



SUSTAINABILITY REPORT 2019



CONTENTS

INTRODUCTION

02	Chairman's Statement
04	Map of Metinvest's Key Assets
06	Metinvest in Numbers, 2019

ABOUT THE REPORT

10	Report Boundaries
12	Materiality Assessment

WE ARE METINVEST

16	CEO's Statement
18	Strategic Goals and Priorities
20	Sustainable Development
26	Approach to Sustainability Risk Management
28	Stakeholder Engagement
30	Business Ethics and Anti-Corruption
32	Products
35	Customer Service
37	Supply Chain

CORPORATE GOVERNANCE

44	Corporate Governance Approach and Principles
45	Corporate Governance Structure

ENVIRONMENTAL ACTION

52	Our Approach
54	Environmental Modernisation
56	Mitigating Impact on Air Quality
58	Protecting Water Resources
59	Managing Waste
60	Protecting Ecosystems and Biodiversity
62	Energy Efficiency

PEOPLE MANAGEMENT AND DEVELOPMENT

68	Our Approach
72	Personnel Structure
74	Employee Remuneration and Motivation
75	Social Benefits
76	Employee Healthcare
78	Staff Training and Development
83	Internal Communications

OCCUPATIONAL HEALTH AND SAFETY

86	Our Approach
88	Investments in Safety
89	Occupational Health and Safety Training
91	Occupational Injury Prevention and Response

LOCAL COMMUNITY DEVELOPMENT

98	Our Approach
100	Social Partnership Programme

ANNEXES

120	Annex 1. Index of Standard Disclosures in the Report with Reconciliation to GRI Standards and SASB
140	Annex 2. Management Approach Disclosures
154	Annex 3. Additional Information on GRI Disclosures
159	Annex 4. Metinvest's Contribution to Sustainable Development Goals
165	Annex 5. Abbreviations

INTRODUCTION

CHAIRMAN'S
STATEMENT

GRI 102-14

The year 2019 has been difficult for the steel industry, which faced a challenging market environment defined by trade conflicts and a slowdown in global economic growth. Metinvest, however, persevered, once again meeting its business and sustainability goals while simultaneously delivering value for stakeholders and making a clear, positive impact on its communities. Thanks to its inspiring leadership, dedicated team and highly effective business model, Metinvest continues to lead the way as a competitive company that cares about its social, environmental and economic impacts.

Our commitment to sustainable growth remains unflagging: throughout 2019 Metinvest worked towards contributing to the achievement of the Sustainable Development Goals, focusing its efforts on the ones the Group can contribute to the most. Moreover, as a member of the United Nations Global Compact, we have continued to integrate the Ten Principles, which span human rights, labour, the environment and anti-corruption, into our business strategy, corporate culture and daily operations. Our commitment to responsible management practices is also reflected in Metinvest's Code of Ethics and other carefully considered policies that constitute the foundation of our approach to effectively managing risks associated with compliance and ethical business practices.

Given the scale of Metinvest's business and the complexity of its operations, our success hinges on the way we manage, integrate and develop our employees, who are essential for providing state-of-the-art services to our customers and sustaining successful business performance in the long run. To ensure that the Group's people-related functions run smoothly and consistently fulfil their purpose, it has established a Sustainable Development and People Management Directorate led by the Chief Sustainability Officer,

which integrates the human capital management, health and safety, environmental protection, public relations and communications departments. From an operational perspective, Metinvest believes that integrating these functions will allow for faster and more agile decision-making in terms of the wellbeing of employees and local communities, thereby incorporating its sustainability values into key business processes.

As a major employer in cities where we operate, we put every effort into creating a safe and comfortable environment for both our employees and local residents. In 2019, the Group spent around US\$102 million on occupational health and safety initiatives; these centred on meeting our zero incidents goal and strengthening the safety culture at our sites. To make sure safety always comes first, Metinvest has also developed a new five-year roadmap for upgrading its health and safety management system, as well as implemented an incentive programme for senior management that prioritises health and safety performance.

Besides ensuring their safety, we want our people to thrive. Thus, we are constantly developing new ways to help our employees to improve their professional skills so they can grow in their careers. By investing in training and development programmes, Metinvest provides talented staff with access to a broad range of learning opportunities, empowering them to progress in many aspects of their personal and professional lives. The Group has also redoubled its cooperation with local universities, offering mentoring and knowledge exchange opportunities to the next generation of steelmakers.

The challenges faced by the steel market have not impeded our environmental projects, and we continue to upgrade our assets in line with our Technological Strategy 2030, which embodies Metinvest's long-term commitment to

adopting rigid environmental standards and minimising its environmental footprint. The Group has also continued to build a robust technological foundation, increasing its environmental spending by 46% year-on-year to US\$384 million. Thanks to this, Metinvest has been able to reduce energy and water consumption, increase energy efficiency and cut down on greenhouse gas emissions. In 2020, we plan to complete ongoing projects and move forward with our environmental project pipeline.

We aspire to build resilient and thriving communities, giving back to the people of the regions where we operate. Metinvest addresses the needs of local residents through impactful social partnership programmes. Our longstanding partnerships with the city development funds of Mariupol, Zaporizhia and Kryvyi Rih put us in a unique position to carry out collaborative community investment projects in Ukraine. These joint efforts have been instrumental in the long-term development of the cities, leading to a marked improvement in the local quality of life.

As the above mentioned initiatives prove, Metinvest always strives to support its people and communities whenever a need arises. Thus, as the global community faced the COVID-19 outbreak in early 2020, the Group was able to mitigate the spread of the virus by introducing prompt containment measures. This allowed us to keep our employees in good health and assist local communities in handling its repercussions. Thanks to the coordinated work of our management team, employees and partners, Metinvest is coping with this challenging period with solidarity and resilience. We firmly believe that our business expertise will enable us to overcome economic disruptions and help the communities we serve to recover and prosper.

In the years to come, we will be making every effort to deliver on our sustainability commitments as well as address the interests of our stakeholders. As we deal with the consequences of the current global COVID-19 pandemic, we have not lost sight of our long-term sustainability goals. In 2020, our work will centre on furthering the Group's environmental agenda, guaranteeing the health and wellbeing of our employees, as well as developing local economies.

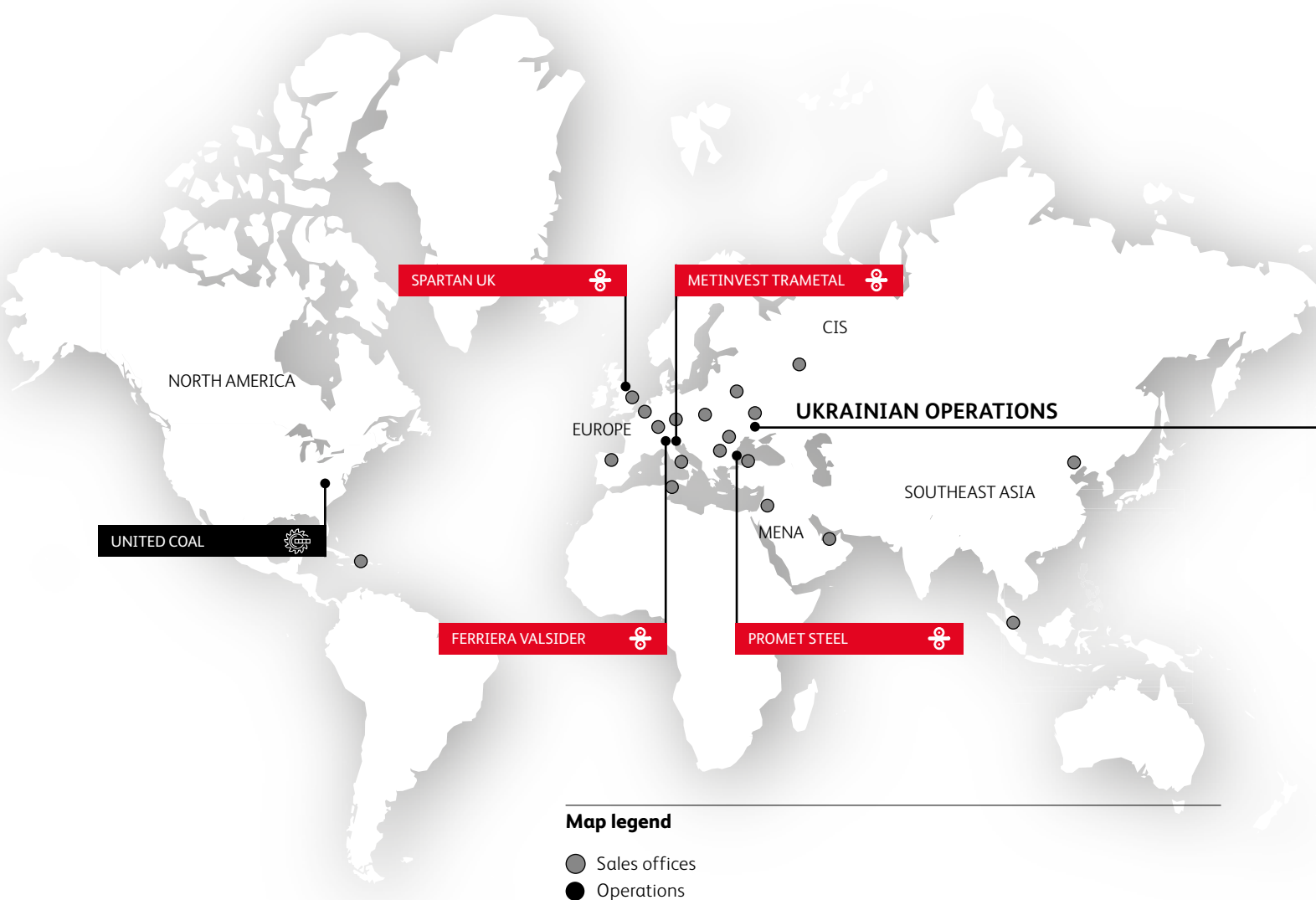
Oleg Popov

Chairman of the Supervisory Board

INTRODUCTION

MAP OF METINVEST'S KEY ASSETS

GLOBAL PRESENCE

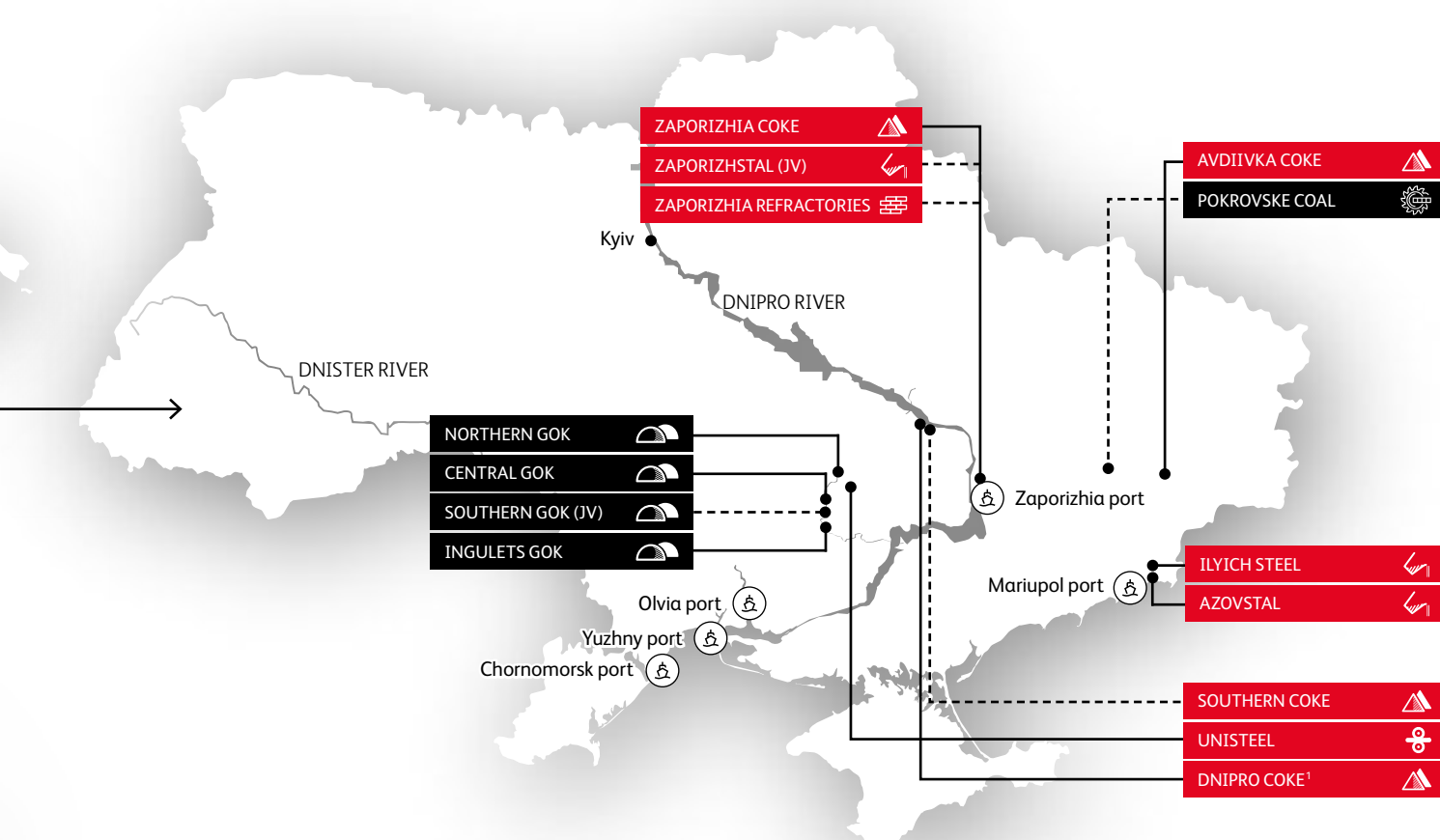


GRI 102-1; 102-4

Metinvest is an international, vertically integrated group of steel and mining companies. The Group controls the entire production chain, from iron ore and coal mining to production of semi-finished and finished products.

