

Sustainability Report 2020



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GRI 102-14

Last year was not an easy one, as it brought many unexpected challenges, mainly related to the COVID-19 pandemic. Despite these difficulties, we maintained the continuity of our business and ended 2020 with decent operational and financial results. This was made possible through the expertise of Metinvest's team, favourable conditions on overseas markets, cooperation with our stakeholders, and the timely and decisive manner of our proactive response. Throughout the pandemic, we have adhered to our strategic priorities and upheld our environmental, social and governance (ESG) commitments while simultaneously supporting our employees and local communities.

The Ten Principles of the UN Global Compact, which span human rights, labour, the environment and anti-corruption, are integrated into our business strategy and daily operations. They remain an integral part of our governance system and corporate culture. In 2020, we continued to contribute to the achievement of the UN Sustainable Development Goals by introducing environmental measures, addressing social issues and improving our corporate governance.

Metinvest's culture places our people first. The life and health of our employees has always been and forever will be of the utmost importance to us. In 2020, the Group spent US\$106 million on occupational health and safety initiatives. We continued to improve our occupational health and safety management system and apply global best practice as we strive to achieve our ultimate goal of zero incidents. In 2020, we recorded the lowest injury rate in our history. In addition, to care for our employees' health during the COVID-19 pandemic, we provided them with the necessary personal protective equipment and introduced additional safety measures throughout our operations.



Chairperson's Statement



During the reporting period, Metinvest was recognised as one of the most attractive employers in Ukraine in several reputable rankings. As of March 2021, the Group employs more than 80,000 people worldwide. We continue to engage in their professional development and invest in future generations. One of the landmark events of 2020 was the establishment of Metinvest Polytechnic, the first private steel and mining university in Ukraine. Its programmes are based on international training standards and will be open to all young people who want to study engineering and technical professions, which are highly sought after in Ukrainian industry, as well as to Metinvest employees seeking to improve their qualifications.

We understand that our activities affect the environment. For this reason, we are consciously committed to minimising our impact through production modernisation and the introduction of best practice for sustainable resource use. In 2020, Metinvest completed numerous environmental projects and spent a record US\$450 million on measures aimed at improving our environmental performance and addressing climate change. We are currently developing a long-term decarbonisation roadmap that will help to refine the Group's investment priorities and track our progress in this area better.

Achieving our sustainable development goals is possible only by engaging with local communities. In 2020, we continued to implement social partnership programmes in our communities by strengthening our cooperation with local authorities and non-governmental organisations in Mariupol, Zaporizhia, Kryvyi Rih and Avdiivka. Together, we implemented numerous social projects aimed at improving quality of life and further developing local communities. Following the outbreak of COVID-19, we worked to prevent the spread of the virus. We provided hospitals with medical equipment, personal protective gear and vital oxygen supplies. We also helped the Ukrainian government to arrange humanitarian aid from China in the early stages of the pandemic. To further support the Ukrainian regions where many of our operations are based, we chose to forego a tax holiday offered by the national government to help businesses cope with the impact of COVID-19.

We will continue to take measures to prevent the spread of the virus and will do our best to minimise the associated risks. In 2021, we plan to increase our investments to improve our production technology for reducing environmental impact. As we look to the future, we will deepen our engagement and strengthen our relationships with all stakeholders in order to achieve the sustainability goals.

Oleg Popov
Chairperson of the Supervisory Board

About the Report

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Report Boundaries

GRI 102-50

This is Metinvest's eighth sustainability report. Covering the period from 1 January 2020 to 31 December 2020, the report reflects the economic, social and environmental impact of the Group's operations, as well as the results of its sustainability efforts and sustainable development management practices. It also includes important information on the Group's key strategic plans.

GRI 102-51; 102-52; 102-54

The report has been prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards. When preparing the report, the guidelines of the Sustainability Accounting Standards Board (SASB) were considered as well. Metinvest also provides information on the Group's contribution to achieving the UN Sustainable Development Goals. Our previous sustainability report, published in December 2020, covered the period from 1 January 2019 to 31 December 2019.

To ensure the quality of the information covered in the report, we are working to improve our internal system for non-financial reporting. The internal audit function reviews all data reported to it by the business units in charge of sustainable development for both quality and accuracy.

Financial information is presented in US dollars. Quantitative figures related to personnel management, labour protection, industrial safety and environmental protection have been retrieved from internal reporting and mandatory forms submitted to the government on an annual basis.

GRI 102-45; 102-49

The report provides information on the performance of Metinvest's assets included in consolidated financial statements key of which are presented in the table below. In 2020, the boundaries of the report were expanded to include entities that joined the Group during the reporting period, including PJSC Dniprovskiyi Coke Plant (Dnipro Coke) in April 2020 and PJSC Zaporozhogneupor (Zaporizhia Refractories) in September 2020.

Region/Segment	Report boundary
Ukraine	
Management company	Metinvest Holding
Sales	Metinvest-SMC
Logistics	Metinvest-Shipping
Mining Iron ore	Central GOK
	Ingulets GOK
	Northern GOK
Metallurgy	Azovstal
	Avdiivka Coke
	Dnipro Coke
	Ilyich Steel
	Inkor Chemicals
	Unisteel
	Zaporizhia Coke
	Zaporizhia Refractories
Service and engineering	Kryvyi Rih Machining and Repair Plant
	Metinvest Business Services
	Metinvest Digital
	Metinvest-Engineering
	Mariupol Machining and Repair Plant
	Metinvest-Promservice
	Metinvest-Resource
Other countries	
Parent company	Metinvest B.V. (Netherlands)
Sales	Metinvest Distribution (Belarus)
	Metinvest Eurasia (Russia)
	Metinvest International (Switzerland)
Mining Coking coal	United Coal (US)
Metallurgy	Ferriera Valsider (Italy)
	Metinvest Trameal (Italy)
	Promet Steel (Bulgaria)
	Spartan UK (UK)

Partial inclusion: The Zaporizhstal JV and Southern GOK JV are joint ventures of the Group, and financial and operational decisions related to them are made jointly with other shareholders. While quantitative indicators for these entities have not been included in the report, descriptive information on their performance is presented selectively herein.

Materiality Assessment

GRI 102-44; 102-46

In order to highlight the topics that the Group believes to be of the greatest interest to its key stakeholders¹ and business, and to disclose the most relevant information in the report, a materiality assessment has been conducted in accordance with GRI guidelines.

The materiality assessment considers the extent to which Metinvest's activities related to certain topics (1) influence key stakeholder assessments and decisions, and (2) make a significant economic, environmental or social impact. Our approach consists of two steps.

Step 1 – Defining a pool of material topics

To compile a list of the highest priority topics for disclosure, we analysed the areas of greatest significance to our stakeholders, as well as the Group's activities within these priorities. We also examined issues raised in the media, industry trends, topics defined by industry peers, as well as underlying investor and creditor expectations.

As a result, we identified 20 material topics, which reflect the environmental, social and economic impact of Metinvest.

Step 2 – Prioritising the topics

Understanding that although all the chosen topics are material, some are more significant than others in terms of importance to stakeholders and the scale of Metinvest's impact, the second step of the process is to rank them in order of significance.

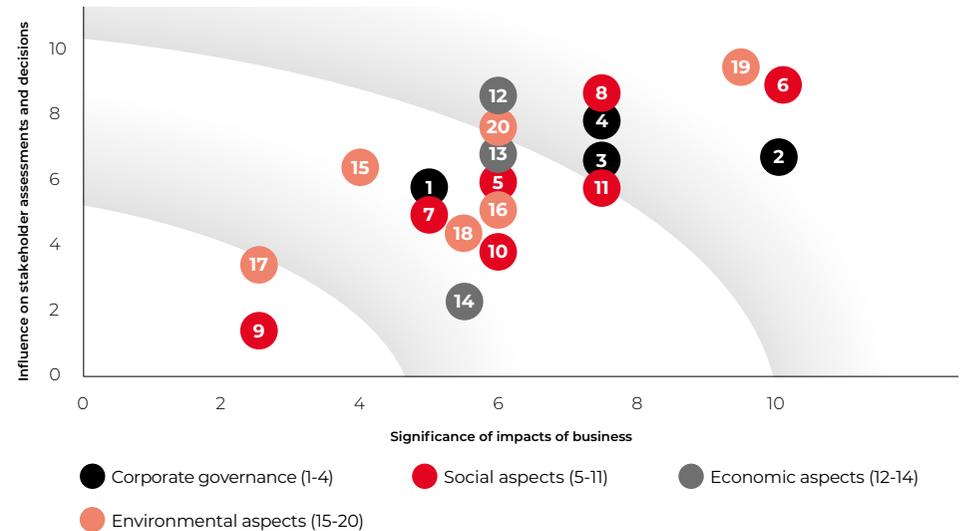
To assess the relative level of each topic's materiality to stakeholders, we surveyed representatives of key stakeholder groups. This included customers, employees, suppliers and contractors, debt providers, local communities, government authorities and representatives of the media. As part of the survey, they were asked to rate the level of significance of each topic on a scale from 1 (being the lowest) to 5 (being the highest). We also assessed the expectations of government authorities by reviewing the provisions of major legal acts and standards the Group is compliant with.

For a more comprehensive analysis of the significance of material topics for our stakeholders, we also held roundtable discussions with Metinvest's internal experts from different functional units that are responsible for stakeholder engagement. We assessed the significance of Metinvest's impact with regard to each topic through an analysis of opinions expressed during interviews with the Executive Team, which provided an objective overview of Metinvest's sustainability performance and economic, social and environmental impacts.

The results of the assessment are presented in the materiality matrix, right. The horizontal axis shows the level of significance of impacts of business; the vertical axis shows the impact on stakeholder assessments and decisions.

GRI 102-47

MATERIALITY MATRIX



¹ According to the Global Reporting Initiative, a stakeholder is defined as an entity or individual that can reasonably be expected to be significantly affected by the reporting organisation's activities, products and services, or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Material topic	Brief definition	Where to find
Corporate governance		
1 Corporate governance	We strive to build an effective governance structure, apply corporate governance practices aimed at ensuring the sustainability of the Group, comply with legal regulations and adhere to values such as ethics, transparency and integrity	Sustainable Development; Corporate Governance; Metinvest's 2020 annual report
2 Anti-corruption	We work to prevent individuals or organisations from abusing their authority for personal gain	Business Ethics and Anti-Corruption
3 Ethics and compliance	We ensure ethical behaviour, fair competition, compliance with the law and responsibility in Metinvest's daily activities. This forms the basis of our relationships with employees, customers, suppliers and partners, local communities and other stakeholders	Business Ethics and Anti-Corruption
4 Business transparency and openness	We conduct our business and financial activities openly and consistently so that all interested stakeholders can trust the information published and provided by the Group	About the Report; Business Ethics and Anti-Corruption; Metinvest's 2020 annual report
Social		
5 Human rights	We ensure the observance of human rights in all areas of Metinvest's business	Human Rights
6 Occupational health and safety	We manage labour protection and industrial safety issues, promote a safety culture, enhance employee awareness of labour protection and invest in safe working conditions	Health and Safety
7 Training and education	We provide a variety of training and development opportunities to ensure professional and career growth for the Group's employees	Employees
8 Fair working conditions, decent wages and social benefits for employees, and ensuring their wellbeing	We have a system of interaction with employees in place aimed at providing fair working conditions, as well as decent wages and social benefits. Metinvest pays significant attention to the wellbeing of its employees, including additional support in difficult situations (for example, our COVID-19 response)	Social Benefits; COVID-19 Response
9 Diversity and inclusion	We promote diversity, gender equality and the inclusion of minorities at different levels of the Group. Examples of diversity indicators might include age, gender, heritage and ethnicity, citizenship, religion or disability, among others	Equal Opportunities
10 Local community engagement	We cooperate with local communities and seek to increase their engagement in order to ensure the sustainable development of the regions where Metinvest operates	Local Communities
11 Economic support for communities and social investment	We make tax contributions and social investments for the socioeconomic development of local communities	Metinvest in Numbers, 2020; Local Communities
Economic		
12 Economic performance	We strive to improve our financial performance, increase our competitiveness, expand our market presence and boost our sales	Metinvest in Numbers, 2020; Strategic Goals, Priorities and Values; Metinvest's 2020 annual report
13 Responsibility for the quality of products and services	We work to improve the quality of the Group's products and services to maximise customer satisfaction	Products; Stakeholder Engagement; Customer Relations
14 Supply chain and supplier environmental assessment	We manage our supply chain responsibly and take environmental considerations into account when dealing with suppliers	Responsible Supply Chain
Environmental		
15 Energy efficiency	We seek to improve the energy efficiency of production processes and reduce resource consumption	Energy Efficiency
16 Water management	We aim to reduce risks associated with water scarcity, as well as water and wastewater management	Managing Water Resources
17 Biodiversity	We work to conserve plants and animals in the regions where Metinvest operates	Biodiversity and Landscape Restoration
18 Climate change	We strive to reduce greenhouse gas emissions from our production and supply chains to support the fight against climate change	Addressing Climate Change
19 Emissions	We implement environmental projects to reduce air emissions while improving overall production efficiency	Mitigating Impact on Air Quality
20 Waste generation	We apply waste management strategies to both reduce the volume that is generated and increase the share that is recycled	Managing Waste



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Sustainable development remains one of Metinvest's uppermost priorities and the foundation of its business strategy. In 2020, the Group's environmental, sustainability and governance (ESG) progress was recognised in its ESG Risk Rating from Sustainalytics. This leading independent ESG research and analytics firm named Metinvest among the top 10 of the 140 steel companies that it rated.

In 2020, we joined the global community in the fight against COVID-19 and took unprecedented measures to protect our employees, help local communities in the regions where we operate, and support customers and partners. These measures allowed us to ensure uninterrupted production at our facilities in Ukraine and most other countries. The Group's two re-rollers in Italy had to briefly suspend their operations in March and April at the request of the national government.

Despite the challenges, we were able to strengthen our vertical integration, as well as significantly improve our operational and financial results. In 2020, the Group's operational efficiency efforts yielded a total economic gain of US\$376 million. Metinvest's EBITDA climbed by 82% year-on-year and net profit rose by 54%.

To achieve these results, we improved raw material and energy consumption, optimised equipment productivity, streamlined logistics and expanded the product portfolio. We also completed numerous investment projects, including the modernisation of Central GOK's beneficiation facilities, which helped us to unlock production of pellets with 67.5% Fe content used in the less carbon-intensive direct reduced iron (DRI) technology.

To further strengthen our long-term customer relationships, we focused on improving the quality of our products and services. To better serve our customers amid the pandemic, in 2020, we worked to ensure timely product delivery and offered professional online technical support.

CEO's Statement



Metinvest's overriding priority is to preserve human life. We remain committed to continuous improvement in occupational health and safety until we achieve our ultimate target of zero incidents. In 2020, we implemented new initiatives aimed at reducing the risk of workplace incidents and adopted special safety measures to prevent the spread of COVID-19 at our facilities. Our efforts to improve occupational health and safety were not in vain, as we achieved the lowest lost-time injury frequency rate in the Group's history. Regrettably, we were unable to avoid losses among our employees, and our thoughts are with those affected directly. In addition to the deaths from COVID-19 among our team, we suffered five workplace fatalities, which was tragic. We thoroughly investigated each of these incidents, introduced stronger safety measures and extended the critical risk-oriented approach of our safety roadmap to prevent similar incidents in future.

Reducing greenhouse gas (GHG) emissions and combating climate change is a crucial part of Metinvest's sustainable development agenda. We significantly cut our carbon footprint in the past decade and are now using new opportunities to progress in our decarbonisation journey.

When disclosing our environmental performance indicators, we adhere to the principles of transparency and accountability, and we understand the importance of this to our stakeholders. When Ukraine signed the Association Agreement with the EU, it committed to progressing towards European standards in numerous respects. One is to align the way that Ukraine and domestic companies calculate their GHG emissions with the EU approach. While the law imposing this change requires GHG data disclosure under the new methodology only from 2022, we decided to recalculate historical figures to ensure comparability between years, and we present them in this report.

In addition, we calculated indirect GHG emissions associated with Metinvest's electricity purchases, as well as the direct GHG emissions intensity of the Group's Mariupol steelmakers. We are disclosing these indicators for the first time in order to comply with international best practice and be more transparent about our environmental impact.

In 2020, the Group invested US\$205 million in environmental initiatives, a record for this area in a single year. In particular, we completed the core work on Ilyich Steel's sinter plant modernisation, one of the largest environmental projects in the history of Ukraine.

Since our inception, we have fostered the social and economic development of our local communities. In 2020, the Group paid US\$612 million in taxes globally. We also implemented more than 200 social projects in partnership with local non-governmental organisations and public authorities. Our Master of Public Administration programme to train municipal leaders took first place in the economic development category of the UN Global Compact's Partnership for Sustainability Award 2020 competition in Ukraine.

During the pandemic, we increased our community spendings for healthcare projects aimed at preventing and treating COVID-19. In particular, we provided personal protective equipment to government agencies and medical facilities and built medical oxygen infrastructure.

Despite the difficulties of the past year, we are committed to further improving the Group's performance, which will contribute to our business development and sustainability. By working together with our stakeholders, I am confident that we will be able to overcome any challenges that 2021 might bring.

Our priorities are unchanged: to further implement the Group's investment programme, improve our operational efficiency and product quality, and enhance sustainable development. We remain focused on strengthening relations with our stakeholders, reinforcing our corporate governance system, ensuring the safety of our operations, reducing our environmental impact, providing for the wellbeing of our employees and developing local communities. We understand the ongoing nature of the COVID-19 pandemic and will continue to protect our people; there is nothing more valuable to us than their life and health.

Yuriy Ryzhenkov
Chief Executive Officer

Metinvest in Numbers, 2020

STEEL PRODUCER
IN THE WORLD¹

TOP 45

STEEL PRODUCER
IN EASTERN EUROPE¹

#4

EMPLOYEES

>69,000

KEY PRODUCTION ASSETS

16

IRON ORE PRODUCER
IN THE WORLD²

TOP 10

IRON ORE PRODUCER
IN EASTERN EUROPE²

#2

CUSTOMERS

>6,800

SALES OFFICES

45

COUNTRIES OF SALES

~ 100

Key financial indicators³

REVENUES

US\$10,453M

EBITDA⁴

US\$2,204M

EBITDA MARGIN

21%

TOTAL ASSETS

US\$13,454M

TOTAL EQUITY

US\$6,496M

TOTAL DEBT⁵

US\$2,937M

CAPITAL INVESTMENTS

US\$663M

TAXES PAID GLOBALLY

US\$612M

Key operational indicators

CRUDE STEEL

8.3MT

IRON ORE CONCENTRATE

30.5MT

COKING COAL CONCENTRATE

2.9MT

Sustainable development

ENVIRONMENTAL SPENDING

US\$450M

SPENDING ON HEALTH AND SAFETY

US\$106M

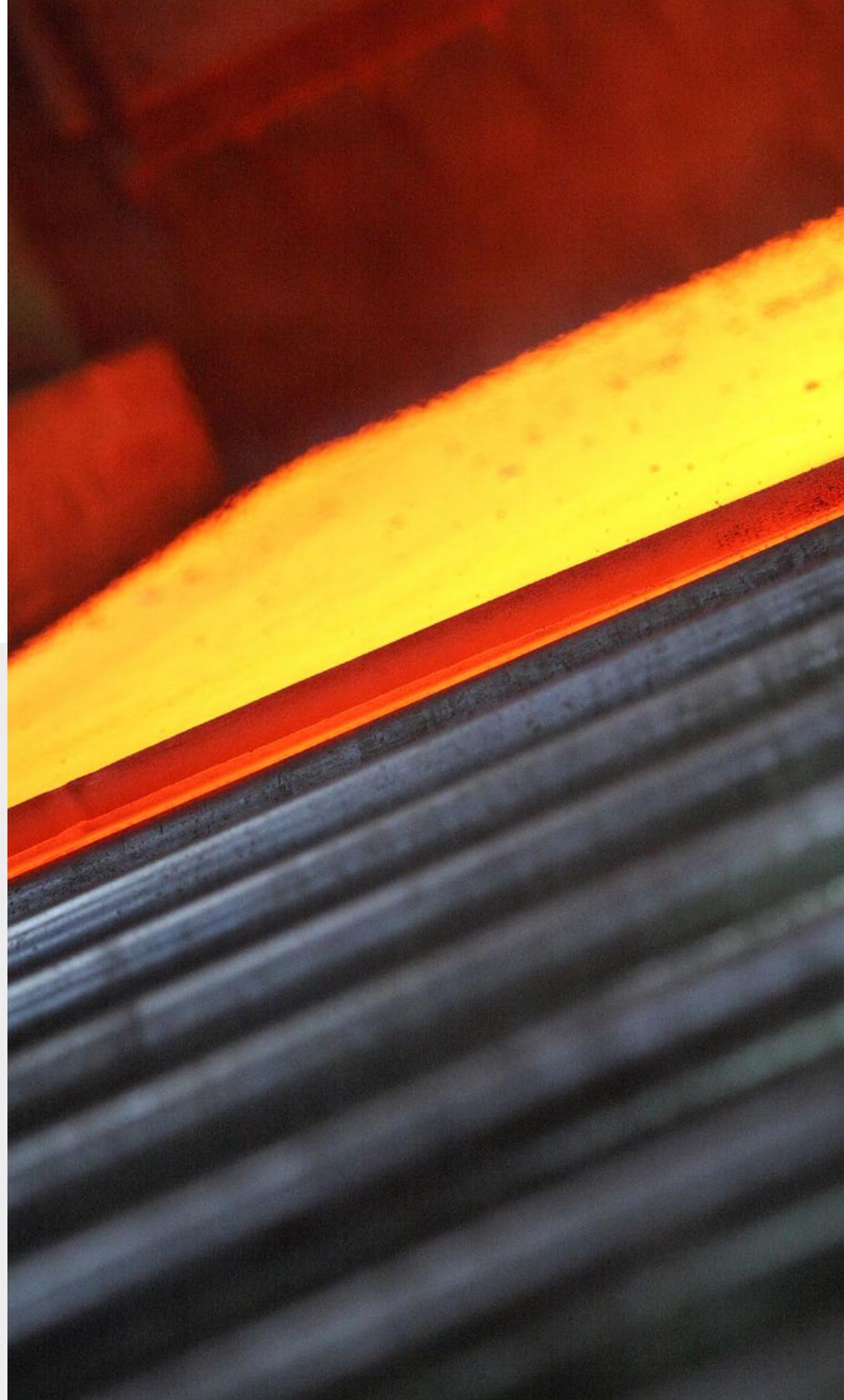
SPENDING ON COMMUNITIES

US\$15M

SPENDING ON EMPLOYEE TRAINING AND DEVELOPMENT

US\$3M

- 1 World Steel Association ranking for 2020, based on tonnage produced and geographical location of assets.
- 2 Internal estimate based on companies' public production information for 2020, excluding Chinese and Indian companies.
- 3 More details about Metinvest's financial and operational indicators are available at: <https://metinvestholding.com/ua/investor>.
- 4 EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment and devaluation of property, plant and equipment, foreign-exchange gains and losses, the share of results of associates and other expenses that the management considers non-core, plus the share of EBITDA of joint ventures.
- 5 Total debt is calculated as the sum of bank loans, non-bank borrowings, bonds, trade finance and lease liabilities.



Map of Metinvest's key assets

GRI 102-1

Metinvest is an international, vertically integrated group of steel and mining companies. It has assets in Ukraine, the

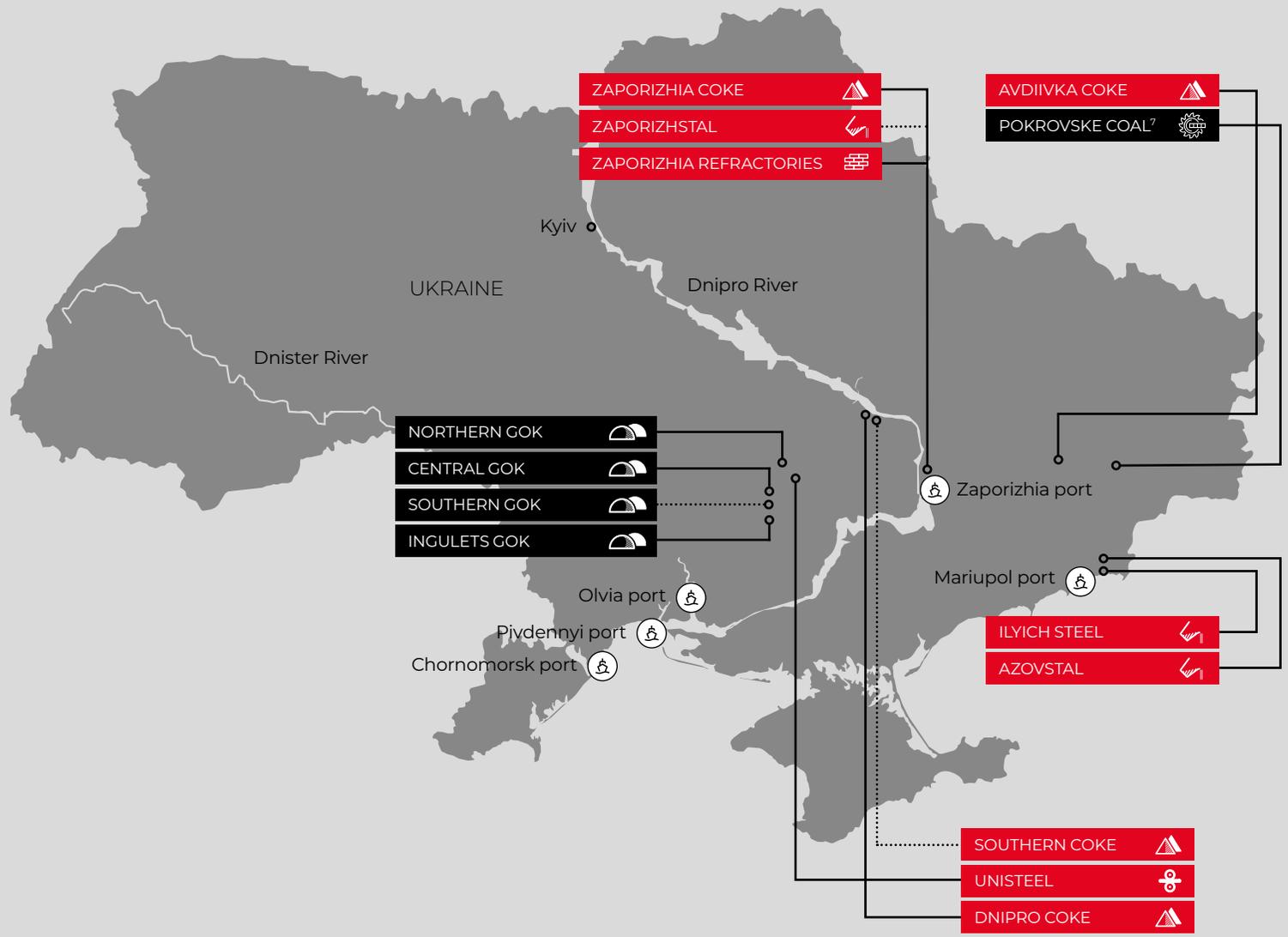
EU, the UK and the US, as well as a sales network covering the major regions of the world. The Group controls the entire

production chain, from mining iron ore and coking coal to making and selling semi-finished and finished steel products.



Map legend

- Metallurgical
- Mining
- JV or Associate⁶
- Coking coal
- Coke
- Iron ore
- Integrated steel
- Re-roller
- Refractories



⁶ For more details please see Notes 3 and 10 to the Summary IFRS Consolidated Financial Statements 2020.
⁷ Pokrovske Coal became a subsidiary of the Group in March 2021.

Strategic Goals, Priorities and Values

STRATEGIC GOALS

- Sustain competitive advantages in steelmaking through vertical integration
- Strengthen positions in strategic markets
- Achieve business excellence through best practice

STRATEGIC PRIORITIES

- Enhance sustainability
- Strengthen low-cost producer position
- Enhance product portfolio to strengthen position in key strategic markets
- Focus on customer needs
- Pursue selective acquisition opportunities

 For more information about the Group's strategic goals and priorities, see pages 16-17 of Metinvest's 2020 annual report.

Corporate Values

GRI 102-16

Life, health and environment

- We create safe working conditions.
- We each feel responsible for the life and health of ourselves and our colleagues.
- We strive to have a minimal environmental impact in manufacturing our products.
- We use natural resources carefully.
- We support healthy ways of life.

Customer focus

- We are open and honest with our customers.
- We are attentive to the needs of our customers.
- We are willing to change to meet the needs of our customers.
- We strive every day to refine our processes in the best interest of our customers.

Professionalism

- We create an environment in which people can demonstrate their abilities.
- We continually improve our knowledge and skills, and openly share our expertise with colleagues.
- We set high job standards and adhere to them.
- We implement clear executive discipline requirements.
- We strive to achieve outstanding results by ensuring the optimal use of resources.

Leadership

- We set ambitious goals and achieve them.
- We take initiative and encourage others.
- We make our own decisions and act independently in difficult circumstances, and take responsibility for our own decisions.
- We share the Group's core values by adhering to them in our actions and decisions.
- We promote the implementation of beneficial changes.

Teamwork

- We are confident that working in unison as a team in which each person accepts individual responsibility for the overall result will foster effective operations.
- We are open to cooperation, help our colleagues and support each other.
- We aim to act as partners in a dialogue who show the utmost respect for other people.
- We listen carefully to other people's opinions and are open to feedback.
- We all strive to achieve common goals with confidence that our colleagues will fulfil their obligations.

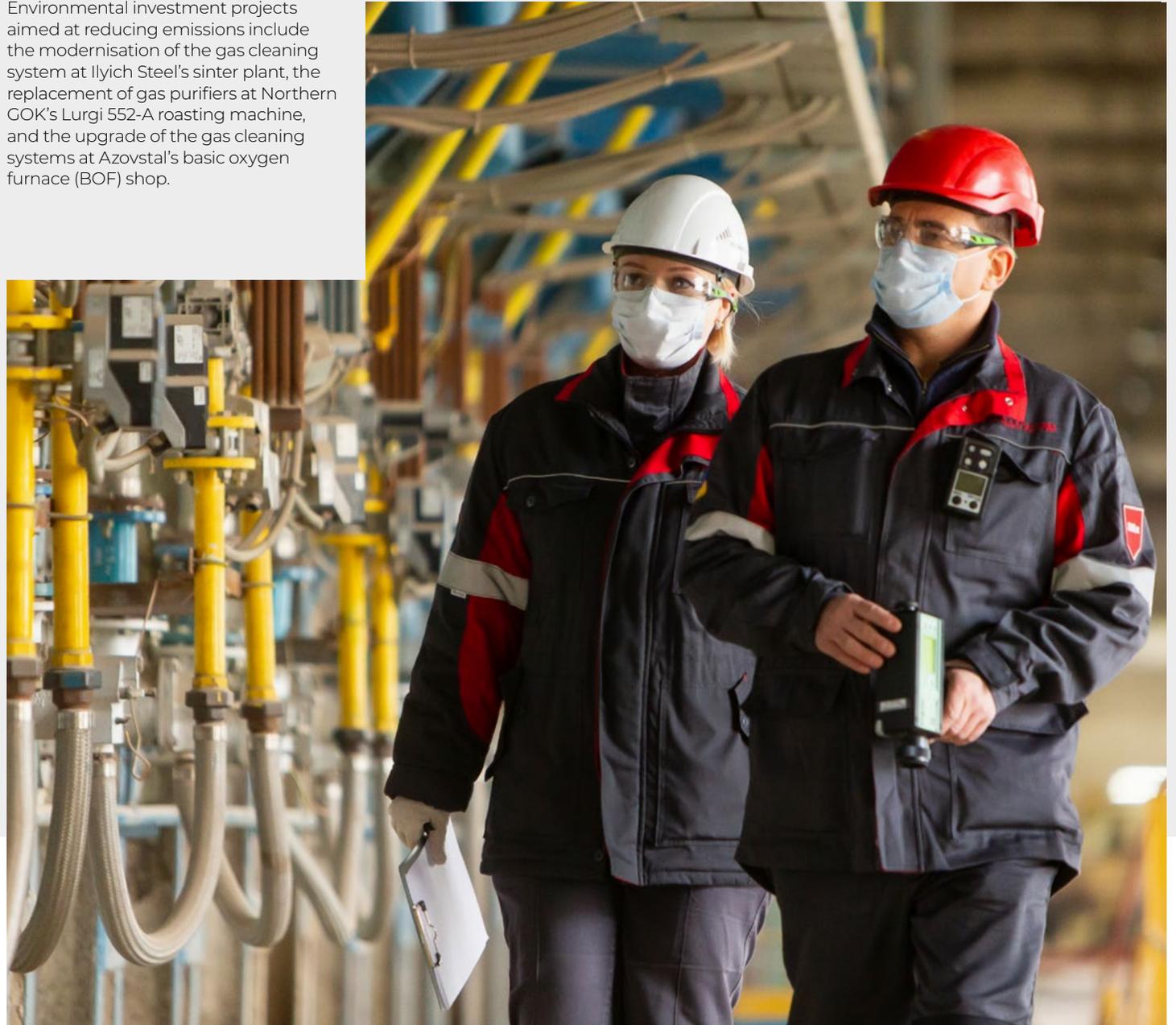
Technological Strategy

In 2020, Metinvest continued to implement its technological strategy. This strategy serves as a roadmap for fulfilling the Group's strategic commitment to introducing cutting-edge technology while improving product quality, as well as increasing the overall operational efficiency and eco-friendliness of production cycles.

During the reporting period, Metinvest began to update its technological strategy. This was driven by the risk of significant pressure on global steel and iron ore markets in the future; greater focus on premium iron ore products; and a new decarbonisation challenge requiring innovative solutions.

