity and debt providers, local communities, government authorities and media².



² Since 2020, Metinvest has added media to the list of key stakeholder groups.

Key stakeholders and engagement mechanisms

	 Employees	 Customers	 Suppliers and contractors	 Equity and debt providers	 Local communities	 Government authorities	 Media
Metinvest's stakeholder engagement mechanisms	<ul style="list-style-type: none"> - A Trust Line for employees to report suspected violations of human and labour rights - Regular meetings of the Group's Executive Team and staff - Employee surveys - Corporate media and other internal communication channels, including digital channels - Employee training programmes - SAP Innovation Management proposal system 	<ul style="list-style-type: none"> - Customer events - Technical site visits - Industry exhibitions - Customer management through the SAP CRM platform 	<ul style="list-style-type: none"> - A Trust Line for suppliers and contractors to report suspected violations of the Procurement Policy, Code of Ethics and Code of Business Partnership - A procedure enabling suppliers to appeal the actions (or inaction) of the Tender Committee/ purchasing initiator to the Appeal Board - An electronic trading system - Occupational health and safety regulations and procedures for contractors - Ongoing cooperation based on procurement principles 	<ul style="list-style-type: none"> - Regular financial and non-financial reporting - Information on Metinvest's corporate website - Investor conferences - Investor meetings with Metinvest's Executive Team - Dedicated function to communicate with the financial community 	<ul style="list-style-type: none"> - Strategic social partnership programmes with NGOs and local authorities - Large-scale investment projects - Environmental projects and joint environmental initiatives - Public opinion surveys of local residents 	<ul style="list-style-type: none"> - Procedures for validating compliance with laws and regulations on fair trade, occupational health and safety, and environmental protection - Mandatory reporting of performance results - Public meeting platforms 	<ul style="list-style-type: none"> - Press releases on important topics - Briefings, press conferences, presentations and interviews - Site visits - The Group's public reports
Key expectations and interests	<ul style="list-style-type: none"> - Fair wages - Workplace safety - Equal opportunities - Social security - Professional development 	<ul style="list-style-type: none"> - High-quality products and solutions - Minimum delivery times - Excellent customer service 	<ul style="list-style-type: none"> - A fair bidding process - Transparent and open communication - Safe working conditions - Timely payments for products and services rendered 	<ul style="list-style-type: none"> - Servicing the Group's debt obligations - Compliance with the conditions and requirements established by debt instruments - Transparent disclosure of financial and non-financial information on the Group's activities - Maintenance of the Group's corporate credit ratings and ESG ratings from reputable international rating agencies 	<ul style="list-style-type: none"> - Employment opportunities - Payment of taxes to local and municipal budgets - Openness and transparency in business activities - Improvements to the environmental situation in the regions where Metinvest operates - Improvements to local standards of living - Enhanced investment appeal of the region 	<ul style="list-style-type: none"> - Compliance with laws and regulations - Transparency and openness in business activities - Payment of taxes and creation of reliable jobs - Acknowledgement of corporate social responsibility and contribution to the country's development - Expert assistance in matters related to reforms 	<ul style="list-style-type: none"> - Transparent and open communication and provision of public information - Involvement in CSR initiatives - Influence on other stakeholder groups

During the reporting period, the Group participated in a number of important events to engage with various stakeholder groups.

These projects offered Metinvest's experts the opportunity to provide recommendations for improving the remote work legislation in Ukraine, amending some legislative acts that

govern the functioning of Ukraine's national qualifications system and developing a new law on vocational training.

We also participated in the development and discussion of several draft resolutions on professional qualifications, education and related standards proposed by the Ukrainian government.

Operational Efficiency

While navigating the numerous challenges that 2020 posed, Metinvest remained unwaveringly focused on operational efficiency. The Group delivered operational improvements during the reporting period totalling US\$376 million, up six-fold year-on-year. These gains were achieved primarily through improvements in variable costs, including reductions in the steelmakers' equivalent fuel consumption and enhancements in the efficiency of the iron ore producers' mining fleets.

In 2020, advances in sinter, iron and steelmaking operations generated roughly 50% of the operational efficiency gains at the Group's steel plants. The greatest individual contribution in dollar terms was from implementing investment projects and operational measures to decrease the equivalent fuel consumption in hot metal production.

At Metinvest's iron ore assets, most of the combined operational improvements were gained through productivity increases. For example, to enhance the equipment utilisation ratio, the Group renovated the heavy truck fleet, optimised repair and maintenance work, and extended the life of quick wear units. The open pit mines used fewer, stronger blasts to prolong the available operating time. The ore beneficiation plants improved productivity. These and other factors helped to increase total iron ore concentrate output by 5% year-on-year in 2020.