Metinvest is a leader in mining and metals in Ukraine, and it is a prominent player in the global metallurgical industry thanks to the resilience of its business model, as well as the favourable geographical location of its assets and global sales network.

UKRAINIAN OPERATIONS

**Map legend**

- | | | |
|---|-------------|------------------|
| Metallurgical | Coking coal | Integrated steel |
| Mining | Coke | Re-roller |
| -- Associate ² or JV | Iron ore | Refractories |

¹ Dnipro Coke became a subsidiary of the Group in March 2020.

² As defined in Note 3 to the Summary IFRS Consolidated Financial Statements 2019.

INTRODUCTION

METINVEST IN NUMBERS, 2019

STEEL PRODUCERS
IN THE WORLD

TOP 42

IRON ORE PRODUCERS
IN THE WORLD

TOP 10

EMPLOYEES

~67,000

KEY PRODUCTION ASSETS

14

SALES OFFICES

45

CUSTOMERS

6,800

KEY FINANCIAL INDICATORS³

CONSOLIDATED REVENUES

US\$10,757M

CAPITAL INVESTMENTS

US\$1,055M

EBITDA

US\$1,213M

EBITDA MARGIN

11%

TAXES PAID

US\$741M

TOTAL ASSETS

US\$13,837M

TOTAL DEBT

US\$3,032M

SHAREHOLDERS EQUITY

US\$6,930M

3 More details about Metinvest's key financial and operational indicators are available at: <https://metinvestholding.com/en/investor/keydata>.

KEY OPERATIONAL INDICATORS

CRUDE STEEL

7.6MT

IRON ORE CONCENTRATE

29MT

COKING COAL CONCENTRATE

3MT

INVESTMENTS IN SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL SPENDING

US\$384M

INVESTMENTS IN OCCUPATIONAL
HEALTH AND SAFETY

US\$102M

COMMUNITY INVESTMENTS

US\$11M

INVESTMENTS IN EMPLOYEE
TRAINING AND DEVELOPMENT

US\$6M

ABOUT THE REPORT

In this section:

- | | |
|----|------------------------|
| 10 | Report Boundaries |
| 12 | Materiality Assessment |



ABOUT THE REPORT

REPORT BOUNDARIES

GRI 102-50

This is Metinvest's seventh Sustainability Report. Covering the period from 1 January 2019 to 31 December 2019, 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 future 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 2019, covered the period from 1 January 2017 to 31 December 2018. However, in 2019, Metinvest decided to start issuing sustainability reports on an annual basis in the interests of greater transparency, which is a priority for us.

The Group has streamlined its internal system for non-financial reporting. Business units, responsible for providing information on each priority sustainability area, must ensure the quality and accuracy of both qualitative and quantitative data. Moreover, Metinvest's Internal Audit Directorate makes sure that the reported figures are sufficiently reliable.

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

The Report provides information on the performance of Metinvest assets included in consolidated financial statements (as presented in the table below). The boundaries of the Report remain unchanged from the previous reporting period.

Region/Segment	Report boundary
Ukraine	
Management company	Metinvest Holding
Sales	Metinvest-SMC
Logistics	Metinvest-Shipping
Mining I Iron ore	Central GOK Ingulets GOK Northern GOK
Metallurgy	Azovstal Avdiivka Coke Ilyich Steel Zaporizhia Coke Inkor Chemicals Unisteel
Service and engineering	Metinvest Business Service Metinvest Digital Metinvest-Engineering Kryvyi Rih Machining and Repair Plant 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 I Coking coal	United Coal (US)
Metallurgy	Ferriera Valsider (Italy) Metinvest Trametel (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 Zaporizhia Refractories is an associate company of the Group.

While quantitative indicators for these assets have not been included in the Report, descriptive information on their performance is presented selectively herein.

ABOUT THE REPORT

MATERIALITY ASSESSMENT

GRI 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.

We assessed whether Metinvest's activities related to certain topics (1) influenced key stakeholder assessments and decisions, and (2) made a significant economic, environmental or social impact.

The materiality assessment consisted of the following steps:

STEP 1 – DEFINING A POOL OF MATERIAL TOPICS

To compile a list of topics relevant to Metinvest, we undertook a comprehensive analysis of the Group's activities during the reporting period, the outcomes of ongoing engagement with key stakeholders and comments collected during interviews with Metinvest's senior management. We also examined issues raised in the media and topics defined by industry peers. Moreover, we considered the broader context in which the Group operates, including industry trends, 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

We are aware 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. To assess their relative level of materiality, we surveyed representatives of key stakeholder groups, which included customers, employees, suppliers and contractors, as well as representatives of local communities, who were asked to rate the significance of each topic on a scale from 1 (being the lowest) to 5 (being the highest). We assessed the expectations of government authorities, as well as equity and debt providers by reviewing provisions of major legal acts and standards Metinvest is compliant with, in addition to analysing expert opinions of managers responsible for government and investor relations, as well as managers responsible for local community projects.

The level of significance of Metinvest's impact with regard to each topic was determined based on the analysis of opinions expressed during the interviews with senior management and some members of the Supervisory Board, who were expected to provide an objective overview of Metinvest's sustainability performance and economic, social and environmental impacts.

The outcomes of the engagement with stakeholders and the Group's management were used to prioritise material topics. The following topics were attributed the highest scores in terms of both relative importance to stakeholders and the impact of Metinvest's activities, and hence are considered the most material for the reporting period:

- Anti-corruption
- Business transparency and openness
- Emissions
- Ethics and compliance
- Fair working conditions, wages and social benefits for employees
- Human rights
- Occupational health and safety
- Responsibility for the quality of products and services
- Water, effluents and waste

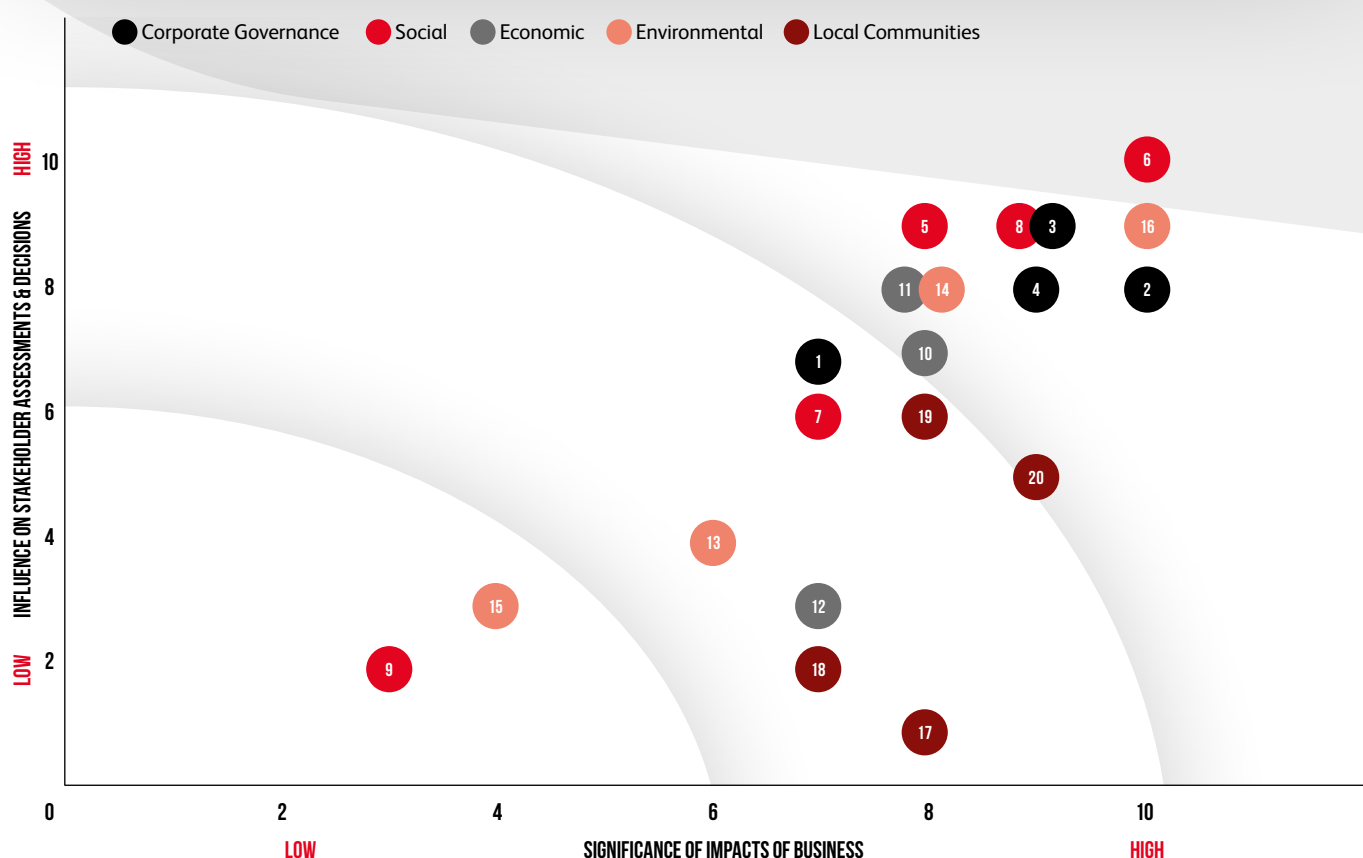
 **For more information on topics raised by various groups of stakeholders, please refer to the "Stakeholder Engagement" section of the Report.**

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.

GRI 102-47; 103-1

No.	Material topic	More details
Corporate Governance		
1	Corporate governance structure and composition	Sustainability Governance, Corporate Governance, Annual Report 2019
2	Anti-corruption	Business Ethics and Anti-Corruption
3	Ethics and compliance	Business Ethics and Anti-Corruption
4	Business transparency and openness	About the Report, Annual Report 2019
Social		
5	Human rights	Respect for Human Rights
6	Occupational health and safety	Occupational Health and Safety
7	Training and education	Staff Training and Development
8	Fair working conditions, wages and social benefits for employees	Employee Remuneration and Motivation, Social Benefits
9	Diversity and inclusion	Personnel Structure
Economic		
10	Economic performance	Strategic Goals and Priorities, Annual Report 2019
11	Responsibility for the quality of products and services	Products, Customer Service
12	Procurement practices and supplier environmental assessment	Supply Chain
Environmental		
13	Energy efficiency	Energy Efficiency
14	Water, effluents and waste	Protecting Water Resources, Managing Waste
15	Biodiversity	Protecting Ecosystems and Biodiversity
16	Emissions	Mitigating Impact on Air Quality
Local communities		
17	Local community engagement	Local Community Development
18	Impact assessments and development programmes	Local Community Development
19	Involvement in the social and economic development of the country	Strategic Goals and Priorities, Metinvest and the UN Sustainable Development Goals, Local Community Development
20	Improving living standards in the areas affected by the Group's	Local Community Development

MATERIALITY MATRIX



WE ARE METINVEST

In this section:

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30	Business Ethics and Anti-Corruption
32	Products
35	Customer Service
37	Supply Chain



WE ARE METINVEST

CEO'S STATEMENT



GRI 102-14

I am pleased to present our seventh Sustainability Report, which outlines Metinvest's sustainable development approach, shows our progress towards achieving our sustainability goals and highlights our future ambitions. To communicate our sustainability performance more efficiently and strengthen our open dialogue with stakeholders, we will be issuing a Sustainability Report annually going forward.