In 2020, Metinvest completed several investment projects. As part of Ilyich Steel's hot strip mill (HSM) 1700 upgrade, a new hydraulic down coiler was installed that is capable of producing 32-tonne hot-rolled coils. Central GOK implemented a major initiative to modernise its processing plant, which has allowed it to begin producing iron ore concentrate with an Fe content of 70.5% and pellets with an Fe content of 67.5% for use in direct reduced iron (DRI) technology.

Environmental investment projects aimed at reducing emissions include the modernisation of the gas cleaning system at Ilyich Steel's sinter plant, the replacement of gas purifiers at Northern GOK's Lurgi 552-A roasting machine, and the upgrade of the gas cleaning systems at Azovstal's basic oxygen furnace (BOF) shop.



For more information on the Group's environmental modernisation projects, see the Environmental Action section.

Products



GRI 102-2; 102-6

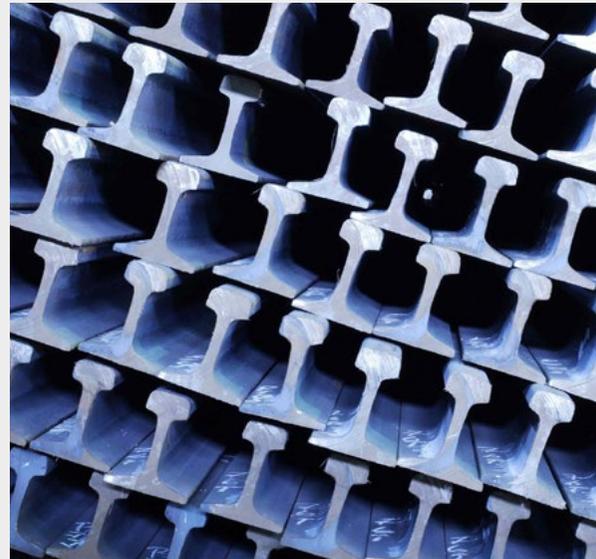
Metinvest is a trusted partner and supplier of high-quality products for more than 6,800 customers in around 100 countries. The Group's distribution network includes 45 sales offices and 40 steel distribution centres in Europe, Asia, Africa and North America⁸.

METINVEST'S KEY PRODUCTS



Finished products | Flat

- Hot-rolled plates
- Hot-rolled coils and sheets
- Cold-rolled coils and sheets
- Galvanised coils and sheets



Finished products | Long

- Rebar
- Railway products
- Long products and special profiles
- Steel grinding balls
- Welded tubes and hollow sections



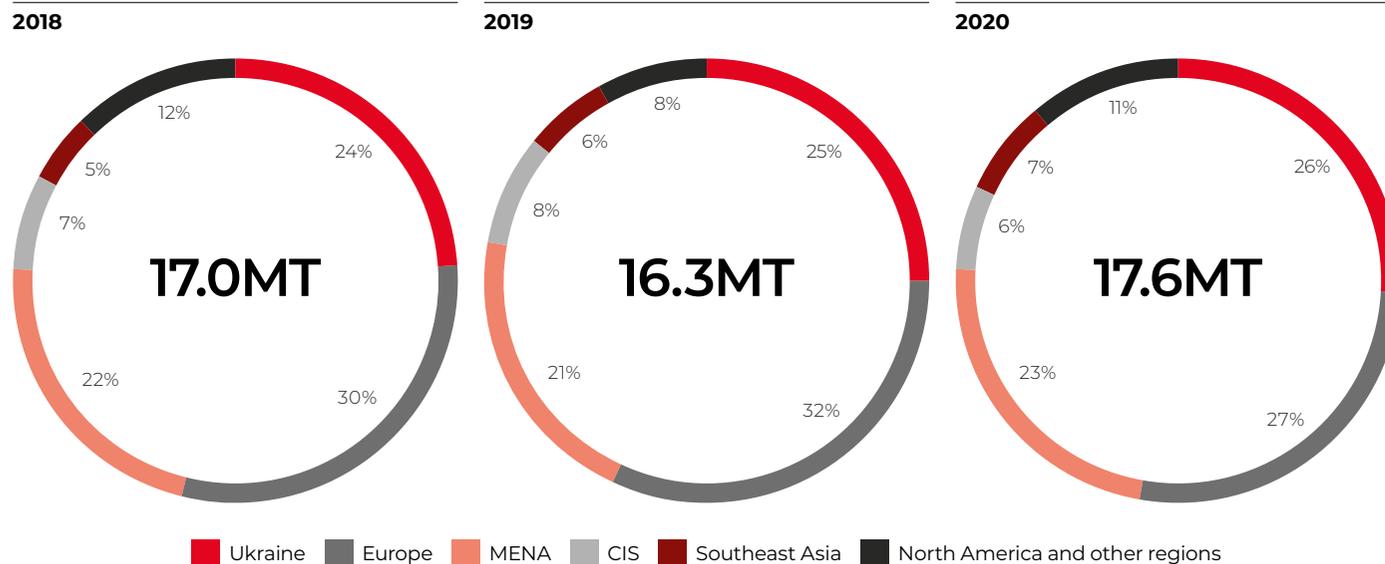
Semi-finished products and raw materials

- Iron ore concentrate
- Pellets
- Coke
- Coking coal
- Pig iron
- Slabs

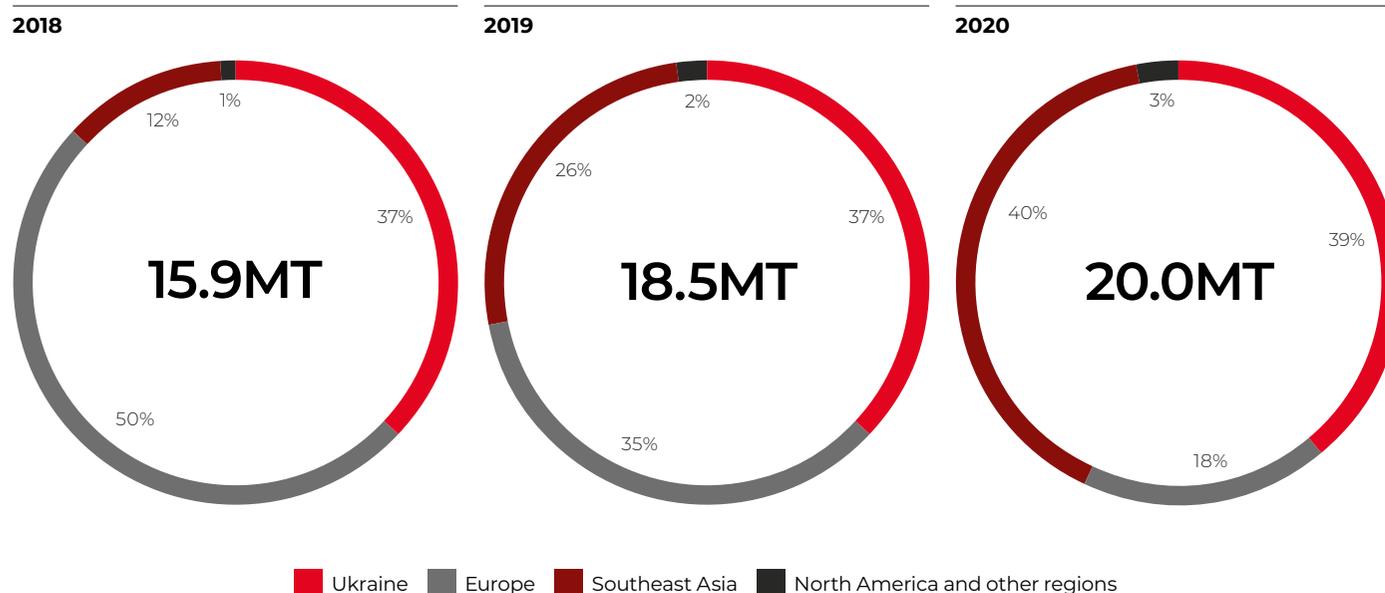
⁸ As of the end of the reporting period.

METINVEST'S SALES DISTRIBUTION BY MARKET, 2018-20

METALLURGICAL SEGMENT



MINING SEGMENT



We strive to continuously improve to meet the needs of our customers. In 2020, the Group started manufacturing 46 new types of steel products in the following segments:

- 25 – hot-rolled plates
- 8 – hot-rolled coils
- 5 – galvanised coils
- 4 – cold-rolled coils
- 3 – semi-finished products
- 1 – electric-welded pipes

In 2020, the greatest number of new goods was launched at Azovstal (23 product types), followed by Ilyich Steel (19) and Unisteel (4).

NEW PRODUCT HIGHLIGHTS

In 2020, Metinvest started manufacturing shipbuilding products that are certified by Det Norske Veritas Germanischer Lloyd (DNV GL) as compliant with the additional chemical composition requirements under the DNV GL 2019 standard.

Metinvest also launched production of the S500ML grade of high-strength rolled steel for construction and mechanical engineering.

The Group's assets began manufacturing three new types of semi-finished products, two of which (the DC01 and S220GD grades) were made for an order from U.S. Steel Košice, a Slovak steel plant.

Ilyich Steel's upgraded HSM 1700 introduced a super-thin product line with a thickness of 1.2-1.7 mm that complies with European standards.

Metinvest started supplying pipe manufacturer Interpipe with coils made from the L360N steel grade, which have never been produced in Ukraine before.

Unisteel launched production of the S250GD grade of high-strength galvanised steel with a thickness of up to 2 mm and various types of zinc coating. Meanwhile, Ilyich Steel introduced the production of the new Z100 class of zinc coating.

 **For more information about new products, see the Metinvest website**



The Group's steel products are in high demand from the construction, shipbuilding, railcar and machine building, energy and mining industries, as well as in the construction of bridges and roads worldwide. Metinvest steel has been used to build The Shard, a skyscraper in the heart of London; The Shed at Hudson Yards, a large-scale complex of skyscrapers, office buildings, art spaces and malls in Manhattan, New York; Garitage Park, a major office and residential complex in Bulgaria; NSC Olimpiyskiy, the largest sport arena in Ukraine; the Lavina Mall and Central Department Store, two of the largest shopping malls in Kyiv; the New Safe Confinement, a megastructure designed for the Chernobyl Nuclear Power Plant in Ukraine; and many other prominent structures worldwide.

In 2020, the construction of the first steel multi-unit apartment building in Ukraine commenced. It will be located in Mariupol and will consist of 120 apartments with an area of over 5,000 square metres. About 300 tonnes of steel from Azovstal and Ilyich Steel will be used in the construction of this modern building.



A Bridge Made of Metinvest Steel

In August 2020, the new San Giorgio Bridge was opened in Genova, Italy. It replaced the Morandi Bridge, the tragic collapse of which in 2018 claimed the lives of 43 people. Both the old and new bridges spanning the Polcevera River and railway tracks served as a connection between the two halves of the community.

Metinvest was the primary steel supplier for the construction of the new bridge, which was designed by the world-renowned architect Renzo Piano, a native of Genova.

The 18,500 tonnes of high-strength rolled products that the Group supplied underwent special safety and quality checks conducted by Italy's Fincantieri shipbuilder and the RINA classification society. They were also tested by the Rete Ferroviaria Italiana rail operator, as the bridge passes over the railway.

The bridge is a solid steel canvas just over one kilometre long. The high-tech style envisioned by the architect's plan resembles a large white ship flying over the valley. The 43 lamps that surround the bridge commemorate each soul lost to the tragedy.

“For this project, it was essential that the supplier be able to guarantee the production of a significant amount of steel as soon as possible. I have worked with Metinvest before and therefore I was sure that the Group would definitely fulfil these requirements.”

Siro Dal Zotto, Operations Director for Fincantieri Infrastructure and the main lead for the bridge construction project



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Sustainable Development



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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

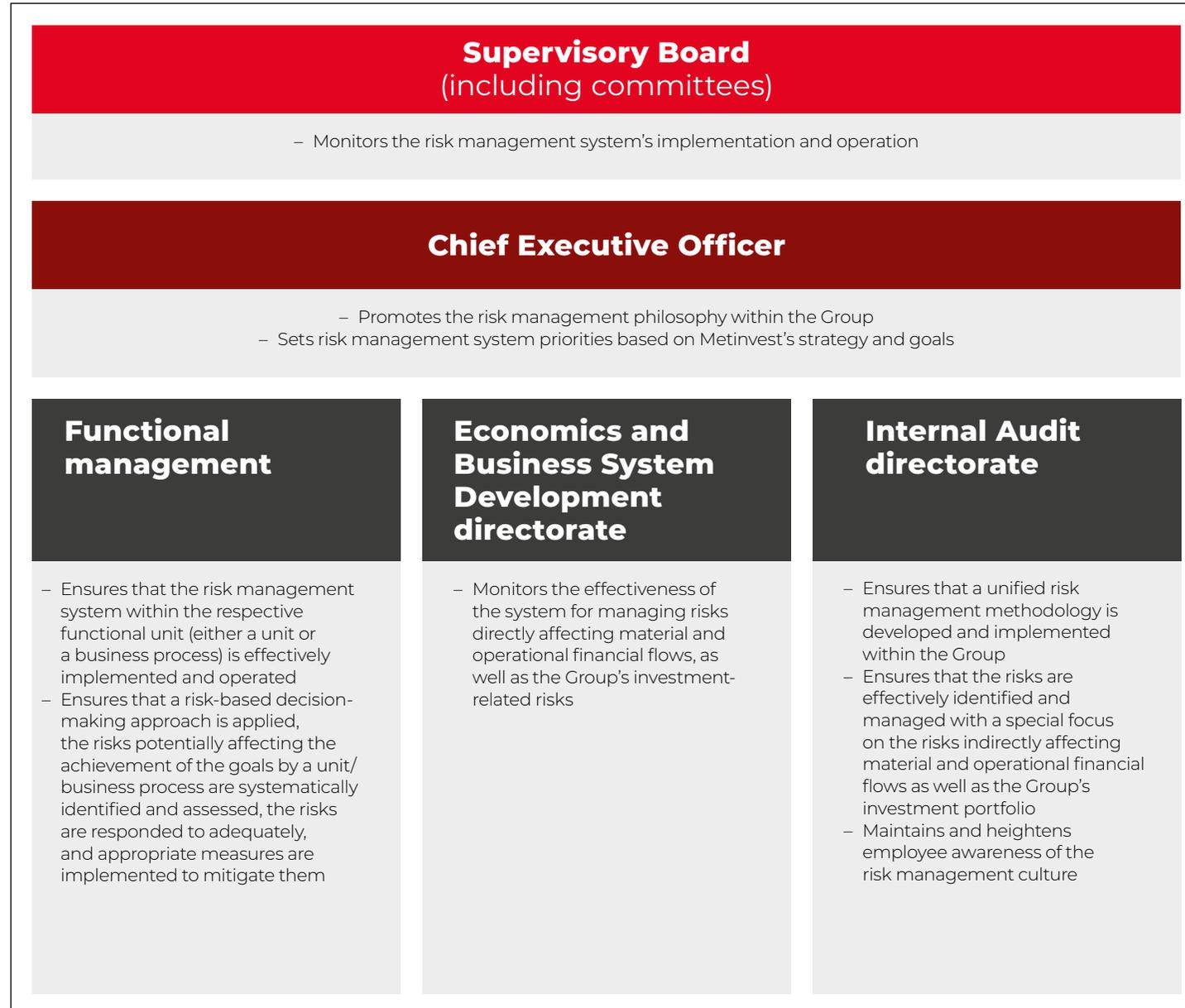
Metinvest has an anti-crisis management system in place that aims to minimise the chances of risk situations occurring and counter any effects that may impact the Group's operations. The system is based on the principles of crisis prevention and prompt response in case such situations occur.

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.

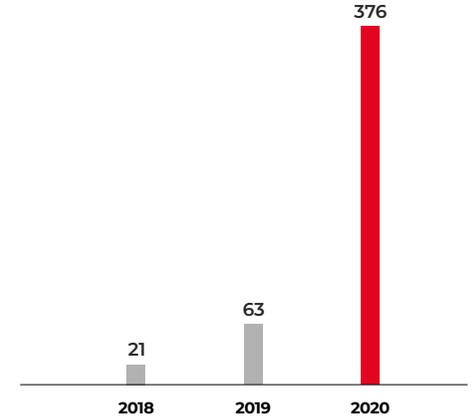
These achievements were made possible through the engagement of employees in continuous improvement processes. Metinvest's comprehensive motivation system made it possible to monetise the experience and knowledge of its employees and increase the level of operational efficiency.

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.



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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.

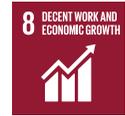
The Group also operates an internal document system and works to and systematically improve it. In particular, we have in place an information security strategy and policy, as well as regulations and instructions that govern specific processes. The main provisions for protecting confidential information 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.



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Corporate Governance

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Corporate Governance

Approach and Principles

GRI 103-2

We place the utmost importance on responsible business conduct founded on an effective and transparent corporate governance system in line with the highest industry standards and best global practices. We are continually working to improve this system, not only to take into account the interests of all stakeholders, but also to enhance the sustainable development of the Group as a whole.

Since its foundation in 2006, the Group has worked to build a lasting corporate governance system. Metinvest seeks to ensure the effectiveness of its vertically integrated structure and business model and is guided by core principles of management:

- Specialisation
- Vertical integration
- Unified strategic management
- Centralisation
- Growth and investments
- Global best practice
- Tradition and innovation
- Commitment to leadership
- Personal commitment

 **For further details and a description of each principle, see the Metinvest website.**

We understand that a good corporate governance system, underpinned by appropriate codes and policies, is fundamental to being an industry leader in responsible business conduct. Metinvest carries out its business in good faith and adheres to the international principles of good business conduct. In our activities, we are guided by numerous corporate documents. These include the Group's Code of Ethics, Compliance Programme, Procedure on Anti-Money Laundering and Countering the Financing of Terrorism, and Procedure for Declaring Conflicts of Interest, among others.

In 2020, the Group developed a Code of Business Partnership, which was adopted in early 2021. Its purpose is to establish clear standards of compliance with ethical principles and requirements for business conduct that should guide both existing partners and new suppliers. Our principles of business conduct include respect and cooperation, protection of health and the

environment, confidentiality of information, compliance with the law and our Code of Ethics, as well as social responsibility. Through the Code, as well as the Policy on Supplier Selection, Metinvest seeks to prevent potential abuses of authority by maintaining an atmosphere of trust, respect and integrity.

 **For further information and a detailed description of the governance codes and policies, see pages 70-72 of Metinvest's 2020 annual report.**

GRI 102-18

SHAREHOLDERS

During the reporting period, from 1 January to 31 December 2020, there were no significant changes in the shareholder structure.

SCM (Class A shares) owned 71.24% of Metinvest B.V. and SMART (Class B shares) owned 23.76% of the shares. The remaining 5% interest (in the form of Class C shares) has been acquired from the previous owners for the benefit of SCM and SMART.

It is the intention of SCM and SMART to dispose of the said 5% interest in due course (after the receipt of respective governmental approvals, if required), and in such a manner that the ultimate interest of SCM in Metinvest B.V. shall be 75% minus 1 share, and the ultimate interest of SMART in Metinvest B.V. shall be 25% plus 1 share, with SCM remaining as the controlling shareholder.

CORPORATE GOVERNANCE STRUCTURE

GRI 102-18

Metinvest B.V.'s corporate governance structure is built in accordance and compliance with Dutch law. It comprises the General Meeting of Shareholders, Supervisory Board and Management Board. On the Group level, the Executive Team supports operations.

GENERAL MEETING OF SHAREHOLDERS

Under Dutch law and the Articles of Association of Metinvest B.V., the General Meeting of Shareholders is authorised to resolve the following matters, among others: to issue shares; to exclude or limit pre-emptive rights; to acquire shares and to transfer shares in the capital of Metinvest B.V. held by Metinvest B.V.; to reduce the share capital; to

determine the remuneration of the Management Board; to adopt the annual accounts; to allocate profits; to amend the Articles of Association; and to dissolve, merge or demerge Metinvest B.V.

SUPERVISORY BOARD

GRI 102-19; GRI 102-26

The Supervisory Board is responsible for overseeing the activity of the Management Board and the general course of affairs in Metinvest B.V. and the Group's assets, including matters related to sustainability. The Supervisory Board approves and updates corporate values, strategies, policies, as well as goals related to the economic, environmental and social aspects of the Group as a whole.

Sustainable development issues, depending on their nature, are considered at all levels of the Group's management. The Supervisory Board provides advice to the Management Board on the sustainability priorities for Metinvest's business operations and among key stakeholders, overseeing the execution of policies and the implementation of processes for managing significant risks and opportunities.

For more information on the Group's sustainable development governance, see the Sustainable Development section.

GRI 102-31; GRI 102-32

The Supervisory Board reviews and approves the Group's annual report. The document, among other topics, covers all important economic, environmental and social aspects of Metinvest's operations, including the Group's impact, along with the risk assessment framework and opportunities inherent to its business.

GRI 102-22

The Supervisory Board has ten members, including seven A-Members appointed by the Class A and the Class C shareholders, as well as three B-Members appointed by the Class B shareholders. Four committees assist the Supervisory Board in its work.

During the reporting period, certain changes took place in the composition of the Supervisory Board. The authority of Stewart Pettifor in his capacity as a Class A member was terminated on 1 October 2020, while Avetik Chalabyan was appointed as a Class A member. Changes have also taken place in the composition of the Supervisory Board's committees: Avetik Chalabyan has become a member of the Strategy and Investments Committee, Gregory Mason has become Chairperson of the Health, Safety and Environmental Committee and Christiaan Norval has become a new member of the same committee.

In 2020, the Supervisory Board convened a total of 27 times. At its meetings, the Supervisory Board discussed and took decisions on a wide range of matters, including: annual business planning; investment projects; the financial statements; the annual report; the appointment of an independent external auditor; the compliance programme; external financing; material transactions; mergers and acquisitions; the establishment of an educational institution; health, safety and the environment; performance appraisals; remuneration; and other material corporate events.

GRI 102-27

In addition to the meetings of the Supervisory Board, special strategic sessions are held to increase the capacity of the supreme governing body to successfully address sustainability issues. The format of these meetings varies from workshops to training sessions and discussions on the achievement of Metinvest's strategic initiatives.

Corporate Governance Structure

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

	Status	Class membership	Strategy and Investments Committee	Audit and Finance Committee	Appointments and Compensations Committee	Health, Safety and Environmental Committee
Oleg Popov	Chairperson	A	M		M	
Alexey Pertin	Deputy Chairperson	B	C		M	
Christiaan Norval	Member	A	M	C		M
Johan Bastin	Member	A	M	M		
Natalia Izosimova	Member	A			C	M
Damir Akhmetov	Member	A	M			
Gregory Mason	Member	B	M			C
Mikhail Novinskii	Member	B	M	M		
Yaroslav Simonov	Member	A		M		
Avetik Chalabyan	Member	A	M			

M Member**C** Chairperson

GRI 102-24

APPOINTMENT OF SUPERVISORY BOARD

The process for appointing Supervisory Board members is governed by Metinvest B.V.'s Articles of Association.

When a proposal or recommendation is made regarding the appointment of a new member to the Supervisory Board, the following information is provided to the deciding body: age; profession and past experience; shareholdings; and occupation, including how it relates to performance of duties as a future member of the Supervisory Board. To avoid a potential conflict of interest, the names of the legal entities of which they are already supervisory board members shall also be indicated.

A member of the Supervisory Board is appointed for an indefinite period of time, unless otherwise specified in the decision concerning their appointment.

Each member of the Supervisory Board may be suspended or dismissed at any time by the same body that has the right to appoint them. While a suspension may be extended one or more times, in general, it cannot last more than three months. If, at the end of the period, a decision has not been made to terminate the suspension or to dismiss a member, the suspension shall end.

GRI 102-18; GRI 102-29

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four permanent committees: the Strategy and Investments Committee, the Audit and Finance Committee, the Health, Safety and Environmental Committee, and the Appointments and Compensations Committee. During the reporting period, there were no changes in the list of the Supervisory Board committees or in their functions.

STRATEGY AND INVESTMENTS COMMITTEE

The Strategy and Investments Committee was created to ensure transparent analysis and provide recommendations to the Supervisory Board regarding the Group's strategic objectives, including issues related to the existing and future business directions, investments and mergers and acquisitions. It is assisted by the Technology Sub-committee, which advises and assists the management in developing and implementing the technological strategy.

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee is responsible for assessing the effectiveness of the internal control system and the integrated risk management system, including those issues related to the economic, environmental and social aspects of the Group's activities. In addition, the Committee undertakes the supervision of all aspects of the Group's financial and audit activities in the interest of the shareholders and on behalf of the Supervisory Board: overseeing the budget, financial reporting, risk management, the internal audit function and assessment of the external auditor.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Appointments and Compensations Committee oversees the process of and makes recommendations regarding dismissals and new appointments for senior positions within the Group, monitors the transparency of setting key performance indicators (KPIs) and annual bonus payments for senior management, and advises on the motivation, assessment, reward systems and succession planning.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Health, Safety and Environmental Committee assists the Executive Team in implementing and maintaining the highest standards of health, labour and environmental safety culture throughout the Group.

The main purpose of the Committee is to ensure ongoing supervision, on behalf of the Supervisory Board, of health, safety and environment strategy, policies, systems and the Group's controls and principles.

For more details on the number of meetings and matters considered by the committees during the reporting period, see page 62 of Metinvest's 2020 annual report.

MANAGEMENT BOARD

The Management Board is entrusted with the management of Metinvest B.V., including economic, environmental and social considerations, excluding those that are the duty of the General Meeting of Shareholders and the Supervisory Board.

The Management Board consists of two Directors: Director A and Director B. Director A is appointed by a joint meeting of holders of Class A shares and holders of Class C shares. Director B is appointed by a meeting of holders of Class B shares.

Under its Articles of Association, Metinvest B.V. may be represented only by the entire Management Board (that is, Director A and Director B, acting jointly). In performing their duties, the Directors must act in the best interests of Metinvest B.V. and its business. The Articles of Association of Metinvest B.V. do not determine a specific term of office for members of the Management Board.

Director A and the CEO is Yuriy Ryzhenkov. Director B is ITPS (Netherlands) B.V., a legal entity registered in the Netherlands. After the reporting period, in May 2021, Eliza Désirée den Aantrekker was appointed as Director B in place of ITPS (Netherlands) B.V.

Corporate Governance Structure

EXECUTIVE TEAM

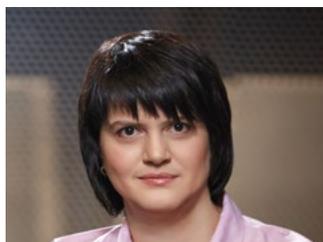
The Executive Team is responsible for overseeing, coordinating and executing the day-to-day activities of Metinvest, as well as for implementing the strategic decisions of the Supervisory Board and its committees with respect to economic, environmental and social matters.



Yuriy Ryzhenkov
Chief Executive Officer



Aleksandr Pogozhev
Chief Operations Officer



Iuliia Dankova
Chief Financial Officer



Alexey Gromakov
Logistics and Procurement Director



Aleksei Komlyk
Chief Sustainability Officer



Sergiy Detyuk
Chief Information Officer



Olga Ovchinnikova
Economics and Business System Development Director



Andriy Yemchenko
Chief Technology Officer



Oleg Shudra
Internal Audit Director



Dmytro Nikolayenko
Sales Director



Svitlana Romanova
Chief Legal Officer



Oleg Perozhok
Security Risk Analysis and Management Director

In November 2020, a separate Security Risk Analysis and Management directorate was formed. The directorate's remit is to improve the efficiency of the management of the security system and to respond to emerging risks and negative events in a flexible manner.

For more details about the composition of the Executive Team and short biographies of its members, see pages 67-69 of Metinvest's 2020 annual report.

GRI 102-28

EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

The Supervisory Board sets annual team goals for senior management, as well as personal goals for the CEO, who allocates them to each member of the Executive Team in accordance with their job functions, subject to the approval of the Supervisory Board.

The Health and Safety Trigger effectively increases or reduces bonuses for the Executive Team based on the Group's health and safety performance.

Shortly after the end of the reporting period, the Supervisory Board conducts an annual performance appraisal for members of the senior management based on their self-assessment.

GRI 102-35

In 2020, the Group paid US\$14.6 million in current salaries and related bonuses to the Executive Team, compared with US\$15.0 million in 2019.

Contracts with members of the senior management do not provide for any pension or other benefits upon termination of service.

Business Ethics and Anti-corruption



GRI 102-16

ETHICAL STANDARDS

Ethical principles are an integral part of our corporate culture and business processes. The basic principles of business conduct are enshrined in Metinvest's Code of Ethics, which lays out the standards and framework for ethical business conduct. Its intent is to maintain relationships of trust with all stakeholders.

The document sets out provisions regarding respect for human rights, equal opportunities, relations with business partners, fair competition, anti-corruption and occupational health and safety. It also gives recommendations on actions to take should the requirements of the Code of Ethics be violated. We encourage employees to report any violations of the Code of Ethics and guarantee that no retaliatory measures will be taken against those who raise concerns.

 **For more information on respect for human rights, see the Human Rights section.**

We regularly conduct training and campaigns to raise employee awareness on all necessary business ethics regulations and standards. We offer an online Code of Ethics course for the Group's assets. In 2020, we held an Ethics Week event. As part of the event programme, we interviewed the Executive Team, general directors of assets, the Compliance Officer and compliance coordinators. We engaged employees in a quiz and contests. We also published a special issue crossword puzzle in the corporate newspaper. In 2020, around 17,000 employees passed the online Code of Ethics test. Overall, about 63% of employees attended this training in 2019-20.

Since 2013, Metinvest has used the Trust Line maintained by SCM to increase transparency and responsibility. We have observed an increase in the number of queries submitted via the Trust Line, which reflects growing trust among personnel in our feedback mechanisms. We analyse and thoroughly investigate all queries, provide further feedback and take appropriate measures in response to them. In 2020, 825 requests were submitted via the Trust Line, of which 430 were confirmed. The key topics included violations of internal procedures, HR cases and certain other important issues.

TRUST LINE

Toll free number in Ukraine: 0800 60 07 77

International number: +38 044 224 72 32¹

Email: trustline@scm.com.ua¹

Web: <https://www.scm.com.cy/trust-line>



¹ Claims can be submitted in several different languages.

GRI 419-1

COMPLIANCE PROGRAMME

Focused on mitigating compliance risks, the Compliance Programme has been one of the Group's primary mechanisms for ensuring business transparency and accountability since 2014.

Compliance coordinators work within the legal services departments of the Group's assets. In 2020, the legal services departments in Zaporizhia, Kryvyi Rih and Mariupol were integrated into the Shared Service Centre of Metinvest Business Services².

At the Executive Team level, an Ethics Committee composed of the Group's CEO and department directors meets quarterly to review the Compliance Programme, assess preventive measures for dealing with unethical behaviour and analyse potential compliance risk areas. The committee is entrusted with taking decisions on the implementation of appropriate measures should reported violations of the Code of Ethics or other ethical standards be confirmed. The status of the programme's implementation is reported quarterly at the meetings of the Supervisory Board's Audit and Finance

Committee. A report on the status of the programme's implementation is submitted to and discussed by the Supervisory Board at its annual meeting.

GRI 102-25

MANAGING CONFLICTS OF INTEREST

We respect the right of our employees to pursue their own interests and encourage their development beyond their professional occupation. At the same time, we urge all employees to avoid situations in which their personal endeavours might conflict with the Group's interests. Should this be the case, employees are obliged to inform their immediate supervisor and the legal team.

The Ethics Committee decides whether a conflict of interest is permissible and takes an appropriate decision based on the facts presented. Should the conflict be deemed as unacceptable, the employee may be excluded from certain decision-making processes. If the conflict of interest is confirmed to be critical, the Group reserves the right to demand that the employee choose between retaining employment and serving the said interest.



All Group employees holding managerial positions are required to either submit declarations confirming the absence of conflicts of interest or declare such cases in case any questions are raised. This kind of declaration is required when being employed in a managerial position (initial declaration), for a duration of one year in the event of a real or potential conflict (current declaration) and once every year regardless of whether there is a conflict (annual declaration). In 2020, 99% of all applicants filed their annual declarations. During the year, 40 declarations disclosing a conflict of interest were submitted.

In 2020, a Managing Conflicts of Interest webinar was developed on this topic. This webinar gives declarants a brief explanation of the circumstances of such conflicts, the procedure for filing a declaration and the decision-making process for declared conflicts of interest, and provides appropriate examples. Over 1,500 declarants from the Group's assets participated in the webinar and passed the required mandatory testing.

GRI 102-17; 205-1; 205-3; 419-1

PREVENTING CORRUPTION AND ANTITRUST BEHAVIOUR

Metinvest complies with the requirements of applicable anti-corruption and antitrust legislation when doing business. We conduct regular inspections and audits at the Group's assets to identify and analyse potential corruption and bribery risks, and we take the necessary measures to promptly respond to any potential non-compliance with our ethical standards by our employees and external business partners.

Anti-corruption is addressed at several levels within Metinvest's assets. We train employees on the principles of zero tolerance for corruption and monitor compliance with the relevant principles when counterparties are screened by our compliance function. Such anti-corruption screening means that the counterparties sign a statement confirming they have been familiarised with the Group's Code of Ethics and an anti-corruption clause is included in agreements with them. In 2020, there were no reported or confirmed cases of corruption associated with the Group's employees.

In 2020, we implemented the following activities and initiatives in support of the transparency and accountability principles outlined in the Compliance Programme:

- Raising personnel awareness, conducting Code of Ethics training, running the Ethics Week communication campaign and holding the Managing Conflict of Interest webinar
- Quarterly monitoring of measures implemented to mitigate risks associated with employees who occupy high-risk positions
- Reviewing the list of high-risk positions and determining whether an update is required; drafting a risk mitigation plan for violations in the procurement and sales process; updating the Incident Management System (register of corporate investigations)

² Metinvest Business Services acts as a shared service centre that provides many of the Group's key corporate functions for both its Ukrainian assets and Swiss trading arm.