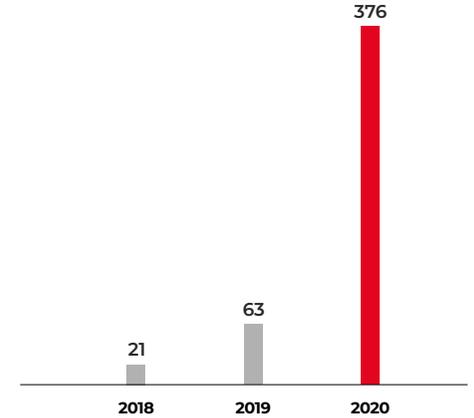
These achievements were made possible through the engagement of employees in continuous improvement processes. Metinvest's comprehensive motivation system made it possible to monetise the experience and knowledge of its employees and increase the level of operational efficiency.

The Group operates a proposal submission system as a tool for continuous improvement and employee engagement. The SAP Innovation Management automated cross-functional platform makes it possible for employees to submit proposals for reducing costs, increasing labour productivity and production efficiency, saving labour and financial resources, and so on. By the end of 2020, the SAP Innovation Management system was already in operation at 16 of Metinvest's assets³.

During the reporting period, we received almost 11,000 ideas from employees covering such areas as reducing costs, increasing production efficiency and product quality, and improving labour protection and working conditions. Of these, 5,900 proposals were approved for implementation, a 21% year-on-year increase.

For more information about the Group's operational efficiency, see pages 35-36 of Metinvest's 2020 annual report.

Effect of operational improvements, US\$ million



³ Avdiivka Coke, Azovstal, Central GOK, Dnipro Coke, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest-Promservice, Metinvest Trametal, Northern GOK, Promet Steel, Spartan UK, Zaporizhia Coke and Zaporizhia Refractories.

OPERATIONAL IMPROVEMENTS DURING 2020 CREATED US\$376M OF SAVINGS CONSISTING OF:

RAW MATERIALS Equivalent fuel consumption at steelmakers US\$81M	Enhanced efficiency of logistics and procurement function US\$54M		Life extension of sinter and iron making, steelmaking and rolling equipment US\$26M	SALES VOLUMES AND PRICES Productivity of iron ore producers US\$95M		
	Other measures at steel plants US\$26M	Optimisation of Fe balance in sinter and iron production US\$20M	Metallic charge structure at Azovstal and Ilyich Steel US\$15M			
		Production costs at iron ore producers US\$13M	ENERGY MATERIALS Energy efficiency of iron ore producers US\$9M	Energy efficiency of steel-makers & other assets US\$9M	OTHER US\$18M	

■ Raw Materials ■ Sales volumes and prices ■ Energy materials ■ Other

Responsible Supply Chain

GRI 102-9; 102-10; 204-1

We adhere to the principles of responsible and effective supply chain management and comply with applicable legislation in this area. The Group's supply chain includes the purchase of raw materials, goods and services, and covers the procurement, production, marketing and distribution processes.