Despite the steel industry downturn in 2019, we did not sacrifice our sustainability agenda: we continued to improve our safety performance, empower our employees, reduce our environmental impact and bring positive societal change to local communities. We remain committed to the UN Sustainable Development Goals and aspire to further integrate sustainability principles into our business practices.

In pursuit of the operational and technological improvements outlined in our Technological Strategy 2030, our total capital expenditure reached a five-year high of US\$1,055 million in 2019. Metinvest fulfilled its investment programme for the year, finalising several major health, safety and environmental projects that had an immediate positive effect on our output volumes, product portfolio, production costs and environmental impact. Supporting sustainable development through tax contributions, in 2019, the Group paid US\$741 million in taxes to the state and local budgets of the countries where it operates. Meanwhile, in response to the sharp decline in profitability, Metinvest launched a cost-optimisation programme across the Group that allowed it to triple the effect of operational efficiency improvements from 2018 to US\$63 million. In terms of debt management, Metinvest successfully extended the maturity of its Eurobonds, ensuring a sustainable longer-term capital structure.

As part of the Group's customer focus efforts, its new Key Account Management programme harnesses a cutting-edge customer relationship management system, along with other IT solutions, to provide long-time customers with a dedicated service for production and logistics. To enable long-term business partners to plan their operations more efficiently, we have negotiated lengthier contract terms for suppliers and contractors.

Despite the tough economic conditions, we have continued to prioritise the annual investment action plan mapped out by our Technological Strategy 2030. Metinvest delivered on several multi-year projects, introducing innovative and sustainable environmental protection technologies at its assets in Mariupol, Kryvyi Rih and Zaporizhia. The medium-term outcomes of our modernisation projects include reduced emissions, increased energy efficiency and more efficient resource use, which falls in line with our commitment to do more to tackle climate change. To protect the environment in Ukrainian cities, the Group signed six-year cooperation agreements with the municipal governments of Mariupol, Zaporizhia and Kryvyi Rih at Mariupol's first international investment forum to work jointly towards reducing Metinvest's environmental footprint. Overall, the Group invested US\$384 million in environmental protection initiatives in 2019.

Metinvest places great importance on occupational health and safety and works proactively at all levels to provide a safe workplace for employees and contractors. Recognising the unsatisfactory safety performance of past years, the Group adopted a five-year roadmap to upgrade its occupational health and safety management system with the ultimate aim of reaching its uncompromising zero injury target. The initial results of several recent initiatives have been promising,

not least of which is achieving the lowest lost-time injury frequency rate in Metinvest's history in 2019. On top of that, the Group received the prestigious Vision Zero international certification, which assures that our activities reflect our firm commitment to keeping workplaces safe and healthy. Other strategic initiatives in the reporting period included launching a critical risk programme and starting the review process for our industrial safety standards. We are determined to further improve our safety performance by focusing our efforts on steadily implementing the roadmap.

People will always take centre stage on Metinvest's corporate responsibility agenda. As an employer of almost 67,000 professionals, we understand the importance of adhering to the highest standards of business ethics and integrity. That is why we commit ourselves to upholding international human rights through responsible employment practices. Ongoing training and development for employees remains an essential part of the Group's human capital management strategy. For this reason, in 2019, we integrated e-learning tools to empower our people to develop both management and hard professional skills, laying a path for their continuous career growth. Underpinning efforts to increase the appeal of the metals and mining industry for talented youth, Metinvest offered internships to almost 3,000 students, offering them valuable work experience and practical industry insights.

Metinvest is one of the largest job creators and taxpayers in its regions of presence, often serving as a local economic backbone and playing a central role in communities' socioeconomic development. Through our strategic social partnership programme and long-term investments, we improve the quality of life of local residents and enhance the overall appeal of the areas where they live and

work. In 2019, we continued partnering with the city development funds of Mariupol, Kryvyi Rih and Zaporizhia to contribute to the sustainable development of these cities.

We have always worked hard to be able to operate seamlessly and effectively even in the most difficult times, as well as to provide responsible leadership in the face of future challenges. Therefore, when the world was shaken by the outbreak of COVID-19 at the beginning of 2020, we drew upon the considerable resilience the Group has developed over the course of many years to navigate the major market and societal shifts caused by the pandemic. Thanks to the relentless hard work and dedication of our management and employees, we quickly rolled out an extensive response programme to protect our people and help local communities to fight the virus. As we move forward to the next reporting period, the health and safety of our people in Ukraine and around the world will remain our overriding priority.

Yuriy Ryzhenkov
Chief Executive Officer

WE ARE METINVEST

STRATEGIC GOALS AND PRIORITIES

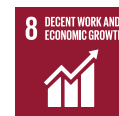
STRATEGIC GOALS

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

STRATEGIC PRIORITIES 2030

- Enhance sustainability
- Strengthen low-cost steel producer position
- Increase production capacity by growing organically
- Expand product portfolio to strengthen position in key strategic markets
- Focus on customer needs
- Increase efficiency
- Pursue selective acquisition opportunities

Metinvest's strategic vision is to become a leading, vertically-integrated European steel producer that delivers sustainable growth and profitability that is resilient to business cycles, providing investors with returns above industry benchmarks.



GRI 102-16

CORPORATE VALUES

Metinvest has defined the following five core corporate values:

- Life, health and environment: human life remains our top priority as we strive to achieve our business goals.
- Customer focus: we continuously refine our customer service approach, strengthening cooperation with customers to offer goods that meet changing needs.
- Professionalism: we show a high level of professionalism in everything we do.
- Leadership: we demonstrate leadership every day, regardless of our position or occupation.
- Teamwork: we share common values and act for the benefit of the Group as a whole.

For more information about our corporate values, please refer to Metinvest's website.

TECHNOLOGY VISION

The Group's business strategy sets long-term goals that lay a foundation for the Technological Strategy 2030. This strategy serves as a roadmap for fulfilling the Group's strategic commitment to upgrading operations while improving product quality and reducing production costs.

To go beyond essential maintenance of machinery and equipment, Metinvest has decided to focus its efforts on introducing cutting-edge technologies that increase the overall operational efficiency and eco-friendliness of production cycles. In line with the Technological Strategy 2030, Metinvest's major projects include the overhaul and upgrade of Azovstal's blast furnace no. 3, which was completed last year and is expected to increase its hot metal production capacity. In addition, the new continuous casting machine no. 4 at Ilyich Steel, the construction of which was completed in late 2018, allowed the plant to deliver a 10% year-on-year increase in crude steel production in 2019. In the Metallurgical segment, the revamp of Ilyich Steel's HSM 1700 allowed the

Group to advance its product strategy by increasing the plant's annual coil output capacity. In the Mining segment, we have upgraded the Lurgi 278-A and OK-306 roasting machines at Northern GOK and beneficiation equipment at Central GOK.

PRIMARY FOCUSES OF THE TECHNOLOGICAL STRATEGY 2030

HEALTH, SAFETY AND ENVIRONMENT

- Reduce emissions to meet EU standards.
- Ensure safety to achieve zero injuries among employees.

STEEL

- Increase steel production capacity at Mariupol plants by 30% by performing major blast furnace repairs, constructing new continuous casting machines, and upgrading rolling mills.
- Boost the economic efficiency of production.

IRON ORE

- Increase Fe content in iron ore products.
- Improve mechanical and chemical properties of pellets.

DIGITAL ADVANCES

Digital technology has become a strategic priority for nearly every business, Metinvest included. In 2019, we succeeded in initiating or completing several transformative projects.

The Group completed the largest migration to SAP HANA Enterprise Cloud (SAP HEC) in Central and Eastern Europe, becoming its first Ukrainian user. The cloud now encompasses 17 productive systems and more than 21,000 users. The main outcomes of the system's deployment include reduced costs of IT services, increased data processing speed and enhanced cybersecurity. In addition, the robust platform allows new services and extensions to be added, opening a window of opportunity for innovative transformation.

In recognition of our dedicated work, Metinvest was recognised in two nominations at the 2019 SAP Quality Awards among other participants from Central and Eastern Europe. Metinvest Digital, Metinvest's centre for IT expertise, earned the Group gold and silver awards in the fields of cloud technology and HR digital solutions. Metinvest was ranked first in the Business Transformation category for integrating SAP SuccessFactors into staff performance management, and we placed second in the Innovations category for successfully migrating to SAP HEC.

For more information about the digital transformation of our Human capital management function, please refer to the "People Management and Development" section of the Report.

Additionally, Metinvest was shortlisted in the top five companies for "Excellence in digital communications" at the 10th Worldsteel Steelie Awards, which recognise achievements in the field of digital communications, from websites to mobile applications and social media activities.

BENEFICIAL DIGITAL PARTNERSHIP

In 2019, Metinvest Digital became a Microsoft Gold Certified Partner. This status unlocks a variety of benefits for Metinvest, including immediate access to Microsoft's innovations, information about new developments and products, training programmes, technical support and consulting services.

"WE ARE CONFIDENT THAT TECHNOLOGIES AND SOLUTIONS WILL ALLOW OUR CUSTOMERS TO ACCELERATE PROCESSES AND CREATE ADDED VALUE FOR THE BUSINESS."

Sergiy Detyuk, General Director of Metinvest Digital

WE ARE METINVEST

SUSTAINABLE DEVELOPMENT



Sustainable development is a key part of Metinvest's business strategy. Through our sustainability initiatives, we strive to guarantee environmental safety, ensure our employees' health and wellbeing, make our energy usage more efficient, as well as foster economic development and technological progress. The principles of sustainable development are embedded into every aspect of our business.

METINVEST'S SUSTAINABLE DEVELOPMENT PRIORITIES

Priority	Our commitment
Health and safety of employees	Build a safe working environment
Environmental protection and energy efficiency	Comply with EU environmental standards, increase the operational and energy efficiency of production, as well as reduce emissions and waste
Employee wellbeing and development	Build an effective human capital management system
Development of local communities	Develop local communities, implement social projects and engage in effective dialogue with society
Business ethics and corporate governance	Ensure the transparency and efficiency of our corporate governance bodies
Stakeholder engagement	Openly collaborate with all our stakeholders
Quality of products and services	Increase the efficiency of all business processes, monitor the quality of products at each stage of the production chain, introduce innovative research and development, as well as engage staff in improving the production activities of our assets

MEMBERSHIP IN ASSOCIATIONS

As a permanent member company of the World Steel Association, Metinvest is committed to the steel industry's sustainability principles as set out in the Sustainable Development Charter of the steel industry, which cover seven areas: safety and health, local communities, ethical standards, stakeholder engagement, disclosure and transparency, value for stakeholders, and environmental protection¹. Metinvest is making strides in each of the Charter's sustainability areas.

Detailed information about our work and progress is available in the following sections: "Occupational Health and Safety", "Local Community Development", "Business Ethics and Anti-Corruption", "Stakeholder Engagement" and "Environmental Action".

¹ In 2018, 71 steel companies, including Metinvest, signed the World Steel Association Sustainable Development Charter to reaffirm their commitment to the industry's seven sustainable principles. The Charter was first published in 2009.

In 2019, Metinvest B.V. joined the Dutch Association of the Metallurgical Industry (VNMI). VNMI unites over 80% of metal producers based in the Netherlands and promotes the sustainable development of the Dutch metallurgical industry. Membership in the association enables Metinvest to share its experience with other steelmakers and participate in the development of new regulations for the metals industry in the European Union.

In June 2020, Metinvest received an overall ESG Risk Ratings score of 32.0² from Sustainalytics, a leading independent ESG research and analytics firm. While the risk of experiencing material financial impacts resulting from ESG factors was assessed as high due to the steel industry's significant exposure, the Group's management of material ESG issues was rated as strong. Compared with other companies in the steel industry analysed by Sustainalytics, Metinvest was ranked in ninth place out of the 140 steel companies around the world.

GRI 102-19; 102-20; 102-21

SUSTAINABILITY GOVERNANCE

Metinvest shares the SCM³ approach and principles for sustainable development, as outlined in SCM's sustainability policy. The policy defines key sustainability principles and strategic goals and sets forth the Group's approach to managing sustainable development priorities.

Our sustainability approach permeates our organisation, and its oversight is distributed across multiple functions. The Health, Safety and Environmental Committee of the Supervisory Board supports the Executive Team in implementing and maintaining the highest sustainability standards concerning environmental and health issues throughout the Group. In 2019, in order to bolster our sustainability efforts and ensure the wellbeing of our employees and local communities, Metinvest decided to reorganise its sustainability management function. This resulted in the creation of a new role, the Chief Sustainability Officer, who now leads the recently formed Sustainable Development and People Management Directorate.