Business Ethics and Anti-corruption

GRI 205-2; 205-3

We maintain a list of high-risk positions in which the job responsibilities may potentially cause risks, for example, single-handed approval of selected suppliers,

customer discounts or emergency procurement. This list includes more than 200 positions throughout the Group's assets.



We apply the following measures to mitigate potential fraud and corruption risks:

- Monitor and analyse confirmed cases reported through the Trust Line involving high-risk positions
- Preliminarily screen external and internal candidates for high-risk positions, including screening for the existence of confirmed cases
- Preliminarily screen external candidates for the procurement function for previous periods of employment by the Group's suppliers
- Consider information about confirmed violations of the Code of Ethics and corporate procedures during the annual performance appraisal and when taking decisions about staff rotations
- Include of a Code of Ethics compliance clause into the contracts of general directors of the Group's assets
- Require the appointment of an acting person to perform the duties of an employee in a high-risk position if they will be absent for a period exceeding five working days

To comply with the rules governing competitive behaviour, we have created the position of a special adviser responsible for ensuring antitrust compliance throughout the Group. The legal departments of the Shared Service Centre in Mariupol, Zaporizhia and Kryvyi Rih also have lawyers responsible for ensuring antitrust compliance. They review commercial practices for antitrust risks and advise on various business issues. The rules for observing fair competition are stipulated by the Group's Code of Ethics. In addition, the largest assets have antitrust compliance policies in place.

Metinvest's lawyers are responsible for collecting and organising information from the appropriate internal functions. They also monitor the timeliness and completeness of information provided as feedback to such requests and requirements. The special adviser analyses the need to obtain preliminary approvals from the antitrust authorities in the event that the Group participates in mergers and acquisitions.

We hold annual training for the management to improve their understanding of the importance of antitrust compliance procedures. It aims to prevent actions that may contain signs of competition infringements.

During 2020, no fines or sanctions were imposed on the Group for violating the rules governing competitive behaviour.



GRI 207-1; 207-2

TRANSPARENCY AND DISCLOSURE

The principles of transparency, responsibility and accountability are at the heart of our business. They are the key to building successful communication and relationships of trust with stakeholders.

Annual reports are one of the channels that Metinvest uses to disclose information about its operational and financial results,

sustainability indicators and corporate governance structure. We publish them on our [corporate website](#). We also issue [regular releases](#) with key financial and operational metrics.

Metinvest discloses information on global taxes paid in its financial reports on a regular basis and monitors the compliance of accounting and reporting processes with best practice.

Metinvest's Credit Rating

In June 2020, Moody's Investors Service (Moody's), a leading international credit rating agency, upgraded the corporate family rating of Metinvest from 'B3' to 'B2', the outlook 'stable'.

During the assessment, the agency considered the Group's efforts to reduce its environmental impact and introduce more efficient energy-saving technologies in order to meet the best international standards in this area. Moody's also noted a reduction in corporate governance risks due to the increased disclosures and regular publication of consolidated financial statements and quarterly operating results.

The resulting credit rating reflects the agency's expectations that the Group will sustain strong operating and financial performance for its rating level and maintain healthy liquidity.

“Being a vertically integrated company, Metinvest takes responsibility for the whole production chain and continues to improve the environmental footprint of its segments.”

Moody's Investors Service

Our activities rely on SCM's Tax Policy and the Group's Regulation on Tax Risk Management, which guide the notification of any tax policy violations.

Our approach to tax compliance is based on four key principles:

- Declaration and payment of taxes in line with the rules of business jurisdiction
- Usage of tax deductions and benefits as set out by legislation
- Mandatory identification and management of tax risks
- Inclusion of the tax function into the business decision-making process

We oversee compliance with key tax policy issues at several levels. In particular, we establish two or three levels of decision-making controls (depending on the type of operations and their materiality), embed key issues of policy implementation in the personnel appraisal and motivation system, and undergo external audits by auditing firms and fiscal authorities.

We identify, manage and monitor tax risks as outlined in our Regulation on Tax Risk Management. The tax risk assessment methodology includes, among other things, an impact assessment of risks associated with the Group's image and reputation.

By paying taxes, Metinvest supports the sustainable development of the regions where its assets operate. In 2020, the Group paid a total of US\$612 million in taxes globally, including US\$468 million in Ukraine. In addition, Metinvest provides funding for initiatives that support social and economic processes in local communities and opted to forego a tax holiday offered to support businesses in Ukraine under legislation enacted during the COVID-19 pandemic.

Metinvest distributes most of the economic value that it directly generates among its main stakeholders: employees, customers, suppliers and contractors, equity and debt providers, government authorities and local communities. This allows us to make a tangible impact in key areas of sustainable development. We also reinvest part of the economic value that we generate to develop our business.



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Environmental Action



KEY 2020 RESULTS AND EVENTS

Metinvest spent US\$450 million on environmental protection measures, an increase of 17% year-on-year

Ilyich Steel completed core works on the gas cleaning system upgrade at its sinter plant, which is part of a multi-year initiative entailing total investments of more than US\$160 million

The Group's assets decreased the volume of water intake and water discharge by 4% and 3% year-on-year, respectively

Metinvest increased total energy savings by 7% year-on-year

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Our Approach and Strategy

ENVIRONMENTAL ACTION

STRATEGIC VISION

It is essential for Metinvest to comply with environmental requirements at each stage of the production process. We believe that the long-term efficiency of our business is directly dependent on environmental sustainability. We focus our efforts on minimising our environmental impact and supporting actions to tackle climate change.

The Group's key environmental principles include complying with legislative requirements, implementing rational natural resource management policies, introducing more environmentally friendly production methods and establishing multi-level systems to control its environmental impact.



Our strategic vision on environmental protection is based on the following priorities:

- prevention and reduction of environmental impact, including improvement of air quality, responsible waste treatment and water management;
- contribution to global fight against the climate change;
- preservation and efficient use of raw materials and energy resources in the production process;
- effective environmental monitoring and assessment of any kind of environmental impact;
- preservation of natural landscapes and biodiversity.

Metinvest implements programmes designed to ensure environmental safety at all its operations and develops targeted measures to optimise them. Among our key environmental programmes are initiatives that apply state-of-the-art technology to reduce and eliminate atmospheric emissions, increase energy efficiency, treat wastewater, recycle waste and reclaim waste storage sites.

Following the ratification of the [Association Agreement between Ukraine and the EU](#), our production assets began to assess the future technological requirements and methods for reducing environmental impact that will need to be introduced in line with [Directive 2010/75/EU](#), as well as [Directive 2003/87/EU](#).

GRI 103-2; GRI 103-3

ENVIRONMENTAL MANAGEMENT APPROACH

Metinvest's approach to environmental impact management is outlined in its Policy and Principles in the Field of Health, Safety and the Environment. We engage managers at all levels to improve the environmental management system at our assets. To ensure that our policies and procedures remain relevant, we plan to revise them and expand the topics of climate change and biodiversity.

Our environmental protection goals are overseen at several governance levels, from the Supervisory Board and its Health, Safety and Environmental Committee to the dedicated function at the Executive Team level and responsible units at the Group's assets.

At the highest level of Metinvest's corporate governance, the Supervisory Board's Health, Safety and Environmental Committee provides strategic oversight of the Group's environmental investments, as well as its regulatory compliance and risk management.

The environmental function within the Group's Sustainable Development and People Management directorate has the following key duties: ensuring compliance with legislative requirements; assessing risks and conducting internal environmental audits; monitoring and registering GHG emissions; assessing product life cycles; creating automated systems for storing and processing environmental information; developing strategies and concepts for reducing the impact of production assets on air, water, land resources and biodiversity; and assessing climate change impact.

At the production asset level, each quarter, members of the senior management discuss key issues related to environmental impact. They also take decisions regarding the implementation of relevant projects and the modernisation of equipment to achieve strategic objectives and priorities. The major criteria for assessing implementation efficiency is the expedience of decisions taken and achievement of targets set.

In 2021, Metinvest plans to integrate environmental KPIs for employees occupying the relevant positions to increase their involvement in environment protection measures.

In 2020, Metinvest continued to evaluate its assets for compliance with the requirements of the ISO 14001 international standard. At the end of the reporting period, 12 Group assets¹ had certified the compliance of their environment management systems under ISO 14001:2015.

ENVIRONMENTAL MONITORING

To assess its environmental impact, Metinvest conducts regular internal audits in cooperation with certified laboratories and accredited institutions. These audits cover the assets' production activities, efforts to reduce air and GHG emissions, use of water resources, compliance with quality standards and waste management initiatives.

This helps us to assess the compliance of production processes with the approved policies, standards and environmental legislation; evaluate the efficiency of projects to modernise production processes and equipment; and update the environmental risk map to ensure that we achieve our objectives. The Group's assets have dedicated teams that monitor environmental protection metrics and

initiatives. Some assets have established specialised laboratories for this purpose. For example, Avdiivka Coke operates a laboratory that analyses water and air quality by monitoring three control groups: air emissions, water resources, and waste and land conditions.

This systematic approach to tracking our environmental impact helps to ensure that our operations comply with regulatory requirements and fulfil our environmental protection objectives.

SUPPORTING OPEN DIALOGUE

We maintain a consistent dialogue with stakeholders on the issues of environmental safety. This allows us to track the efficiency of decisions taken and measures implemented and to update our environmental risk map.

In the spirit of transparency and accountability, Metinvest arranges meetings, press conferences and roundtable discussions about environmental issues with representatives of the public, media, volunteer groups and non-governmental organisations (NGOs) and involves its management and the executive officers of assets in these initiatives. Metinvest also participates in the World Steel Association's Environment Committee, where we share our experience and the most effective industry practices and achievements as well as learn best practice.

Any direct complaints about environmental matters may be submitted via the Trust Line, an official channel through which they are automatically registered in an integrated incident management system. Subsequently, they are analysed, reviewed and transferred to a responsible unit, which promptly takes the necessary action.

¹ This includes Azovstal, Central GOK, Ferriera Valsider, Ilyich Steel, Ingulets GOK, Mariupol Machining and Repair Plant, Metinvest Holding, Metinvest Trameal, Northern GOK, Promet Steel, Spartan UK and Unisteel. Metinvest-Promservice and Zaporizhia Coke are planning to update their certifications in 2021. Following its merger with Inkor Chemicals, Avdiivka Coke is considering the possibility of joint certification.

Addressing Climate Change



Climate change is a challenge facing the entire global community. Supporting the fight against climate change is one of the most important tasks for Metinvest. In 2020, we singled out UN Sustainable Development Goal (SDG) 13 – “Take Urgent Action to Combat Climate Change and Its Impacts” – as one of our priorities for sustainable development.

Our approach includes working to enhance community awareness of GHG emissions, engage with industry associations and support open dialogue with our stakeholders on climate change to find opportunities for joint research and development initiatives in this area.

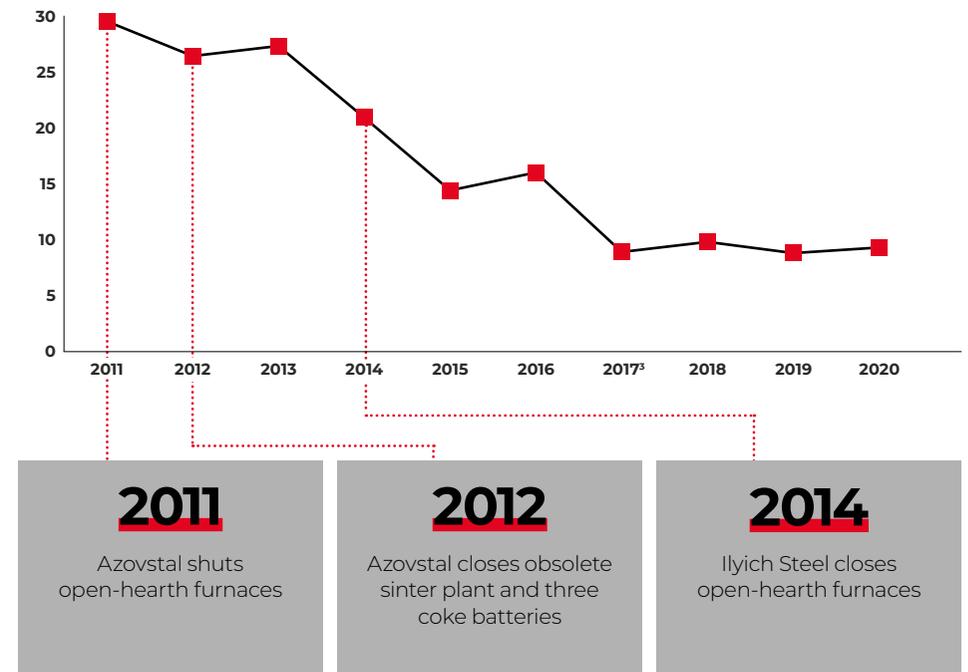
The Group pays significant attention to Ukrainian climate change policies, development and implementation. This includes such areas as fulfilling the [Association Agreement between Ukraine and the EU](#), reforming Ukrainian legislation to comply with the EU legal framework, updating Ukraine’s Nationally Determined Contribution under the Paris Agreement, and determining the best way for Ukraine to implement the European Green Deal initiatives.

Metinvest is engaged in a dialogue on these issues with the Ministry of Environmental Protection and Natural Resources of Ukraine and other central executive bodies. This takes place both directly and as part of industry associations such as the European Business Association, Ukrainian Business and Trade Association, and Ukrmetallurgprom Association of Enterprises.

We continue to contribute to the fight against climate change. In the past decade, the Group has made significant iterative progress in reducing the volume of its GHG emissions. For example, from 2011 to 2020, its annual direct GHG emissions (calculated for each installation in line with methodologies applied by local regulators) declined from 29.5 million tonnes to 9.3 million tonnes of CO₂ equivalent.

Metinvest aims to sustain a trend of meaningful, incremental reductions in the GHGs that it emits. The Group is working to develop a long-term decarbonisation roadmap, backed by clear targets and technological tasks. The key focus will be on the steelmaking and coking assets, as the largest contributors to GHG emissions.

Direct GHG emissions in CO₂ equivalent in 2011-20, million tonnes²



In 2020, Metinvest’s US coking coal mining asset United Coal launched a methane decomposition and mine sealing project. To reduce GHG emissions, a methane abatement unit was installed and 970 acres of old mines were sealed. In 2020, 12,494 tonnes of methane were abated.

2 The Scope 1 data for the Group’s Ukrainian assets in this chart has been prepared using GHG emissions measurement and reporting methodologies in place under Ukrainian law prior to 1 January 2021.
 3 In 2017, Metinvest lost control over assets in the temporarily non-government controlled territories of Ukraine (including a vertically integrated steelmaker with an annual crude steel production capacity of 2.7 million tonnes).

NEW DISCLOSURES ON GHG EMISSIONS⁴

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 (MRV) of Greenhouse Gas Emissions", which is aligned with the EU approach. It amends the methodology used to calculate CO₂ emissions (a major part of GHGs for Metinvest), using the full carbon balance at an installation's input and output points.

Previously, calculations were based on the emission rates of relevant substances under the terms of the permits issued for an installation by the Ministry of Environmental Protection and Natural Resources of Ukraine.

In 2020, we analysed the impact that this new calculation methodology would have and took steps to prepare the information needed to report the required indicators. We examined the material flows of carbon-based raw materials, fuel, products and waste that are transported to and from our assets; and assessed possible changes in GHG emission volumes after moving to the new methodology.

Metinvest understands how important GHG data disclosures is for its stakeholders. The Group is obliged to report new data for 2021 in 2022. For reasons of accountability and transparency, historical figures presented in this report have been proactively recalculated to ensure comparability between reporting years and with other similar mining and metals companies. While the adjusted methodology has resulted in an increase of the Group's GHG emissions, this is not due to a change in operations.

In addition, although not required by the MRV framework, we calculated direct Scope 1 GHG emissions from mobile sources and indirect Scope 2 GHG emissions associated with Metinvest's electricity purchases in accordance with the Greenhouse Gas Protocol standard. We are disclosing these indicators, for the first time, to be more transparent about our environmental impact and in line with the best international practice.

The Scope 2 GHG emissions were calculated using the location-based method. As Metinvest generally purchases electricity from electricity traders, this approach reflects the average emissions intensity of power grids on which energy consumption occurs (using mostly grid-average emission factor data).

In 2020, Metinvest's Scope 1 GHG emissions increased by 3% year-on-year. This was primarily because hot metal production climbed by 7% and steel output by 9% year-on-year at the Group's Mariupol steelmakers. Another factor was the increased operation time of the heat-treating furnaces and boilers of combined heat and power plants at these facilities.

Scope 2 GHG emissions remained almost the same in 2020 compared with 2019, as there was no significant change in Metinvest's electricity consumption.

The Group also calculated the direct GHG emissions intensity of its Mariupol steelmakers, as the greatest emitters of such emissions, and is disclosing this for the first time. It was calculated as tonnes of CO₂ equivalent per tonne of crude steel. As Metinvest is a vertically integrated company and is self-sufficient in core raw materials for steel production, only those material flows directly used in steelmaking processes were taken into account, while volumes of merchant pig iron were not included.

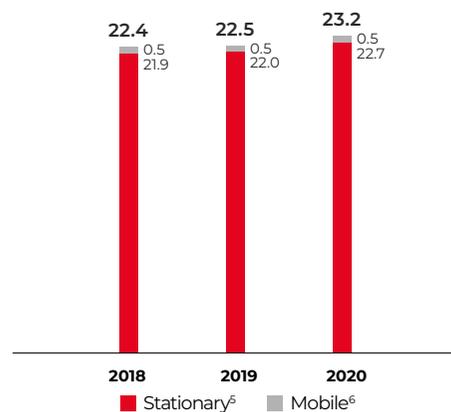
The GHG emissions intensity of the Mariupol steelmakers is in line with the intensity typical for vertically integrated steelmakers, which have similar production facilities as the Group.

Importantly, there is a clear downward trend in Metinvest's GHG intensity. This is being mainly driven by the alterations in blast furnace utilisation at Azovstal since mid-2019 when blast furnaces nos. 5 and 6 were shut down and replaced by the modernised and highly efficient blast furnace no. 3.

The external reputable expert was involved in recalculation of GHG emission indicators. New data will help us to set clear goals on decarbonisation and climate change risk reduction, as well as help our stakeholders to assess Metinvest progress in this area.

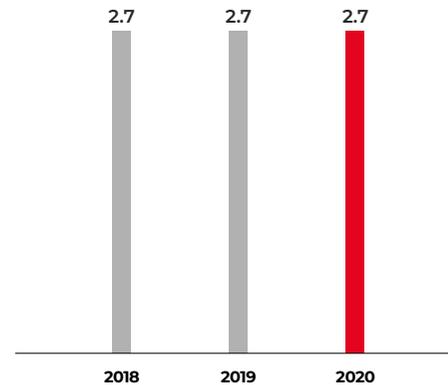
GRI 305-1

Direct GHG emissions in CO₂ equivalent (Scope 1), million tonnes



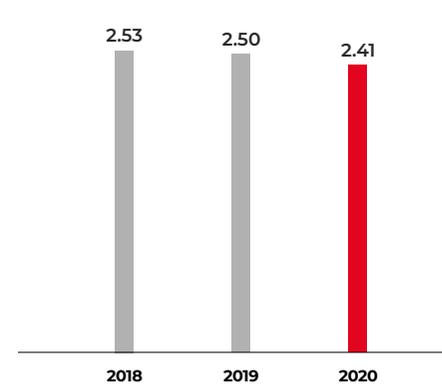
GRI 305-2

Indirect GHG emissions in CO₂ equivalent (Scope 2)⁷, million tonnes



GRI 305-4

Direct GHG emissions intensity, tonnes of CO₂ equivalent per tonne of crude steel⁸



- The only material greenhouse gas emitted by Metinvest is CO₂. Therefore, all references in this section to GHG emissions refer to CO₂ emissions.
- Scope 1 stationary GHG emissions for the Group's Ukrainian assets are based on the new calculation methodology under Ukraine's Law "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions", which took effect in 2021. These data cannot be used for the purposes of taxation or other withholdings.
- Scope 1 mobile GHG emissions are calculated in accordance with the Greenhouse Gas Protocol. These data cannot be used for the purposes of taxation or other withholdings.
- Scope 2 indirect GHG emissions are calculated in accordance with the Greenhouse Gas Protocol. These data cannot be used for the purposes of taxation or other withholdings.
- Calculation is based on Scope 1 from stationary and mobile GHG emissions of the Group's Mariupol steelmakers.

Energy Efficiency



GRI 103-2

The Group continuously works to increase the energy efficiency of its assets in order to reduce their environmental impact and tackle climate change. We apply innovative solutions to optimise our consumption of energy and natural resources. Our priorities in this area include implementing energy saving programmes and energy service projects, increasing the amount of electricity that we generate internally, reducing the energy intensity of our products and replacing natural gas with biofuel.

We have a dedicated division in the Operational directorate at the Executive Team level, as well as energy management and energy efficiency departments at each production asset that are responsible for planning and controlling energy resource consumption in production. They are also responsible for introducing energy efficiency measures aimed at reducing consumption to the levels outlined in target performance indicators and energy saving programmes.

Since 2013, we have been developing energy management systems at our production assets that conform to the ISO 50001:2011 international standard. As of the end of 2020, 10 assets⁹ transferred to the new ISO 50001:2018 standard for energy management systems, which introduced the concept of risk assessment in energy. The procedure defines a technique for risk identification, measurement and management in the energy management sector to mitigate risk factors and prevent situations that adversely impact performance.

When assessing energy risks, Metinvest monitors the factors that affect the energy performance of business units and updates its risk matrix on an annual basis. The matrix reflects all threats to the energy management system and helps to determine why and how often they appear, assess the extent of their impact, make recommendations to mitigate them, evaluate the associated risks, and select appropriate measures to eliminate or minimise them.

GRI 103-3

Metinvest's assets have passed an external certification audit designed to assess the workflow management system for compliance with the ISO 50001 standard governing the use of energy resources and efficiency initiatives. We also conduct internal energy management audits based on a matrix and system that we developed to assess the efficiency of the certification requirements that we implemented. Performing energy audits is the responsibility of the energy saving committee and energy management teams at each production enterprise. Such

audits help to determine areas for improving energy efficiency and shape key goals for annual energy saving programmes.

In 2020, the Group's assets underwent scheduled audits by the internal energy management teams of all business units. These checks are performed in line with our Procedure for Conducting Internal Energy Management System Audits at Production Sites, which lays out the requirements for the audit team composition, the format and frequency of inspections, and reporting procedures. The Methodology for Conducting Energy Audits at Production Sites serves as an additional tool to search for energy efficiency measures.

⁹ Avdiivka Coke, Azovstal, Central GOK, Dnipro Coke, Ilyich Steel, Kryvyi Rih Machining and Repair Plant, Mariupol Machining and Repair Plant, Northern GOK, Zaporizhia Coke and Zaporizhia Refractories.

METINVEST'S ENERGY MANAGEMENT SYSTEM

Technical measures:

- Equipment and supply line repair and inspection
- Fleet renewal
- Equipment modernisation and design changes
- Accounting system development

Technological measures:

- Raw material and product quality management
- Furnace charge management
- Technological optimisation
- Process automation

Operational measures:

- Development of differentiated standards
- Rate setting, deviation analysis and development of respective measures
- Development of optimisation models for operator prompts
- Optimisation of technological modes and equipment operation
- Operational management of energy balances
- Introduction of ISO 50001 and regular audits
- Cross-functional groups and energy audits



GRI 302-1

In 2020, the direct energy consumption of Metinvest's assets as measured in terajoules (TJ) increased by 2% year-on-year. This was caused by an increase in the production of both pulverised coal fuel and steel at Ilyich Steel, as well as the consolidation of two assets that joined the Group: Dnipro Coke and Zaporizhia Refractories.

Direct energy use, TJ¹⁰

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electricity	Total
2018	38,452	0	102,355	6,258	73	34,165	28,637	209,940
2019	36,922	0	93,196	6,534	61	37,658	30,308	204,679
2020	38,656	14	91,801	6,640	47	42,444	29,509	209,111

GRI 302-4

In 2020, Metinvest continued to develop and implement energy efficiency projects. This contributed to an increase in energy saving by 7% year-on-year, including increase in electricity saving by 5% year-on-year. The main savings came from Azovstal, which was able to produce an additional 54 million kWh of electricity internally after repairing the turbine at its power station that produces electricity and compressed air for blast furnaces, thereby reducing the need

for third-party purchases. An additional improvement in electricity saving came from Ilyich Steel optimising the cut of slabs at its hot strip mill 1700.

During the reporting period, Metinvest also implemented other energy efficiency measures at its assets. Avdiivka Coke introduced a flexible switching system for turbine generators with lower specific steam consumption and replaced the electric pump unit. This made it possible

to generate 4.3 million kWh of electricity internally, which eliminated the cost of purchasing it from third parties.

Azovstal modernised the ceiling lighting at its heavy plate shop and upgraded the brickwork in rotary kilns nos. 1 and 4 to increase the speed of limestone heating.

Ilyich Steel installed energy efficient centrifugal compressors in its heat and power department, which made it possible to save 3.3 million kWh of electricity during the reporting period. It also installed dual-layered cast insulation on its skid pipes, which helped to reduce natural gas consumption by 3.4 million cubic metres.

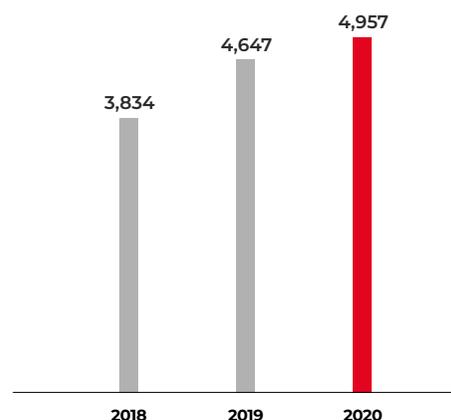
Northern GOK installed more efficient lighting systems at crushing plant no. 1 and pellet shop no. 1, which reduced electric power consumption by 4.4 million kWh. It also replaced the insulation of the gas ventilation pipe on the Lurgi 552-A roasting machine, which helped to cut natural gas consumption by 0.2 million cubic metres.

Central GOK reduced its electricity consumption by 11.4 million kWh. This was the result of re-equipping the magnetic separators at its beneficiation plant, as well as modernising the classification system for middlings, the lighting systems at production facilities in the beneficiation plant and the electrical drive system of excavators. It also reduced its natural gas consumption by 4.5 million cubic metres as a result of using shredded sunflower husks as an alternative fuel for pellet production.

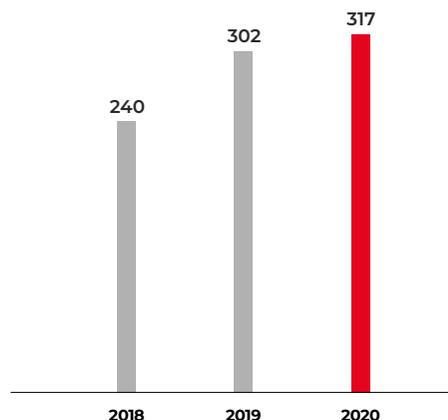
Separately, the Zaporizhstal joint venture cut the volume of electricity purchased from third parties by 8.8 million kWh and reduced its natural gas consumption by 5.1 million cubic metres. These significant decreases were the result of increased electricity generation at turbine generator no. 2 (combined heat and power plant) and the use of secondary gas as a replacement for natural gas in lime kiln.

The Group achieved additional energy savings by increasing the efficiency of secondary fuel use, modernising fuel-consuming equipment and improving the efficiency of heat-exchange and compressor equipment, as well as modernising the slurry pumps and pipeline transport systems at Metinvest's assets.

Total energy saved as a result of energy efficiency measures, TJ



Electricity savings, million kWh



¹⁰ The coefficient used for conversion from TOE to TJ is 1 TOE = 0.0293076 TJ. The direct energy use data for 2018-19 that was presented in the 2019 sustainability report has been restated for the 2020 report to account for changes in Azovstal's data (use of electricity, diesel and petrol, coke and metallurgical coal). The key changes were as follows:

- Previously, electricity consumption was recorded in accordance with the statistical reporting, which did not reflect direct use, as it did not take into account internally generated energy and internal losses.
- The metallurgical coal consumption data previously included coal used as raw materials for producing coke and coke by-products. It now only includes coal used as fuel, which in turn decreases the figures for metallurgical coal use and increases those for coke used as fuel compared with the previously published data. In addition, the updated metallurgical coal figures exclude the coal used for producing coke by-products for sale.

During the reporting period, Metinvest spent US\$8.2 million on energy efficiency programmes, which exceeded the previous year's figure by US\$1.3 million. This was due to the increased number of energy-efficient LED lamps installed at Northern GOK's workshops, as well as measures introduced at Mariupol Machining and Repair Plant, such as modernising the reheating furnace and heat-treatment furnaces in the foundry shop and replacing the electric transformer in the electric furnace.

In 2021, Metinvest will continue its efforts to improve energy efficiency. Priorities include the energy efficiency programmes at its assets, energy service projects, reallocation of equipment loads to periods with lower electricity costs, modernisation of lighting systems, installation of frequency regulators, modernisation of reheating furnaces, replacement of natural gas with sunflower husks as a fuel source, modernisation of compressor equipment and generation of more electricity internally.

Energy Service Projects



In 2020, Metinvest signed an agreement with YASNO Energy Efficiency LLC (YASNO) to continue implementing the energy efficiency projects at the Group's assets that were launched in 2018. The basic project mechanism is unchanged. YASNO invests its own funds to implement energy efficiency projects for Metinvest on a turn-key basis under energy service contracts that guarantee energy savings. Metinvest pays for the services provided by means of the economies achieved.

In the reporting period, we worked with YASNO to implement five energy service projects. They included the upgrade and replacement of the lighting systems at Ilyich Steel and Northern GOK, as well as the installation of a new compressor station at Central GOK's Ordzhonikidze mine.

The estimated annual energy savings from the projects being implemented is 16.6 million kWh.

“By implementing energy service projects, we continue to improve the plant's operating efficiency. This will be also guaranteed under the agreement between Metinvest and YASNO.”

Taras Shevchenko, General Director of Ilyich Steel

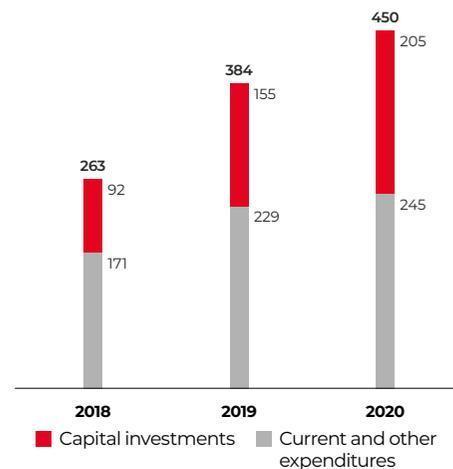


Environmental Modernisation



In 2020, Metinvest spent US\$450 million on environmental protection measures, including modernising production processes to reduce emissions, conserve resources and increase energy efficiency. Of the total amount, US\$205 million was allocated for capital investments, an increase of 32% year-on-year.

Total environmental spending, US\$ million



Implementing the Environmental Programme

In 2020, representatives of Ilyich Steel and Azovstal presented a report on the fulfilment of the environmental modernisation projects under the “Programme to Protect and Enhance the Natural Environment of Mariupol 2012-20”. During this nine-year period, the metallurgical assets of Mariupol implemented more than 40 major environmental projects.

- Azovstal decommissioned a sinter plant, coke batteries nos. 5, 6 and 7, and blast furnaces nos. 5 and 6, modernised blast furnace no. 3, and overhauled blast furnace no. 4. It also replaced the electrostatic cleaning plant and modernised the aspiration system of mixers nos. 1 and 2 and the dust-cleaning unit.
- Ilyich Steel decommissioned the soaking pits at its hot strip mill 1700 and assembled and put into operation a nitrogen dust suppression system at its blast furnaces. It also completed the initial scope of the environmental modernisation of the sinter plant, constructed an aspiration system in the casthouse of blast furnace no. 3 and modernised the gas treatment systems of BOFs nos. 1, 2 and 3.

In addition, both assets stopped using obsolete open-hearth furnaces, which had a significant negative environmental impact.

In Kryvyi Rih, the Group’s iron ore assets continued the systematic implementation of the programme to protect air quality, preserve water and land resources, and make rational use of production waste. The key initiatives include: using trinitrotoluene (TNT) free explosives and peat-hydroxide reagents in open-pit mines; systematically irrigating open-pit mine faces, haul and municipal roads; renovating and performing capital overhauls of gas treatment equipment; and applying

innovative polymeric material-based substances to bind the loose sand in tailings storage facilities

Separately, in 2020, Zaporizhstal, a joint venture received an award “For Consistency in Applying Environmental Modernisation under Sustainable Development Principles” at an event organised by the Ukrainian expert organisation Ecobusiness Group as part of the ECO Transformation Project. Ecobusiness Group recognised the entity’s comprehensive approach to green production as enabling the best major industrial transformation in the industry. It included projects aimed at improving the air quality and reducing the load on water and soil resources; modernising and constructing new aspiration systems in sinter and blast furnace shops; building a new pickling line with a dipping solution recovery unit; and introducing units for processing metallurgical production waste.

“Metinvest applies a deliberate, systematic approach to the environmental initiatives that it implements at its operations. We are confident that Metinvest’s environmental programme will generate new possibilities for our city and create more comfortable living conditions for the residents of Mariupol.”

Serhiy Zakharov, Deputy Mayor of Mariupol



Mitigating Impact on Air Quality

Metinvest closely follows developments in environmental protection technology to select the optimal solutions for its operations. During the reporting period, we made progress on several key projects to reduce atmospheric emissions, including modernising gas treatment systems and units, blast furnaces and the aspiration systems of BOF shops.



Modernising Ilyich Steel's sinter plant

In 2020, Metinvest completed the initial scope of the environmental modernisation at Ilyich Steel's sinter plant, which took seven years. This is one of the largest environmental initiatives in the history of independent Ukraine. The overall investments are to exceed US\$160 million.