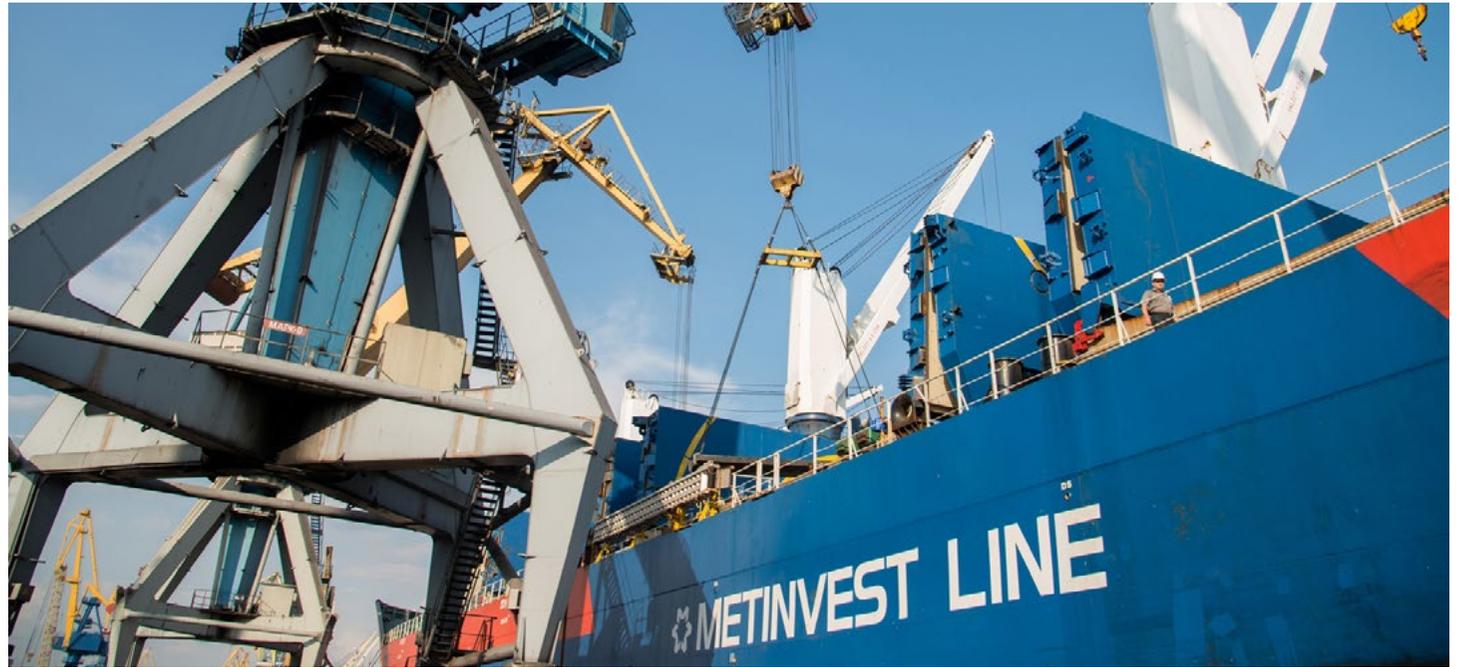
The Logistics and Procurement directorate oversees our efforts in this area. Its main responsibilities are to ensure efficient and seamless supply of high-quality raw materials, goods, equipment and services. Metinvest strives to maximise its contribution to the economic development of the countries where it operates by supporting local contractors. In 2020, more than 80% of raw materials, goods and services purchased in Ukraine came from local suppliers⁴.

Despite the impact of COVID-19 restrictions on the supply market, the Group's efficient, streamlined procedures allowed us to secure uninterrupted supplies of the raw materials required for production.

GRI 103-2

RESPONSIBLE PROCUREMENT

We apply responsible procurement practices to ensure the sustainability of our supply chain. In 2019-20, we drafted new internal documents governing this area that took force at the beginning of 2021, including the Procurement Policy, Regulation on Procurement Management, area-specific procurement procedures and Code of Business Partnership.



The procurement management system covers processes such as supplier selection (including pre-qualification and pre-contract assessment), value analysis, contract administration and monitoring, shipment monitoring and procurement quality control.

In 2019, Metinvest introduced a unified organisational structure for the Logistics and Procurement directorate at its entities. It consists of four separate units: a Supply Planning and Analysis Service,

a Supply Service, a Procurement Service and a Central Warehouse. In 2020, we saw improvements in the efficiency of our supply chain management because of this initiative. During the reporting period, all key assets of the Group completed their transition to this target structure.

Metinvest's Key Procurement Principles

- Ethical business conduct
- Free competition among suppliers
- Transparency of information
- Economic feasibility and efficiency of procurement

⁴ Local suppliers are defined as third parties that provide raw materials and supplies to the Group and are registered and operating in Ukraine.



GRI 103-3

The Group conducts internal audits to monitor and evaluate procurement performance. These audits provide recommendations to improve supply chain efficiency for the Executive Team to review, as well as appropriate measures that can be introduced. They also make it possible to monitor the implementation of recommendations that have been provided from past audits.

In 2019, we conducted our most recent large-scale internal audit. We followed this up by developing a risk mitigation plan to address fraud, corruption and internal non-compliance. In 2020, we updated our regulatory documents and initiated a rotation for high-risk positions. We also introduced additional controls for supplier selection stages, a mechanism for generating discounts and a policy for screening supplier prices against market benchmarks.

The Group applies various technical solutions and tools to streamline and improve the efficiency of procurement processes. Our Ukrainian entities use a procurement calendar that gives our existing and potential partners

an opportunity to promptly receive complete information about planned and current purchases, bidding terms and conditions, procurement initiators and procurement items.

We also use the SAP Ariba electronic procurement platform. It helps to foster reliable and open relationships with business partners. In particular, the SAP Ariba Supplier Lifecycle Performance (SLP) system makes the management of the supplier registration and qualification processes possible, while the SAP Ariba Sourcing Trading System (STS) allows for competitive supplier selection by facilitating rapid and reliable online information exchanges with the bidders. In 2020, SAP Ariba STS was deployed at nine more assets within the Group⁵. By using a unified automated electronic system at its assets, Metinvest is able to centralise the supplier engagement processes and improve the transparency of the supplier selection process.