The directorate is responsible for maintaining long-term relations with various stakeholder groups, which include state authorities, trade unions, NGOs and local communities. Besides handling public relations, the directorate oversees environmental management and risk mitigation at Group level. It is also instrumental in strengthening labour relations, upgrading health and safety standards, and improving the Group's corporate culture. The Chief Sustainability Officer, who reports directly to the CEO,

“AT METINVEST, CORPORATE SOCIAL RESPONSIBILITY IS AS IMPORTANT AS BUSINESS INTERESTS. WE STRIVE TO SUPPORT THE PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES AND WELLBEING OF OUR LOCAL COMMUNITIES, ENSURE WORKPLACE SAFETY AND MITIGATE ENVIRONMENTAL IMPACT.”

Aleksey Komlyk, Chief Sustainability Officer

is responsible for coordinating cross-functional involvement, ensuring that sustainability initiatives are harmonised across business units.

For more information about the corporate governance system, please refer to the “Corporate Governance” section of the Report.

METINVEST AND THE UN SUSTAINABLE DEVELOPMENT GOALS

Metinvest has been a member of the United Nations Global Compact since 2010, and therefore commits to conducting its business responsibly and aligning its strategy and operations with the Ten Principles, which span human rights, labour, the environment and anti-corruption.

The Group continuously monitors global sustainability trends and believes that a sustainable future starts with individual contributions. Metinvest has aligned its approach to sustainable development with the UN Sustainable Development Goals (SDGs), which have become a universally recognised framework for addressing sustainability challenges. While acknowledging all 17 SDGs and striving to further the achievement of these goals at local, national and international levels, Metinvest has adopted a relevance-based vision for the SDGs. The Group understands that some global goals and targets are more relevant to its core business, and it therefore taps into its business capabilities and competence areas in order to have the greatest possible impact.

Metinvest's sustainability initiatives in 2019 centred on responsible labour practices, occupational health and safety standards, building resilient infrastructure in its cities of presence, rethinking operational efficiency, as well as upgrading machinery and equipment to meet the most recent environmental standards. These areas are covered by SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 12 (Responsible Consumption and Production), which were the Group's primary focus in the reporting period.

Metinvest acknowledges the importance of mitigating climate risks and aims to make SDG 13 (Climate Action) its primary focus in 2020 and beyond. To this end, the Group is currently in the process of introducing a comprehensive action plan to address emissions abatement and energy efficiency, and it is developing several initiatives that are scheduled for implementation in 2020 and beyond.

² The ESG Risk Ratings score is a measure of unmanaged environmental, social and governance (ESG) risk on an absolute scale of 0-100, with a lower score signalling less unmanaged ESG Risk.
³ SCM is one of the major shareholders of Metinvest. It is a group of companies beneficially owned by Mr Rinat Akhmetov and commonly referred to as System Capital Management.

WE ARE METINVEST

SUSTAINABLE DEVELOPMENT CONTINUED

CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS

TARGET	CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS IN 2019	MORE DETAILS
 PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL		
	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.	– Metinvest implements the Technological Strategy 2030, which focuses on enhancing the sustainability agenda of the Group, advances its position as a low-cost steel producer, increases production capacity by growing organically, and develops its product portfolio. – Strategic Goals and Priorities – Products
	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.	– Metinvest modernises production facilities and introduces innovative, resource-efficient technologies and solutions to reduce the environmental impact of its operations. – Environmental Action
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.	– Metinvest implements its human capital management strategy, provides a competitive remuneration package, as well as opportunities for career growth and development. – We support young 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 hire people with disabilities. – We implement innovative SAP solutions for automating personnel management processes. – We implement the 2019-25 roadmap for further development of the occupational health and safety management system. – We provide voluntary health insurance and other social benefits for employees and their family members.	– Respect for Human Rights – Personnel Structure – Employee Remuneration and Motivation – Social Benefits – Staff Training and Development – Employee Healthcare – Occupational Injury Prevention and Response

TARGET	CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS IN 2019	MORE DETAILS
8.6. By 2020, substantially reduce the proportion of youth not in employment, education or training.	– Metinvest develops cooperation with educational institutions to promote interest in the steel industry among the younger generation. – We recruit young professionals and develop a regional network of Metinvest Career Centres in the Ukrainian cities where the Group operates. – We support young talent and implement educational projects for young people. – We develop the 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.	– Staff Training and Development – Local Community Development
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.	– Metinvest implements the 2019-25 roadmap for further development of the occupational health and safety management system. – We introduce comprehensive health and safety programmes to achieve zero injuries at assets. – We uphold the Vision Zero international certification granted by the International Social Security Association (ISSA). – We provide voluntary 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.	– Social Benefits – Occupational Health and Safety – Our Approach – Investments in Safety – Occupational Injury Prevention and Response
 BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION		
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.	– Metinvest systematically implements strategic social investment programmes to support urban infrastructure and public services in the towns where it operates. – We build social partnerships with local authorities and institutions to strengthen the resilience of local communities.	– Local Community Development

WE ARE METINVEST

SUSTAINABLE DEVELOPMENT CONTINUED

TARGET	CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS IN 2019	MORE DETAILS
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.	– Metinvest implements its human capital management and cooperates with educational institutions to promote interest in the steel industry among the younger generation. – We recruit young professionals and develop a regional network of Metinvest Career Centres in the Ukrainian cities where the Group operates.	– People Management and Development – Local Community Development
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.	– Metinvest modernises production facilities, as well as introduces innovative resource-efficient technologies and solutions to reduce the environmental impact of its operations.	– Environmental Action
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.	– Metinvest engages with the scientific community and develops joint projects, as well as participates in scientific conferences and forums.	– Environmental Action
 MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE		
11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.	– Metinvest takes a strategic approach to social partnership and develops social infrastructure projects in the cities where it operates, which include the construction and renovation of residential buildings and their surrounding areas, healthcare institutions and other social facilities.	– Local Community Development

TARGET	CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS IN 2019	MORE DETAILS
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.	– We construct and repair roads as part of social infrastructure projects in the cities where the Group operates.	– Local Community Development
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.	– We reduce the environmental impact of our operations by modernising production facilities, as well as introducing innovative resource-efficient technologies and solutions. – We create opportunities for household waste separation and recycling through community projects. – We engage local residents in greening and clean-up initiatives organised by the Metinvest Green Centre. – We are conducting projects aimed at promoting pro-environmental behaviour and environmental education among children and adults.	– Environmental Action – Local Community Development
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.	– We carry out greening projects at production sites and public spaces, as well as implement projects aimed at creating and modernising public recreational areas. – We repair and equip sport grounds, as well as sport and cultural facilities.	– Environmental Action – Local Community Development
 ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS		
12.2. By 2030, achieve the sustainable management and efficient use of natural resources.	– Metinvest introduces innovative resource-efficient technologies and solutions to ensure the efficient use of natural resources, raw materials and energy. – The Group also reuses and recycles water.	– Environmental Action
12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	– We implement waste management programmes for both industrial waste from metallurgical and mining operations and household waste. – We recycle by-products of metallurgical production.	– Environmental Action
12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	– Metinvest publishes sustainability reports that reflect the Group's economic, social and environmental impacts.	– About the Report

 To learn more about Metinvest's contribution to other SDGs, please refer to the Annex 4.

WE ARE METINVEST

APPROACH TO SUSTAINABILITY RISK MANAGEMENT

Building a sustainable business is all about resilience. New challenges arising at the global, regional and national level inevitably affect the economic development of Ukraine, as well as our business. The Group is aware that its sustainable development hinges upon its business model swiftly adapting to the changing expectations of our stakeholders. Therefore, risk

management remains a strategic priority in all areas of our operations. We aim to understand and mitigate risks proactively, including sustainability risks.

GRI 102-30

During annual business planning, we prepare a Risk Map, which outlines key risks that may hinder our ability to achieve our business goals. Besides

financial risks, we analyse and assess non-financial risks, including the environmental impact of production, the health and safety of our employees and contractors, social risks related to employees and local communities, and compliance with business ethics policies and regulations. The following table outlines Metinvest's key non-financial risks according to the Risk Map.

GRI 102-15

KEY SUSTAINABILITY RISKS AND RELATED OPPORTUNITIES

RISK	DESCRIPTION	RISK MITIGATION MEASURES	OPPORTUNITIES FOR METINVEST
Environmental risks	– 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 its regions of operation.	GRI 102-11 – Application of the precautionary principle and evaluation of potential environmental impact when planning investment projects. – Implementation of technical measures to reduce emissions, monitoring of compliance with regulatory requirements. – 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 the Technological Strategy 2030. – Implementation of waste management initiatives for metallurgical and mining operations. – Implementation of technical and technological initiatives to increase energy efficiency. – Development of Green Centre initiatives to foster a culture of caring for the environment in the regions of the Group's presence.	– Development and implementation of long-term environmental programmes at production assets. – Continuous improvement of the environmental management system. – Development of an implementation plan based on EU environmental standards and subsequent incorporation into KPIs. – Development of climate change resilience strategies.

RISK	DESCRIPTION	RISK MITIGATION MEASURES	OPPORTUNITIES FOR METINVEST
Occupational health and safety risks	– Workplace injuries and fatalities among employees and contractors. – Inconsistent application of certain risk management tools, leading to reduced effectiveness of the health and safety management system as a whole.	– Implementation of a programme to increase the effectiveness of measures for critical risk management. – Integration of industrial safety requirements into the supplier selection process (for works performed by contractors). – Implementation of key health and safety performance indicators at all levels of the Group's management. – Introduction of health and safety software to manage the occupational health and safety system more efficiently.	– Adherence to the Vision Zero concept, which lays out heightened requirements with regard to prevention of workplace incidents. – Achieving zero injuries.
Risk of shortage of qualified employees	– Outflow of qualified production personnel. – Lack of qualified line managers and technical/ technological experts and workers.	– Financial incentive systems for workers and managers. – Implementation of a learning plan to ensure that the Group's employees have the necessary qualifications. – Development of communication programmes to enhance employee loyalty. – Development and implementation of programmes to improve Metinvest's employer brand.	– Professional staff retention. – Ensuring that staff possess the skills and knowledge necessary to be effective in the workplace and move up the career ladder.
Business ethics risks	– Corporate fraud. – Bribery and corruption.	– Monitoring of 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. – Adherence to the Compliance Programme. – Granting access to a confidential hotline. – Promoting awareness among employees through ongoing training and communication campaigns on business ethics and anti-corruption matters. – Performance of mandatory anti-corruption verification with regard to suppliers and customers. – Performance of mandatory internal security screening with regard to all internal and external candidates for senior and high-risk positions. – Internal audits that include a fraud risk assessment. – Promotion of the Code of Ethics among suppliers.	– Expansion of the training system on the Code of Ethics to improve awareness among employees. – Improvement of the non-financial reporting system. – Improvement of the Group's performance scores in ESG indices and ratings.

In 2020, COVID-19 became one of the most pressing challenges for the international community.

Risk management measures related to the pandemic are being carried out by the Metinvest anti-crisis headquarters, which is 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 following actions are being undertaken to ensure the continuity of business processes:

- Preventive measures to reduce the risk of the COVID-19 virus spread; and
- Specific response measures in the event of illnesses among employees of the Group's assets.

The anti-crisis headquarters applies international experience in battling this virus spread and studies the experience of other companies in managing this risk.

WE ARE METINVEST

STAKEHOLDER ENGAGEMENT

GRI 102-43

Metinvest's activities affect a broad spectrum of stakeholders. Using a wide range of external communication channels, including digital ones, Metinvest builds open and supportive relations with all stakeholder groups in order to address environmental, social and economic issues together. Regular stakeholder engagement helps us to gain valuable insights on existing concerns and expectations, avoid misunderstandings and establish long-term cooperation on mutually beneficial grounds. It also enables us to account for stakeholder needs when defining corporate goals and strategic priorities.

GRI 102-40; 102-42

KEY STAKEHOLDERS

Our key stakeholders include employees, customers, suppliers and contractors, equity and debt providers, local communities and government authorities. Stakeholder

groups are determined based on Metinvest's level of impact on them, as well as their ability to influence the delivery of the Group's business goals.

GRI 102-21; 102-44

STAKEHOLDER GROUP	KEY EXPECTATIONS AND INTERESTS	METINVEST'S STAKEHOLDER ENGAGEMENT MECHANISMS
Employees	– Fair wages. – Workplace safety. – Equal opportunities. – Social security. – Professional development.	– A Trust Line for employees to report on suspected violations of human and labour rights. – Regular meetings of the Group's management and staff. – Employee surveys. – Corporate media and other internal communication channels, including digital channels. – Employee training programmes.
Customers	– High-quality products. – Minimum delivery times. – Excellent customer service.	– Customer events. – Technical site visits. – Industry exhibitions. – Customer management through the SAP CRM platform.