Italy's Termokimik Corporation was the equipment and technology vendor for the project and Metinvest Engineering¹¹ was the general contractor.

The technical solution implemented as part of the project involves a complex, two-stage gas cleaning system. In the first stage, a coarse dust-scrubbing system uses modern Hurriclone cyclones to capture coarse dust particles for reuse in production. In the second stage, powerful bag filters clean dust and sulphur compounds from the gas, reducing dust emissions more than ten-fold.

The aim of the work was to reduce the sinter plant's dust emissions by 90% and sulphur dioxide emissions by 46%. Overall, the project will help to decrease dust emissions in Mariupol by one third.

¹¹ Metinvest Engineering is an engineering company that supports the Group's major investment projects, from the strategic planning phase to implementation.

"I am grateful to everyone who has worked on this truly historical modernisation project throughout the years. Ilyich Steel's sinter plant is now not only one of the largest in Europe, but also one of the most environmentally friendly and modern."

Yuriy Ryzhenkov,
Chief Executive Officer

In addition to modernising its sinter plant, in 2020, Ilyich Steel built new gas cleaning facilities for the casthouse and stockhouse of blast furnace no. 3, which will further reduce dust emissions. Next on the agenda is the construction of gas cleaning facilities for the casthouses of blast furnaces nos. 4 and 5. When finished, these projects should reduce dust emissions from the blast furnaces by 65% in total. Another important initiative at Ilyich Steel is modernising the gas cleaning facilities at the mixer department, which is expected to cut dust emissions by 25%.

In 2020, Azovstal reduced its dust emissions by almost 11% year-on-year by modernising blast furnace no. 3, the gas treatment system in the hot metal desulphurisation department, and the aspiration system for the mixer department in the BOF shop. Further plans include upgrading the gas cleaning facilities for the rotary kilns and BOFs, as well as building aspiration systems to eliminate fugitive emissions from this shop. In the coming years, Azovstal also plans to build a system to clean coke gas from hydrogen sulphide using the ammonia sulphide circuit method.

During the reporting period, Northern GOK began replacing the gas cleaning facilities of its Lurgi 552-A roasting machine, which is expected to reduce dust emissions by 40%. It also launched several important projects, including modernising the gas cleaners in the limestone and bentonite grinding facility, as well as the gas cleaning systems in the pellet dispatching unit.

In addition, to modernise the laboratory equipment used to monitor air emissions and air quality on the boundary of Northern GOK's sanitary protection zone, it will launch two investment projects entailing the purchase of 11 units of laboratory measurement equipment in 2021.

Kryvyi Rih Machining and Repair Plant replaced the bag filters in the gas cleaning system for furnace no. 6 and automated the cleaning process, including installing a signal system in steel foundry shop no.1 that increased the efficiency of dust cleaning. The plant also expects to reduce dust emissions by performing capital overhauls and modernising the gas cleaning systems in its foundry shops, as well as the aspiration systems for the drying kilns in its drop-hammer plant.

In 2020, Avdiivka Coke finished assembling the gas cleaning equipment in the area of line no. 4 of the crystallisation department of its phenol and naphthalene production facility. This project will continue in the area of lines nos. 1-3 of the facility.

During the reporting period, Metinvest continued to implement a systematic programme of major maintenance on the coke furnace chambers at Azovstal, Avdiivka Coke and Zaporizhia Coke. In 2020, Dnipro Coke was added to this programme after it became part of Metinvest. The project's goal is to ensure that dust and gas emissions remain well below the acceptable regulatory concentrations.

GRI 305-7

Air emissions, '000 tonnes (excluding GHG emissions)

Year	Nitrogen oxides (NO _x)	Sulphur oxides (SO _x)	Carbon monoxide (CO)	Solids (dust)	Total
2018	16	20	271	30	345
2019	15	18	288	26	354
2020	15	18	299	23	362

During the reporting period, air emissions increased by 2% year-on-year, driven by greater output of the Group's main products. Notably, over the past three years, there has been a gradual reduction in the volumes of dust emissions, including a 12% year-on-year decrease in 2020.

This trend is the result of our long-term environmental programme, the most significant contribution of which was the modernisation of Ilyich Steel's sinter plant, as well as several initiatives at Azovstal, Northern GOK and Central GOK.

Managing Water Resources



GRI 303-1; 303-2

We strive to minimise our impact on water resources in the regions where we operate. We carefully monitor water quality, as well as the amount of water we use and return to the environment.

Metinvest's production assets use fresh and salt water from surface and ground water sources and utility systems. We do not consume water from areas undergoing water stress.

We seek to proactively identify the potential impact of our assets on water resources to prevent or reduce the existing impact. This requires a comprehensive assessment of investment projects from the standpoint of the efficiency of water resource use and with an aim to decrease negative factors. For instance,

while modernising gas cleaning facilities to reduce the use of water, the priority is primarily given to using dry methods and local water recycling.

Metinvest's production processes mainly use water to cool equipment or substances without direct contact with the raw materials or products. Systems are designed to require insignificant fresh water intake to replenish the reverse cooling cycles when water evaporates. Water resources are also used for technological purposes. For example, the Group's mining and processing plants use recycled water to prepare a mixture with milled ore before separating the valuable components from the tailings. In addition, the BOF production process uses water to purify the gas from steel production. This recycled water is cleaned in storage ponds and returned to the production process.

We carefully monitor the quality of water resources that are used and withdrawn by

Metinvest's assets to ensure compliance with existing environmental legislation. It is vital for us to ensure that our impact on water resources is within the boundaries specified in environmental standards. We monitor our impact and regularly modernise our laboratories to ensure the accuracy of our measurements.

GRI 303-3; 303-4; 303-5

In 2020, Metinvest's systematic efforts to improve and mitigate its impact on water resources, increase operating efficiency and ensure proper maintenance resulted in a share of reused and recycled water withdrawn from all sources, including previously recycled, of 81%, up one percentage point year-on-year.

In 2020, we reduced the total volume of water intake and discharge by 4% and 3% year-on-year, respectively.

Another positive factor was the ongoing investment programme, which included installing a new cooling system at Azovstal's blast furnace no. 3 and performing capital overhauls of Avdiivka Coke's recycled water supply systems.

During the reporting period, Azovstal switched its cooling systems to use chemically purified recycled water, including pre-commissioning work and putting the system into operation. This initiative reduced the volume of water drawn from the Sea of Azov by almost 4% year-on-year.

Water consumption¹², million m³

Year	Surface water	Ground water	Utilities	Other sources	Total
2018	617	3	44	8	672
2019	555	3	44	12	614
2020	533	4	41	7	585

¹² Water consumption is defined as the use of water withdrawn from water bodies in production operations and for household purposes.



To decrease costs and make more rational use of water resources, Avdiivka Coke also replaced a cooling fan tower.

In 2020, the Group's iron ore assets in Kryvyi Rih conducted scheduled maintenance on tailings storage facilities and pipelines that transport clarified water and sludge. In particular, Ingulets GOK began constructing a pumping facility to withdraw drainage water and return it to the water recycling system. It also installed a variable frequency driver to regulate the pressure in pumps during the day.

Central GOK continues to develop and implement measures to rehabilitate the bed of the Ingulets River and enhance the water quality in the Karachunivske Reservoir.

In the near future, we plan to amend Metinvest's existing Policy and Principles in the Field of Health, Safety and the Environment to harmonise the approach to such issues as managing or decreasing water consumption and discharge with our objectives and tasks in this area. The Group is currently working to develop conceptual technological solutions in order to decrease the impact of our assets on water resources. We will use the results of these efforts to determine relevant key target indicators.



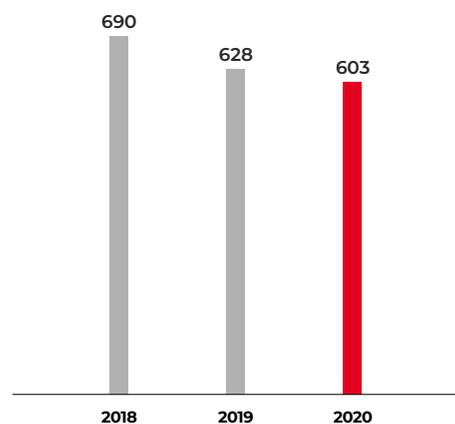
Expanding the environmental monitoring system in the Donbas region

In 2020, Avdiivka Coke and Inkor Chemicals¹³ participated in a project to increase the capabilities of environmental monitoring systems in the Donbas region, which was implemented by the coordinator of the Organisation for Security and Co-operation in Europe (OSCE) in Ukraine.

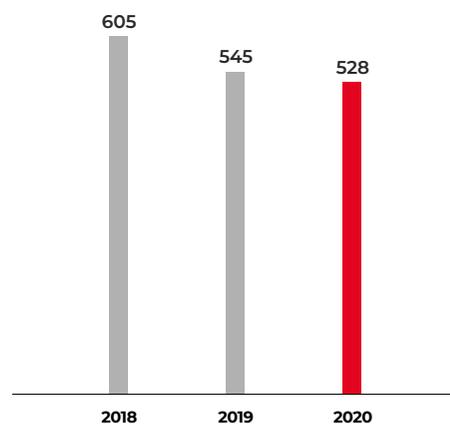
One of the initiative's main goals is to enhance the collection, accumulation, processing and reporting of environmental data in order to identify ways to improve natural resource use and compliance with environmental protection requirements in the conflict area in Eastern Ukraine.

The project analysed the sludge collectors of these Metinvest assets to determine their potential cross-border impact on local water resources.

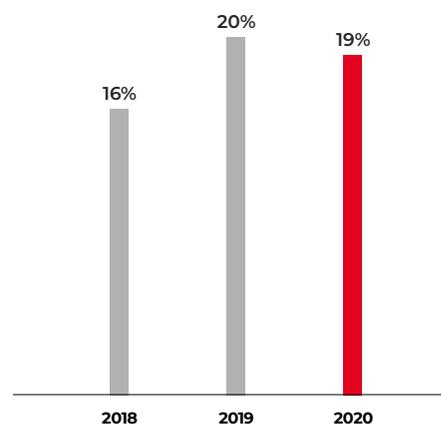
Total volume of water intake¹⁴, million m³



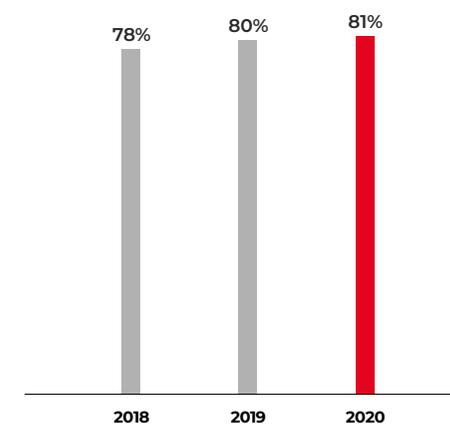
Total volume of wastewater discharge, million m³



Share of fresh water consumption



Share of recycled water



¹³ Inkor Chemicals was merged with Avdiivka Coke in late 2020.

¹⁴ Water intake is defined as water withdrawal from water bodies for consumption or storage.

Managing Waste



GRI 306-1; 306-2

Responsible waste management is one of Metinvest's priorities. The production cycle generates a certain volume of industrial waste, including overburden and treatment sludge (tailings) from ore extraction and enrichment, chemical by-products from coke production, as well as slag and iron-containing sludge from hot metal and steel production. Our facilities also generate other types of waste, such as fluorescent lamps, batteries, used oil and household waste.

Throughout our operations, we strive to minimise the volume of waste that we generate, store waste safely in specially designated areas, maximise its reuse and recycling through replacement of iron ore raw materials with scrap and the production of crushed rock for road repair and construction.

In accordance with applicable legislative requirements and the Group's internal regulations, all assets regularly collect data about the volumes and types of waste that they generate. Such information is collected daily for most technological waste and quarterly for other types of waste. Each asset has coordinators responsible for gathering the required information and uploading the digital forms into Metinvest's centralised database.

We work with various waste management contractors, who are subject to a multi-level review for compliance with our internal procedures. We also work carefully to ensure that waste processing, recycling and disposal procedures comply with applicable legislation and regulations. To prevent violations by contractors, Metinvest closely checks all required documents both before and during the performance of waste management services. In addition, our environmental function performs random on-site audits of the largest specialised organisations to ensure the compliance of their hazardous waste management facilities with all regulatory requirements.

The Group deposits its waste in specially designated areas, such as slag and sludge storage facilities. In addition, three of our iron ore assets have tailings storage facilities (TSFs). These structures are commonly located in areas that feature relatively low seismic activity and exposure to strong rains. All of the Group's TSFs have sufficient size to ensure many years of operation. Metinvest fully complies with regulatory requirements and applicable legislation to retain the licences required to operate such facilities. We closely monitor storage facilities and minimise potential risks. We also designate employees responsible for checking each TSF twice a day. External control is performed by a special commission that conducts on-site audits twice a year, as well as government bodies that analyse the condition of the TSFs once a year.

Ensuring the long-term safety of tailings storage facilities

Following the tragic collapse in 2019 of a tailings dam in Brazil, companies throughout the world have worked to ensure the long-term safety of such facilities and revise their operating procedures.

As Metinvest's number one priority is to ensure the safety of its employees and communities, the Health, Safety and Environmental Committee of the Supervisory Board tasked the management to have an independent survey of its tailings storage facilities conducted. We engaged competent international experts, SRK Consulting Limited (UK), to perform a dam safety operational review audit in accordance with the relevant governing principles of the Mining Association of Canada (MAC) guidelines and Canadian Dam Association (CDA) dam safety guidelines, which are currently considered to represent international best practice.

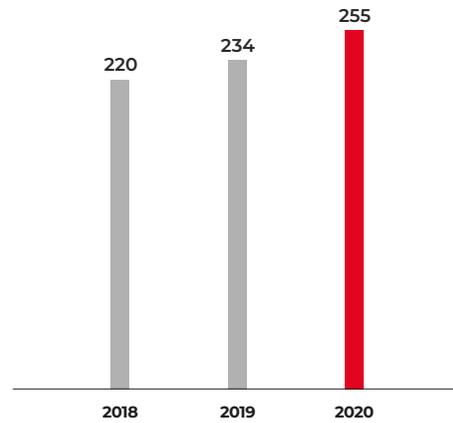
During the audit, a field observation of the dams at all tailings storage facilities was performed to check their resilience. Specialists of SRK Consulting Limited assessed the existing methods and measures in place to monitor the condition of the dams currently in use by the assets. The audit found that the Group is in compliance with local regulations. We received recommendations regarding further metrics to study through instrumental surveys and samples, which will be conducted using specialised equipment.

We will continue to track available technological solutions that make it possible to enhance the safety of our TSFs in line with international best practice and to ensure they remain safe for both communities and the environment for generations to come.



GRI 306-3; 306-4; 306-5

Total volume of waste generated, million tonnes



In the reporting period, Metinvest generated 255 million tonnes of industrial waste from production, 97% of which was non-hazardous, mostly overburden and tailings from the iron ore producers.

The 9% year-on-year increase in the volume of generated waste in 2020 was caused by a change in the share of overburden in the total volume of extracted materials, as the share of waste rock and valuable ore during quarrying depends on the natural conditions of mineral deposits. This factor also has a significant effect on the amount of recycled or transferred waste. All non-hazardous waste is deposited in special slagheaps and tailings storage facilities and some of it can be to construct haul roads in open-pit mines and for mine restoration.

In 2020, the volume of recycled waste was 24%, down 4 percentage points year-on-year. This decrease is the result of two factors. First, more intensive utilisation of slag products from the Mariupol steelmakers and a higher volume of construction waste at Northern GOK in 2019. Second, greater iron ore production in the reporting period.

Total weight of waste, million tonnes

Year	Total weight of landfill waste ¹⁵	Weight of waste transferred to third parties ¹⁵	Weight of recycled waste ¹⁵	Total weight of generated waste
2018	159	1	60	220
2019	166	3	66	234
2020	193	3	60	255

GRI 306-1; 306-2

During the production process, Azovstal generates by-products such as slag, which is stored in slagheaps. It uses equipment from AMCOM (the US) to extract ferrous materials from the slag for further processing in the BOF shop, which helps to reduce the use of pellets and sinter. This technology was introduced as part of Mariupol's environmental programme for 2012-20. In addition to processing metal-containing components, since 2008, Azovstal also uses BOF slag in the blast furnace process, which helps to reduce the total volume of slag generated.

Under the Memorandum of Cooperation with the Municipality of Mariupol on Joint Development of the City and Regional Programmes, Azovstal and Ilyich Steel continued to implement the Social Slag project, which involves the transfer of slag products free of charge to the utility assets of the city and region to be used for road repairs. In 2020, a total of 436,000 tonnes of slag products were transferred under the programme.

In 2020, Mariupol Machining and Repair Plant engaged qualified auditors to conduct a waste inventory to identify new types of waste and determine the extent to which they posed an environmental hazard. In addition, it developed and implemented measures aimed at minimising negative impacts. This included updating the waste management guidelines, establishing storage areas for newly identified waste at structural units, updating temporary storage schemes and arranging for initial accounting, as well as resolving the issue of waste transfer for recycling by specialised assets.

Consistent with the aim of the Stockholm Convention on Persistent Organic Pollutants to eliminate the use of polychlorinated biphenyl (PCB) in equipment such as electric transformers, condensers or other receiving units that contain liquid substances, Ilyich Steel transferred 9 electric transformers containing PCBs for recycling during the reporting period, leaving it with 60 more such electric transformers in use.

In 2020, Northern GOK implemented projects to reuse overburden from Annivskiy open-pit mine. These measures are aimed at ensuring the rational use of the plant's mining allotment and reducing the areas used for depositing industrial waste. Overburden and tailings were used to construct and repair of roads and rail links at mines, as well as dams of tailings storage facilities. Similar measures were undertaken at Central GOK.

In the near future, we expect to fully automate the process of collecting data about the weight and types of waste in a centralised database in the existing SAP Enterprise Resource Planning (ERP) system.

¹⁵ This may include waste generated in previous periods.

Biodiversity and Landscape Restoration



GRI 304-1; 304-2; 304-3; 304-4

We care about preserving biodiversity and monitor the efficiency of the measures that we take to reduce our impact on it. Our assets do not operate in any protected natural areas and areas of high biodiversity value. In addition, their activities do not affect the habitats of species on the International Union for Conservation of Nature (IUCN) Red List or national conservation list.

An integral part of Metinvest's activities is the complete restoration of disturbed lands as a result of its mining operations in the regions of its presence. We undertake a range of measures aimed at preserving landscapes, reducing the area of disturbed lands, and restoring sites to their previous condition.

In 2020, Ingulets GOK performed various work at its tailings storage facilities and waste dumps. This included planting 4 hectares of rye and 0.7 hectares of rapeseed; landscaping 5 kilometres of tailings storage facility braces using fertilisers and rapeseed; planting 7,000 young acacia, ash, mulberry and pine trees;

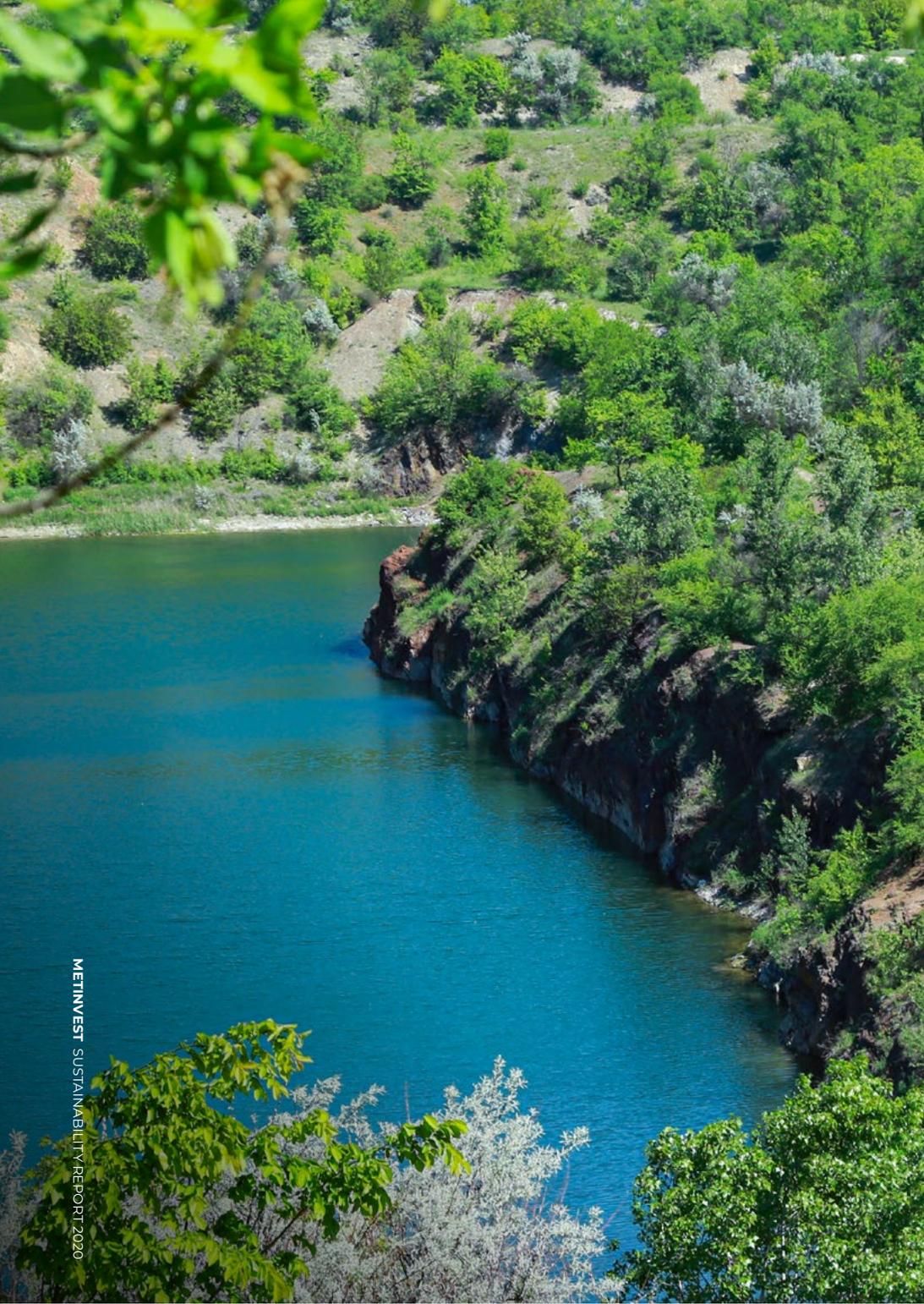
planting more than 100 kilograms of field, pasture and nectar-bearing grass seeds; and working to eliminate ragweed from 3 hectares of land.

The Group's other mining and processing plants also performed landscaping projects in their sanitary protection zones. To fulfil the environmental protection aspects of a 2016-25 programme of the city of Kryvbas to resolve environmental issues and enhance the natural environment, Northern GOK planted 20,000 young trees as part of a landscaping project covering a total area of 10 hectares in the sanitary protection zone of Pervomaiskiy open-pit

mine. It also planted about 3,000 shrubs as part of a landscaping project covering a total area of 1.3 hectares in the emergency storage pond of its TSF.

Central GOK planted 900 trees and shrubs and used overburden to conduct mine restoration work at depleted deposits in open-pit mine no. 2.





Protecting the Vizyrka Nature Preserve

Mine restoration is a vital process for restoring a site's ecosystem and natural appearance. This includes landscaping to provide normal living conditions for plants and animals.

The Vizyrka nature preserve is Metinvest's mine restoration showpiece. Since its creation in 2001, Ingulets GOK has provided comprehensive support to ensure the development of this protected landscape, providing a practical example of a new method for restoring land disturbed by human business activities.

The mine restoration approach applied at the Vizyrka open-pit mine is called renaturalisation, a method that is gaining popularity in the EU. Unlike the standard restoration process, instead of backfilling the open pit, it is allowed to fill with natural ground water. Afterward, the fauna gradually begins to recover. In such areas, additional minor human intervention helps this natural process to take place much more efficiently.

During the project's implementation, we significantly improved the health of the water bodies and enhanced the fertility of the land in the nature preserve. In addition, the area has become home to 103 new species of animal life.

“The Vizyrka preserve is a unique place where you can watch nature being restored. You can even see animals there that are not typical for this region. This is clear proof of the fruits of Metinvest's care for the conservation area.”

Ivan Naidenko, Regional Ethnographer

In 2020, Ingulets GOK also built a paved road to open-pit mine no. 3 in the Vizyrka nature preserve and released 3,000 juvenile carp into the open-pit mine lake. In summer and autumn, clean-up work was organised at the preserve together with the Kryvyi Rih Foundation of the Future.

The clean-up work was performed by volunteers from local NGOs and neighbourhoods.



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Health and Safety



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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.

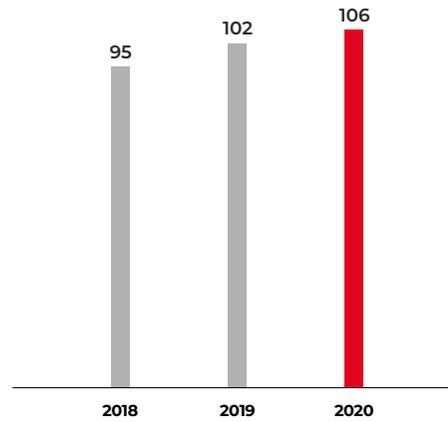
In 2020, line managers conducted around 159,000 safety audits at Group assets, during which some 390,000 incidents of non-compliance with occupational safety requirements were identified and 267,000 corrective measures were implemented. The increase in these metrics is consistent with Metinvest's growth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

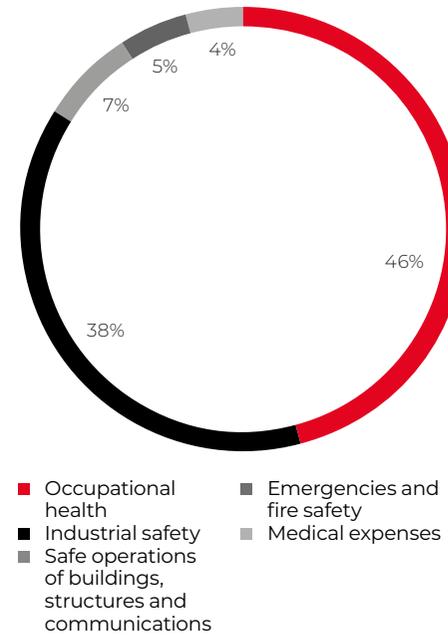
Investments in Safety

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.

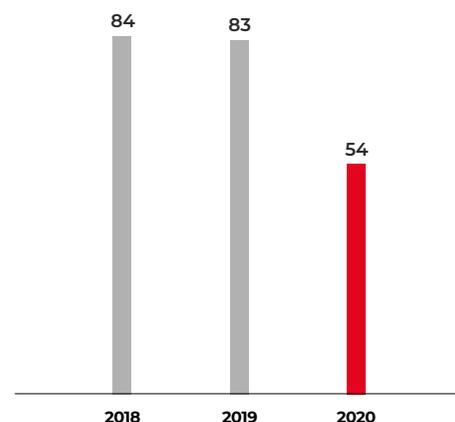
Metinvest conducted a thorough investigation of each incident and developed measures to prevent such events in the future. We have implemented a programme for bringing grill flooring to the design stage and for an observer management system to monitor the performance of hazardous operations. In addition,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



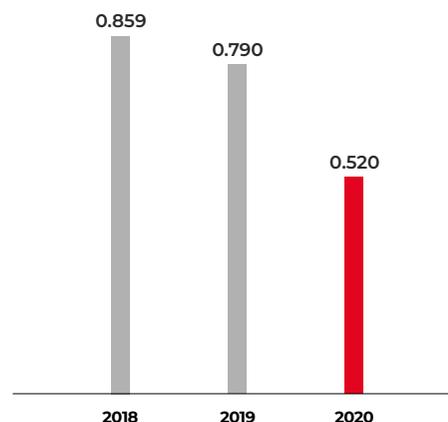
⁷ The lost-time injury frequency rate (LTIFR) is calculated as the number of lost-time incidents per 1 million hours worked.

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

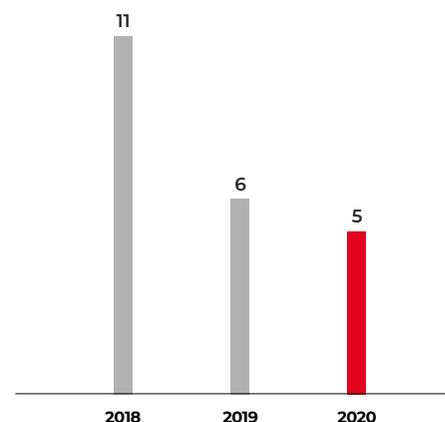
Total number of lost-time injury incidents among Metinvest employees



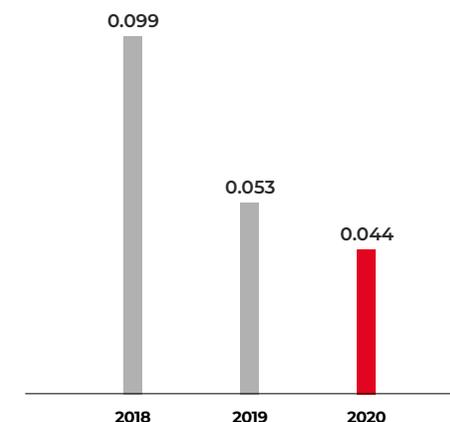
Lost-time injury frequency rate (LTIFR)



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

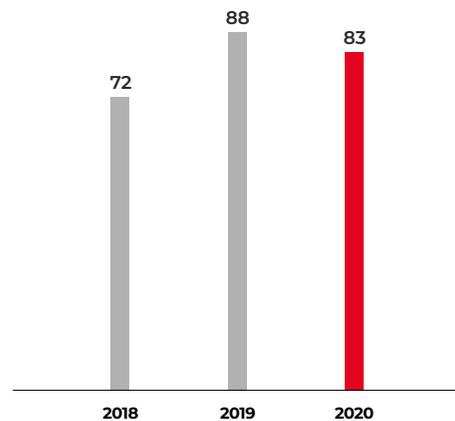
Metinvest continues to use its health index⁹, which was 37% in 2020, to analyse the dynamics of the workplace illness numbers and causes. Following our practice of taking an individual approach to each employee, we continue to engage with any employees who are ill frequently or for long periods. The 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.

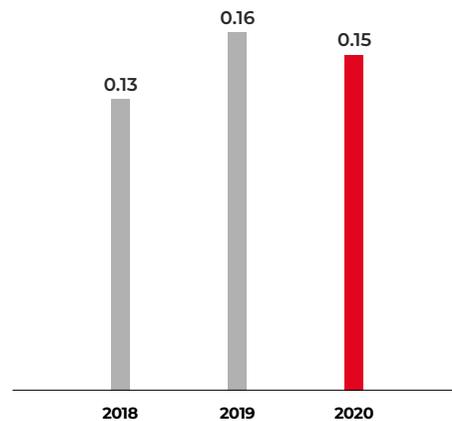




Total number of cases of workplace illness among Metinvest employees



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.

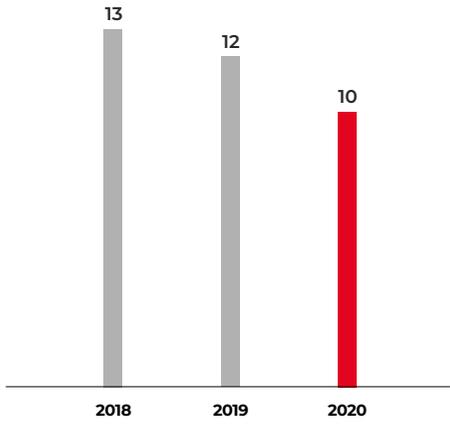
GRI 403-9

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

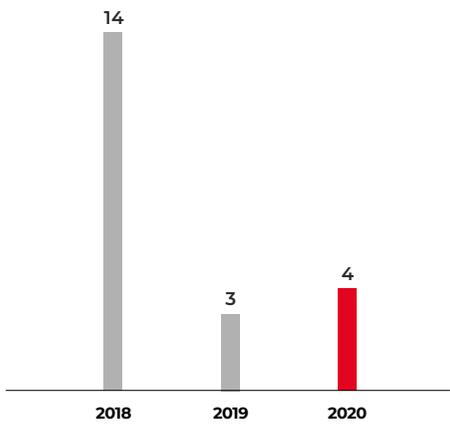
of the incidents, we have implemented numerous initiatives and additional control measures to reduce the risk of falls and injuries. In particular, we conducted unplanned inspections of cranes, implemented a maintenance check system for special-purpose machinery used by contractors, and introduced a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





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Employees



KEY 2020 RESULTS AND EVENTS

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

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

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

Around 44,000 employees completed corporate learning and development programmes

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

In this section:

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105	Internal Communications

Our Approach and Strategy

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

GRI 103-2; 103-3

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

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

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



BEST EMPLOYER

Metinvest was recognised as the most attractive employer in Ukraine's metal processing and mining industry in the 2020 Randstad Employer Brand Research survey, an annual global ranking presented by Randstad¹ and ANCOR².