5 Dnipro Coke, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest Engineering, Metinvest-Promservice, Metinvest-Resource, Metinvest-Shipping, Metinvest-SMC and Zaporizhia Refractories.

GRI 308-1; 308-2; 414-1; 414-2

SUPPLIER RELATIONS

Metinvest adheres to fair, open and ethical methods when dealing with its business partners. While cooperating with suppliers, we verify their reliability, build mutually beneficial relationships and strive to conclude long-term contracts.

Metinvest follows well-established principles in supply chain management and expects the same from its business partners. They must share the principles of the Group's Code of Ethics, which aim to ensure working conditions that align with best practice in occupational health and safety, responsible social and environmental behaviour, compliance with business ethics and respect for human

rights. These supplier selection criteria are as important to us as the delivery terms, cost and quality of goods and services.

The Trust Line is a feedback system that helps to monitor compliance with business ethics. Suppliers who wish to report a violation of the Code of Ethics can do so through it.

All potential suppliers are subject to our pre-qualification assessment and analysis of potential partnership risks. In 2020, we performed 10,800 pre-contract assessments and 5,100 pre-qualification assessments, which helped in the selection of 560 new suppliers.



Code of Business Partnership

In 2020, we developed a Code of Business Partnership that we adopted in early 2021.

The purpose of the document is to establish clear standards of compliance with ethical principles and business requirements that should guide existing partners and new potential suppliers.

By introducing this code, we intend to prevent potential unethical

business practices by maintaining an atmosphere of trust, respect and decency.

The key principles of the Code of Business Partnership are respect and focus on cooperation; occupational health and safety and environment protection; confidentiality; compliance with the law and the Code of Ethics; and social responsibility.

We retain the right to disqualify suppliers from bidding – either for a specified period or indefinitely – should any unfair business conduct be revealed. The disqualification criteria are established at a corporate level. They are published on the Group's corporate website. Participants in the selection process can contest the outcome of the pre-qualification assessment by filing a complaint with the Group's Appeal Committee concerning the actions or inaction of the Tender Committee through the email address appeal@metinvestholding.com. During the reporting period, around 70 suppliers were disqualified.

We have an additional screening of suppliers and their products to eliminate or mitigate corruption risks and risks of non-compliance with international obligations and sanctions. Suppliers who have not passed the compliance screenings cannot participate in the procurement process.

Since 2020, Metinvest has been developing a Supplier Performance Evaluation Procedure. It establishes a unified approach and format for performing the evaluation and outlines the participants' responsibilities.

Responsible Supply Chain

GRI 416-1; 416-2

PRODUCT QUALITY MANAGEMENT

Metinvest strives to conform with the international quality standards and requirements applied to both final products and the production process. We provide systematic quality assurance throughout the supply chain.

GRI 103-2

The implementation of international standards helps to improve the quality management system at the Group's entities. By the end of 2020, almost all our production sites were certified under ISO 9001⁶.

The Regulation on Product Quality Management is a key corporate standard on quality control that governs our internal processes and procedures. The technology and quality division monitors the

compliance of the production process with the relevant requirements at each entity.

Metinvest examines the quality of raw materials and compliance with the production process parameters, certifies the finished products against customer requirements, and ensures that the proper control measures are taken.

GRI 103-3

Each asset establishes its own quality council that meets at least once a year to review the quality management system's compliance with ISO 9001 requirements. The asset's general director chairs these council meetings. Each month, the Group's assets also assess the effectiveness of quality management systems and the activities of business units, check for customer complaints and examine non-compliance and defect levels.

The Regulation on Product Quality Management also governs the quality management system assessment. The assessment criteria include personnel awareness; incident investigation quality; a performance analysis for product quality improvement measures; the system of audits and technological checks; and personnel competencies, knowledge and goal achievement.

At the Group's assets, the general procedures for checking product quality include examining chemical composition, mechanical properties, geometrical dimensions, technological parameters and packaging quality. Certified laboratories perform chemical analysis for each production lot.

GRI 417-1; 417-2

Before preparing products for sale, a quality certificate is issued for each product unit. This certificate describes the properties of each product unit/production lot and confirms compliance with quality requirements. Metinvest engages independent inspectors to perform additional visual checks of products before they are shipped.