STAKEHOLDER GROUP	KEY EXPECTATIONS AND INTERESTS	METINVEST'S STAKEHOLDER ENGAGEMENT MECHANISMS
Suppliers and contractors	– A fair bidding process. – Transparent and open communication. – Safe working conditions. – Timely payments for products and services rendered.	– A Trust Line for suppliers and contractors to report suspected violations of the Procurement Policy and Code of Ethics. – 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.
Equity and debt providers	– Servicing of 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 from reputable international rating agencies.	– Regular financial and non-financial reporting. – Information on Metinvest's corporate website. – Investor conferences. – Investor meetings with Metinvest's senior management.
Local communities	– Employment opportunities. – Payment of taxes to local and municipal budgets. – Openness and transparency in business activities. – Improvements to the environmental situation in Metinvest's regions of operation. – Improvements to local standards of living. – Enhanced investment appeal of the region.	– Strategic social partnership programmes with city development funds. – Large-scale investment projects, including those involving major credit institutions. – Environmental projects and joint environmental initiatives. – Public opinion surveys of local residents.
Government authorities	– 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.	– 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.

WE ARE METINVEST

BUSINESS ETHICS AND ANTI-CORRUPTION



Transparent and ethical business is the foundation of our strategic vision, and it is the basis for our partnership with all stakeholder groups. To ensure that ethical principles are respected in our day-to-day activities, Metinvest has introduced several policies and procedures that regulate the way we conduct our business. These include the Code of Ethics, Procedure for Declaring Conflicts of Interest, antitrust compliance policies, as well as the Procedure on Anti-Money Laundering and Countering the Financing of Terrorism.

Metinvest has an Ethics Committee, which is headed by the CEO and now includes the Group's senior management. The Committee meets on a quarterly basis to evaluate the implementation of the Compliance Programme, make decisions on conflicts of interest and review the most critical appeals received via whistleblowing mechanisms.

COMPLIANCE PROGRAMME

Since 2014, the Compliance Programme has been one of the Group's primary mechanisms for ensuring the transparency and accountability of business. The programme focuses on mitigating compliance risks as well as building and strengthening a culture of compliance among our employees.

As part of the programme, Metinvest assets appoint members of the legal services departments to serve as compliance coordinators who report to the Group's compliance officer. At the Executive Team level, the Ethics Committee, composed of the Group's CEO and department directors, meets on a quarterly basis to review the programme and assess how unethical behaviour is dealt with. If the committee determines that the Code of Ethics or other norms or regulations have been breached, it assesses the immediate risks and decides on the optimal response, including disciplinary measures. The status of the programme's implementation is reported on a quarterly basis at meetings of the Supervisory Board's Audit and Finance Committee and annually

at a Supervisory Board meeting. The Supervisory Board approves programme targets for the next annual cycle.

ETHICAL STANDARDS

Metinvest's Code of Ethics lays out the standards and framework for ethical business conduct required of all Group employees, regardless of their title or business function. The Code of Ethics is based on our core values of professionalism, lawfulness, non-discrimination, customer focus, health and the environment, leadership and teamwork. It upholds fundamental human rights and sets forth principles of integrity and honesty, providing guidance to employees when they identify and act upon critical issues that require immediate attention. The Code of Ethics states that all responsive actions should be guided by the most stringent ethical standards. When the requirements of local legislation regarding infringements diverge from the approach suggested by the Code of Ethics, the Group adheres to whichever approach is most stringent.

📄 **For more information about Metinvest human rights, please refer to the "Respect for Human Rights" section of the Report.**

We ensure that our employees understand our core ethical principles and act accordingly. The provisions of the Code of Ethics are communicated to staff through special trainings and awareness campaigns. They are also referred daily by our leadership.

Metinvest encourages employees to promptly report any violations of the Code of Ethics, and guarantees that no retaliatory measures will be taken against those who raise concerns. The Group also operates a confidential Trust Line for collecting feedback or queries related to unethical behaviour. To mitigate any risks, each issue reported is analysed and thoroughly investigated, and feedback is provided within a set timeframe.

We have observed an increase in the number of queries submitted via the hotline, which reflects growing trust in our feedback mechanisms and non-retaliation policies, as well as the accountability of our personnel. In 2019, 746 appeals were submitted via the Trust Line, of which 359 were confirmed in relation to such areas as violations of internal procedure, HR cases and others. The number of queries submitted shows that our employees feel safe and comfortable speaking up and sharing their concerns.

GRI 102-17

THE TRUST LINE:

Toll free number in Ukraine: 0800 60 07 77

International number: +38 044 224 72 32

Email: trustline@scm.com.ua

Website: www.scm.com.cy/trust-line

GRI 102-25**MANAGING CONFLICTS OF INTEREST**

While we do not limit the rights of our employees to have interests – financial or otherwise – beyond their professional occupation, Metinvest ensures that such activities do not constitute conflicts of interest that could negatively affect the Group's performance or reputation. A conflict of interest is defined as any situation in which the personal interests of an employee performing their regular job duties contradict or might contradict Metinvest's interests, including situations in which the employee is in a position to derive personal benefit, which may undermine the objectivity of business decision-making. Such situations include⁴:

- Employing closely related individuals as subordinates, contributing to their appraisal and promotion;
- Holding concurrent positions at Metinvest and other legal entities or business entities that are not part of the Group;
- Establishing business relations and/or conducting business on behalf of Metinvest with legal entities or business entities where the declarant or their closely related party:
 - Are members of the management bodies;
 - Directly or indirectly own 5% or more of a participatory share in the authorised capital; and
 - Are entitled to receive any other remunerations or benefits from such an entity;
- Investing and/or owning a participatory share in Metinvest's competitors and counterparties, independently or through affiliated people, which results in an ownership of 5% or more of the authorised capital;
- Registration of the employee as a private entrepreneur under the condition that they are a competitor or counterparty of Metinvest; and
- Other situations in which the personal interests of the declarant contradict or might contradict Metinvest' interests.

Conflicts of interest are not deemed violations if the employee reports the case proactively. In line with the provisions of our Code of Ethics and Procedure for Declaring Conflicts of Interest, Metinvest employees must promptly inform their direct supervisors and the Legal Directorate if any existing or potential conflicts of interest arise. After this notification, Metinvest's management decides whether the conflict is acceptable and does not affect the core business interests of the Group, or whether the individual should 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.

GRI 205-1; 205-3**PREVENTING CORRUPTION AND ANTITRUST BEHAVIOUR**

Metinvest commits to complying with the anti-corruption laws established in the jurisdictions in which it operates. Identification, analysis, and assessment of risks associated with corruption and fraud are carried out at all levels of the Group and at each of its assets. We do not offer or accept bribes, and we closely monitor to ensure that our vendors and business partners adhere to stringent anti-corruption norms. In 2019, there were no reported or confirmed cases of corruption associated with the Group's operations. Anti-corruption procedures are integrated into the management systems of various business functions, examples of which include the following measures:

- As a part of the appointment process to senior positions and other roles classified as high-risk, all candidates, both internal and external, undergo mandatory anti-corruption screening.

- Mandatory anti-corruption screening of counterparties is an integral part of supplier management, and it is the responsibility of the Service of the Compliance Officer and the Directorate for Analysis and Risk Management.
- All business operations that involve governmental relations are subject to internal scrutiny.

GRI 205-2

We value fair competition and commit to confronting unlawful business restraints. To ensure that antitrust norms and standards are duly respected and complied with, we appoint a legal adviser at the Group level who oversees Metinvest's antitrust procedures. Moreover, responsible employees have been designated at several assets; they are now in charge of analysing commercial practices and identifying antitrust risks. These appointees are employed by Legal Services, corporate units responsible for monitoring legal updates and guiding management on regulatory and compliance issues.

NUMBER OF EMPLOYEES WHO COMPLETED ONLINE TRAINING ON THE CODE OF ETHICS IN 2019

31,856

⁴ The situations listed are effective as of March 2020, following an earlier revision of the Code of Ethics.

WE ARE METINVEST

PRODUCTS



GRI 102-2

Metinvest is a trusted partner and supplier of high-quality products for approximately 6,800 customers in over 100 countries. The Group sells products through its own distribution network, which includes 45 sales offices and 37 steel distribution centres in Europe, Asia, Africa and North America⁵.

Our product portfolio includes flat products (hot-rolled and cold-rolled plates and coils, as well as galvanised steel), long products (rebars, railway products and fasteners, merchant bars, sections, special profiles and grinding balls), semi-finished products (pellets, pig iron, slabs and billets) and iron ore products. We also sell coke and coking coal. The Group's steel products are used in construction, shipbuilding, railcar and machine building, thermal and wind energy, mining, as well as the construction of bridges and roads worldwide.

**THE SHARD**

- A skyscraper in the heart of London and the tallest building in the United Kingdom
- Over 5,000 tonnes of Metinvest steel products were used in its construction

**HUDSON YARDS. THE SHED**

- A large-scale complex of skyscrapers, office buildings, art spaces and malls in Manhattan, New York
- Metinvest supplied 9,000 tonnes of steel plates for the cultural centre, The Shed

**NSC OLIMPIYSKIY**

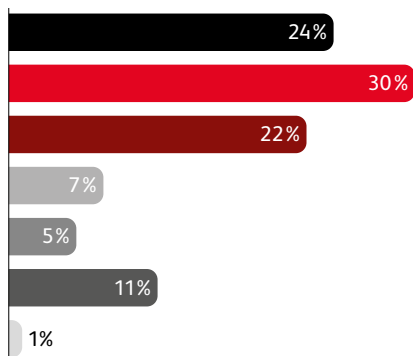
- The largest sport arena in Ukraine
- Its overall area is 145,000 square meters and its seating capacity is over 70,000
- Metinvest delivered steel plates and long products for the stadium's large-scale reconstruction

**CHERNOBYL NEW SAFE CONFINEMENT**

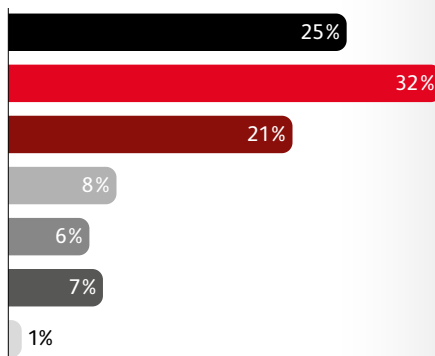
- This megastructure was designed with the primary goal of confining the radioactive remains of reactor four for the next 100 years
- The project used 15,000 tonnes of Metinvest's steel plates

⁵ As of the end of the reporting period.

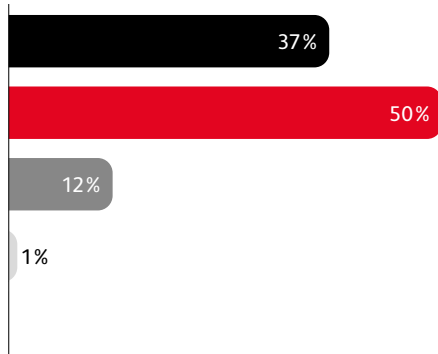
GRI 102-6

METINVEST'S SALES DISTRIBUTION BY MARKET**Metallurgical segment**2018: **17.0MT**

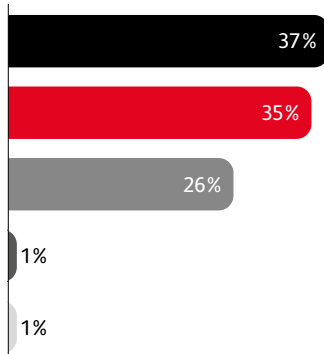
■ Ukraine
■ Europe
■ MENA
■ CIS

2019: **16.3MT**

■ Southeast Asia
■ North America
■ Other Regions

Mining segment2018: **15.9MT**

■ Ukraine
■ Europe
■ Southeast Asia

2019: **18.5MT**

■ North America
■ Other Regions

We introduce new product offerings each year to meet the needs of our customers. In 2019, Metinvest's steel plants and the Zaporizhstal JV succeeded in producing 53 new product types. Azovstal introduced the highest number of new goods (32), followed by Ilyich Steel (13) and the Zaporizhstal JV (8).

The new products invented by Metinvest assets include:

- 34 hot-rolled plate products;
- 9 semi-finished products;
- 1 cold-rolled product; and
- 1 galvanised rolled product.

The Zaporizhstal JV's new product types include:

- 6 hot-rolled products; and
- 2 cold-rolled products.

Investing to expand our production capacity enables us to better navigate changing markets and swiftly respond to spikes in demand. In 2019, we launched the HSM 1700 at Ilyich Steel after its reconstruction. Design development of the large-scale revamp started in 2017, followed by active construction in August-November 2019, which resulted in increased production capacity for the asset.