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

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

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

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

METINVEST CAREER CENTRE

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

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

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

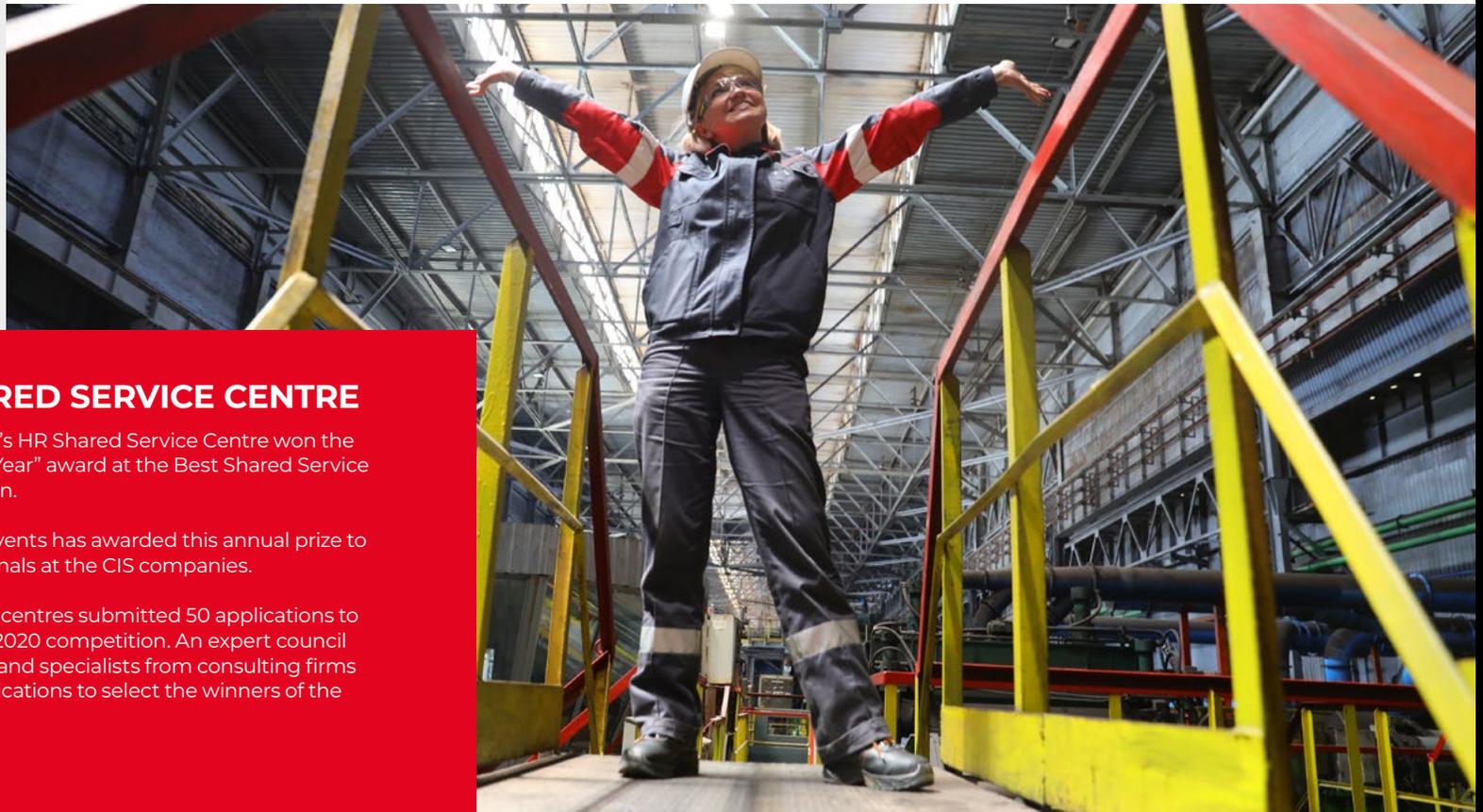
HR SHARED SERVICE CENTRE

Since 2018, Metinvest Business Services³ has operated the Group's HR Shared Service Centre, which ensures the effectiveness of personnel management processes. It is the first such centre in Ukraine that performs all personnel management functions. It offers around 130 different services, including organisational planning, personnel administration, training, performance assessment, as well as compensation and benefits management. The HR Shared Service Centre also advises employees on a variety of HR matters. Over 40,000 Metinvest employees use its services.

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

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

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



BEST SHARED SERVICE CENTRE

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

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

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

GRI 102-17; 410-1

HUMAN RIGHTS

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

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

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

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

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

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

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



GRI 407-1; GRI 102-41

COLLECTIVE BARGAINING AGREEMENTS AND ENGAGEMENT WITH TRADE UNIONS

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

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

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

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

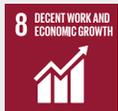
There are 30 primary trade unions active at the Group's assets. The industry trade unions hold the largest membership numbers. They include the Trade Union of Steelworkers and Miners of Ukraine, Trade Union of Coal Industry Workers of Ukraine, Independent Trade Union of Coal Miners of Ukraine and Italian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

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

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

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

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



Personnel Profile

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

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

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

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

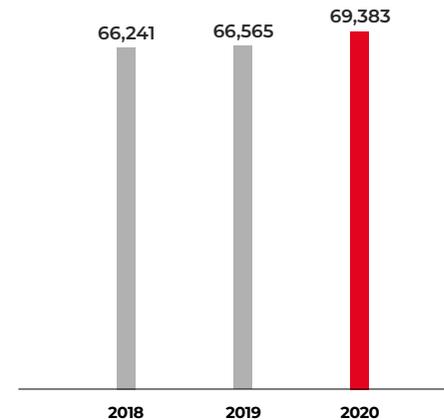
We track employee turnover at Metinvest's assets on a monthly basis. In 2020, it fell to 4.5%, from 6.4% in 2019⁴. Among the factors that have contributed to the reduction in employee turnover are our personnel retention and onboarding programme, competitive personnel remuneration and motivation system, as well as our social benefits package. We use the following key tools to retain employees: regular salary revision based on market trends; free access to training and career development; a competitive social benefits package and health insurance; a feedback loop with

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

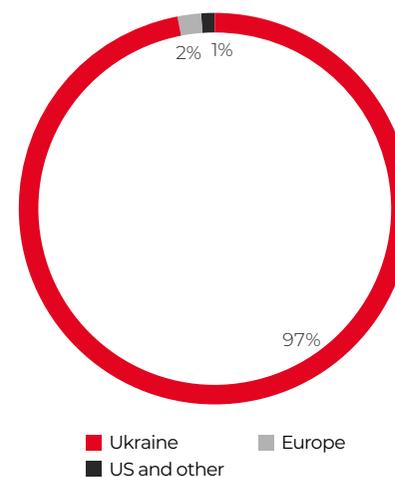
During the reporting period, Metinvest completed all planned headcount management measures. Some positions were eliminated as a result of the automation and optimisation of business processes, as well as the decommissioning of old equipment. Meanwhile, the Group's investment projects and production capacity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

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

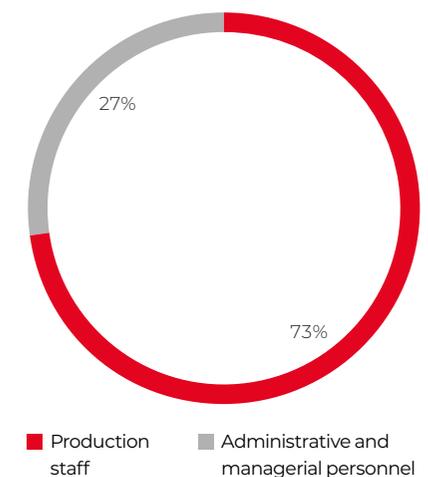
Total number of employees



Employees by region in 2020



Employees by category in 2020





GRI 405-1

EQUAL OPPORTUNITIES

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

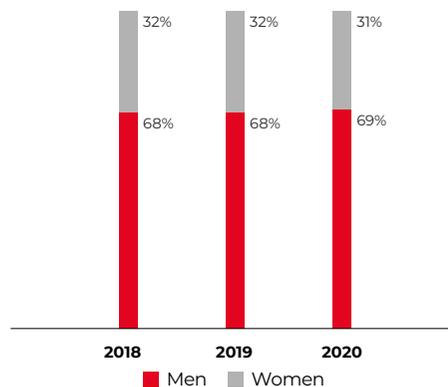
We regularly hold open competitions for appointments to middle and senior management positions. All interested people, regardless of their gender and age, have access to information about available vacancies.

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

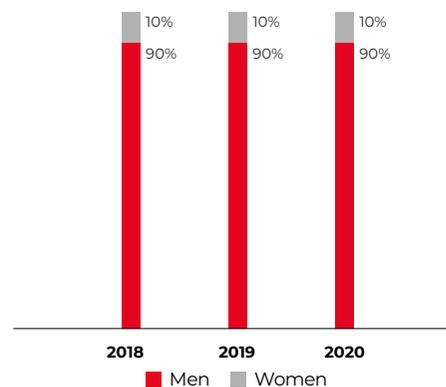
In 2020, over 31% of our personnel were female. Women accounted for 25% of the Executive Team.

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

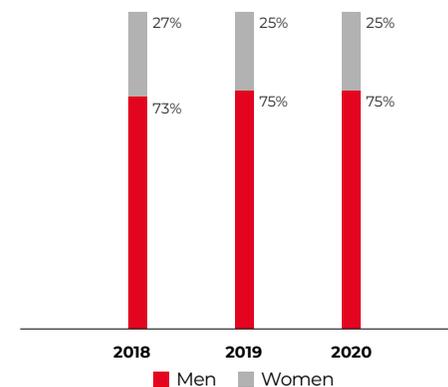
Employee gender diversity



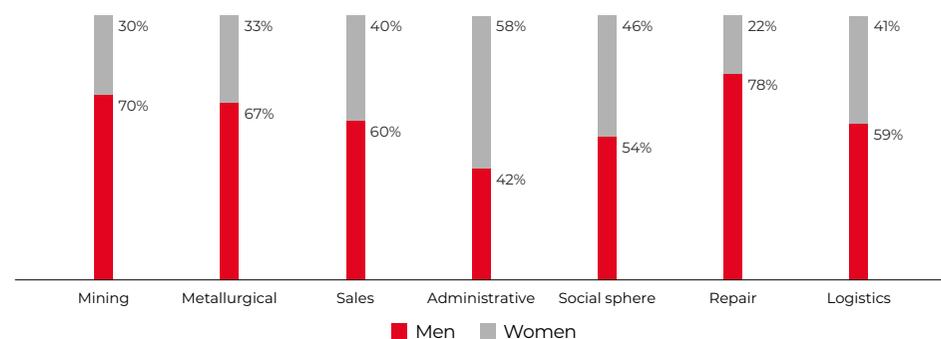
Supervisory Board gender diversity



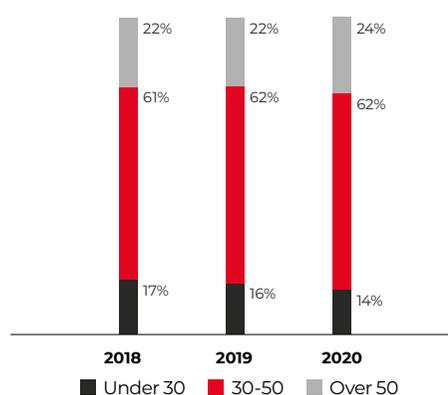
Executive Team gender diversity



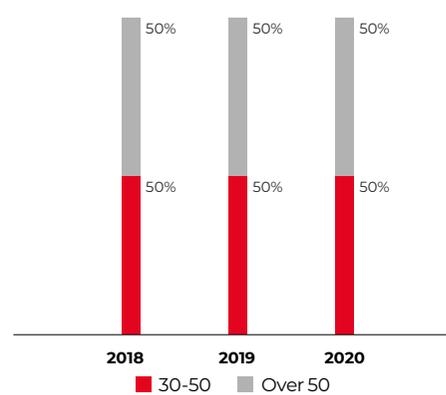
Employee gender diversity by business area in 2020



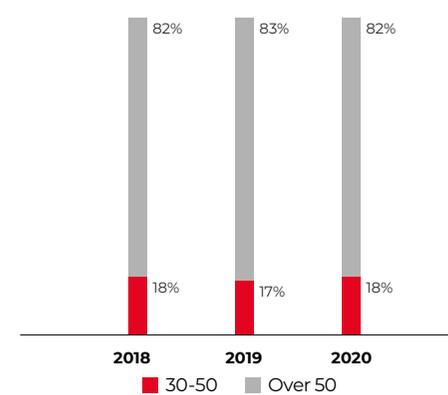
Employee age diversity



Supervisory Board age diversity



Executive Team age diversity





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

GRI 405-1; 405-2

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

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

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

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

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



Employee Remuneration and Motivation

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

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

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

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

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

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

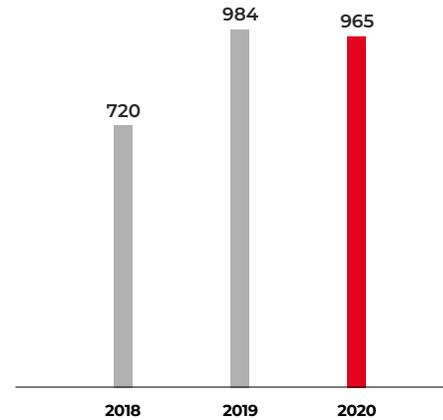
Additional motivation systems were implemented for effective project management at Metinvest Engineering and Metinvest Digital. They are designed to ensure that planned deadlines and budgets are met for high-priority areas.

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

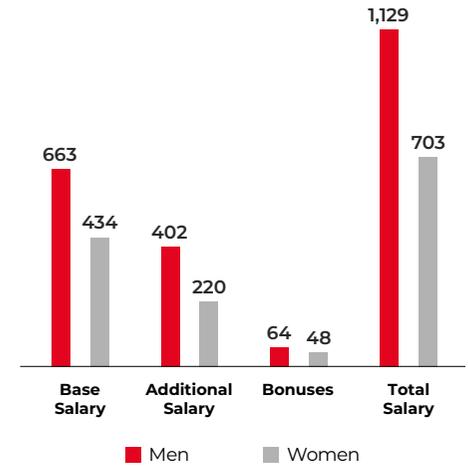


GRI 202-1

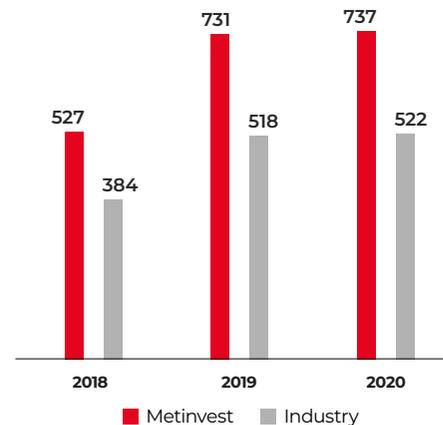
Average monthly salary, US\$



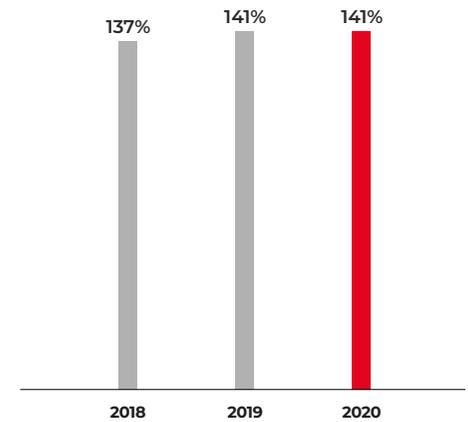
Comparison of average monthly salary for women and men in 2020, US\$



Average monthly salary at the Group's Ukrainian entities versus the national industry average⁵, US\$



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



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

GRI 404-3

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

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



Social Benefits

GRI 401-2; 404-2

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

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

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

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

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

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

At the end of 2020, My Choice covered almost 60,000 employees from 12 of Metinvest's assets⁶. During the reporting period, we also worked to standardise the range of options available within the Group. This allowed us to extend some unique social services to assets where they were previously unavailable. The list of social package options is now the same at all assets in Ukraine and is openly available to employees of all categories, regardless of their employment type.

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

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



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

Metinvest Steel Games 2020

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

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

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

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

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



EMPLOYEE WELLBEING

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

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

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

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



Training and Development



GRI 404-1; 404-2

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

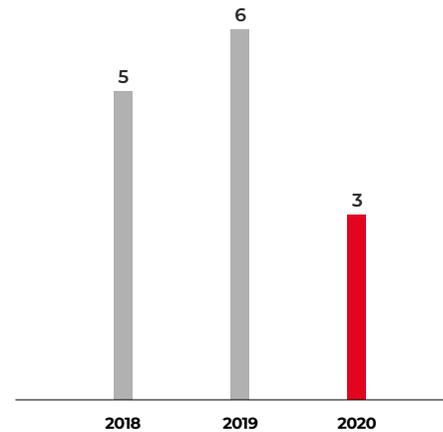
Metinvest's learning and development system is represented by two core learning providers: our Corporate University and training centres at the assets. The Group offers a variety of mandatory and voluntary learning opportunities tailored for specific functions and grade levels, with a focus on developing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

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

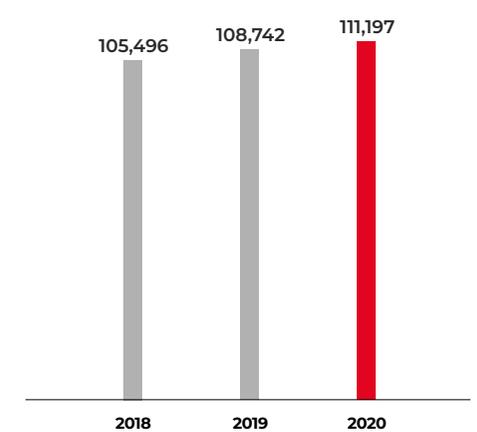
We have also integrated e-learning tools into our programmes, including the Eduson online learning management platform, which offers multiple training courses. The Corporate University website serves as a gateway to our Wiki-Master database, which contains a collection of useful articles and learning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

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

Spending on employee training, US\$ million



Number of training enrolments⁷



GRI 404-1

43,899

EMPLOYEES COMPLETED CORPORATE LEARNING AND DEVELOPMENT PROGRAMMES

78 hours

AVERAGE AMOUNT OF TRAINING RECEIVED PER EMPLOYEE DURING THE YEAR

33%

OF THE GROUP'S EMPLOYEES PARTICIPATED IN E-TRAINING

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

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

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

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

DEVELOPING MANAGEMENT SKILLS

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

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

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

PROFESSIONAL STAFF TRAINING

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



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

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

WorldSkills Ukraine 2020

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

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

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

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

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

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

Yuriy Rahytskyi, student at Ukrainian Polytechnic College, Kryvyi Rih



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

DEVELOPING YOUNG TALENT

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

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

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

INVESTING IN NEXT GENERATIONS

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

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

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

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

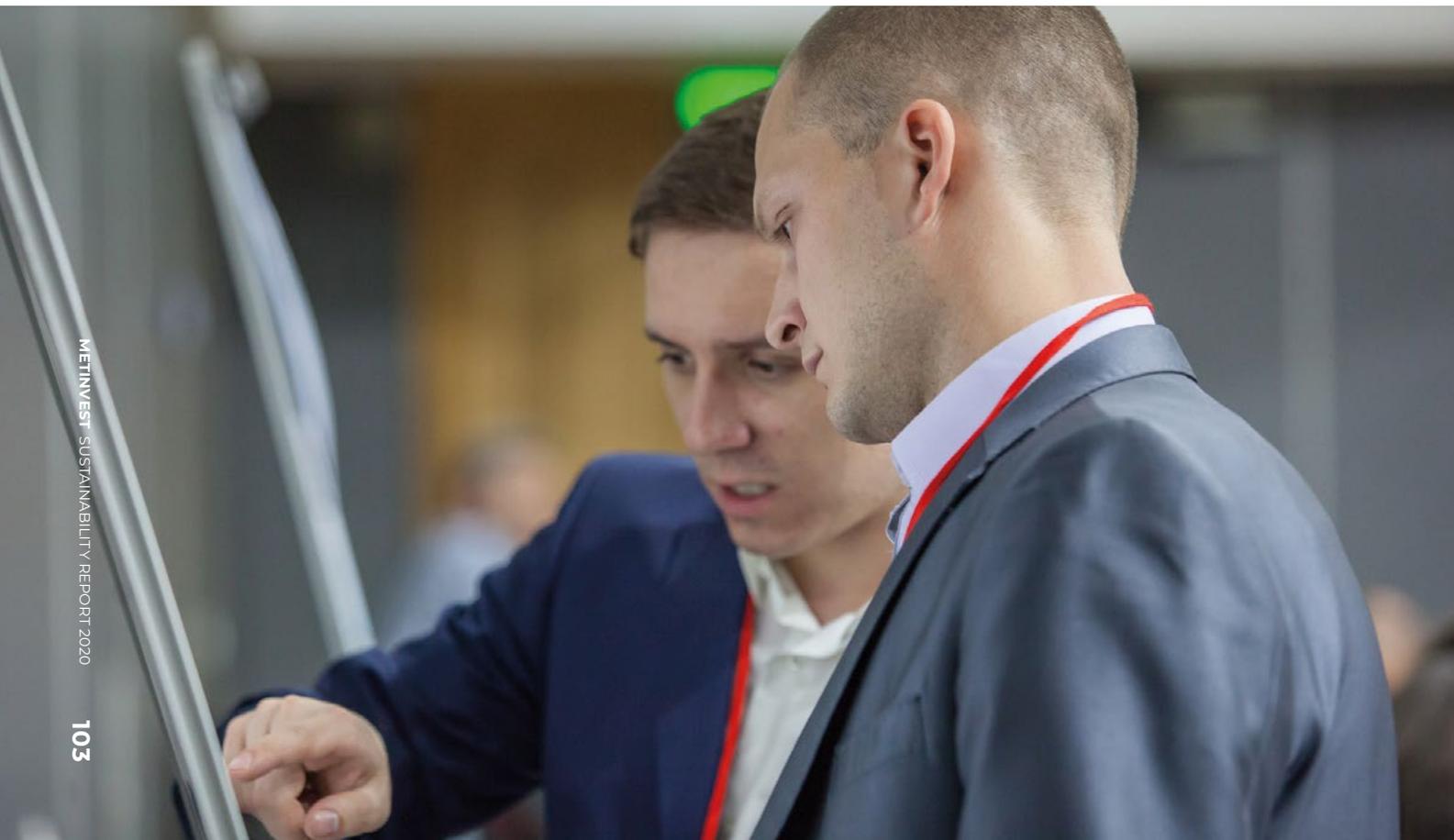
To identify and attract the best students of academic institutions and vocational schools, Metinvest has launched student case competitions aimed at solving production issues in all the regions where it operates. In 2020, the programme covered 11 assets⁹, 29 educational institutions and 560 participants.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

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

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

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

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



Metinvest Polytechnic

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

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

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

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

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

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

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

Alexander Povazhnyi, Rector of Metinvest Polytechnic



Internal Communications

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

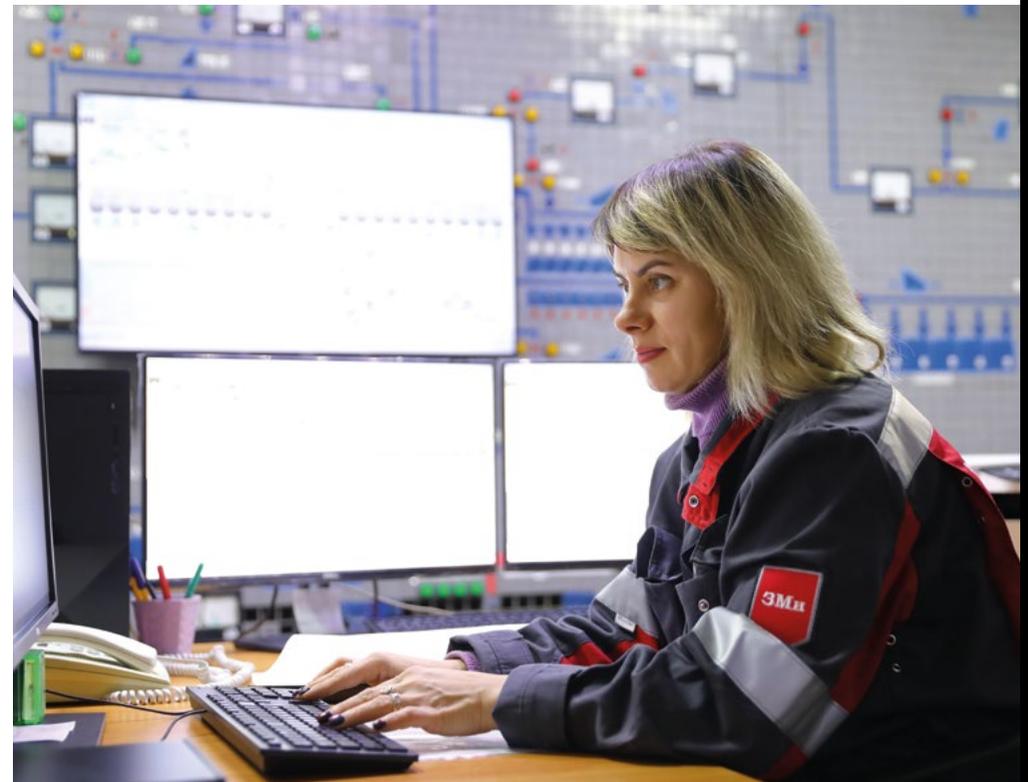
In 2020, Metinvest created a new communication channel called Territory of Health. This electronic corporate news digest regularly updates employees about the current status of COVID-19, pandemic-related measures that have been implemented, medical recommendations to avoid contracting the disease, as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

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

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

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

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





Local Communities

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KEY 2020 RESULTS AND EVENTS

Metinvest spent more than US\$15 million on local community development, including US\$6 million on initiatives to prevent the spread of COVID-19

The Group implemented more than 200 social projects of various scale

Metinvest enhanced its social partnership with local NGOs in Mariupol, Kryvyi Rih and Zaporizhia, and began working on joint projects with the Avdiivka Joint Action Platform NGO

Master of Public Administration, the Group's municipal training system development programme, won the Economic Development category of the UN Global Compact Partnership for Sustainability Award 2020 in Ukraine

The Group's corporate social responsibility programme was recognised among the top 25 programmes by Ukrainian publisher Dilova Stolytsia

Our Approach and Strategy



Metinvest is an integral part of the local communities where the Group has operations and ties its future as a business with the wellbeing of local residents.

GRI 413-1

As part of the social partnership programmes, we focus on initiatives that:

- Have a significant impact on the social and economic development of local cities and towns
- Help to enhance the attractiveness of the regions where the Group operates
- Aim to reduce the outflow of qualified personnel, in particular young professionals
- Target education, the development of talent and local communities
- Are implemented in partnership with NGOs and with the engagement of international partners
- Are designed to support the fight against COVID-19

The Group implements long-term strategic social partnership programmes with non-governmental organisations (NGOs) and local authorities to support the sustainable development of the cities and towns where

it operates. Although COVID-19 restrictions prompted some changes to many planned activities in 2020, Metinvest continued to support local communities. It applies best practice in implementing integrated social projects and brings stakeholders together.

In 2020, Metinvest implemented a variety of projects to improve infrastructure, develop healthcare and education, support culture and sport, and promote environmental stewardship in the regions where it is present. It also focused on initiatives to combat the spread of COVID-19 and protect local communities.

In 2020, we expanded our cooperation with NGOs in Ukraine, such as the Mariupol Development Fund, the Zaporizhia Joint Action Platform and the Kryvyi Rih Foundation of the Future. We also began implementing projects in partnership with the Avdiivka Joint Action Platform. Our partnership helps to enhance the effectiveness of social investments, increase the positive impact on community development and improve the quality of life of local residents. We draw on the expertise of leading international organisations, including the UN Population Fund (UNFPA), UN Development Programme (UNDP), International Alert and U-LEAD with Europe. In 2020, this cooperation made it possible to implement several important initiatives, in particular the Open Police Creative Space¹ under the UN Recovery and Peacebuilding Programme. It also helped to improve the quality of vocational and technical education under the Education Cluster – Competitive Worker project powered by the UNDP.

We work closely with local authorities to ensure the effective implementation of projects. In 2020, Mariupol hosted a roundtable meeting on the joint development of municipal programmes, at which Metinvest signed a six-year memorandum of cooperation with the Mariupol municipal government. The document envisages the Group's participation in such programmes as "More Than Care", "More Than Steel" and "More Than A Dream". Some healthcare projects within "More Than Care" are already underway. Metinvest supported the renovation of the children's infectious disease department in Mariupol's Municipal Hospital no. 4 that was completed in 2020. The "More Than Steel" programme includes the construction of four steel frame facilities, as well as the modernisation of a city pier that has already been completed. In addition, there are plans to build two residential buildings and an administrative and social services centre in the central district of Mariupol. "More Than A Dream" includes a number of projects aimed at creating a green and thriving city. As part of the programme, Metinvest completed the modernisation of Liberty and Peace Square. It also envisages the two-stage modernisation of Hurov Park, Sand Beach and Yakir Alley.

GRI 103-2; 103-3

The well-coordinated work of Metinvest's management is a key aspect of achieving our strategic business goals for sustainable community development. At the Group level, the Sustainable Development and People Management directorate oversees this process, while the Regional Development department is responsible for implementing social projects at the regional level. The Supervisory Board approves the budget for social partnership programmes.

We support an open dialogue with local communities to gain insights into public opinion so we can implement projects that will create the greatest value. The Social Research department provides support by monitoring and analysing the public opinion. We use the results of these studies to ensure that our initiatives meet the needs of local communities and form a basis for future decision making on social projects.

¹ The Open Police Creative Space is a police hub designed for training, public debate and other activities that will help to make transparent and accurate decisions about the community's security needs.

Social Partnership Programmes

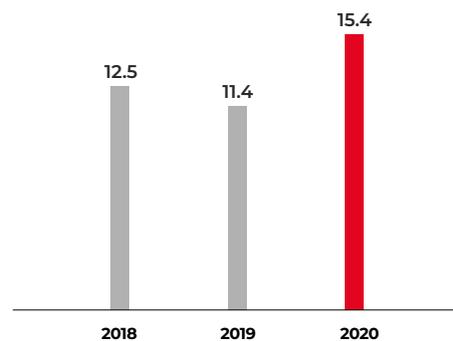
GRI 203-2; 413-1

In 2020, Metinvest spent more than US\$15 million on local community development. In particular, it contributed around US\$6 million to joint projects with local NGOs and around US\$6 million to initiatives aimed at preventing the spread of COVID-19. Overall, we implemented more than 200 projects of various sizes that benefited around 2.9 million people in Ukraine (in such cities as Avdiivka, Kamianske, Kryvyi Rih, Mariupol,

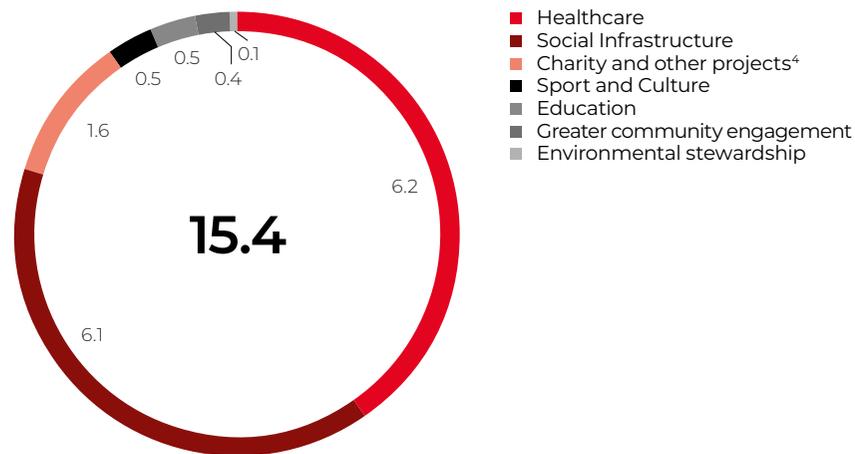
Novhorodske (renamed New York in 2021) and Zaporizhia), as well as other countries (Bulgaria, Italy, the UK and the US).



Spending on communities², US\$ million



Spending on communities by focus area, US\$ million³



2 The figures exclude the investments of the Zaporizhstal joint venture and the Group's associated entities, as they fall outside the scope of this report. In 2020, the Zaporizhstal joint venture and the Group's associated entities contributed a further US\$1.8 million to social projects.

3 The above figures include non-monetary donations.

4 Metinvest continued to provide financial support to socially disadvantaged groups and those in distress. The Group made charitable donations to orphanages, charities and veterans unions.

Social Partnership Programmes

GRI 203-1

UPGRADING SOCIAL INFRASTRUCTURE

An essential component of the Group's social partnership programme is to improve social infrastructure. Priority is given to infrastructure projects that improve the overall quality of life for local residents, enhance the value of public spaces and increase the attractiveness of these regions for tourism.



Modernisation of Liberty and Peace Square. Mariupol

The Group invested US\$738,000 in the modernisation of Liberty and Peace Square in Mariupol, a project that was completed in 2020.

enjoy a light show every evening and the special atmosphere it creates.

This is the first interactive square of its kind in Europe featuring a state-of-the-art visual display system. Along the perimeter of Liberty and Peace Square, there is an installation featuring 25 flying doves symbolising the unity of all regions of Ukraine. The birds are covered with the traditional embroidery of different regions of Ukraine, and the installation base has a QR-code that directs visitors to a website containing information about the history and culture of each of the regions. The laser and sound equipment installed in the centre of the refurbished space offers visitors the opportunity to

“The renovated square is not just a comfortable and modern space for recreation. This place is full of meaning and symbols of liberty and peace. Here, in Mariupol, we are knitting our Ukraine together to turn it into a single and inseparable state.”

Vadym Boichenko, Mayor of Mariupol



US\$6.1M

SPENT

15

PLAYGROUNDS CONSTRUCTED

24

PARKS AND PUBLIC SPACES MODERNISED

59

APARTMENT BUILDINGS REPAIRED



Infrastructural development. Avdiivka

Metinvest, usually working alongside the Avdiivka Joint Action Platform NGO, has supported 41 projects aimed at providing a more comfortable quality of life in Avdiivka.

One project included the construction of a modern play structure for children near Mendeleyev Street and Gagarin Street. Metinvest has invested in providing recreational amenities such as play spaces, green spaces, sidewalks and benches to improve neighbourhoods. The Avdiivka as Our Homeland NGO and the city's military and civil administration also contributed to the implementation of this project.