Steel assets of the Group also use equipment to automatically monitor radiation levels of vehicles that enter and exit its facilities as outlined in our internal procedures. We do not allow railcars and other vehicles containing materials with elevated radiation levels to enter or depart our facilities. If elevated radiation levels are detected, our approach is to isolate the affected vehicles and inform regulators and the relevant local public authorities.



6 Avdiivka Coke, Azovstal, Central GOK, Dnipro Coke, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Metinvest Trametel, Northern GOK, Promet Steel, Spartan UK, Unisteel, Zaporizhia Coke and Zaporizhia Refractories.

CUSTOMER RELATIONS

Metinvest values its customers and strives to build long-term and mutually beneficial relationships with them. We are constantly expanding and improving our product and service portfolios to ensure high quality and meet the needs of our customers in every possible way. To foster effective customer engagement and open dialogue, we regularly engage with them, organise visits to the Group's production sites, hold thematic events and participate in forums and exhibitions.

Metinvest's technical experts visit customer sites as part of the technical support programme operated by the Group's assets. In 2020, the COVID-19 pandemic led us to introduce an alternative solution through which we provide technical support mainly as an online service to our customers.

GRI 103-2; 103-3

The Sales directorate oversees customer interactions. Our customer relationship management (CRM) system allows us to monitor and control related processes. Every year, our entities assess the effectiveness of customer interactions and their satisfaction levels. This helps to better understand customer needs, identify areas for improvement and draw up an action plan to address deficiencies. We ensure the effective functioning of our CRM system through internal regulations governing various aspects of CRM, including pricing, key accounts, customer segmentation, lead generation and the sales process.

In 2020, we continued to deploy two SAP CRM modules: Cloud for Customer (C4C) and Configure Price Quote (CPQ). The platform has helped the Group to attract new customers and enter new product segments in the markets where it operates. By collecting information about our customers in a standardised format using a centralised system, we have identified customers with whom we needed to interact more frequently and made the

necessary adjustments. The deployment of the SAP CRM modules also helps to control pricing policy and minimise the risk of incorrect information being provided to customers.

During the reporting period, the core part of the CRM system at our Swiss trading subsidiary Metinvest International was in operation for its first whole year and brought considerable value for both the Group and customers. Metinvest also started preparing to roll the system out in Ukraine and Western Europe.

KEY ACCOUNT MANAGEMENT PROGRAMME

In 2020, we further developed our Key Account Management Programme to ensure a sustainable focus on product quality, customer potential development and the satisfaction of key customers about their engagement with the Group. We began working on an approach for providing a 'packaged' service to key customers that is designed to ensure systematic resource control and guarantee service priority. We also prepared a platform for digitalising the customer service process in CRM.

We were able to increase the number of potential key customers through engagement with a new customer segment: manufacturers of cold-rolled and coated products.

In 2020, the Group conducted a satisfaction survey of key customers: 100% of those surveyed confirmed their intention to further expand cooperation with Metinvest in 2021.

Improving Our Sales Services

Metinvest-SMC is the Group's distribution network in Ukraine and the CIS. It offers customers the option of using its convenient online storefront and has a dedicated contact centre that supports online sales and handles phone orders.

In May 2020, Metinvest-SMC updated the product catalogue on its website. Almost 400 types of rolled steel products are available online. To make the purchase experience more convenient for the buyer, the products are classified into four categories: long products; plates; pipes and profiles; and coils and sheets. Detailed information is available about each product, including current price, dimensions, steel grade, product compliance with Ukrainian and international quality standards, and scope of application.

Customers can buy rolled steel products by simply adding the items they want to their shopping cart and placing an online purchase order.

We are currently piloting a personal buyer account that allows customers to track order status and receive notifications about status changes.

“By launching our online store, we want to become even more accessible to our customers. We provide solutions that make the purchase of steel products even simpler and more convenient.”

Igor Tonev, General Director of Metinvest-SMC



Responsible Supply Chain

LOGISTICS

Metinvest adheres to high standards of product quality and safety and ensures efficient and timely product delivery to customers. Metinvest-Shipping manages all cargo transport for the Group, from rail transport to port operations.

In 2020, the introduction of pandemic-related quotas and restrictions on rail and sea transport made it difficult to arrange for the supply of strategic raw materials. The Group diversified its supply chain to ensure the smooth operation of its assets, the delivery of the necessary raw materials and the timely shipment of finished products.

To stay competitive in an ever-changing market, we focused on strengthening our logistics function. This allowed us to manage high variability and ensure optimal costs across the entire supply chain, from raw materials to finished products. To prevent rail cargo delays, we worked more closely with national railway operator Ukrainian Railways and rolling stock operators.