HIGHLIGHTS OF METINVEST'S NEW PRODUCTS

Ilyich Steel started manufacturing eight new types of slabs after the launch of its new continuous casting machine no. 4 and ladle furnace.

Metinvest developed a new chemical composition for rolled products, alloying its compounds with molybdenum, boron and nickel. These elements increase the strength, hardness, corrosion resistance and high-temperature resistance of the product.

Metinvest has begun to manufacture heavy plates in accordance with two new standards: GOST R 52927-2015 (for shipbuilding) and GOST 27772-2015 (for construction in the CIS region).

For more information about the new products, please refer to Metinvest's webpage.

WE ARE METINVEST

PRODUCTS CONTINUED

PRODUCT QUALITY MANAGEMENT

Growing production volumes create a challenge for quality control, encouraging us to strive to make our product quality management system more effective. Metinvest monitors the quality of products at every production stage and takes advantage of innovative, cutting-edge equipment. We do our best to conform with the quality standards of foreign markets, where strict requirements apply to both final products and the production process. Coupled with our focus on customer service, proper quality management enables the Group to offer products that meet the most exacting industry standards.

GRI 103-2

Metinvest's quality management systems are certified under the ISO 9001 international standard at almost all production facilities. Our assets are guided by our Regulation on product quality management, a key corporate standard on quality control on which our relevant internal procedures are based. The Technology and Quality Departments oversee quality management at each asset.

GRI 103-3

Each asset assesses its quality management systems monthly. To measure their effectiveness, the assets adopt several performance indicators, which include the number of rejected and non-conforming products, as well as the number of complaints received from customers. The Technology and Quality Departments on the Executive Team's level serves as a second tier of control and conducts internal audits when necessary. The procedures for checking product quality include the control of:

- chemical composition of products, which is carried out in certified laboratories at every asset for each production lot;
- mechanical properties;
- geometrical dimensions;
- technological parameters; and
- packaging within visual inspections.

GRI 417-1

Before preparing products for sale, the Technology and Quality Departments issue a quality certificate for each product unit/production lot that describes its properties and confirms compliance with quality requirements. In addition, some orders are also examined prior to shipment by independent inspectors, who perform visual checks and control products' geometric dimensions. Appropriate documentation is enclosed with the orders, and our customers may request confirmations from Metinvest if needed.

CUSTOMER SERVICE

Metinvest aspires to build long-term customer relations and deliver excellent customer service worldwide. Our efforts are focused on developing a diverse high-quality product portfolio and minimising delivery times. To meet the needs of our customers, we regularly communicate with them regarding satisfaction levels. We are able to address emerging issues thanks to our effective monitoring of product-related concerns. Moreover, we organise site visits and public events and participate in exhibitions to foster open dialogue with our customers.

GRI 103-2; 103-3

Interactions with current and potential customers fall under the functional responsibilities of Metinvest's Sales Directorate, which oversees the customer relationship management (CRM) system. We evaluate the effectiveness of our CRM approach every year using a set of KPIs; these include sales volumes, order processing times and customer satisfaction. It ensures that CRM is being used properly for sales process management, account management, contract management and sales quote management. We use the assessment results to draw up short and medium-term action plans.

CRM at Metinvest is regulated by a number of policies and documents, which include the Regulations on Pricing, Key Account Operational Procedure, Methodology for Unified Customer Segmentation, Regulations on Lead

Generation, Operational Procedure for the Sales Process and Meeting Tools and Account Management Regulations.

During the reporting period, we started to deploy the SAP CRM platform with two modules: cloud for customer (C4C) and configure price quote (CPQ). The C4C module is expected to aid in the sales process, bringing us closer to the buying process of our customers and facilitating decision-making due to more transparent transactions. The CPQ module is responsible for product configuration through order transfer. It is a single configurable production catalogue that manages prices and discount levels, generates and sends offers to customers, and prepares contracts within a unified system. Among other deployment outcomes, we anticipate increased profit margins for strategic product groups and improved performance efficiency

among sales personnel. By analysing lost opportunities, we define areas for improvement to meet customer needs.

The deployment of the SAP CRM platform began in December 2019, when Metinvest launched the first stage at its Swiss trader, which the Group uses to market its products to European countries, the Middle East, North and Sub-Saharan Africa, Southeast Asia, and North and Latin America. So far, the system has proved to provide transparency for all parties as the whole process of every agreement and contract is closely monitored. In 2020, Metinvest plans to continue developing the CRM, including the implementation of the planning function, adding products to the configuration and other user feedback-based improvements. It also plans to begin extending the modules in Ukraine, Belarus and Western Europe to include other trading companies.

WE ARE METINVEST

CUSTOMER SERVICE CONTINUED

Metinvest is also looking into improving customers' personal data security in line with the General Data Protection Regulation (GDPR), for which it plans to deploy a full automation solution in 2020.

Metinvest offers technical support to its customers during technical visits by our personnel to customers' sites, as well as organised customer visits to Metinvest production sites. We see technical support as an opportunity to gather information that can inform later decisions on technology upgrades, product quality improvement and forecasting customer demand. In 2019, we made 36 technical visits to customers and arranged 21 customer visits to our production sites, which allowed us to undertake several important measures to improve production processes.

Metinvest is constantly looking for new ways to meet the ever-evolving needs of customers. Thus, in 2019, Metinvest-SMC⁶ created a Project Sales Department that allows it to move beyond supplying steel in favour of comprehensive solutions. Likewise, Metinvest-SMC and the Ukrainian Steel Construction Centre (USCC) launched a service for project-based sales. Developers and buyers of construction services can now purchase not just rolled steel, but an entire package solution, consisting of a pre-project study, a cost and technical comparison of steel construction with other alternatives, metal delivery and installation of steel structures on a turn-key basis. To date, several successful case studies have already shown how comprehensive work with customers at early stages made it possible to demonstrate that metal structures were better suited to their project than reinforced concrete.

⁶ Metinvest-SMC is the largest network of steel service centres that sell products of Metinvest and other major steelmakers in Ukraine and the CIS.



KEY ACCOUNT MANAGEMENT PROGRAMME

In 2019, we enhanced our Key Account Management programme by introducing the following measures:

- We created a new algorithm for selecting key customers and established new rules for working with them;
- We introduced a new client-oriented approach to our relations with key customers throughout the Group; and
- We launched sales coaching to assist key account managers in achieving their business goals in relation to major customers.

A total of 39 cross-functional teams and more than 100 employees participated in the programme. Thanks to their well-coordinated and constant efforts, we carried out over 300 initiatives during the reporting period, the most significant of which were related to long-term contract management, a customised product manufacturing approach and the optimisation of railway shipment schemes in terms of delivery time, pace improvement and cost efficiency.

“THE KEY ACCOUNT MANAGEMENT PROGRAMME ENABLES METINVEST TO DEVELOP ITS RELATIONS WITH KEY CUSTOMERS AND GENERATE LONG-TERM ECONOMIC AND SERVICE BENEFITS FOR BOTH PARTIES.”

Dmytro Nikolayenko, Sales Director

SUPPLY CHAIN



Metinvest sales offices

- | | | |
|------------------------|------------------------|-----------------------|
| 1 China | 8 Bulgaria (3 offices) | 15 Belgium |
| 2 United Arab Emirates | 9 Romania | 16 Spain |
| 3 Russia (11 offices) | 10 Poland | 17 United Kingdom |
| 4 Lebanon | 11 Italy (3 offices) | 18 Dominican Republic |
| 5 Turkey | 12 Germany (2 offices) | 19 Singapore |
| 6 Ukraine (12 offices) | 13 Switzerland | |
| 7 Belarus | 14 Tunisia | |

→
Sea delivery routes

WE ARE METINVEST

SUPPLY CHAIN CONTINUED

GRI 102-9

Metinvest's supply chain reflects upstream and downstream flows of materials, goods and services, covering processes such as procurement, manufacturing, marketing and distribution. The geography of the Group's supply chain encompasses both Ukraine and international markets.

GRI 204-1

More than 80% of raw materials, goods and services were purchased from local suppliers.

According to Metinvest's organisational model, the supply chain is managed by the Logistics and Procurement Directorate. The directorate's main responsibilities are to ensure seamless, efficient and sustainable supply of high-quality materials, goods, equipment and services at the best possible prices; to provide prompt delivery for end users while maintaining optimal stock levels; as well as to meet the Group's standards and customers' expectations.

RESPONSIBLE PROCUREMENT

One major aspect of supply chain management is procurement, which we believe should be as responsible and sustainable as possible. For this reason, Metinvest seeks to create a procurement process that considers environmental, social and ethical factors whenever a purchase decision is made.

Metinvest's Logistics and Procurement Directorate is responsible for the procurement process. The main responsibilities of the directorate include establishing and enforcing unified procurement methodologies and policies at Metinvest; coordinating the development, implementation and maintenance of category procurement strategies; maintaining long-term and mutually beneficial supplier relations based on our procurement principles; systematically increasing the effectiveness

of the procurement process by reducing the total cost of ownership of purchased materials, equipment, goods and services while maintaining supply chain reliability; and integrating sustainability principles into supply chain management at the Group. The procurement function adopts set of performance indicators that help to make informed decisions and significantly reduce the time needed to handle bidding and supplier acceptance procedures.

GRI 103-2

In 2019, a unified organisational structure for the directorate was introduced at each individual Metinvest asset. This new structure consists of four separate units: a Supply Planning and Analysis Service, a Supply Service, a Procurement Service and a Central Warehouse unit. The calibration of this organisational structure across all business units has allowed us to manage our supply chain more efficiently by concentrating competencies at each asset, consolidating processes, sharing responsibility at each stage and establishing independent control points.

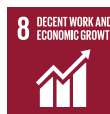
Metinvest has a Procurement Policy, as well as procedures and controls that lay out the key principles, goals and objectives of the procurement process. These tools allow for the effective management of vendor relations. The procurement management system covers processes such as supplier selection (including pre-qualification and pre-contract assessment procedures), value analysis, offer solicitation, contract administration, shipment monitoring and procurement quality control.

KEY PROCUREMENT PRINCIPLES:

- Ethical business conduct: Group personnel, as well as new and existing suppliers, must be aware of, and abide by, Metinvest's Code of Ethics.
- Free competition among suppliers: this entails equality, fairness, non-discrimination, as well as the absence of unreasonable restrictions on competition in relation to existing and potential suppliers.
- Information transparency: suppliers may familiarise themselves with the existing procurement procedures of the Group, such as supplier selection, pre-qualification and disqualification, and receive information on future purchases on the Metinvest website.
- Economic feasibility and efficiency of procurement: the Group spends procurement funds in a targeted and cost-effective way, which involves acquiring high-quality, necessary materials and services at the best possible price.

GRI 103-3

Metinvest not only sets these principles, it also follows them, which is evident based on its recent internal audit results. In 2019, SCM conducted an audit of purchases in significant categories representing a share of 82% of the total amount of purchases. Both the Group's internal control environment and risk management system were assessed. Metinvest's procurement function was found to have a laudable level of automation, segregation of duties, sound decision-making at the top management level and delegation of duties, and was confirmed compliant with the underlying principles of the Procurement Policy. The audit also assessed the independence of the procurement function and identified no conflicts of interest among key staff.



TECHNICAL SOLUTIONS FOR PROCUREMENT

In line with its strategic focus on process optimisation, the Group is introducing various convenient tools and services that make vendor relations more seamless and transparent. To foster a competitive environment and encourage timely supplier information for future purchases, we use a Procurement Calendar, which is available on the Metinvest website. In 2019, approximately 6,000 future purchases were posted in the Procurement Calendar. The Group also uses SAP Ariba Sourcing Trading System

(STS), a digital commerce solution, which allows for competitive supplier selection by facilitating rapid and reliable online information exchanges with bidders. In 2019, we also implemented the SAP Ariba Supplier Lifecycle Performance (SLP) system for supplier registration and pre-qualification. The new solution increases the usability and efficiency of the initial stages of the procurement process. Both SAP Ariba SLP and SAP Ariba STS are integrated with SAP Enterprise Resource Planning (ERP), a resource planning system deployed at the Group's 10 assets as of the end of 2019.

To ensure that SAP Ariba STS adds value to the procurement process, we conducted two surveys among our suppliers in 2019, which were spaced four months apart, to collect feedback regarding the continuous user experience. The second survey showed a 6% increase in user satisfaction. A total of 44 suppliers surveyed mentioned the increased transparency at each stage of the procurement process for both parties, the versatile functionality and the time-efficiency of the system.