In 2020, nine new transportation pavilions were constructed in Avdiivka at a cost of US\$44,000, which the Group donated. These modern and comfortable areas, where people can wait for public transport, were placed along the city's bus routes. With the support of Metinvest, 19 pavilions were built over a two-year period, with ten more pavilions being included in the 2021 construction plan.

“I often take city buses; now we’ve got comfortable places to wait for transport and hide from the weather, if need be. Thank you for the comfort and for taking care of local citizens.”

Olena Kobzina, social worker

Supporting communities. Kryvyi Rih district

Together with the Kryvyi Rih Foundation of the Future, we seek to improve the social infrastructure in the city and its surrounding areas.

In 2020, under the Cooperation Memorandum with the Gleiuvatka community, the Kryvyi Rih-Chervona Balka aqueduct in Kryvyi Rih district was modernised. Metinvest donated more than US\$37,000 to replace a kilometre of cold water pipes to provide villagers of Chervona Balka and Novoivanivka with quality drinking water.

With the Group's participation, the street lighting system of Hannivka, a village in the Petrivska community, was upgraded; internet services were provided for the residents of the Chervonenska community; and the Shevchenkivska General Practice Outpatient Clinic, the Kryvyi Rih District Primary Healthcare Centre and the cultural centre in Zeleny Hai,

a village in the Karpivska community, were refurbished. The Group's total investment in the above infrastructure projects exceeded US\$125,000.

“We can already see the apparent effects of partnership with Metinvest’s entities. We have grown as a community after merging with the village council in Chervone; therefore, we expect to receive further support enabling us to implement even more challenging projects for the good of the people.”

Yurii Serhienko, Head of the Gleiuvatka Village Council

100 Green Yards. Zaporizhia

As part of its commitment to improve social infrastructure, Metinvest not only leverages its investments and expertise, but also helps to unite the efforts of the city's enthusiastic residents.

For example, since 2019, the Metinvest Green Centre public association in Zaporizhia has been running the 100 Green Yards project, a competition designed to provide 'turnkey' neighbourhood improvement projects. This includes public amenities at children's playgrounds, sport fields and recreation areas. Among the project participants are the residents of apartment buildings where housing cooperatives have been established, as well as other housing associations and public self-organisation committees, which seek to make the land surrounding Zaporizhia apartment buildings more pleasant.

In 2020, five winners were selected from all of the districts in Zaporizhia. The projects resulted in new playgrounds and sport fields, green spaces, and 370 square metres of street area paved with stone slabs.

“All residents of our building and I are immensely grateful to the Green Centre. It is the Centre that has changed our building and its surroundings for the better. In our city, it is one of few organisations that really helps the people.”

Zarina Apresova, Head of the Trust 2015 Housing Cooperative

Social Partnership Programmes



SUPPORTING HEALTHCARE

Supporting healthcare is one of Metinvest's most important areas of focus in its sustainable community development. We invest in the improvement of medical services, the modernisation of medical facilities, as well as providing hospitals with modern medical equipment.



US\$6.2M
SPENT

8
HEALTHCARE FACILITIES RENOVATED

11
HEALTHCARE FACILITIES SUPPLIED WITH 260,586 CUBIC METRES OF OXYGEN

COVID-19 Response

As a result of the COVID-19 pandemic in 2020, Metinvest has strengthened its support for local communities and focused on implementing the necessary measures to prevent the spread of the virus. We have increased investments in healthcare to implement projects aimed at preventing and treating coronavirus infections, providing medical facilities with personal protective equipment (PPE) and necessary medical technology. In 2020, Metinvest provided nearly US\$6 million to support local communities in the fight against COVID-19.

Metinvest, working jointly with the charitable foundations of Rinat Akhmetov and Vadym Novinsky, the Group's shareholders, provided medical facilities with express COVID-19 tests, artificial respiration units, PPE and disinfection equipment. In addition, food packages

were delivered to more than 2,000 retirees from Group assets in Mariupol, Kryvyi Rih, Avdiivka and New York (formerly Novhorodske).

In 2020, the Group invested about US\$860,000 in the construction of oxygen infrastructure for medical facilities. Some 343 oxygen supply points have been put in operation in four hospitals in Mariupol. In addition, the Zaporizhstal joint venture invested US\$223,000 to install a new oxygen station at the Zaporizhia Regional Infectious Diseases Hospital.

For many years, Ilyich Steel has been providing vital oxygen supplies to medical institutions in Mariupol and the surrounding region. In 2020, the COVID-19 pandemic led to an increase in the number of patients requiring oxygen therapy and the Group increased the amount of oxygen supplied. In total, Metinvest metallurgical enterprises delivered more than 260,000 cubic metres of oxygen to Mariupol hospitals in 2020.

In June 2020, we organised and financed the delivery of humanitarian goods, including PPE, disinfectants and medical equipment worth more than US\$1 million, from China to Ukraine. They were distributed among Ukrainian government agencies, medical institutions and universities in Kyiv and ten regions across the country.

In 2020, to further support local communities during the pandemic, Metinvest declined to take advantage of tax holidays in Ukraine set by Law no. 2020 "On Amendments to the Tax Code of Ukraine". Believing our responsibility before local residents took precedence, we paid all taxes in full to ensure the provision of tax revenues to local budgets from the principal employer and mainstay of an entire city in a difficult period.

“In these difficult times for Ukraine, it is important to direct resources to where they are most needed. We are doing and will continue do our best to ensure that our aid is provided across the board: we supply hospitals with oxygen, purchase express tests, protective equipment and equipment for doctors.”

Yuriy Ryzhenkov,
Chief Executive Officer

Childcare Centre for Infectious Diseases. Mariupol

In 2020, Metinvest invested more than US\$370,000 in the renovation of the Childcare Centre for Infectious Diseases of Mariupol City Hospital no. 4.

Children's wards were completely renovated and re-designed, new ventilation and air conditioning systems were installed, utilities were replaced, the roof and facade were insulated, and a fire safety system was installed. In addition, new medical equipment was provided to the hospital to serve patients, including anaesthesia and respiratory apparatus and monitoring equipment.

The paediatric intensive care unit is the only one of its kind in the south of Donetsk region. The facility is capable of operating independent of the mains power supply through installed solar panels and generators.

The key facility of the infectious diseases complex is a bacteriological laboratory equipped with advanced testing equipment.

As a result of this renovation work, patients can be released sooner from the infectious diseases department, the quality of medical care has improved and children experience a more comfortable stay in the hospital.



“The infection centre is vital to the city. We are grateful to the metallurgists for their timely assistance.”

Volodymyr Zhygil, Director of Mariupol City Hospital no. 4



Renovation of the clinical diagnostic laboratory. Avdiivka

Over the past three years, Metinvest has been working hard to restore full operations of Avdiivka City Hospital. With the support of the Group, the neurological, surgical and trauma departments have already been renovated in recent years.

In 2020, the overhaul of the clinical diagnostic laboratory was completed in cooperation with the Avdiivka Joint Action Platform NGO. Metinvest provided US\$164,000 for this project. New medical equipment, including an immunoassay analyser, a microscope, a centrifuge, an apparatus for glycosylated haemoglobin determination, laminar flow cabinets and a dry air thermostat have been handed over to the Avdiivka hospital laboratory.

The project gained particular importance as the COVID-19 pandemic began to overload medical facilities, since the laboratory of this clinic serves not only residents of Avdiivka, but also the entire district. Plans for 2021 include the renovation of the hospital's emergency room, inpatient departments and the central entrance.

“Within six months, we renovated premises of Avdiivka’s clinical diagnostic laboratory, which can now compete with national-level facilities. Today, we have something to be proud of.”

Oksana Tregubchuk, Director of Avdiivka Joint Action Platform NGO

Renovation of the surgical department at City Hospital no. 1. Mariupol

Metinvest continues the multi-phase renovation of Mariupol City Hospital no. 1. In 2020, the Group invested approximately US\$65,000 in the renovation of the surgery suites in the hospital's surgical department.

The full range of repair and construction works carried out in the surgery suites and wards included replacing the water supply, heating, ventilation and air conditioning systems, performing electrical work, installing an oxygen pipeline and refinishing interior spaces.

The surgical department of Mariupol City Hospital no. 1 has been providing care to the local community since 1932. With its 50-bed capacity, the hospital serves the residents of Mariupol, as well as the villagers of Sartana and Talakovka.

“We continue to support Mariupol’s healthcare institutions, since healthcare development remains a priority for the Group’s social responsibility efforts.”

Taras Shevchenko, General Director of Ilyich Steel

Social Partnership Programmes

ADVANCING EDUCATION

We carry out many educational projects and bring the latest innovative solutions to learning and education. Our programmes aim to promote the disciplines of science, technology, engineering, the arts and mathematics (STEAM) and to foster leadership, entrepreneurship and soft skills among students and teachers. Our milestone initiatives are the Master of Public Administration programme, aimed at the development of local leaders, and the STEAM-CAMP, an educational leadership programme for teachers. In 2020, Metinvest also supported the Best Teachers of Pryazovia competition for the third time.

Another area for advancing education is the creation of educational hubs that have become platforms for the development of IT technologies and education. This is the second consecutive year that the Group has made investments in the development of an IT hub and coworking space at the State University of Economics and Technology in Kryvyi Rih. In 2020, Metinvest invested more than US\$150,000 to set up and outfit the hub's workrooms and mobile spaces to accommodate up to 100 people at a time. The Group plans to continue implementing the hub and coworking zone initiatives in 2021, with a focus on providing barrier-free access for people with disabilities to education, work and other activities held at the hub's premises.

An important initiative was the installation of mother and child rooms in the higher educational institutions in Kryvyi Rih. The project has been implemented jointly with Kryvyi Rih State Pedagogical University, Kryvyi Rih National University and the State University of Economics and Technology. The project's goal is to promote gender equality and provide equal opportunities for young student mothers to attend higher educational institutions and enter their chosen profession.

US\$0.5M

SPENT

34

EDUCATIONAL PROJECTS IMPLEMENTED

24

EDUCATIONAL INSTITUTIONS RECEIVED ASSISTANCE



Master of Public Administration



In 2020, Metinvest, in partnership with the Mariupol City Council, Mariupol Development Fund, Zaporizhia Joint Action Platform NGO and Kryvyi Rih Foundation of the Future, continued to support the Master of Public Administration (MPA), a training programme aimed at creating a talent pool for key positions in municipalities. Since its launch in 2019, municipal leaders from six cities have joined the programme: Mariupol, Kryvyi Rih, Zaporizhia, Avdiivka, Pokrovsk and Melitopol.

The project's goal is to help Ukrainian cities prepare a new generation of managers who will be able to effectively manage the city budget and attract investments. The training programme is focused on practical application by municipal leaders of knowledge and skills necessary to drive urban development and improve the quality of life of local residents. It is being implemented in cooperation with Donetsk State University of Management in Mariupol and Lviv Regional Institute of Public Administration under the President of Ukraine. Top experts in the field of marketing, communications, economic development, project management and urban development are among the MPA teachers.

After the first year of the programme, 20% of participants received new appointments with extended areas of responsibility. The MPA programme currently trains 60 young leaders who are involved in cross-functional

decision making and can assume a strategic role in municipal governance.

In 2020, the MPA took first place in the Partnership for Sustainability Award 2020 competition hosted by the UN Global Compact Network in Ukraine in the category of economic development.

“We explore the world’s best practice in order to apply them in our cities. Each of us is an expert only in a narrow field, and this programme allows us to understand and see how the state should develop and that everything should centre around people to make them feel comfortable.”

Petro Cheker, MPA student, Director of Zelenbud utility company, Mariupol



STEAM-CAMP

In 2020, we prepared for the launch of the STEAM-CAMP, an educational leadership programme for teachers in Mariupol, Zaporizhia and Kryvyi Rih. The programme was implemented in cooperation with the Mariupol Development Fund, Zaporizhia Joint Action Platform and Kryvyi Rih Foundation of the Future, and with the engagement of municipal education departments, universities and leading educational professionals.

The project idea came from the realisation that interest in the STEAM disciplines is declining among young generations, students have less knowledge in this area and fewer of them are applying to study these fields at university despite the region's growing need for technical specialists. The programme aims to enhance the level of knowledge and promote interest in the STEAM disciplines among as many schoolchildren as possible by improving the quality of teaching in mathematics, physics, chemistry and computer science at schools

“We motivate both schoolchildren and teachers. Schoolchildren will have a better chance to enter higher education establishments and obtain a demanded profession, which will allow them to build their careers staying in their hometowns and their teachers to be proud of having raised future inventors and technical geniuses.”

Diana Sidko, Project coordinator

through the application of innovative teaching approaches.

The project is focused on developing teachers' leadership, critical thinking and communication skills, providing them with information about innovative digital approaches to teaching, as well as developing a set of integrated STEAM lessons. A special motivation system is in place to encourage teachers to ensure their students' maximum progress in STEAM disciplines, and young people who enrol in STEAM departments at higher education establishments will receive scholarships. A total of 500 teachers from Mariupol, Kryvyi Rih and Zaporizhia participated in the programme after passing two qualifying rounds: writing a motivational essay and video testing. A teacher training programme consisting of five modules has been running from the start of 2021, with leading speakers and experts from all over Ukraine being involved in the process.

Social Hub. New York

In 2020, as part of the UN Recovery and Peacebuilding Programme, considerable efforts were made to create the Ukrainian New York Historical and Cultural Centre as a social hub in the village of New York (formerly Novhorodske). Metinvest joined this initiative, contributing its financial support of US\$27,000. The opening ceremony for the hub took place in April 2021.

The social hub was established to support residents of villages located in the frontline area in the Donbas region. The main purpose of the hub is to create a space for communication, training, counselling and psychological assistance. The hub training centre uses best practice of leading universities in the United States (Harvard Kennedy School) and Europe (Poland's University of Economics and Humanities) to develop all training programs focused on interpersonal skills in times of threat and danger.

The programmes are tailored to the needs of residents of the communities affected by the military conflict. They include exercises for psychological and emotional relief, modern interactive games and videos that help them to develop leadership and teamwork skills, as well as encourage them to play a more active role in community development. As an important part of its activities, the hub will host meetings of enthusiastic villagers to generate ideas for community development and their further implementation.



“This is a very important project for the UN Development Programme, since such hubs unite society and promote social cohesion. Our cooperation with the government and business enabling the implementation of such social initiatives is a role model not only for Ukraine but also for the whole world.”

Manal Fowani, UNDP Deputy Resident Representative to Ukraine



Social Partnership Programmes

PROMOTING SPORT AND CULTURE

Metinvest is involved in the implementation of projects aimed at developing culture and sport, strengthening social ties between people and encouraging a healthy lifestyle.

Given the COVID-19 restrictions on outdoor cultural and sporting events in the reporting year, Metinvest and its partners implemented only those projects that could be run in compliance with the restrictions.

In 2020, in addition to the Knygolissia children's festival in Zaporizhia, Metinvest supported such significant cultural events in

Europe as the Rolli Days 2020 in Genova and the Arena OperaFestival in Verona, where the Group's re-rollers are located.

In the reporting period, as part of its efforts to develop sport, the Group completed the first stage of the renovation of the Northern Lights sport centre in Kryvyi Rih and supported the cyber sport championship in Zaporizhia.

US\$0.5M

SPENT

METINVEST SUPPORTED:

6

SPORTING EVENTS

8

CULTURAL EVENTS

METINVEST REPAIRED AND EQUIPPED:

20

SPORT FACILITIES

3

CULTURAL FACILITIES

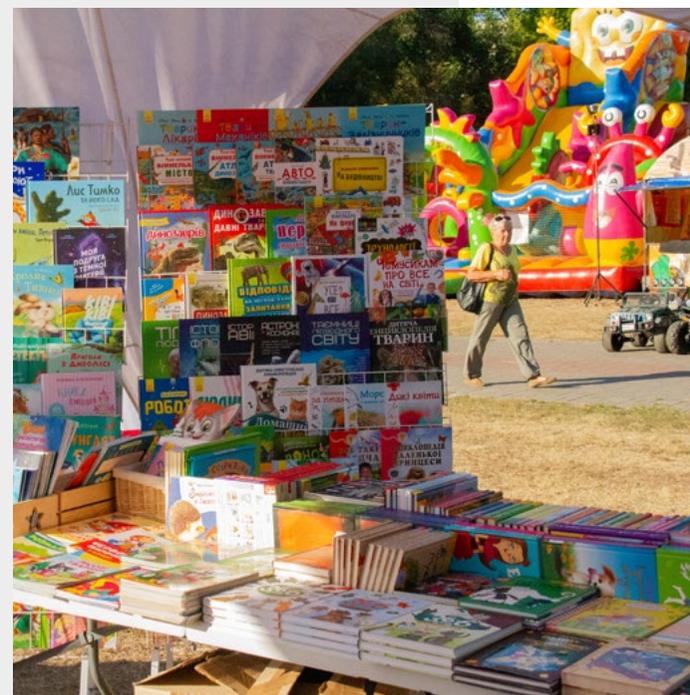
Art forum and Knygolissia festival. Zaporizhia

In 2020, Metinvest, in cooperation with the Zaporizhia Joint Action Platform NGO, supported an art forum in Zaporizhia. In particular, the Group helped with the planning and management of the Knygolissia children's literature and creativity festival. The event included dozens of master classes, theatrical performances and a book fair for children.

For two days, residents and visitors of Zaporizhia had an opportunity to learn about new children's books and chat with their authors. At the master classes, children could learn how to make things from salt dough, paint plaster figures and do many other things. In addition, the art forum included open air screenings of films and cartoons on the big screen.

“Knygolissia is an opportunity to relax with your family, spend time outdoors and do something with your own hands. These master classes may help you to discover new talents in your child.”

Iraysat Magomedalieva,
Director of Zaporizhia
Joint Action Platform NGO



US\$0.1M

SPENT

382

BEAUTIFICATION PROJECTS IMPLEMENTED

2,017

TREES PLANTED

179

TONNES OF TRASH CLEANED UP

PROMOTING ENVIRONMENTAL STEWARDSHIP

Fostering environmental stewardship is what ultimately drives the environmental protection and sustainable development of the regions where the Group operates. Metinvest Green Centre implements urban landscaping and environmental initiatives in Mariupol, Kryvyi Rih and Zaporizhia, in addition to various programmes and competitions aimed at raising environmental awareness among children and adults. It is an effective tool enabling the Group to unite the interests of local communities and to direct joint efforts to preserve the environment.

In the reporting period, Metinvest Green Centre worked with local residents and NGOs to implement more than 100 environmental initiatives, including the Forever Green-2020 landscaping project, a household waste sorting competition in Mariupol, as well as the Clean City, Green City and Saving Dnipro Together environmental campaigns and tree planting projects in Zaporizhia. In Kryvyi Rih,

Metinvest Green Centre was a partner of the Kryvyi Rih GREEN Strategy international forum, where a strategy for improving the environment in the city was discussed.

In addition, for the second year in a row, Metinvest Green Centre supported the Batteries, Get In! initiative, which collects batteries for recycling.



Green School. Mariupol, Kryvyi Rih, Zaporizhia

Metinvest Green Centre pays special attention to promoting environmental stewardship among schoolchildren by implementing the Green School programme, which aims to disseminate environmental knowledge and raise an eco-friendly generation. This initiative includes a number of educational projects: Green Sprout in Mariupol, Eco-School in Zaporizhia and Green League in Kryvyi Rih.

The Green School holds scientific conferences and festivals and conducts surveys on environmental issues. Schoolchildren participate in workshops on landscaping, growing plants, separate collection of household waste and recycling. All projects are based on innovative approaches, interactivity, and focus on practical competencies in solving environmental issues.

In Mariupol, as part of Green Sprout, Metinvest Green Centre ran various competitions and educational initiatives where children drew eco-themed comics, studied features of medicinal plants and the local landscape, and gave a second life to recycled materials. In addition, an interesting environmental and educational event held as part of the programme in 2020 was Green Intelligence, an intellectual TV competition for high school students; 53 students participated in the event.

In 2020, the second season of the Eco-School programme, which covered 28 schools in Zaporizhia, came to an end. The competition included the game "What? Where? When?", volunteer clean-ups, conferences and other activities. Following the completion of all five stages of the second season of the competition, three schools were announced the winners. As a prize, green interactive zones were set up for them.

In Kryvyi Rih, the Green League programme included a tourist eco-quest and outdoor eco-activities, as well as educational sessions and workshops on sustainable development, features of the native land, and separate waste collection.

"We take part in various voluntary activities, set out plants, develop environmental projects and give a second life to old things. In this, we are supported even by the youngest schoolchildren. After all, the future of our planet depends on each of us."

Angelina Selikenova, a 10th grade student of specialised school no. 4, Mariupol



Social Partnership Programmes

GRI 413-1

ENCOURAGING GREATER COMMUNITY ENGAGEMENT

Partnering with local communities helps us to better understand the issues facing the regions where the Group operates so that we can focus resources on the most important areas impacting their development. Metinvest strives to empower local residents and engage with them to implement important social projects that improve living conditions in their hometowns and ensure the wellbeing of people.

In 2020, we continued two competitions, Transforming Avdiivka Together! and Transforming Ukrainian New York Together!, which are of particular importance for residents of the cities located near the conflict zone in Eastern Ukraine. During the reporting period, 19 winning projects were implemented in Avdiivka and 22 in New York; all these projects aimed to improve social infrastructure and landscaping.

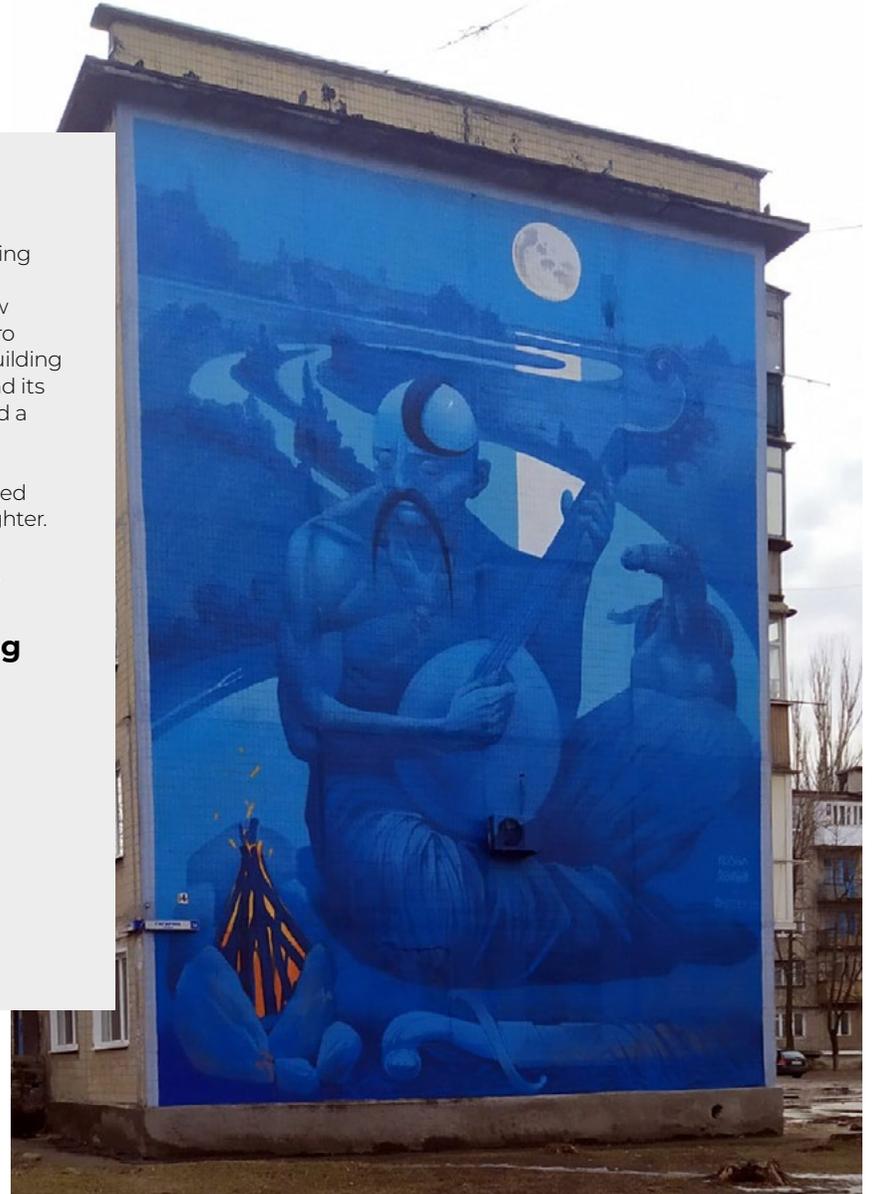
Street Art. Avdiivka

In 2020, with the support of Metinvest, the Transforming Avdiivka Together! contest brought four new murals to Avdiivka. Two murals depicting a boy and a girl now decorate the city's playground. A mural of the folk hero Cossack Mamay adorns the grey wall of a high-rise building on Gagarin Street, serving as a mascot for Avdiivka and its residents. And an image of a sakura branch, a bee and a nightingale enliven the facade of city school no.1.

Street art is especially important for a city that is located near the front line. The new murals make the city brighter.

“Bright, meaningful works of art have replaced boring high-rises. I thank everyone who contributed to creating such beauty.”

Svitlana Kazantseva, a resident of Avdiivka



Housing Cooperative Practical School. Zaporizhia

In 2020, Metinvest Green Centre supported Comfortable Home, a new competition in Mariupol that supported proactive community residents representing the housing cooperatives at their apartment buildings. The competition gave participants an opportunity to repair the entrances to their buildings, replace mailboxes and install energy-efficient lighting. Out of 131 applications submitted for the competition, 21 winning projects were selected and implemented.

In addition to developing managerial talent in the regions where the Group operates, Metinvest also supports the Housing Cooperative Practical School in Zaporizhia and the School of Municipal Leadership in Kryvyi Rih. These projects seek to create a community of responsible, competent and creative leaders in public administration, society and business, who will be able to contribute to the implementation of the strategic urban development plan.

In November 2020, the new Housing Cooperative Practical School project was launched in Zaporizhia. Its goal is to provide the full scope of specialised training for heads of housing cooperatives. The co-organisers of the project were the UNDP Zaporizhia Regional Resource Centre for Sustainable Development, Zaporizhia Joint Action Platform, Victoria Housing Cooperative and Metinvest Green Centre.

The programme includes a series of training sessions, webinars, workshops, online conferences and off-site events. These opportunities help participants to learn about the specifics of effective housing cooperative management, ways to attract additional funding, the basics of financial activities and how to implement energy efficiency measures.

“The project aims to support existing housing cooperatives, develop their potential, and create new housing cooperatives. We were happy to contribute to an initiative focused on introducing a new educational course to support housing cooperatives in Zaporizhia.”

Gennady Ustimov, UNDP Regional Coordinator for Sustainable Development Goals





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ANNEXES

Annexes

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GRI DISCLOSURE

Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 102: GENERAL DISCLOSURES 2016. ORGANISATIONAL PROFILE					
102-1	Name of the organisation	Full	About Metinvest, p. 14		
102-2	Activities, brands, products and services	Full	Products, p. 18		 
102-3	Location of headquarters	Full	GRI Disclosure, p. 122	116A Nakhimova Avenue, Mariupol 87534, Donetsk Region, Ukraine	
102-4	Location of operations	Full	About Metinvest, p. 14		
102-5	Ownership and legal form	Full	GRI Disclosure, p. 122	Metinvest is Metinvest B.V. and its subsidiaries included in consolidated financial statements	
102-6	Markets served	Full	Products, p. 18		

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
102-7	Scale of the organisation	Full	Metinvest in Numbers, 2020, p. 12-13; Strategic Goals, Priorities and Values, p. 16; Personnel Profile, p. 94; GRI Disclosure, p. 123	More information about the scale of the organisation, including financial performance and production figures, is presented in Metinvest's 2020 annual report	
102-8	Information on employees and other workers	Full	Personnel Profile, p. 94; Annex 3. Additional Information on GRI Disclosures, p. 157		
102-9	Responsible supply chain management	Full	Responsible Supply Chain, p. 35		
102-10	Significant changes to the organisation and its supply chain	Full	Responsible Supply Chain, p. 35		
102-11	Precautionary principle or approach	Full	Sustainability Risk Management, p. 29-31		
102-12	External initiatives	Full	GRI Disclosure, p. 123	Since 2010, Metinvest has supported global sustainability initiatives and contributed to social and environmental projects. The Group is a member of the UN Global Compact. Metinvest uses the UN Sustainable Developments Goals as guidelines for its strategy and operations	
102-13	Membership of associations	Full	GRI Disclosure, p. 123	Metinvest is a member of: <ul style="list-style-type: none"> – World Steel Association – European Steel Association (EUROFER AISBL) – UN Global Compact – European Business Association – Centre for Corporate Social Responsibility in Ukraine – HR Forum Association in Ukraine – Association of Industrial Automation of Ukraine – National Agency for Higher Education Quality Assurance – Ukrmetallurgprom Association of Enterprises – Ukrainian Business and Trade Association – Association of the Dutch Metals Industry (Metaal Nederland) 	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 102: GENERAL DISCLOSURES 2016. STRATEGY					
102-14	Statement from senior decision maker	Full	Chairperson's Statement, p. 02; CEO's Statement, p. 10		
102-15	Key impacts, risks and opportunities	Full	Sustainability Risk Management, p. 29 and p. 44		
GRI 102: GENERAL DISCLOSURES 2016. ETHICS AND INTEGRITY					
102-16	Values, principles, standards and norms of behaviour	Full	Strategic Goals, Priorities and Values, p. 16; Business Ethics and Anti-corruption, p. 54		  
102-17	Mechanisms for advice and concerns about ethics	Full	Business Ethics and Anti-corruption, p. 55, p. 93		  
GRI 102: GENERAL DISCLOSURES 2016. GOVERNANCE					
102-18	Governance structure	Full	Corporate Governance, p. 49-50, p. 52	Additional information about the governance structure is available on Metinvest's website and in the 2020 annual report	
102-19	Delegating authority	Full	Corporate Governance, p. 50		
102-20	Executive-level responsibility for economic, environmental and social topics	Full	Sustainable Development, p. 24; Corporate Governance, p. 50	Additional information about executive-level responsibility for economic, environmental and social topics is available in Metinvest's 2020 annual report	
102-21	Consulting stakeholders on economic, environmental and social topics	Full	Stakeholder Engagement, p. 32		

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
102-22	Composition of the highest governance body and its committees	Full	Corporate Governance, p. 50; GRI Disclosure, p. 125	Additional information about the composition of the Supervisory Board is available on Metinvest's website and in the 2020 annual report	
102-24	Nominating and selecting the highest governance body	Full	Corporate Governance, p. 52		
102-25	Conflicts of interest	Full	Business Ethics and Anti-corruption, p. 55		
102-26	Role of highest governance body in setting purpose, values and strategy	Full	Corporate Governance, p. 50	Additional information about the role of the highest governance body in setting purpose, values and strategy is available in Metinvest's 2020 annual report	
102-27	Collective knowledge of highest governance body	Full	Corporate Governance, p. 50		
102-28	Evaluating the highest governance body's performance	Full	Corporate Governance, p. 53		
102-29	Role of highest governance body in identifying and managing economic, environmental and social impacts	Full	Corporate Governance, p. 52	Additional information about the role of the highest governance body in identifying and managing economic, environmental and social impacts is available in Metinvest's 2020 annual report	
102-30	Effectiveness of risk management processes	Full	Sustainability Risk Management, p. 31	Additional information about the overall approach to risk management is available in Metinvest's 2020 annual report	
102-31	Review of economic, environmental and social topics	Full	Corporate Governance, p. 50		
102-32	Highest governance body's role in sustainability reporting	Full	Corporate Governance, p. 50		
102-33	Highest governance body's procedure for communicating critical concerns	Full	Sustainability Risk Management, p. 31		
102-35	Remuneration policies	Partial	Corporate Governance, p. 50		