As of the end of 2020, the Group's owned fleet included around 3,800 gondola cars and around 800 specialised railcars, such as hoppers for transporting pellets, flat wagons and tanks for chemical products.

During the reporting period, we continued to work with partner ports to address critical areas, increase loading and unloading volumes, and improve product storage. Metinvest worked with the state-owned Ukrainian Sea Ports Authority to introduce initiatives to maintain standard depths and ensure an 8.0 metre draft on approaches to ports in the Sea of Azov.

In 2020, we implemented several effective technical solutions in transport logistics. We started testing the SAP Transportation Management (TM) module to optimise how we distribute our transport resources among various operators. With the support of Ukrainian Railways, we organised a process for inspecting loaded railcars at the entrance control points of Ilyich Steel and Azovstal to determine whether they remained serviceable or should be decommissioned. Following the launch of Ilyich Steel's upgraded HSM 1700, we organised the transport of heavy coils on specialised platforms for transshipment to ports.



In 2020, the Group's efficient, streamlined internal processes allowed us to avoid a drop in productivity and improve our operational performance:

- We improved wagon turn-around
- We transferred administrative personnel to remote work without diminishing the quality of their work
- We organised the transportation of surplus finished products from our mining and processing plants as the wagon turn-around of Ukrainian Railways improved
- We beat the record for transshipment volumes of iron ore raw materials that was set in 2010 and the record for road transportation volumes from the production sites of the Group's assets in Mariupol to Mariupol Commercial Sea Port that was set in 2012

In September 2020, Metinvest-Shipping was named as the winner in the following categories of Ukraine's 2019 "Sea Choice" National Maritime Rating, which featured more than 200 participants:

- Agent of the Year – for servicing the largest number of ships in Ukrainian ports and terminals
- Freight Forwarder of the Year – for providing the greatest volume of freight forwarding services for non-containerised cargo in Ukrainian seaports

Innovation and Digital Transformation



GRI 103-2; 103-3

To increase competitiveness and introduce innovative technologies, Metinvest is developing an internal R&D Centre that operates as part of Metinvest Digital, the Group's IT entity. Research and development are two key aspects of our approach to innovation management, both of which employ the principle of co-innovation.

This approach involves building an innovation ecosystem and collaborating with other companies to search for and evaluate new technologies, develop prototypes of innovative solutions, and then implement and replicate them.

The R&D Centre allows the Group to test new technologies as soon as possible, make data-driven investments, develop internal expertise and competencies, and improve the efficiency of resource management.

The R&D Centre has been operating for more than a year, during which time it has processed more than 32 business requests and developed nine prototypes using robotic process automation. One initiative involved creating virtual assistants using artificial intelligence. The R&D Centre also researched the application of computer vision technology at metallurgical assets to build predictive models for the analysis

of the sinter production process. It also researched the use of cold rolling process management systems and steel-pouring ladle management systems, and examined the condition of the steel-pouring ladles in use at the Group's assets.

DIGITAL ADVANCES

Digital technology has become a strategic priority for nearly every business, including Metinvest. During the reporting period, the spread of COVID-19 necessitated the transition of a significant part of the Group's employees to remote work.

Metinvest's previous steps on the path of digital business transformation and timely introduction of new cloud-based digital tools helped it to successfully transition to remote work and significantly automate employee services.

In 2020, we continued to develop our strategic partnerships with Microsoft and SAP. We initiated and completed several digital projects, including a major migration of the Group's IT infrastructure to the Microsoft Azure cloud platform. We moved 680 servers that provide our IT services from Metinvest's two central data centres to the cloud platform. The main goals of the migration were to improve the efficiency, reliability and security of our IT infrastructure, and to provide additional flexibility and adaptability for implementing digital transformation projects.

The move to cloud technologies allowed us to expand the capabilities of our IT systems. It also drove increased usage of the services that we offer to the Group's employees, which include our self-service portal, chat bots, electronic document management

system, corporate knowledge base and personnel evaluation system. By automating processes, we were able to reduce the workload of employees when handling transactional operations.

In 2020, Metinvest Digital confirmed its SAP Customer Centre of Expertise certification at the Advanced level for the second time in a row. We also passed an independent audit of 15 IT processes that was performed by a group of international experts.

Digital Partnership

In 2020, Metinvest Digital extended its Microsoft Certified Partner status by attaining the Microsoft Silver Security and Microsoft Silver Application Development competency levels.

These competency levels demonstrate that the Group's experts have in-depth technical and managerial knowledge in addition to the experience necessary not just to develop and implement complex information security programs but also to maintain and monitor the operation of Microsoft Azure cloud applications and services.