BLOCKCHAIN TECHNOLOGY FOR PROCUREMENT

Emerging blockchain technologies can lead to positive changes in procurement practices by bringing about unprecedented levels of transparency and traceability. In 2019, Metinvest tested the grounds and completed its first transaction through we.trade, a blockchain platform for

trade financing supported by UniCredit Bank. The solution can be used to manage dispersed transactions across multiple network nodes. In line with its digital transformation goals, Metinvest is in the process of exploring and testing various solutions that offer convenient and secure payment terms.

“SUCH TRANSACTIONS DEMONSTRATE THE GROUP'S WILLINGNESS TO WORK IN A TRUST-BASED ENVIRONMENT THAT HARNESSES SECURE TECHNOLOGY, IMPROVED RISK MITIGATION AND ENHANCED VISIBILITY.”

**Jamilya Baimukhambetova,
Head of Corporate Finance at the
European Re-rolling Business Unit**

WE ARE METINVEST

SUPPLY CHAIN CONTINUED

SUPPLIER RELATIONS

Metinvest applies a competitive and transparent tender procedure that evaluates proposals for compliance with specified procurement parameters. Information on major future tenders is published on the Group's website at least three days in advance. The Tender Committee, which consists of at least three members from different departments, considers certain approved criteria, including price, quality, delivery and payment terms, and guarantees. Fast and high-quality online exchange of information with bidders is secured by the SAP Ariba digital commerce solution, which the Group embeds to administrate competitive supplier selection.

Pre-qualification and pre-contract assessments, conducted in line with the corporate Counterparty Risk Management Regulation, are major screening procedures applied by Metinvest to potential vendors. As per the regulation, the Group retains the right to disqualify suppliers from bidding – either for a specified period or indefinitely – should any unfair business conduct be revealed. In 2019, around 60 suppliers were disqualified. We strive to guarantee the transparency of the bidding process and make up-to-date disqualification criteria available on the Group's official website in a timely manner. Metinvest also individually informs disqualified bidders about the reasons for their disqualification, allowing them to undertake corrective actions. Disqualified suppliers have an option to file a complaint to the Group Appeal Committee (can be reached at appeal@metinvestholding.com) about the actions (or inaction) of the Tender Committee or procurement personnel in case of disagreements over the pre-qualification or bidding results.

All existing suppliers are subject to regular screening, including daily screening against up-to-date international and other sanctions lists. When an infringement is identified, the supplier is blocked in the SAP systems and no transactions with them can be completed. Compliance audits are also conducted for each new supplier.

Using responsible supplier relations management, our objective is to ensure that suppliers and contractors share the Group's business standards and uphold principles of responsible social and environmental behaviour, which are codified in the Group's policies and procedures on supplier selection⁷. All suppliers must familiarise themselves with the Code of Ethics and agree to comply with its provisions before obtaining pre-qualification. As a part of our commitment to ensure open dialogue and responsiveness, Metinvest welcomes queries via the Trust Line. Suppliers who wish to report a violation of the Code of Ethics can do so either by sending an email to trustline@scm.com.ua, submitting an electronic form via <https://www.scm.com.cy/trust-line>, or dialling 0800 60 07 00 (within Ukraine) or +38 044 224 72 32 (internationally).

LOGISTICS AT METINVEST

Metinvest's logistics function is focused on the safety and quality of products in the supply chain, as well as their timely and efficient delivery to customers, which helps to position the Group as a reliable partner.

To make sure that delivery schedules are not disrupted due to ineffective oversight or pressing circumstances, Metinvest's Logistics and Procurement Directorate constantly tracks product flows and applies a flexible approach to managing shipments. In 2019, restrictions on railway and seaport infrastructure in Ukraine, as well as a 14.2% railway tariff hike in the country, were among major external challenges affecting deliveries and their costs. The Group overcame these issues by cooperating with Ukrainian Railways and rolling stock operators, as well as enhancing sea shipping opportunities. Additionally, Metinvest has introduced several IT solutions to improve road shipping, such as the SAP Ariba module for regular shipments, and has automated the selection of automobile freight companies for one-time shipments. To reduce order processing times, the Group switched to electronic document workflow and partnered with Ukraine's Ministry of Infrastructure to pilot e-CRM at Metinvest-Shipping, the Group's key asset for operating shipments.

Taking a strategic approach towards logistics operations, Metinvest owns over 3,000 gondola railcars and more than 1,000 specialised railcars for the transportation of coke, pellets, and chemical products. Through Metinvest-Shipping, the leading freight carrier in Ukraine, the Group manages a range of shipment services, from railway carriage to port operations. All structural subdivisions of Metinvest-Shipping are certified under the ISO 9001:2008/Cor 1:2009 standard



⁷ Policies and procedures on supplier selection refer to a set of documents that regulate the process of supplier selection, including the Procurement Policy, the Counterparty Risk Management Regulation and other related documents.

FORWARDER OF THE YEAR

In 2019, Metinvest-Shipping placed first in the “Forwarder of the Year” category of the 13th National Maritime Ranking of Ukraine, maintaining its top position for the fifth year in a row. Metinvest-Shipping became the absolute leader in the number of bulk cargo shipments through Ukraine’s seaports and terminals, with the volume of freight forwarded surpassing 32 million tonnes in 2019, a greater number than the combined volume shipped by four runners-up.

and have confirmed compliance with the national Provision of Cargo Transportation Services by Railways.

In addition to optimising shipments, several solutions were deployed during the reporting period to improve warehouse logistics focusing on replacing offline procedures with digital management tools. At the end of 2019, Metinvest-SMC introduced a single format for product labelling to enable online dispatching and acceptance. The company also continued optimising logistical processes of service metal centres by introducing new pricing tools, which should improve customer service standards. In 2020, Metinvest-SMC plans to introduce an electronic warehouse map and pilot an electronic queue service.



EFFICIENT LOGISTICS

In 2019, Metinvest-SMC opened Ukraine’s largest distribution centre in Dnipro with storage capacity for 40,000 tonnes of steel goods and six cranes for on-site logistics. The centre will be able to ship up to 2,400 tonnes of goods by truck and up to 1,800 tonnes by rail every day.

The new centre helped to increase the efficiency of Metinvest-SMC’s logistics, doubling the number of its contractors and tripling the number of direct carriers. Additional efficiency gains were made by shortening the time needed to find a truck, which now takes just one day.

“WE HAVE CONSOLIDATED OUR RESERVE STOCK THERE. WE CAN KEEP MORE NICHE PRODUCTS IN THE WAREHOUSE WITHOUT FEAR OF LONG TURNOVERS OR INEFFICIENT LOGISTICS.”

Igor Tonev, General Director of Metinvest-SMC

CORPORATE GOVERNANCE

In this section:

- | | |
|----|--|
| 44 | Corporate Governance Approach and Principles |
| 45 | Corporate Governance Structure |





INTRODUCTION

ABOUT THE REPORT

WE CAN MEET INVEST

CORPORATE
GOVERNANCEENVIRONMENTAL
ACTIONPEOPLE MANAGEMENT
AND DEVELOPMENTOCCUPATIONAL
HEALTH AND SAFETYLOCAL COMMUNITIES
DEVELOPMENT

ANNEXES

METIHBECT

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE APPROACH AND PRINCIPLES

Since its foundation, Metinvest has worked to build a lasting corporate governance system that provides sound and efficient stewardship for the Group. The result is a corporate governance structure that ensures astute management decisions, serving the interests of all stakeholders and guaranteeing that current and prospective partners can be confident of Metinvest's integrity and sustainability as a business.

We strive to adhere to the highest standards of corporate governance and recognise the importance of continuous improvements. Thus, guided by the principles of ethics and compliance, we are constantly looking for ways to make our business even more open and transparent. To this end, we benchmark our corporate governance institutions against international best practice and regularly review innovations in governance introduced by the world's leading exchanges.

Our approach to corporate governance is underpinned by appropriate codes and policies. These include the Group's Code of Ethics, Compliance Programme, Policy on Supplier Selection, Procedure on Anti-Money Laundering and Countering the Financing of Terrorism, and Procedure for Declaring Conflicts of Interest, among others.

For further information and a detailed description of each policy, please refer to pages 70-73 of Metinvest's 2019 Annual Report.

The Group conducts oversight based on nine core principles of management, which reflect the sophistication of Metinvest's vertically integrated structure and business model. The principles are clearly aligned with the Group's strategy and they are:

Specialisation

Vertical integration

Unified strategic management

Centralisation

Growth and investments

Global best practices

Tradition and innovation

Commitment to leadership

Personal commitment

For further details and a description of each principle, please refer to page 62 of Metinvest's 2019 Annual Report.

SHAREHOLDERS

As at 31 December 2019, Metinvest B.V. was owned 71.24% by SCM (Class A shares) and 23.76% by SMART (Class B shares). The remaining 5% interest, in the form of Class C shares, has been acquired from the previous owners of Ilyich Group 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 such will be necessary), 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 with, and in 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; 102-22

The Supervisory Board is responsible for overseeing the activity of the Management Board and the general course of events within the Group, including matters related to sustainability. The Supervisory Board works with the Executive Team to identify which sustainability-related issues are most pertinent to the Group's business and its key stakeholders, as well as to oversee the implementation of policies and processes for assessing, monitoring and managing material sustainability-related risks and opportunities. It provides advice to the Management Board in word and deed. In the performance of their duties, the members of the Supervisory Board are guided by the interests of the Group.

The Supervisory Board has 10 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. Among them, there are four independent members, who are deemed independent within the meaning of the Dutch Corporate Governance Code 2016. Four committees assist the Supervisory Board in its work.

Over the course of the reporting period in 2019, the Supervisory Board convened a total of 22 times and discussed and took decisions on a wide range of matters, including: annual business planning; investment projects; the financial statements for the 12 months ended 31 December 2018 and the six months ended 30 June 2019; the annual report for 2018; the appointment of an independent external auditor for the 2019 financial year; the compliance programme; external financing; material transactions; mergers and acquisitions; health, safety and the environment; performance appraisals; remuneration; and other material corporate events.

For additional information concerning decisions that must be approved or ratified by a resolution of the Supervisory Board, please refer to page 63 of Metinvest's 2019 Annual Report.

Of particular importance, in 2019, Metinvest decided to enhance its sustainability efforts by reorganising the sustainability management function within the Group. As a result, the Supervisory Board voted to establish the separate role of Chief Sustainability Officer, who leads the Sustainable Development and People Management Directorate.

For more information about the responsibilities of the Sustainable Development and People Management Directorate, please refer to the "Sustainability Governance" section of the Report.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE CONTINUED

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

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

For more details about the composition of the Supervisory Board and short biographies of its members, please refer to pages 66-67 of Metinvest's 2019 Annual Report.

M Member C Chairman

GRI 102-24

APPOINTMENT OF SUPERVISORY BOARD MEMBERS

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

A member of the Supervisory Board is appointed for an indefinite period, unless otherwise specified in the decision concerning their appointment. 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; occupation; and how the latter is related to their performance of duties as a future

member of the Supervisory Board. The names of the legal entities of which they are already supervisory board members shall also be indicated. Moreover, the appointment recommendation and proposal shall contain the explicit reasoning behind the 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. Suspension may be extended one or more times, but 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 them, the suspension shall end.

GRI 102-22; 102-27

SUPERVISORY BOARD COMMITTEES

The work of the Supervisory Board is enhanced by the presence of the four committees described below. The committees, to varying degrees of involvement, take part in the consideration, review and approval of sustainability-related matters.

STRATEGY AND INVESTMENTS COMMITTEE

The Strategy and Investments Committee's main responsibility is to conduct reviews and provide recommendations to the Supervisory Board regarding the Group's strategic objectives, including existing and new businesses, investments, mergers and acquisitions. It is assisted by the Technology Sub-committee, which advises and assists management in developing and implementing the Technological Strategy 2030.

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee undertakes the ongoing 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. Its main responsibilities include overseeing the budget, financial reporting, risk management, internal controls, the internal audit function and assessment of the external auditor. It is assisted by the Internal Audit Directorate.

Most importantly, the Audit and Finance Committee approves and recommends to the Supervisory Board the publication of annual reports, including sustainability-related matters disclosed in annual reporting.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Health, Safety and Environmental Committee's remit is to support the Executive Team in implementing and maintaining the highest standards of health, labour and environmental safety culture throughout the Group.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Appointments and Compensations Committee is responsible for making recommendations to the Supervisory Board on dismissals and new appointments for senior positions within the Group and on KPIs and annual bonuses for senior management, as well as on the Group's motivation, assessment, reward systems and succession planning.

For more details on the number of meetings and matters considered by the Committees during the reporting period, please refer to pages 64-65 of Metinvest's 2019 Annual Report.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE CONTINUED

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 is appointed by the 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 Dutch law, the Management Board is responsible for the management of Metinvest B.V. Under its Articles of Association, Metinvest B.V. may only be represented by the entire Management Board (i.e. 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.