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 102: GENERAL DISCLOSURES 2016. STAKEHOLDER ENGAGEMENT					
102-40	List of stakeholder groups	Full	Stakeholder Engagement, p. 33		
102-41	Collective bargaining agreements	Full	Collective Bargaining Agreements, p. 93		
102-42	Identifying and selecting stakeholders	Full	Stakeholder Engagement, p. 33		
102-43	Approach to stakeholder engagement	Full	Stakeholder Engagement, p. 32		
102-44	Key topics and concerns raised	Full	Materiality Assessment, p. 06; Stakeholder Engagement, p. 33		
GRI 102: GENERAL DISCLOSURES 2016. REPORTING PRACTICE					
102-45	Entities included in the consolidated financial statements	Full	Report Boundaries, p. 05		
102-46	Defining report content and topic boundaries	Full	Materiality Assessment, p. 06		
102-47	List of material topics	Full	Materiality Assessment, p. 06-07		
102-48	Restatements of information	Full	GRI Disclosure, p. 126; Energy Efficiency, p. 07; Annex 3. Additional Information on GRI Disclosures, p. 157	The indicators of direct energy use, direct GHG emissions and staff turnover have been recalculated	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
102-49	Changes in reporting	Full	GRI Disclosure, p. 127; About the Report, p. 05	<p>The materiality assessment identified 20 material topics relevant to sustainable development for disclosure in the report. The material topics were supplemented by climate change.</p> <p>Two topics were highlighted within the local community support framework: local community engagement; and economic support of local communities and social investments.</p> <p>There were no significant changes in the scope and boundaries of aspects compared with the previous sustainability report</p>	
102-50	Reporting period	Full	About the Report, p. 05		
102-51	Date of most recent report	Full	About the Report, p. 05		
102-52	Reporting cycle	Full	About the Report, p. 05		
102-53	Contact point for questions regarding the report	Full	GRI Disclosure, p. 127	<p>Sustainable Development and People Management directorate, Metinvest Holding Tel: +38 (044) 251 83 05 E-mail: csr@metinvestholding.com</p>	
102-54	Claims of reporting in accordance with the GRI Standards	Full	About the Report, p. 05		
102-55	GRI content index	Full	GRI Disclosure, p. 127		
102-56	External assurance	Full	GRI Disclosure, p. 127	<p>Since 2007, the Group has prepared its consolidated financial statements in accordance with IFRS, as adopted by the EU, and has engaged an independent external auditor to audit them each year. For the 12 months ended 31 December 2020, Metinvest appointed PwC to perform this external audit and provide an opinion on the IFRS consolidated financial statements.</p> <p>The accuracy of non-financial figures is validated by internal auditors</p>	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 103: MANAGEMENT APPROACH 2016					
103-1	Explanation of the material topic and its Boundary	Full	Materiality Assessment, p. 06; Annex 2. Management Approach Disclosures, p. 145-156; GRI Disclosure, p. 128	Information about impacts occurring within each of the material topics, as well as Metinvest's involvement with these impacts, is presented in relevant sections of the report	
103-2	The management approach and its components	Full	Relevant sections of this report; Annex 2. Management Approach Disclosures, p. 145-156; GRI Disclosure, p. 128	See Annex 2 (Management Approach Disclosures) for a summary of how Metinvest manages each of the material topics	
103-3	Evaluation of the management approach	Full	Relevant sections of this report; Annex 2. Management Approach Disclosures, p. 145-156; GRI Disclosure, p. 128	See Annex 2 (Management Approach Disclosures) for a summary of how Metinvest manages each of the material topics	
GRI 201: ECONOMIC PERFORMANCE 2016					
201-4	Financial assistance received from government	Full	GRI Disclosure, p. 128	In 2020, United Coal and several of its subsidiaries entered into loan agreements with First Horizon Bank (US) for a total amount of approximately US\$21 million under the Paycheck Protection Programme. United Coal expects that the full amount of the loans will be forgiven as the funds were used for qualified expenses under the Paycheck Protection Programme	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 202: MARKET PRESENCE 2016					
202-1	Ratios of standard entry level wage by gender compared with local minimum wage	Full	Personnel Profile, p. 97; Social Benefits, p. 99; GRI Disclosure, p. 129	Figures are reported for Ukraine, which is the location of significant operations of Metinvest	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
203-1	Infrastructure investments and services supported	Full	Social Partnership Programmes, p. 110; GRI Disclosure, p. 129		       
203-2	Significant indirect economic impacts	Full	Social Partnership Programmes, p. 109; GRI Disclosure, p. 129; Sustainability Risk Management, p. 29-31	Metinvest acknowledges the risks associated with its activities' impact on the environment and wellbeing of the local population. A detailed explanation of our approach to mitigating these risks is presented in the Environmental Action and Local Communities sections	      
GRI 204: PROCUREMENT PRACTICES 2016					
204-1	Proportion of spending on local suppliers	Full	Responsible Supply Chain, p. 35; GRI Disclosure, p. 129	Local suppliers are defined as suppliers registered and operating in Ukraine	 

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 205: ANTI-CORRUPTION 2016					
205-1	Operations assessed for risks related to corruption	Full	Business Ethics and Anti-corruption, p. 55		
205-2	Communication and training about anti-corruption policies and procedures	Partial	Business Ethics and Anti-corruption, p. 56; GRI Disclosure, p. 130	In 2020, around 17,000 employees completed online training on the Group's Code of Ethics. All business partners are required to familiarise themselves with the Group's Code of Ethics, which includes anti-corruption provisions	
205-3	Confirmed incidents of corruption and actions taken	Full	Business Ethics and Anti-corruption, p. 55-56	In 2020, there were no reported or confirmed cases of corruption associated with the Group's operations	
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016					
206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	Full	GRI Disclosure, p. 130	Metinvest was not a participant of legal actions pending or completed during the reporting period pertaining to anti-competitive behaviour or violations of antitrust and monopoly legislation	
GRI 207: TAX 2019					
207-1	Approach to tax	Full	Business Ethics and Anti-corruption, p. 57; GRI Disclosure, p. 130	Metinvest's governance system for tax is compliant with national legislation	  
207-2	Tax governance, control and risk management	Full	Business Ethics and Anti-corruption, p. 57		

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 302: ENERGY 2016					
302-1	Energy consumption within the organisation	Full	Energy Efficiency, p. 66		  
302-3	Energy intensity	Full	Annex 3. Additional Information on GRI Disclosures, p. 159		  
302-4	Reduction of energy consumption	Full	Energy Efficiency, p. 66; Annex 3. Additional Information on GRI Disclosures, p. 159		  
GRI 303: WATER AND EFFLUENTS 2018					
303-1	Interactions with water as a shared resource	Partial	Managing Water Resources, p. 71; Annex 3. Additional Information on GRI Disclosures, p. 161; GRI Disclosure, p. 131	The report does not provide information about the process of Metinvest's interaction with suppliers or consumers that have a significant impact on water resources or about the process of setting water use targets	 
303-2	Management of water discharge-related impacts	Full	Managing Water Resources, p. 71; GRI Disclosure, p. 131	Metinvest conducts laboratory studies of consumed water and wastewater quality to comply with statutory regulations and environmental standards	
303-3	Water withdrawal	Partial	Managing Water Resources, p. 71; GRI Disclosure, p. 131	Metinvest does not withdraw water resources from areas with water stress. The report does not provide a breakdown of total water withdrawal by source	 
303-4	Water discharge	Partial	Managing Water Resources, p. 71; GRI Disclosure, p. 131	Metinvest does not publish data on water discharge by types of destination and category	 

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
303-5	Water consumption	Full	Managing Water Resources, p. 71;		 
GRI 304: BIODIVERSITY 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Full	Biodiversity and Landscape Restoration, p. 75; GRI Disclosure, p. 132	Metinvest does not operate in protected areas or areas of high biodiversity value outside protected areas	
304-2	Significant impacts of activities, products and services on biodiversity	Partial	Biodiversity and Landscape Restoration, p. 75; GRI Disclosure, p. 132	The report does not provide information about significant direct and indirect impacts on biodiversity with reference to species affected, extent of areas impacted, duration of impacts and reversibility or irreversibility of impacts	
304-3	Habitats protected or restored	Partial	Biodiversity and Landscape Restoration, p. 75; GRI Disclosure, p. 132	Land restoration activities are carried out in accordance with the terms of approved projects, as well as government standards and methodologies	
304-4	IUCN Red List species and national conservation list	Full	Biodiversity and Landscape Restoration, p. 75; GRI Disclosure, p. 132	Metinvest's operations do not affect International Union for Conservation of Nature (IUCN) Red List and national conservation list species	
GRI 305: EMISSIONS 2016					
305-1	Direct (Scope 1) GHG emissions	Full	Addressing Climate Change, p. 63; Annex 3. Additional Information on GRI Disclosures, p. 162		 
305-2	Energy indirect (Scope 2) GHG emissions	Full	Addressing Climate Change, p. 63		 

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
305-4	GHG emissions intensity	Partial	Biodiversity and Landscape Restoration, p. 63;		 
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions	Full	Mitigating Impact on Air Quality, p. 70		 
GRI 306: WASTE 2020					
306-1	Waste generation and significant waste-related impacts	Partial	Managing Waste, p. 73-74		 
306-2	Management of significant waste-related impacts	Partial	Managing Waste, p. 73-74; GRI Disclosure, p. 133	Waste-related data is retrieved from statistical and internal reporting forms maintained in accordance with respective legislation on waste management. To ensure that third parties manage waste in line with legislative and contractual obligations, Metinvest selectively visits waste processing sites and checks their compliance	
306-3	Waste generated	Partial	Managing Waste, p. 73-74; GRI Disclosure, p. 133	Data on waste composition was not collected for the reporting period	
306-4	Waste diverted from disposal	Partial	Managing Waste, p. 74; GRI Disclosure, p. 133	In 2020, 97% of total waste generated by the Group was non-hazardous, mostly generated by Metinvest's iron ore producers in the form of overburden and tailings	
306-5	Waste directed to disposal	Partial	Managing Waste, p. 74	In 2020, 97% of total waste generated by the Group was non-hazardous, mostly generated by Metinvest's iron ore producers in the form of overburden and tailings	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016					
307-1	Non-compliance with environmental laws and regulations	Full	GRI Disclosure, p. 133	During the reporting period, the Group was not subject to significant fines or penalties for non-compliance with environmental laws and regulations	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016					
308-1	New suppliers that were screened using environmental criteria	Full	Responsible Supply Chain, p. 36		
308-2	Negative environmental impacts in the supply chain and actions taken	Partial	Responsible Supply Chain, p. 36		
GRI 401: EMPLOYMENT 2016					
401-1	New employee hires and employee turnover	Full	Personnel Profile, p. 94; Annex 3. Additional Information on GRI Disclosures, p. 158		 
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partial	Social Benefits, p. 99		 
401-3	Parental leave	Partial	GRI Disclosure, p. 134	In 2020, 14 men and 680 women took childcare leave	
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016					
402-1	Minimum notice periods regarding operational changes	Full	GRI Disclosure, p. 134	<p>In the event of significant changes in working conditions, Metinvest provides employees of its Ukrainian entities with two months' notice before changes become effective, which is consistent with the requirements of the Labour Code of Ukraine.</p> <p>For entities in Bulgaria, Italy and the UK, employees are notified of significant changes from seven days to four months in advance, depending on their length of work and professional level.</p> <p>For the entity in the US, this must take place at least 60 days in advance</p>	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018					
403-1	Occupational health and safety management system	Partial	Health and Safety, p. 79		
403-2	Hazard identification, risk assessment and incident investigation	Partial	Occupational Health and Safety Risk Management, p. 31 and p. 80; Occupational Injury Prevention, p. 83-84		 
403-3	Occupational health services	Full	Occupational Injury Prevention, p. 85		 
403-4	Worker participation, consultation and communication on occupational health and safety	Full	Occupational Health and Safety Training, p. 82		
403-5	Worker training on occupational health and safety	Full	Occupational Health and Safety Training, p. 82		
403-6	Promotion of worker health	Full	Occupational Injury Prevention, p. 85		 
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Full	Occupational Injury Prevention, p. 87		
403-8	Workers covered by an occupational health and safety management system	Partial	GRI Disclosure, p. 135	Metinvest acknowledges its responsibility for the safety of contractor staff when they perform work for Metinvest as set by contractual obligations. Contractor staff are subject to the same occupational health and safety rules as Metinvest employees	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
403-9	Work-related injuries	Partial	Occupational Injury Prevention, p. 83 and p. 87; GRI Disclosure, p. 136	Number of hours worked by employees in 2020: 113,448,472	 
403-10	Work-related ill health	Partial	Occupational Injury Prevention, p. 85; GRI Disclosure, p. 136	Metinvest does not calculate occupational illness figures for contractor staff, as this falls under the responsibility of contractors	 
GRI 404: TRAINING AND EDUCATION 2016					
404-1	Average hours of training per year per employee	Partial	Training and Development, p. 101		 
404-2	Programmes for upgrading employee skills and transition assistance programmes	Full	Training and Development, p. 99 and p. 101		 
404-3	Percentage of employees receiving regular performance and career development reviews	Full	GRI Disclosure, p. 136	During the reporting period, 100% of employees received regular performance and career development reviews	 
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
405-1	Diversity of governance bodies and employees	Full	Personnel Profile, p. 95-96		 
405-2	Ratio of basic salary and remuneration of women to men	Full	Personnel Profile, p. 96		 
GRI 406: NON-DISCRIMINATION 2016					
406-1	Incidents of discrimination and corrective actions taken	Full	GRI Disclosure, p. 136	Metinvest did not identify any incidents of discrimination during the reporting period	 
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Partial	GRI Disclosure, p. 136	There were no cases recorded in the reporting period in which the right of employees or suppliers to exercise freedom of association or collective bargaining was violated or at risk	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 408: CHILD LABOUR 2016					
408-1	Operations and suppliers at significant risk for incidents of child labour	Partial	GRI Disclosure, p. 137	Metinvest did not identify any operations or suppliers at significant risk for incidents of child labour in the reporting period	
GRI 409: FORCED OR COMPULSORY LABOUR 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Partial	GRI Disclosure, p. 137	Metinvest did not identify any operations or suppliers at significant risk for incidents of forced or compulsory labour in the reporting period	
GRI 410: SECURITY PRACTICES 2016					
410-1	Security personnel trained in human rights policies or procedures	Partial	Human Rights, p. 93		 
GRI 412: HUMAN RIGHTS ASSESSMENT 2016					
412-1	Operations that have been subject to human rights reviews or impact assessments	Full	Human Rights, p. 93		
412-2	Employee training on human rights policies or procedures	Full	Human Rights, p. 93		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Partial	Human Rights, p. 93		

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 413: LOCAL COMMUNITIES 2016					
413-1	Operations with local community engagement, impact assessments and development programmes	Full	Local Communities, p. 108-119		      
413-2	Operations with significant actual and potential negative impacts on local communities	Full	GRI Disclosure, p. 138	<p>Metinvest acknowledges the risks of its operations regarding the environment and local community wellbeing.</p> <p>A detailed explanation of our approach to mitigating these risks is presented in the Environmental Action and Local Communities sections</p>	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
414-1	New suppliers that were screened using social criteria	Full	Supplier Relations, p. 36		
414-2	Negative social impacts in the supply chain and actions taken	Partial	Supplier Relations, p. 36		
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
416-1	Assessment of the health and safety impacts of product and service categories	Full	GRI Disclosure, p. 37	There have been no reported incidents of Metinvest's products having negative health and safety impacts that can affect customers	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Full	GRI Disclosure, p. 37	In the reporting period, Metinvest did not receive any complaints or claims regarding negative impacts of its products on consumers' health and safety, nor was the Group fined for non-compliance with legal provisions concerning product safety for customers	

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Disclosure	Description	Disclosure Status	Where to Find	Comments	UN SDGs
GRI 417: MARKETING AND LABELLING 2016					
417-1	Requirements for product and service information and labelling	Full	Product Quality Management, p. 37		
417-2	Incidents of non-compliance concerning product and service information and labelling	Full	GRI Disclosure, p. 139	In 2020, Metinvest did not identify incidents of non-compliance with regulations concerning product information and labelling	
417-3	Incidents of non-compliance concerning marketing communications	Full	GRI Disclosure, p. 139	In 2020, Metinvest did not identify incidents of non-compliance with regulations concerning marketing communications	
GRI 418: CUSTOMER PRIVACY 2018					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Full	Information Security, p. 42; GRI Disclosure, p. 139	Metinvest did not identify any substantiated complaints concerning breaches of customer privacy in the reporting period	 
GRI 419: SOCIOECONOMIC COMPLIANCE 2016					
419-1	Non-compliance with laws and regulations in the social and economic area	Full	Business Ethics and Anti-corruption, p. 55; GRI Disclosure, p. 139	No significant fines or non-financial sanctions for violation of social legislation were imposed on the Group in the reporting period	

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SASB METALS AND MINING 2018, SASB IRON AND STEEL 2018

Code	Category	Accounting Metric	Unit of Measure	Disclosure Status	Where to Find	Comments
GREENHOUSE GAS EMISSIONS						
EM-MM-110a.1 EM-IS-110a.1	Quantitative	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tonnes (t) CO ₂ -e, Percentage (%)	Partial	Addressing Climate Change, p. 62	Metinvest does not report the percentage of emissions that are covered under emissions-limiting regulations
EM-MM-110a.2 EM-IS-110a.2	Discussion and Analysis	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	Partial	Addressing Climate Change, p. 62	Metinvest is developing a long-term decarbonisation roadmap, backed by systematic action to support its relevant goals
AIR QUALITY						
EM-MM-120a.1 EM-IS-120a.1	Quantitative	Air emissions of the following pollutants: CO, NO _x (excluding N ₂ O), SO _x , particulate matter (PM10), mercury (Hg), manganese (Mn), lead (Pb), volatile organic compounds (VOCs) and polycyclic aromatic hydrocarbons (PAHs)	Metric tonnes (t)	Partial	Reducing Air Emissions, p. 70	Metinvest monitors emissions of pollutants and regularly submits the appropriate reports to state authorities
ENERGY MANAGEMENT						
EM-MM-130a.1 EM-IS-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Full	Energy Efficiency, p. 66; Annex 3. Additional Information on GRI Disclosures, p. 159-162	
EM-IS-130a.2	Quantitative	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	Gigajoules (GJ), Percentage (%)	Full	Energy Efficiency, p. 66; Annex 3. Additional Information on GRI Disclosures, p. 159-162	

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Code	Category	Accounting Metric	Unit of Measure	Disclosure Status	Where to Find	Comments
WATER MANAGEMENT						
EM-MM-140a.1 EM-IS-140a.1	Quantitative	1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic metres (m ³), Percentage (%)	Full	Managing Water Resources, p. 71 ; SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 141	Metinvest does not operate in regions with High or Extremely High Baseline Water Stress
EM-MM-140a.2	Quantitative	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 141	In 2020, Metinvest did not have incidents of non-compliance associated with water quality permits, standards and regulations
WASTE AND HAZARDOUS MATERIALS MANAGEMENT						
EM-MM-150a.1 EM-IS-150a.1	Quantitative	Total weight of tailings waste, percentage recycled	Metric tonnes (t), Percentage (%)	Full	Managing Waste, p. 74 ; SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 141	In 2020, 255 million tonnes of waste was generated, of which 97% was non-hazardous waste, mostly coming from the Group's iron ore producers in the form of overburden and tailings. Of the total volume, 42 million tonnes were tailings (17%), 17 million tonnes of which (41%) were recycled
EM-MM-150a.2 EM-IS-150a.1	Quantitative	Total weight of mineral processing waste, percentage recycled	Metric tonnes (t), Percentage (%)	Partial	Managing Waste, p. 74 ; SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 141	In 2020, 197 million tonnes of mineral waste from mining and ore processing was generated (excluding tailings), which is 77% of the total. Of such waste, 37 million tonnes (19%) was reused
EM-MM-150a.3	Quantitative	Number of tailings impoundments, broken down by MSHA hazard potential	Number	Partial	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 141	In 2020, 97% of total waste was non- hazardous, mostly generated by Metinvest's iron ore producers in the form of overburden and tailings. Metinvest does not classify its tailings impoundments according to the US Mine Safety and Health Administration (MSHA) hazard potential classification

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Code	Category	Accounting Metric	Unit of Measure	Disclosure Status	Where to Find	Comments
BIODIVERSITY IMPACTS						
EM-MM-160a.1	Discussion and Analysis	Description of environmental management policies and practices for active sites	N/A	Partial	Environmental Action: Our approach and Strategy, p. 60; Biodiversity and Landscape Restoration, p. 75	
EM-MM-160a.2	Quantitative	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 142	In 2020, Metinvest did not have any identified cases of acid rock drainage
EM-MM-160a.3	Quantitative	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 142	Metinvest does not operate in any protected natural areas or in areas of very high biodiversity value. Its activities do not affect the habitats of species on the International Union for Conservation of Nature (IUCN) Red List or national conservation list
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES						
EM-MM-210a.2	Quantitative	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 142	Metinvest does not have production operations in or near proved or probable indigenous lands

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Code	Category	Accounting Metric	Unit of Measure	Disclosure Status	Where to Find	Comments
EM-MM-210a.3	Discussion and Analysis	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict	N/A	Partial	Human Rights, p. 93	Metinvest does not have production operations in or near proved or probable indigenous lands
COMMUNITY RELATIONS						
EM-MM-210b.1	Discussion and Analysis	Discussion of process to manage risks and opportunities associated with community rights and interests	N/A	Full	Social Partnership Programmes, p. 109-119	
EM-MM-210b.2	Quantitative	Number and duration of non-technical delays	Number, Days	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 143	There were no non-technical delays in the reporting period
LABOUR RELATIONS						
EM-MM-310a.1	Quantitative	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	Full	Collective Bargaining Agreements, p. 93	
EM-MM-310a.2	Quantitative	Number and duration of strikes and lockouts	Number, Days	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 143	There were no strikes and lockouts in the reporting period
WORKFORCE HEALTH AND SAFETY						
EM-MM-320a.1 EM-IS-320a.1	Quantitative	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Rate	Partial	Occupational Injury Prevention, p. 83-84	
EM-CO-320a.2	Discussion and Analysis	Discussion of management of accident and safety risks and long-term health and safety risks	N/A	Full	Health and Safety, p. 79; Sustainability Risk Management, p. 29-31	

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Code	Category	Accounting Metric	Unit of Measure	Disclosure Status	Where to Find	Comments
BUSINESS ETHICS AND TRANSPARENCY						
EM-MM-510a.1	Discussion and Analysis	Description of the management system for prevention of corruption and bribery throughout the value chain	N/A	Full	Business Ethics and Anti-corruption, p. 54-57	
EM-MM-510a.2	Quantitative	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Metric tonnes (t) saleable	Full	SASB Metals and Mining 2018, SASB Iron and Steel 2018, p. 144	Metinvest does not have production operations in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
SUPPLY CHAIN MANAGEMENT						
EM-IS-430a.1	Discussion and Analysis	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	N/A	Full	Responsible Supply Chain, p. 37	
ACTIVITY METRICS						
EM-MM-000.A	Quantitative	Production of (1) metal ores and (2) finished metal products	Metric tonnes (t) saleable	Full	Metinvest's 2020 annual report	
EM-MM-000.B	Quantitative	Total number of employees, percentage contractors	Number, Percentage (%)	Partial	Personnel Profile, p. 94; Annex 3. Additional Information on GRI Disclosures, p. 157-158	
EM-IS-000.A	Quantitative	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Metric tonnes (t), Percentage (%)	Full	Metinvest in Numbers, 2020, p. 13	In 2020, Metinvest produced 100% of steel products through the BOF processes
EM-IS-000.B	Quantitative	Total iron ore production	Metric tonnes (t)	Full	Metinvest in Numbers, 2020, p. 13	
EM-IS-000.C	Quantitative	Total coking coal production	Metric tonnes (t)	Full	Metinvest in Numbers, 2020, p. 13	

Management Approach Disclosures

The table below summarises the Group's approach to managing material topics (GRI 103-2) and evaluating the effectiveness of its approach (GRI 103-3). It also provides a list of the GRI indicators linked to each of the material topics disclosed in the Report.

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
CORPORATE GOVERNANCE				
1	Corporate governance <i>For more information about this topic, see the Corporate Governance section, as well as Metinvest's 2020 annual report</i>	<p>Metinvest B.V.'s corporate governance structure comprises the General Meeting of Shareholders, Supervisory Board and Management Board. The Executive Team supports the operation of the corporate governance bodies at the Group level.</p> <p>The Group ensures the efficiency of its vertically integrated structure and business model guided by the core principles of management: specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practice, tradition and innovation, commitment to leadership and personal commitment</p>	<p>The Supervisory Board annually sets team goals for senior management, as well as personal goals for the CEO.</p> <p>The CEO allocates them to each member of the Executive Team in accordance with their job functions, subject to approval of the Supervisory Board.</p> <p>These goals are incorporated into a KPI scorecard, where each target is weighted based on a manager's ability to influence its achievement.</p> <p>After each year-end, the Supervisory Board conducts an annual performance appraisal for members of the senior management based on their self-assessment</p>	<p>102-18 Governance structure</p> <p>102-19 Delegating authority</p> <p>102-20 Executive-level responsibility for economic, environmental and social topics</p> <p>102-21 Consulting stakeholders on economic, environmental and social topics</p> <p>102-22 Composition of the highest governance body and its committees</p> <p>102-24 Nominating and selecting the highest governance body</p> <p>102-25 Conflicts of interest</p> <p>102-26 Role of highest governance body in setting purpose, values and strategy</p> <p>102-27 Collective knowledge of highest governance body</p> <p>102-28 Evaluating the highest governance body's performance</p> <p>102-29 Role of highest corporate governance body in identifying and managing economic, environmental and social impacts</p> <p>102-30 Effectiveness of risk management processes</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
2	Anti-corruption <i>For more information about this topic, see the Sustainable Development section</i>	<p>The Ethics Committee operates at the level of the Executive Team and meets on a quarterly basis. The agenda of its meetings includes assessing the preventive measures for unethical behaviour and corruption and taking decisions concerning the appropriate measures to implement should a violation of the principles of the Code of Ethics or other ethical norms be confirmed.</p> <p>Each asset of the Group has a legal function responsible for identifying, analysing and assessing risks associated with corruption, bribery and fraud, as well as for reporting critical concerns to the Group's Compliance Officer for resolution.</p> <p>The Code of Ethics contains anti-corruption and anti-bribery provisions that apply to all employees of Metinvest.</p> <p>The Group compiles and regularly reviews a list of positions with a high risk of exposure to corruption and fraud. As part of the appointment process to general director positions, all candidates, both internal and external, undergo a mandatory screening. Metinvest conducts supplier anti-corruption screenings and risk assessments of business operations involving government authorities</p>	<p>The Group regularly conducts inspections and audits at its assets to analyse the potential corruption and bribery risks. The results obtained are used to take decisions about revising policies and standards, and to improve risk assessment procedures</p>	<p>102-17 Mechanisms for advice and concerns about ethics</p> <p>205-1 Operations assessed for risks related to corruption</p> <p>205-2 Communication and training about anticorruption policies and procedures</p> <p>205-3 Confirmed incidents of corruption and actions taken</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
3	<p>Ethics and compliance</p> <p><i>For more information about this topic, see the Sustainable Development section</i></p>	<p>The Group's Compliance Programme encompasses all assets and covers the issuance of compliance policies, staff training, compliance risk assessments and compliance reporting.</p> <p>The Ethics Committee at the Group's Executive Team level oversees the adherence to the Compliance Programme, analyses the implementation of the Compliance Programme and the potential compliance risk areas, takes decisions concerning conflicts of interest and reviews reports on the violation of ethical standards received via the Trust Line.</p> <p>The Ethics Committee is chaired by Group's CEO and is composed of the Executive Team. At the asset level, the compliance coordinators, who report to the Group's Compliance Officer, manage the implementation of the Compliance Programme. The legal team is tasked with monitoring conflicts of interest and assessing the materiality of each conflict.</p> <p>The Group's Code of Ethics sets forth its core ethical and business standards, which are applied to all Metinvest employees in their daily work. Various trainings and communication campaigns are regularly held to promote employee awareness on all the necessary business ethics provisions and standards.</p> <p>The ethical standards are integrated into supplier selection procedures.</p> <p>The Group has a Procedure for Declaring Conflicts of Interest and a Procedure on Anti-Money Laundering and Countering the Financing of Terrorism</p>	<p>The Compliance Programme provides a set of annual targets that are monitored by compliance coordinators at the asset level and by the Supervisory Board at the Group level.</p> <p>Implementation status of the Compliance Programme is reported quarterly at meetings of the Supervisory Board's Audit and Finance Committee. The Supervisory Board approves the Compliance Programme targets for the upcoming annual cycle</p>	<p>102-16 Values, principles, standards and norms of behaviour</p> <p>102-17 Mechanisms for advice and concerns about ethics</p> <p>102-25 Conflicts of interest</p> <p>206-1 Legal actions for anti-competitive behaviour, antitrust and monopoly practices</p> <p>406-1 Incidents of discrimination and corrective actions taken</p> <p>407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</p> <p>408-1 Operations and suppliers at significant risk for incidents of child labour</p> <p>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
4	Business transparency and openness <i>For more information about this topic, see the Sustainable Development section, as well as Metinvest's 2020 annual report</i>	<p>Metinvest regularly publishes reports on financial and non-financial performance at its corporate website.</p> <p>The Sustainable Development and People Management directorate is responsible for maintaining long-term relations with various stakeholder groups, including employees, local communities, media and government authorities. The Corporate Finance department deals with financial capital providers, government relations managers deal with government authorities, while the Sales directorate is responsible for customer relations. The Logistics and Procurement directorate engages with suppliers.</p> <p>The Group uses the Trust Line to receive feedback from all stakeholders, internal and external</p>	<p>The Internal Audit directorate ensures the reliability of non-financial indicators presented in the sustainability report.</p> <p>Metinvest's financial statements undergo third-party audit (for the latest independent auditor statement, see p. 79 of Metinvest's 2020 annual report)</p>	All GRI indicators disclosed in the report
SOCIAL				
5	Human rights <i>For more information about this topic, see the Employees section</i>	<p>The relationships between Metinvest and its employees are based on the principles of the International Labour Organisation (ILO) and legal norms.</p> <p>The Group's Code of Ethics is based on the principles of respect for human rights and equal opportunity employment for all workers without exception or discrimination based on their nationality, race, sex, age or religious beliefs. The Code of Ethics also enshrines employee rights to decent labour, health and safety conditions. The Group uses the confidential Trust Line maintained by SCM to report incidents of unethical behaviour and human rights violations.</p> <p>The Ethics Committee at the Executive Team level reviews all critical concerns related to breaches of ethical conduct, including human rights violations</p>	<p>Compliance with the Code of Ethics and its human rights provisions is monitored through a set of internal metrics, including the share of employees familiarised with the Code of Ethics and the number of complaints received via the Trust Line that were confirmed.</p> <p>Human rights issues are considered when evaluating the implementation status of the Compliance Programme</p>	<p>102-16 Values, principles, standards and norms of behaviour</p> <p>102-17 Mechanisms for advice and concerns about ethics</p> <p>405-1 Diversity of governance bodies and employees</p> <p>406-1 Incidents of discrimination and corrective actions taken</p> <p>410-1 Security personnel trained in human rights policies or procedures</p> <p>412-1 Operations that have been subject to human rights reviews or impact assessments</p> <p>412-2 Employee training on human rights policies or procedures</p> <p>412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
6	<p>Occupational health and safety (OHS)</p> <p><i>For more information about this topic, see the Health and Safety section</i></p>	<p>Health and safety issues are considered at all organisational levels. 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.</p> <p>The Occupational Health and Safety department within the Sustainable Development and People Management directorate coordinates the implementation of health and safety programmes at the Group level. The Occupational Health and Safety department oversees compliance with the safety rules and introduces necessary measures at each asset.</p> <p>The Group has in place a Policy and Principles in the Field of Health, Safety and the Environment, as well as 15 corporate OHS standards, which reflect Metinvest's comprehensive approach to ensure workplace safety</p>	<p>In 2020, we continued to certify the compliance of the management system at our assets with ISO 45001, which has replaced OHSAS 18001 as the leading international occupational health and safety standard. By the end of the reporting period, ten of Metinvest's assets passed the ISO 45001 certification audits.</p> <p>The Group's assets regularly evaluate the OHS risks related to various aspects of their activities. In this, we are guided by recognised international standards, including the hazard identification (HAZID), environmental impact identification (ENVID), hazard and operability study (HAZOP), work safety analysis, lock out, tag out (LOTO), permit-to-work and job safety analysis (JSA) methods. The Group conducts internal audits to evaluate the compliance of its assets with OHS standards and regulatory requirements</p>	<p>403-1 Occupational health and safety management system</p> <p>403-2 Hazard identification, risk assessment and incident investigation</p> <p>403-3 Occupational health services</p> <p>403-4 Worker participation, consultation and communication on occupational health and safety</p> <p>403-5 Worker training on occupational health and safety</p> <p>403-6 Promotion of worker health</p> <p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p> <p>403-8 Workers covered by an occupational health and safety management system</p> <p>403-9 Work-related injuries</p> <p>403-10 Work-related ill health</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
7	Training and education <i>For more information about this topic, see the Employees section</i>	<p>The Sustainable Development and People Management directorate designs learning programmes, delivers training sessions for employees and manages partnerships with external educational institutions. The Corporate University and the assets' training centres are the foundations of Metinvest's training and development system. The Group offers a range of compulsory and optional educational programs tailored to the needs of specific functions and different levels with a focus on the development of professional skills and personal qualities.</p> <p>In 2020, the Group established Metinvest Polytechnic, Ukraine's first private university dedicated to the steel and mining industry</p>	<p>The implementation of the human capital management strategy is reviewed annually and the results are considered for the following annual period planning.</p> <p>Metinvest updated the personnel training and development strategy by synchronising it with the annual evaluation system and Talent Pool system. It also strengthened the personnel evaluation system.</p> <p>The Group is also focusing on improving the quality of training at the assets' training centres.</p> <p>The approach to assessing the impacts of learning and development programmes varies depending on the type of learning and its target audience. Assessment methods include surveying employees, knowledge checks and formal examinations, as well as assessments of business performance indicators tied to the application of professional skills taught to employees. The effectiveness of learning methods is evaluated based on feedback received from employees and course developers, as well as the dynamics of relevant business performance indicators</p>	<p>404-1 Average hours of training per year per employee</p> <p>404-2 Programmes for upgrading employee skills and transition assistance programmes</p> <p>404-3 Percentage of employees receiving regular performance and career development reviews</p>
8	Fair working conditions, decent wages and social benefits for employees, ensuring wellbeing <i>For more information about this topic, see the Employees and Health and Safety sections</i>	<p>The Sustainable Development and People Management directorate supervises the personnel management process across all assets and oversees the implementation of the corresponding strategy, which stipulates regular revision of remuneration schemes and social benefit plans.</p> <p>The occupational health and safety departments at each Group asset ensure the adherence to applicable safety standards</p>	<p>The implementation of the human capital management strategy is reviewed annually and the results are considered for the following annual period planning</p>	<p>202-1 Ratios of standard entry level wage by gender compared to local minimum wage</p> <p>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</p> <p>401-3 Parental leave</p> <p>403-3 Occupational health services</p> <p>403-6 Promotion of worker health</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
9	Diversity and inclusion <i>For more information about this topic, see the Employees section</i>	<p>The Sustainable Development and People Management directorate oversees personnel management, ensuring that the personnel structure is balanced, as well as guaranteeing that all employees receive equal opportunities and are treated with respect.</p> <p>The values enshrined in the Group's Code of Ethics include diversity and intolerance of any form of discrimination</p>	<p>The implementation of the human capital management strategy is reviewed annually and the results are considered for the following annual period planning.</p> <p>Metinvest regularly monitors headcount data, employee turnover ratios and personnel structure metrics, such as the proportion of women and people with disabilities in the workforce</p>	<p>202-1 Ratios of standard entry level wage by gender compared to local minimum wage</p> <p>405-1 Diversity of governance bodies and employees</p> <p>405-2 Ratio of base salary and remuneration of women to men</p>
10	Local community engagement	<p>The Regional Development department is responsible for implementing social projects, managing local community investments and reporting about performance to the Supervisory Board. The Supervisory Board approves the social partnership programme budget.</p> <p>The Group systematically implements long-term strategic social partnership programmes with NGOs and local authorities to support the sustainable development of the regions where it operates.</p> <p>When implementing our social partnership programmes, we focus on initiatives that have a significant impact on the social and economic development of cities and towns; enhance the attractiveness of regions where the Group operates; aim to reduce the outflow of qualified personnel, in particular young professionals; and aim to develop education, talent and local communities.</p> <p>In 2020, we implemented projects aimed at improving infrastructure, developing healthcare and education, supporting culture and sport, promoting environmental stewardship in the regions where the Group operates, preventing the spread of COVID-19 and protecting local communities</p>	<p>Metinvest monitors the alignment of social partnership programmes with local community needs.</p> <p>The Group is engaged in an ongoing and open dialogue with local communities and considers their opinion to ensure that projects will deliver maximum value for them. Metinvest's Social Research department helps to monitor and analyse the public opinion. We use the results of these studies to ensure that our initiatives meet the needs of local communities and form a basis for future decision making on social projects</p>	<p>203-1 Infrastructure investments and services supported</p> <p>203-2 Significant indirect economic impacts</p> <p>413-1 Operations with local community engagement, impact assessments and development programs</p> <p>413-2 Operations with significant actual and potential negative impacts on local communities</p>
11	Economic support for communities and social investment <i>For more information about this topic, see the Local Communities section</i>			