Metinvest Digital also underwent international certification to achieve SAP Silver Partner status for the following products:

- SAP S/4HANA – for automating complex business processes in finance, production, planning, cost accounting, logistics, sales and repair management
- SAP Ariba Solutions – for automating supplier qualification and online sales processes
- SAP Sales Cloud – for automating customer relationship and sales management processes
- SAP SuccessFactors – for automating personnel management processes

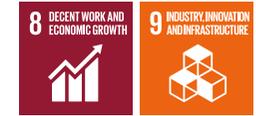
“We will not rest on our laurels. We will continue our certification efforts to deepen our expertise and provide the highest possible quality of IT solutions to our customers.”

Sergiy Detyuk, Chief Information Officer



An event of crucial importance in 2020 was the formulation of a long-term IT architecture roadmap through 2025 for the Group. The roadmap includes such key functions as manufacturing and maintenance, finance, sales, internal audit, legal, security, technological development, quality, procurement, logistics, HSE, services, HR, sustainable development and digital initiatives. In 2021, Metinvest intends to focus on several strategic projects: the deployment of an artificial intelligence solution for stabilising blast furnace heat balances; the digital transformation programme for the Group's iron ore producers, which aims to reduce production costs and streamline business processes through automation; the big data management programme; the implementation of corporate data warehouses; the implementation of Digital Workplace at several subsidiaries; and the replication of CRM solutions in our sales offices in Ukraine and Western Europe.

Information Security



GRI 418-1

While technological progress provides opportunities for our business, it also brings threats. Transitioning to the remote work made cyberattacks become increasingly common. To counter these threats, Metinvest is taking a comprehensive approach to enhancing its information security measures.

We protect data privacy and adhere to applicable laws on the collection, use and protection of personal information.

The Group also operates an internal document system and works to and systematically improve it. In particular, we have in place an information security strategy and policy, as well as regulations and instructions that govern specific processes. The main provisions for protecting confidential information are set out in our [Privacy Policy Statement](#), which we last updated in March 2020.

Metinvest is guided by recognised industry standards and approaches on cybersecurity issues. At the Group level, we use the ISO 27001 standard to ensure information security. We are implementing NIST SP 800 approaches for process optimisation and comply with GDPR and Ukrainian regulations to protect data privacy. We employ MITRE solutions as a problem-solving tool to improve our threat detection capabilities. We also use best

practice and configurations from the CIS Benchmarks security library as technical guidelines.

The Group uses a combination of technical and organisational measures to ensure information security. We achieve multi-layered protection of our IT infrastructure through the usage of modern solutions such as firewalls, intrusion prevention systems, cloud infrastructure protection (Azure Security Centre and web application firewalls), network traffic analysis, analysis of atypical operations and activity (user behaviour analytics), and centralised monitoring and management of IT components (configuration management and vulnerability management).

The core component of our information security management efforts is our cybersecurity centre. It is especially helpful in cases where we are dealing with highly skilled attackers who use methods to bypass automated defence mechanisms. The centre monitors Metinvest's IT infrastructure and production processes, preventing cyberattacks against the Group and coordinating the work of IT departments during incidents.



Data Leakage Prevention System

We perform private data inventory, classification and leakage risk assessment using the following:

- Employing data marking and encryption tools
- Identifying and blocking unauthorised data transfer attempts
- Training employees about how to work safely with information
- Monitoring high-risk transactions and roles
- Revalidating access rights and powers
- Providing secure connections to corporate resources
- Using secure corporate video conferencing and document collaboration tools



Metinvest employs the five functions of the NIST Cybersecurity Framework (identify, protect, detect, respond, recover) to provide a comprehensive protection mechanism that makes extensive usage of technology and machine learning. To increase employee awareness about information security issues, we are introducing an IT security basics briefing, mini-courses on specific aspects of information security, in-person trainings for automated process control system personnel and periodic training cyberattacks for the Group's employees.

To maintain an adequate level of protection and determine future development priorities in this area, Metinvest systematically conducts internal audits and targeted external audits of the information security function's effectiveness. As part of our continuous improvement, we track operational metrics for each process and perform self-assessments to ensure compliance with best practice. In 2020, we began verifying the reliability of our security through the engagement of ethical (white hat) hackers to perform multi-vector penetration testing. This type of verification employs the same attack methods as actual hackers. It helps us to understand what to prioritise when adjusting system security and provides an opportunity for continuous improvement and training of our team under real-life security conditions.

In 2020, Metinvest demonstrated the high level of its information security practices by receiving a score of 49% in the Microsoft Secure Score rating, which is 15 percentage points above the average score for similar companies in the industry.

Response to COVID-19

GRI 102-15; GRI 103-2

In 2020, COVID-19 was one of the most pressing challenges facing the international community. Metinvest joined the global fight against the virus and took unprecedented measures to prevent its spread. Since the beginning of the pandemic, we have focused on protecting the health of our employees and supporting local communities in the regions where the Group operates.

Metinvest's pandemic-related risk management measures are overseen by its anti-crisis headquarters, headed by the Group's CEO. The headquarters has been operating at the Group level since 2017 to rapidly respond to crisis situations of strategic importance. The anti-crisis headquarters applies international experience in battling the spread of the virus and studies the experience of other companies in managing this risk. Its main tasks are monitoring COVID-19 infection rates within the Group and finding timely solutions to counter the pandemic.





THE NEW NORMAL FOR WORKING IN 2020

Metinvest reviewed its approach to organising work processes to ensure the seamless operation of its assets during the pandemic.

- We transferred almost 80% of the Group's administrative personnel to remote work
- We introduced time tracking tools and briefings, and developed a motivation system for remote workers
- We introduced video conferencing for employee meetings and gatherings
- We made online tools and phone calls the primary means for communicating with business partners and customers
- We restricted all but the most crucial business trips
- We cancelled social events for employees or switched to online format
- We suspended the operations of the Group's two rolling plants in Italy from late March to late April 2020 after public authorities ordered the country's metallurgical plants to shut down because of COVID-19



CARING FOR THE WELLBEING OF OUR EMPLOYEES

Metinvest took special measures to prevent the spread of COVID-19 and protect the health of its employees.

- We informed the Group's employees about our pandemic-response measures
- We introduced a procedure to monitor the spread of COVID-19, offered medical examinations for employees and provided briefings on the number of infected employees through internal corporate resources
- We arranged for the transportation of production personnel by buses using additional transport units in full compliance with all established sanitary standards
- We ensured the regular disinfection of our facilities and personnel transport vehicles
- We conducted temperature screening
- We fully supplied our assets with disinfectants and regularly distributed masks and gloves
- We switched the catering facilities at our assets to providing packaged meals and replaced the drinking fountains with bottled water
- We launched a 2021 vaccination campaign for all Metinvest employees



PROVIDING ADDITIONAL CARE TO OUR PERSONNEL

Metinvest reviewed and updated its employee social benefit packages.

- We extended Metinvest’s voluntary health insurance to include compensation for the costs of COVID-19 diagnosis and treatment, provide free seasonal flu vaccinations and reimburse employees’ COVID-19 testing costs
- We decided not to open the Group’s recreation facilities in 2020. Metinvest provided its employees with an opportunity to either receive monetary compensation or postpone their planned holidays until the following year
- We changed the training and development options within our individual social benefit packages for employees and their children. During the lockdown period, we moved in-person training to online formats and extended other options for the duration of the lockdown period
- We continued to pay wages to all Group employees in full



HELPING LOCAL COMMUNITIES

Metinvest increased its investments in health initiatives to counter the spread of COVID-19 among local communities.

- Metinvest provided food packages to more than 2,000 of its retired employees who live in Mariupol, Zaporizhia, Kryvyi Rih, Avdiivka and New York (formerly Novhorodske). The Group allocated around US\$54,000 for this purpose
- Together with the charitable initiatives of its shareholders, the Rinat Akhmetov Foundation and Vadym Novynskyi’s International Charitable Foundation, Metinvest provided COVID-19 rapid tests, artificial lung ventilators, protective equipment and disinfectants to hospitals all over Ukraine
- Metinvest supported projects to install oxygen infrastructure in the hospitals of Mariupol. Moreover, Zaporizhstal invested US\$223,000 in a project to install a new oxygen station at the Zaporizhia Regional Infectious Diseases Hospital
- In 2020, the Group’s metallurgical assets in Mariupol supplied 11 healthcare facilities with 260,000 cubic metres of oxygen
- Metinvest supported the major repair of the Childcare Centre for Infectious Diseases in Mariupol at the facilities of Ivan Matsuk City Hospital No. 4. The Group allocated US\$370,000 for this purpose
- Metinvest arranged and financed the delivery of humanitarian supplies with personal protective and medical equipment worth more than US\$1 million from China to Ukraine
- Metinvest waived the offer of a tax holiday provided under Ukrainian legislation

 For more information about the initiatives that the Group has taken to protect its employees and support local communities during the pandemic, see the Health and Safety, Employees and Local Communities sections.