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
ECONOMIC				
12	Economic performance <i>For more information about this topic, see the About Metinvest section, as well as Metinvest's 2020 annual report</i>	<p>The Audit and Finance Committee supervises all aspects of the Group's financial and audit activities acting in the best interests of the shareholders and on the behalf of the Supervisory Board. The Committee's main responsibilities include budget oversight, financial reporting, risk management, internal control monitoring, internal audit function oversight and external auditor assessment.</p> <p>The main responsibility of the Strategy and Investment Committee is to review and advise the Supervisory Board on the Group's strategic objectives, including new and existing businesses, investments, mergers and acquisitions.</p> <p>Economic planning is conducted by various functions and at different corporate levels that are involved in profit and cost generation. Metinvest annually revises its business development strategy for the following 12 months, which is subject to Supervisory Board approval. Short-term business plans are reviewed monthly with the participation of the Sales and Operational Planning Committee and the Budget Committee at the Executive Team level, and are approved by the CEO</p>	<p>The Group's economic performance is monitored through a set of strategic KPIs, including, but not limited to, financial and production data trends. Key business development and economic KPIs are reviewed monthly by the Executive Team and quarterly at the meetings of the Supervisory Board.</p> <p>Annual business planning is a process that involves all profit centres, cost centres and supporting functions. The Supervisory Board approves the business plan and reviews the report on its implementation quarterly, while the Executive Team reviews and approves the report on all key indicators monthly</p>	<p>201-4 Financial assistance received from government</p> <p>203-1 Infrastructure investments and services supported</p> <p>203-2 Significant indirect economic impacts</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
13	<p>Responsibility for the quality of products and services</p> <p><i>For more information about this topic, see the About Metinvest and Sustainable Development sections</i></p>	<p>The Regulation on Product Quality Management is the key document for the Group's assets that establishes all relevant internal processes and procedures. The Technology and Quality department monitors the compliance with the respective requirements in the production process at each asset.</p> <p>The Sales directorate manages customer relationships. The customer relationship management (CRM) system is instrumental for monitoring and governing the respective processes. Each asset assesses the effectiveness of customer interactions and customer satisfaction levels</p>	<p>The implementation of international standards helps to improve the quality management system at the Group's assets. By the end of 2020, almost all production sites were certified under ISO 9001.</p> <p>Each asset establishes its own quality council that meets to review the quality management system's compliance with ISO 9001 requirements. 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.</p> <p>The effectiveness of customer relationship management is regularly evaluated based on the fulfilment of function-specific KPIs, which include sales volumes, order processing times and customer satisfaction, among others</p>	<p>417-1 Requirements for product and service information and labelling</p> <p>417-2 Incidents of non-compliance concerning product and service information and labelling</p> <p>417-3 Incidents of non-compliance concerning marketing communications</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
14	<p>Supply chain and supplier environmental assessment</p> <p><i>For more information about this topic, see the Sustainable Development section</i></p>	<p>The Logistics and Procurement directorate oversees the efficiency and stability of the supply processes. It is in charge of implementing procurement methodologies, developing procurement strategies for product categories, managing supplier relations and integrating sustainability principles into supply chain management.</p> <p>A single procurement function has been created at each asset that is represented by four separate units: a Supply Planning and Analysis Service, a Supply Service, a Procurement Service and a Central Warehouse. In 2020, all key assets transitioned to this structure.</p> <p>Mandatory counterparty screening (compliance, pre-qualification and pre-contract reviews) is an integral part of supplier management. It is the responsibility of the compliance function and the Analysis and Risk Management directorate.</p> <p>One of the criteria for preliminary qualification of a supplier is the mandatory familiarisation with the Group's Code of Ethics, the principles of which are aimed at ensuring working conditions in accordance with the highest standards of occupational health and safety, responsible social and environmental behaviour, compliance with business ethics and respect for human rights</p>	<p>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</p>	<p>102-9 Supply chain</p> <p>204-1 Proportion of spending on local suppliers</p> <p>308-1 New suppliers that were screened using environmental criteria</p> <p>308-2 Negative environmental impacts in the supply chain and actions taken</p> <p>414-1 New suppliers that were screened using social criteria</p> <p>414-2 Negative social impacts in the supply chain and actions taken</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
ENVIRONMENTAL				
15	Energy efficiency <i>For more information about this topic, see the Environmental Action section</i>	<p>A dedicated division within the Operational directorate at the Executive Team level, as well as energy management and energy efficiency departments within each asset, plan and control energy consumption during production processes.</p> <p>They are also responsible for introducing energy efficiency measures aimed at reducing consumption to the levels outlined in performance targets and energy saving programmes.</p> <p>Metinvest develops energy management systems at its production sites that conform to ISO 50001:2011 and establishes procedures for risk identification, assessment and management within the energy management system to mitigate risk factors and prevent situations that may adversely impact performance</p>	<p>By the end of 2020, ten assets were certified to the new ISO 50001:2018 standard for energy management systems, which introduced the concept of risk assessment in the energy sector.</p> <p>We also conduct internal energy management audits at our assets based on a matrix and system that we developed to assess the efficiency of the certification requirements that we implemented. Internal energy management audit teams are guided in their work by our Procedure for Conducting Internal Energy Management System Audits at Production Sites</p>	<p>302-1 Energy consumption within the organisation</p> <p>302-3 Energy intensity</p> <p>302-4 Reduction of energy consumption</p>

Management Approach Disclosures

No.	Material topic	Management approach and its components	Evaluation of the management approach	GRI disclosures in the report
16	Water, effluents and waste	<p>Metinvest's general environmental management approach is determined by the provisions of the Group's Policy and Principles in the Field of Health, Safety and the Environment.</p> <p>Our environmental protection goals are aimed at reducing our environmental impact and are overseen at several governance levels, from the Supervisory Board's Health, Safety and Environmental Committee to the dedicated function at the Executive Team level and responsible units at the Group's assets.</p> <p>The Health, Safety and Environmental Committee monitors the Group's environmental protection performance and determines the priorities of the environmental programmes every quarter.</p> <p>At each asset, a special environmental committee consists of the plant's management and representatives of the environmental protection departments that are responsible for:</p> <ul style="list-style-type: none"> – Monitoring air emissions, water withdrawal and water discharge permits – Observing waste management standards – Implementing land restoration and landscaping projects – Reporting performance results <p>In 2020, a department for Sustainable Development and Environmental Management was created in the Sustainable Development and People Management directorate. Its main responsibilities include: ensuring compliance with legislative requirements; assessing risks and conducting internal environmental audits; developing strategies and concepts for reducing assets' impact on air, water and land resources and biodiversity; and conducting climate impact assessments</p>	<p>In 2020, Metinvest continued to evaluate its assets for compliance with the requirements of ISO 14001. By the end of the reporting period, 12 Group assets were certified as compliant with the ISO 14001:2015 standards.</p> <p>Third-party assessments are conducted on an annual basis to validate conformity of the assets with the standard and renew their certification.</p> <p>Metinvest conducts regular on-site internal audits jointly with certified laboratories and accredited bodies</p>	<p>303-1 Interactions with water as a shared resource</p> <p>303-2 Management of water discharge-related impacts</p> <p>303-3 Water withdrawal</p> <p>303-4 Water discharge</p> <p>303-5 Water consumption</p> <p>304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</p> <p>304-2 Significant impacts of activities, products and services on biodiversity</p> <p>304-3 Habitats protected or restored</p> <p>304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations</p> <p>305-1 Direct (Scope 1) GHG emissions</p> <p>305-2 Energy indirect (Scope 2) GHG emissions</p> <p>305-4 GHG emissions intensity</p> <p>305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions</p> <p>306-1 Waste generation and significant waste-related impacts</p> <p>306-2 Management of significant waste-related impacts</p> <p>306-3 Waste generated</p> <p>306-4 Waste diverted from disposal</p> <p>306-5 Waste directed to disposal</p>
17	Biodiversity			
18	Climate change			
19	Emissions			
20	Waste generation			
	<p><i>For more information about these topics, see the Environmental Action section</i></p>			

Additional Information on GRI Disclosures

GRI 102-8

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY TYPE AND GENDER, 2020

	Men	Women	Total
Employees with a permanent employment contract	46,824	20,965	67,789
Employees with a temporary employment contract	816	778	1,594
Total	47,640	21,743	69,383

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER, 2020

	Men	Women	Total
Full-time employees	47,399	21,430	68,829
Part-time employees	241	313	554
Total	47,640	21,743	69,383

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT TYPE (PERMANENT AND TEMPORARY) AND REGION, 2020

Region	Employees with a permanent employment contract	Employees with a temporary employment contract	Total
Ukraine	65,607	1,534	67,141
Europe	1,148	17	1,165
US	792	0	792
Other	242	43	285

Additional Information on GRI Disclosures

GRI 401-1

NEW HIRES BY AGE GROUP, GENDER AND REGION

	2018	2019	2020
Age group			
Under 30	3,966	3,854	2,429
30-50	5,039	5,773	4,644
Over 50	1,156	1,253	803
Gender			
Men	7,765	7,849	6,087
Women	2,396	3,031	1,789
Region			
Ukraine	9,745	10,382	7,609
Europe	110	101	115
US	279	348	116
Other	27	49	36

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2018	2019	2020
Number of new hires	10,161	10,880	7,876
Number of employees who left the Group	7,722	7,293	7,264
Staff turnover rate ¹	7.0%	6.4%	4.5%

¹ Previously calculated using an internal methodology developed to reflect departures due to employees' decisions. Figures for 2018-19 have been restated under a methodology based on guidelines from the Ukrainian Ministry of Justice (no. 286 of 28 September 2005).

Additional Information on GRI Disclosures

GRI 302-3

ENERGY INTENSITY RATIO, GIGAJOULES (GJ) PER TONNE OF PRODUCT

Business process: iron ore concentrate output at iron ore producers (electricity), GJ per tonne

	2018	2019	2020
Northern GOK	0.394	0.381	0.379
Central GOK	0.426	0.403	0.390
Ingulets GOK	0.562	0.554	0.540

Business process: pellet output at iron ore producers (electricity and natural gas), GJ per tonne

	2018	2019	2020
Northern GOK	0.915	0.887	0.893
Central GOK	0.473	0.414	0.423

Business process: steel production (electricity, natural gas, coke, coal and pulverised coal fuel), GJ per tonne

	2018	2019	2020
Azovstal	22.2	21.3	20.6

Business process: steel production (electricity, natural gas, coke, coal, pulverised coal fuel, coke breeze and coke nut), GJ per tonne

	2018	2019	2020
Ilyich Steel	23.8	22.9	21.7

GRI 302-4

TOTAL ENERGY SAVED AS A RESULT OF ENERGY EFFICIENCY MEASURES, TJ

Year	Electric power	Heat energy	Fuel	Total
2018	865	71	2,898	3,834
2019	1,089	150	3,408	4,647
2020	1,141	54	3,762	4,957

ENERGY SAVED AS A RESULT OF ENERGY EFFICIENCY MEASURES (FUEL ONLY), TJ

Year	Natural gas	Heating oil	Coke	Metallurgical coal ²	Total
2018	561	87	1,392	874	2,914
2019	1,501	0	1,853	54	3,408
2020	563	0	2,830	370	3,763

² Represents coal used directly by entities as fuel only.

Additional Information on GRI Disclosures

SASB EM-MM-130A.1, EM-IS-130A.1, EM-IS-130A.2

DIRECT ENERGY USE, TJ³

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electricity	Total
2018	38,452	–	102,355	6,258	73	34,165	28,637	209,940
2019	36,922	0	93,196	6,534	61	37,658	30,308	204,679
2020	38,656	14	91,801	6,640	47	42,444	29,509	209,111

PERCENTAGES OF DIRECT ENERGY USE BY TYPE

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electricity	Total
2018	18.32%	0.00%	48.75%	2.98%	0.03%	16.27%	13.64%	100.00%
2019	18.04%	0.00%	45.53%	3.19%	0.03%	18.40%	14.81%	100.00%
2020	18.49%	0.01%	43.90%	3.18%	0.02%	20.30%	14.11%	100.00%

DIRECT ENERGY USE (EXCL. ELECTRIC POWER), TJ³

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Total (fuel)
2018	38,452	–	102,355	6,258	73	34,165	181,302
2019	36,922	0	93,196	6,534	61	37,658	174,371
2020	38,656	14	91,801	6,640	47	42,444	179,602

PERCENTAGES OF DIRECT ENERGY USE BY TYPE (EXCL. ELECTRIC POWER)

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Total (fuel)
2018	21.21%	0.00%	56.45%	3.45%	0.04%	18.84%	100.00%
2019	21.17%	0.00%	53.45%	3.75%	0.03%	21.60%	100.00%
2020	21.52%	0.01%	51.11%	3.70%	0.03%	23.63%	100.00%

³ Only purchased (or extracted) fuel was factored into our calculations. The coefficient used for conversion from TOE to TJ is 1 TOE = 0.0293076 TJ. Metinvest does not use higher heating values (HHV), also known as gross calorific values (GCV), in its calculations of energy consumption from fuel. Direct energy use for 2018-19 was recalculated as electric power, diesel fuel, petrol and metallurgical coal and coke consumption by Azovstal was restated.

Additional Information on GRI Disclosures

GRI 302-1

DIRECT ENERGY USE*, '000 TOE⁴

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electricity	Total
2018	1,312	0	3,492	214	2	1,166	977	7,163
2019	1,260	0	3,180	223	2	1,285	1,034	6,984
2020	1,319	0	3,132	227	2	1,448	1,007	7,135

GRI 303-1

WATER SOURCES USED BY GROUP ENTITIES IN 2020

	MINING ENTITIES	METALLURGICAL ENTITIES
Surface water sources	Karachunivske Reservoir	Dnipro River, Sea of Azov, Kalmius River
Underground water sources	Wells	Wells
Public utilities and other entities	Public Utility Kryvbasvodokanal LLC State Industrial Enterprise Kryvbaspromvodopostachannia	Public Utility Voda Donbasa Public Utility Vodokanal of the City of Zaporizhia Novhorodsky Utility Plant LLC State Industrial Enterprise Kryvbaspromvodopostachannia Ilyich Steel Public Utility Mariupol Production Department for Water Supply and Sewage JSC Ukrainian Railways Zaporizhstal JV
Other sources	Open-pit mine, mine and other wastewater LLC State Industrial Enterprise Kryvbaspromvodopostachannia (mine water from Svystunov Ravine)	Own and communal wastewater Drainage water

⁴ Direct energy use for 2018-2019 was recalculated as electricity, diesel and petrol, metallurgical coal and coke consumption were revised.

Additional Information on GRI Disclosures

GRI 305-1

DIRECT GHG EMISSIONS (SCOPE 1), '000 TONNES⁵

Year	Methane emission (CH ₄)	Carbon dioxide emissions (CO ₂)	Nitrous oxide emission (N ₂ O)	Total
2018	13	9,404	0.1	9,417
2019	15	8,445	0.3	8,461
2020	12	9,037	0.1	9,049

GROSS GHG EMISSIONS, '000 TONNES OF CO₂ EQUIVALENT⁵

Year	Methane emission (CH ₄)	Carbon dioxide emissions (CO ₂)	Nitrous oxide emission (N ₂ O)	Total
2018	327	9,404	28	9,759
2019	318	8,445	86	8,850
2020	243	9,037	27	9,307

Note on calculation methodology and conversion factors:

CO₂ equivalent = V_{GHG} x K_{GWP}, where:

- V_{GHG} = volume of greenhouse gases, tonnes
- K_{GWP} = global warming potential (GWP) rate

K_{GWP} of greenhouse gases:

- Carbon dioxide (CO₂): 1
- Methane (CH₄): 21
- Nitrous oxide (N₂O): 310

RECALCULATED DIRECT GHG EMISSIONS IN CO₂ EQUIVALENT (SCOPE 1), '000 TONNES⁶

Year	Stationary emissions sources	Mobile emissions sources	Total
2018	21,877	488	22,365
2019	22,009	512	22,521
2020	22,708	497	23,205

INDIRECT GHG EMISSIONS IN CO₂ EQUIVALENT (SCOPE 2), '000 TONNES⁷

2018	2019	2020
2,673	2,684	2,649

5 The Scope 1 data for the Group's Ukrainian assets has been calculated using GHG emissions measurement and reporting methodologies in place under Ukrainian law prior to 1 January 2021.

6 Based on the new calculation methodology under Ukraine's Law "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions", which took effect in 2021.

7 Scope 2 indirect GHG emissions are calculated in accordance with the Greenhouse Gas Protocol.

Metinvest's Contribution to the Sustainable Development Goals

Information about Metinvest's contributions to Sustainable Development Goals (SDGs) 8, 9, 11, 12 and 13, which were the Group's primary focus in 2020, is presented in the Sustainable Development section. The table below outlines the Group's key activities that aligned with other relevant SDG targets.

Target	Contribution	More details
 GOAL 1: END POVERTY IN ALL ITS FORMS EVERYWHERE		
1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	<ul style="list-style-type: none"> – Metinvest maintains an economically reasonable compensation level for employees and adjusts remuneration to align with market benchmarks – The Group's employees receive bonuses based on personal performance in accordance with approved bonus systems 	<ul style="list-style-type: none"> – Employees
1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services [...]	<ul style="list-style-type: none"> – The Group contributes to local and state budgets through timely tax payment – Metinvest works closely with local public authorities and NGOs to develop social infrastructure and support healthcare, education, culture and sport to improve the quality of life of local people, in particular for vulnerable populations in the Group's regions of presence 	<ul style="list-style-type: none"> – About Metinvest – Sustainable Development – Local Communities
1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	<ul style="list-style-type: none"> – Metinvest arranges disaster relief to help communities to deal with unforeseeable circumstances or natural tragedies, including restoration of damaged infrastructure and provision of other types of assistance 	<ul style="list-style-type: none"> – Local Communities

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
 <p>GOAL 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES</p>	<ul style="list-style-type: none"> - To ensure broad access to health services, Metinvest provides health insurance for employees at no cost and offers discounted health insurance for employees' family members - The Group organises regular preventive medical check-ups for employees, including comprehensive cardiovascular screenings and mandatory medical examinations of certain categories of employees before being allowed to work or drive a vehicle - Metinvest regularly tracks an internal employee health index metric to analyse occupational disease causes and trends, as well as to determine priorities for its healthcare initiatives - The Group invests in the modernisation of healthcare facilities in the regions where it operates, which helps to improve the quality of health services. It also supports and implements initiatives to protect its staff and local communities from COVID-19 - Metinvest promotes a healthy lifestyle by involving employees in sporting events 	<ul style="list-style-type: none"> - Employees - Health and Safety - Local Communities
<p>3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</p> <p>3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>		

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
 GOAL 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL		
<p>4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p>4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<ul style="list-style-type: none"> – Metinvest's Corporate University and training centres provide employees with a wide range of opportunities for training and professional growth – Corporate University training programmes are aimed at improving staff performance, including through new employee adaptation, managerial and professional training, staff skills acquisition and leadership development – The Group continues to implement the Metinvest Young Leaders programme for talented and ambitious young employees – Metinvest cooperates with educational institutions to increase the interest of the younger generation in the metallurgical industry, develops dual education programmes, provides internship placements for students of universities, colleges and schools, and conducts student case championships to solve production problems – Metinvest supports WorldSkills Ukraine, a vocational skills competition for trade school students and young professionals. In 2020, the Group served as the competition's general partner for the fifth year in a row – Metinvest's regional Career Centre network in Ukraine provides consulting services to potential candidates in the Group's cities of presence. In 2020, a new centre was opened in Mariupol – In 2020, the Group established Metinvest Polytechnic, Ukraine's first private university dedicated to the steel and mining industry 	<ul style="list-style-type: none"> – Employees
<p>4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>	<ul style="list-style-type: none"> – Metinvest provides equal training and professional development opportunities for employees regardless of gender, age or disability – By upgrading its equipment, the Group ensures women have access to positions that were commonly considered male-dominated, as there is no longer a physical strength requirement 	<ul style="list-style-type: none"> – Employees
<p>4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development [...]</p>	<ul style="list-style-type: none"> – Metinvest fosters a culture of environmental stewardship in schoolchildren through the implementation of environmental educational programmes and competitions 	<ul style="list-style-type: none"> – Local Communities

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
4.a. Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	<ul style="list-style-type: none"> – Metinvest invests in projects aimed at providing barrier-free access for people with disabilities to participate in training and educational events 	<ul style="list-style-type: none"> – Local Communities
4.b. By 2020, substantially expand globally the number of scholarships available to developing countries [...] for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	<ul style="list-style-type: none"> – Metinvest provides university, college and vocational school students with practical training and internship opportunities. – The Group implements a scholarship programme in Ukraine for the top-performing students enrolled in industry-specific professions (metallurgy, mining, geology, energy, mechanical engineering, computer science and so on) 	<ul style="list-style-type: none"> – Employees
4.c. By 2030, substantially increase the supply of qualified teachers [...]	<ul style="list-style-type: none"> – Metinvest collaborates with NGOs to implement educational projects and innovative solutions aimed at developing leadership and entrepreneurship skills among students and teachers. In 2020, the Group supported the “Best teachers of Azov region” competition for the third time and the STEAM-CAMP leadership educational programme for teachers in Mariupol, Zaporizhia and Kryvyi Rih 	<ul style="list-style-type: none"> – Local Communities



GOAL 5: ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

5.1. End all forms of discrimination against all women and girls everywhere	<ul style="list-style-type: none"> – Metinvest's Code of Ethics ensures equal opportunities for all employees and prohibits discrimination based on race, colour, gender, age, religion, ethnic or national origin, or other characteristics 	<ul style="list-style-type: none"> – Sustainable Development – Employees
5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life	<ul style="list-style-type: none"> – Metinvest uses the Trust Line maintained by SCM for employees to report suspected violations of the Code of Ethics, including gender discrimination 	

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
 <p>GOAL 6: ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL</p>		
<p>6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	<ul style="list-style-type: none"> – Metinvest improves water management practices by upgrading wastewater treatment equipment and installing industrial wastewater treatment processes – Metinvest minimises the risks of pollution associated with the discharge of wastewater into reservoirs located near industrial plants by ensuring the continuous operation of drainage and filtration stations – The Group strives to decrease its water consumption and discharges every year. In 2020, we reduced these indicators by 5% and 3% year-on-year, respectively – Metinvest monitors the quality of wastewater in special laboratories to verify compliance with established standards and environmental regulations 	<ul style="list-style-type: none"> – Environmental Action
<p>6.6. By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes</p>	<ul style="list-style-type: none"> – Metinvest implements mine reclamation and ecosystem restoration projects aimed at returning areas to their primary natural appearance. It also develops green spaces for plant and animal life – Every year, Metinvest supports the “Let’s save the Dnipro together!” environmental campaign in Zaporizhia. In 2020, as part of this initiative, two tonnes of fish were released into the river and 600 trees were planted – The Group promotes the renaturalisation of the Vizyrka nature preserve near Kryvyi Rih. In 2020, landscaping work was organised on the territory of the preserve and 3,000 juvenile carp were released into the open-pit mine lake 	<ul style="list-style-type: none"> – Environmental Action

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
 <p>GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL</p>	<p>7.3. By 2030, double the global rate of improvement in energy efficiency</p> <ul style="list-style-type: none"> – Metinvest develops innovative energy efficient solutions and optimisation measures to reduce energy and natural resource consumption – The Group adheres to best international standards in its energy efficiency and energy management systems – Metinvest's strategic priorities include to fulfil its energy saving programme, implement projects under energy service contracts, increase in-house electricity generation, reduce the energy intensity of its products and replace natural gas with biofuels 	<ul style="list-style-type: none"> – Environmental Action
 <p>GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES</p>	<p>10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <ul style="list-style-type: none"> – Metinvest's Code of Ethics ensures equal opportunities for all employees and prohibits discrimination based on race, colour, gender, age, religion, ethnic or national origin, or other characteristics – Metinvest regularly participates in specialised job fairs and hires people with disabilities. To improve their access to jobs, individual employment conditions are established and appropriate work schedules and responsibilities are defined 	<ul style="list-style-type: none"> – Sustainable Development – Employees

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
 <p>GOAL 15: PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS</p>	<p>15.1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p>	<ul style="list-style-type: none"> – Metinvest implements mine reclamation and ecosystem restoration projects aimed at returning areas to their primary natural appearance. Every year, the Group's companies conduct landscaping campaigns, including planting trees, shrubs and flowers in parks, coastal areas and other recreational areas – Since 2001, Ingulets GOK has been promoting the renaturalisation of the Vizyrka nature reserve to protect and restore the transformed landscapes, as well as enhance the biodiversity of the Kryvyi Rih area
 <p>GOAL 16: PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS</p>	<p>16.5. Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> – Metinvest monitors compliance with corporate policies and procedures, including the provisions of the Code of Ethics, the Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and the Procedure for Declaring Conflicts of Interest – Metinvest adheres to the requirements of its Compliance Programme – The Trust Line allows stakeholders to provide anonymous reports about breaches of the Code of Ethics and wrongdoing – The Group raises employees' awareness of business ethics and anti-corruption through training programmes and information campaigns – Metinvest conducts anti-corruption inspections of suppliers – The Group conducts mandatory screening of internal and external candidates for management and high-risk positions – Metinvest conducts internal audits to identify and analyse possible risks of corruption and bribery

Metinvest's Contribution to the Sustainable Development Goals

Target	Contribution	More details
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GOAL 17: STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

<p>17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> – Metinvest cooperates with local public authorities and NGOs in the regions where it operates to jointly implement social partnership programmes aimed at promoting the sustainable development of local communities. In 2020, the Group continued its successful collaboration with local NGOs such as the Mariupol Development Fund, Zaporizhia Joint Action Platform and Kryvyi Rih Foundation of the Future. It also began to implement joint social projects with the Avdiivka Joint Action Platform – The Group continues to implement projects through the Green Centre, which supports community environmental projects and educational campaigns to raise awareness among children and adults about environmental issues and foster a culture of environmental stewardship. Metinvest Green Centre unites local residents and community organisations to improve and landscape urban areas 	<ul style="list-style-type: none"> – Local Communities
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Abbreviations

COMPANY ABBREVIATIONS

Avdiivka Coke

PJSC 'AVDIIVKA COKE'

Azovstal

PJSC 'AZOVSTAL IRON & STEEL WORKS'

Central GOK

PJSC 'CENTRAL GOK'

Dnipro Coke

PJSC 'DNIPROVSKYI COKE PLANT'

Ferriera Valsider

FERRIERA VALSIDER S.P.A.

Ilyich Steel

PJSC 'ILYICH IRON AND STEEL WORKS OF MARIUPOL'

Ingulets GOK

PJSC 'INGULETS GOK'

Inkor Chemicals

'SMA 'INKOR & Co' LLC

Kryvyi Rih Machining and Repair Plant

'METINVEST – KMRP' LLC

Mariupol Machining and Repair Plant

'METINVEST M&R' LLC

Metinvest, the Group

METINVEST GROUP

Metinvest Business Services

'MBS', LLC

Metinvest Digital

LLC 'Metinvest Digital'

Metinvest Distribution

'METINVEST DISTRIBUTSIYA', LLC

Metinvest Engineering

'METINVEST ENGINEERING' LLC

Metinvest Eurasia

'METINVEST EURASIA', LLC

Metinvest Holding

'METINVEST HOLDING', LLC

Metinvest International

Metinvest International SA

Metinvest Polytechnic

"TECHNICAL UNIVERSITY 'METINVEST POLYTECHNIC", LLC

Metinvest-Promservice

'METINVEST-PROMSERVICE', LLC

Metinvest-Resource

'METINVEST-RESOURCE', LLC

Metinvest-Shipping

'METINVEST-SHIPPING', LLC

Metinvest-SMC

'METINVEST-SMC', LLC

Metinvest Trametel

METINVEST TRAMETAL S.P.A.

Northern GOK

PJSC 'NORTHERN GOK'

Pokrovske Coal

Coking coal assets in Ukraine, the most significant being Pokrovske Colliery and Sviato-Varvarynska Beneficiation Factory

Promet Steel

'PROMET STEEL' JSC

SCM

A group of companies beneficially owned by Mr Rinat Akhmetov and commonly referred to as System Capital Management

SMART, Smart Group or Smart Holding

A group of companies beneficially owned by Mr Vadym Novynskyi

Southern Coke

PJSC 'YUZHKOVS'K' YUKRAINE

Southern GOK

JSC 'YUZHNIY GOK'

Spartan UK

Spartan UK Limited

Unisteel

'UNISTEEL', LLC

United Coal

United Coal Company LLC

Zaporizhia Coke

PJSC 'ZAPORIZHCOKE'

Zaporizhia Refractories

PJSC 'ZAPOROZHOGNEUPOR'

Zaporizhstal

PJSC 'Zaporizhstal'

Abbreviations

OTHER TERMS

ALV Artificial lung ventilator	ESG Environmental, social and governance	HEC HANA Enterprise Cloud platform	km Kilometre
BOF Basic oxygen furnace	ETS Emissions trading system	HR Human resources	KPI Key performance indicator
C4C Cloud for customer	EU European Union	HSM Hot strip mill	kW, kWh Kilowatt, kilowatt hour
CCM Continuous casting machine	FFR Fatality frequency rate	IFRS International Financial Reporting Standards	LED Light-emitting diode
CEO Chief Executive Officer	GDPR General Data Protection Regulation	INSEAD Institut Européen d'Administration des Affaires	LLC Limited liability company
CH₄ Methane	GHG Greenhouse gas	IOSH Institution of Occupational Safety and Health	LOTO Lock out, tag out safety procedure
CIS Commonwealth of Independent States	GJ Gigajoule	ISO International Organization for Standardization	LTIFR Lost-time injury frequency rate
CO, CO₂ Carbon monoxide, carbon dioxide	GOK Mining and processing plant	ISSA International Social Security Association	M Million
COVID-19 Coronavirus disease that appeared in 2019	GOST One of the main categories of state standards in the former Soviet Union (USSR), and used as an interstate standard in the CIS region. Maintained by the Interstate Council for Standardisation, Metrology and Certification (ICS) of the CIS.	IT Information technology	m², m³ Square metres, cubic metres
CPQ Configure, price, quote	GRI Global Reporting Initiative	IUCN International Union for Conservation of Nature	MENA Middle East and North Africa
CRM Customer relationship management	GWP Global warming potential	JAHSA Joseph A. Holmes Safety Association	MSHA Mine Safety and Health Administration
CSR Corporate social responsibility	ha Hectare	JSC Joint-stock company	MT One million metric tonnes
EBITDA Earnings before interest, taxes, depreciation and amortisation	HANA SAP HANA (High-Performance Analytic Appliance): SAP's resident relational database management system	JV Joint venture	NDC Nationally Determined Contribution
EBRD European Bank for Reconstruction and Development	HAZID Hazard identification	kg Kilogramme	NGO Non-governmental organisation
ENVID Environmental impact identification	HAZOP Hazard and operability study	K_{GWP} Global warming potential (GWP) rate	NMFR Near miss frequency rate
ERP Enterprise resource planning			NO₂, NO_x, N₂O Nitrogen dioxide, nitrogen oxides, nitrous oxide

Abbreviations

NPP

Nuclear power plant

NSC

National Sport Complex 'Olimpiyskyi'
(Kyiv, Ukraine)

OHS

Occupational health and safety

OHSAS

Occupational Health and Safety
Assessment Series

OSCE

Organization for Security and Co-
operation in Europe

PCB

Polychlorinated biphenyl

PJSC

Public or private joint-stock company

PPE

Personal protective equipment

R&D

Research and development

SAP

Systems, Applications and Products in data
processing

SASB

Sustainability Accounting Standards Board

SDG

Sustainable Development Goal

SHRM

Society for Human Resource Management

SLP

Supplier Lifecycle and Performance

SO₂, SO_x

Sulphur dioxide, sulphur oxides

STEM

Science, technology, engineering and
mathematics

STS

Sourcing Trading System

TNT

Tnitrotoluene

TSF

Tailings storage facility

TOE

Tonne of oil equivalent

UN

United Nations

UNICEF

United Nations Children's Fund

USAID

US Agency for International Development

USCC

Ukrainian Steel Construction Centre

VAT

Value-added tax

V_{ghg}

Volume of greenhouse gases