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.

EXECUTIVE TEAM



Yuriy Ryzhenkov
Chief Executive
Officer



Olga Ovchinnikova
Economics and
Business System
Development
Director



Aleksandr Pogozhev
Chief Operations
Officer



Dmytro Nikolayenko
Sales Director



Alexey Gromakov
Logistics and
Procurement
Director



Iuliia Dankova
Chief Financial
Officer



Svitlana Romanova
Chief Legal Officer



Aleksei Komlyk
Chief
Sustainability
Officer



Sergiy Detyuk
Chief Information
Officer



Andriy Yemchenko
Chief Technology
Officer



Oleg Shudra
Internal Audit
Director

GRI 102-28**EXECUTIVE PERFORMANCE
EVALUATION AND REMUNERATION**

The Supervisory Board annually sets team goals for senior management, as well as personal goals for the CEO, who cascades them down to each individual on his team in accordance with their job functions, subject to approval of the Supervisory Board.

Each manager receives both personal and team goals that are drawn up into individual performance maps and incorporated into a KPI scorecard. Each target is weighted based on the ability of the manager to influence its achievement.

Shortly after the end of the reporting period, the Supervisory Board conducts a performance evaluation of senior management. These evaluations are based on each manager's self-appraisal report, which is prepared individually in accordance with their performance map and KPI scorecard.

The aggregate amount of current salaries and related bonuses paid by Metinvest to its Executive Team (including the CEO) totalled US\$15.0 million in 2019, compared with US\$15.3 million in 2018.

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



In this section:

52	Our Approach
54	Environmental Modernisation
56	Mitigating Impact on Air Quality
58	Protecting Water Resources
59	Managing Waste
60	Protecting Ecosystems and Biodiversity
62	Energy Efficiency

ENVIRONMENTAL ACTION

KEY 2019 RESULTS AND EVENTS

US\$384 million invested in environmental protection measures, 46% more than in 2018

Azovstal and Ilyich Steel completed significant ecological modernisation projects worth a total of US\$89 million

The Group reduced its gross GHG emissions in CO₂ equivalent by 10% year-on-year

Our assets decreased water consumption and water discharge by 9% and 10% year-on-year, respectively

We increased total energy savings by 22% year-on-year



ENVIRONMENTAL ACTION

OUR APPROACH

Environmental protection is a non-negotiable value at Metinvest; our primary strategic priority is to enhance sustainability, including by ensuring modern, energy-efficient and environmentally friendly production at our assets. To achieve this goal, we have been gradually reducing our environmental impact and tackling climate change, introducing efficient, energy-saving technology. The Group operates in compliance with local regulations while striving to operate in line with global best environmental practices. Metinvest has developed a roadmap for compliance with European environmental standards and steadily works to implement international environmental techniques and methods.

The measures introduced by the Group are aimed at mitigating the environmental impact of every stage of the production process. To this end, Metinvest has embarked on a comprehensive approach to automating environmental protection, allowing it to manage environmental indicators and risks in the medium and long term; unify environmental business processes; predict, model and minimise the impact of production sites; and pre-emptively identify potential environmental risks.

GRI 103-2

Metinvest's Policy and Principles in the Field of Health, Safety and the Environment guides our daily operations and ensures that managers at all levels are involved in environmental management. This cascades down from the level of the Supervisory Board, where the Health, Safety and Environmental Committee meets every quarter to discuss key environmental issues and determine the pace at which environmental programmes are rolled out at the Group's production facilities.

Metinvest conducts regular environmental site audits to ensure compliance with environmental legislation, evaluate the effectiveness of technology upgrades and scheduled maintenance, as well as revise risk registers to monitor environmental protection measures using internally designed checklists. We have assigned designated environmental protection departments at each production site responsible for environmental matters in accordance with procedures, policies and standards. We work closely with accredited laboratories that use modern equipment, which allows us to regularly monitor the environmental impact of our production activities.



GRI 103-3

Our environmental management system is designed to meet ISO 14001 standards. We regularly assess our key production assets for conformity with all requirements of this standard. As of the end of this reporting period, we have certified the environmental management systems of 15 of our assets¹ in compliance with the latest ISO 14001:2015 requirements.

Metinvest has been piloting an automated monitoring system at its Kryvyi Rih assets since 2017: 10 automatic monitoring posts check the areas affected by four of our assets². In 2019, we were elaborating reliable automated ways to report collected data directly to the city council.

The Group's Policy and Principles in the Field of Health, Safety and the Environment, issued in 2016, contains requirements for the conservation and optimal use of water resources, land restoration, emission reduction and waste management. It applies to all assets of the Group.

As part of the process of sustainably reducing Metinvest's environmental impact, one of our main goals in 2019-20 is to upgrade our existing management system to include additional functions, which will cover important aspects of sustainable development such as: enhancing the dialogue with internal and external stakeholders on environmental matters, extending the scope of greenhouse gas (GHG) emissions management, as well as implementing environmental digitalisation and comprehensive environmental monitoring.

SUPPORTING OPEN DIALOGUE

When it comes to environmental protection, engaging with stakeholders is crucial for detecting and addressing any red flags. Metinvest seeks to maintain an open dialogue with all stakeholders to jointly solve ecological issues in the regions where it operates. The official channel for submission of direct complaints is the Trust Line, through which individuals can lodge environmental complaints directly. Each complaint is registered in a unified automated incident management system, processed in accordance with Metinvest's procedures for internal corporate audit, verified and transmitted to the responsible directorate, which promptly takes the necessary action.

Metinvest makes every effort to deal with ecological questions at our assets. If we detect any irregularities after fact-checking a complaint, we send the results of our investigation back to the originator. In 2019, no direct complaints were lodged.

📄 **For more information about the Trust Line, please refer to the "Business Ethics and Anti-Corruption" section of the Report.**

In the interest of transparency, we do our best to keep all stakeholders informed about the environmental activities and regularly organise discussions on environmental matters. Our senior management and the general directors of our assets regularly meet with community leaders, voluntary organisations and NGOs. Metinvest also participates in the World Steel Association's Environment Committee, where we share our experience, educate ourselves and learn about the most effective industry practices from our peers all over the world.

In 2019, Azovstal held meetings and roundtable discussions in Mariupol with both the media and members of the public, who were able to visit our production sites, as well as environmental facilities that are under construction. Azovstal also took part in a business forum at Waste Management 2019, an international exhibition and conference dedicated to the discussion of legislative, financial and technological issues surrounding waste regulation.

Avdiivka Coke participates in numerous regional environmental programmes, as part of which it discloses information about the results of its activities on a quarterly basis. During 2019, Avdiivka Coke successfully participated in such programmes as "Clean Air", "Protecting the Environment of the Donetsk Region: Action Plan for 2013-20", the Regional Waste Management Programme and the Avdiivka Socio-Economic Development Programme. Environmental experts of Inkor Chemicals participated in an interregional scientific and technical conference titled "The Functioning and Sustainable Development of Environmental Protection Monitoring Systems".

- 1 Metinvest Holding, Azovstal, Ilyich Steel, Northern GOK, Central GOK, Ingulets GOK, Zaporizhia Coke, Metinvest-Promservice, Mariupol Machining and Repair Plant, Unisteel, Inkor Chemicals, Ferriera Valsider, Spartan UK, Metinvest Trametel and Promet Steel.
- 2 Ingulets GOK, Central GOK, Northern GOK and Kryvyi Rih Machining and Repair Plant.



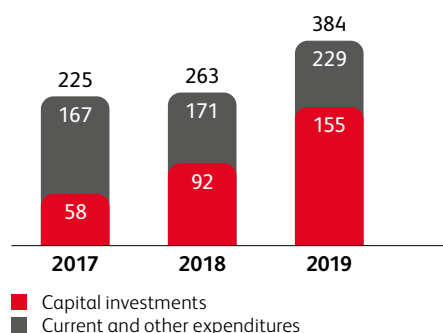
ENVIRONMENTAL ACTION

ENVIRONMENTAL MODERNISATION



In 2019, the Group invested US\$384 million in environmental protection measures encompassing various upgrades, with key projects focusing on reducing emissions and waste, increasing energy efficiency and conserving resources. With the help of this significant 46% year-on-year increase in such spending, we were able to complete several important long-term environmental projects. Of this amount, US\$155 million was allocated for capital investments, up 68% year-on-year following the expansion of the environmental modernisation programmes at our assets.

Metinvest's total environmental spending, US\$ million



Metinvest is making progress on numerous modernisation projects to mitigate its environmental impact. The key initiatives taking place at our steelmaking assets Azovstal and Ilyich Steel amount to US\$89 million.

At Azovstal, the Group rebuilt blast furnace no. 3, reconstructed the hot metal desulphurisation unit and performed a major overhaul of coke oven battery no. 1. Metinvest also decommissioned blast furnace no. 5 and started the design phase for overhauling blast furnace no. 6.

Following the closure of the sinter plant at Azovstal in 2012, Metinvest began to reconstruct the one at Ilyich Steel in 2015 to further lower emissions in Mariupol. With total investments slated at around US\$150 million, this sinter plant reconstruction is the largest environmental project in the history of independent Ukraine. The upgraded system for cleaning sinter gases will help to reduce emissions of dust by as much as 90% and of sulphur oxides by up to 42%.

The Group made steady progress in 2019 and aims to complete this project by the end of 2020.

Northern GOK advanced its project to replace the gas cleaning facilities of the Lurgi 552-A roasting machine and plans to complete it in 2021. Central GOK conducted regular maintenance of its tailing storage facilities and carried out related work on the water supply and slurry pipelines.

Extensive maintenance was conducted at the oven chambers of Avdiivka Coke and Zaporizhia Coke to decrease air emissions.

INVESTING IN GREEN CITIES

During the first RE:THINK international investment forum, which took place in Mariupol in 2019, Metinvest signed a six-year Memorandum on Cooperation with Mariupol, Zaporizhia and Kryvyi Rih to invest in environmental projects in these cities. Total investments in environmental modernisation are expected to exceed US\$400 million and focus on two areas: improving production processes and reducing environmental impact. Metinvest aims to help implement a range of programmes that will change the environmental situation in Ukraine.

“SIGNING THE MEMORANDUM IS JUST ONE OF THE STEPS WE HAVE TAKEN TO SYSTEMICALLY MODERNISE OUR PRODUCTION FACILITIES AND GIVE FINANCIAL SUPPORT TO MAJOR ENVIRONMENTAL PROJECTS. WE DO OUR BEST TO IMPROVE THE OVERALL ENVIRONMENTAL SITUATION AND STANDARD OF LIVING IN THE CITIES WHERE WE OPERATE.”

Yuriy Ryzhenkov, Chief Executive Officer



BEST ENVIRONMENTAL PROGRAMMES

The ecological modernisation projects of Ilyich Steel, Azovstal and the Zaporizhstal JV were recognised among the top 20 environmental programmes in Ukraine according to Vlast Deneg (the Power of Money), a reputable Ukrainian business journal providing expert analytics.

Additionally, the Zaporizhstal JV was named Eco-Investment Leader 2019 at the “Ecotransformation-2019” Ukrainian business forum for its investments in environmental production modernisation over the past seven years.



ENVIRONMENTAL ACTION

MITIGATING IMPACT ON AIR QUALITY



Metinvest aims to reduce its air emissions by implementing numerous projects while increasing overall production efficiency, since environmental protection is one of our key priorities. In 2019, we fully complied with the pollutant thresholds set in the air emission permits for all the primary sources of emissions at our sites, including sinter and pelletising plants, blast furnaces, basic oxygen furnaces and coke batteries.

In 2019, after overhauling blast furnace no. 3, Azovstal decreased the dust emissions of its blast furnace unit and provided the furnace with new environmental protection equipment. In 2020-21, Azovstal plans to continue improving the aspiration system of its blast furnaces, mixers and rotary kilns, as well as in the iron desulphurisation units and basic oxygen furnaces.

Within the sinter plant reconstruction project, Ilyich Steel has already commissioned new bag filters for the six sintering machines in its sintering and cooling zones, as well as for another six machines in its sintering zones where the cooling zones were previously equipped with high-efficiency electrostatic filters. The reconstruction project is expected to be completed in 2020. The asset will also continue to renovate its blast furnaces and basic oxygen furnace shop with a focus on gas cleaning systems, dust-cleaning and aspirating in 2020.

Mariupol Machining and Repair Plant managed to reduce dust emissions by 30% by modernising its gas treatment plant and shot-blasting chamber. Zaporizhia Coke overhauled three coke batteries, which reduced its emissions by 45%.

GRI 305-7

Gross emissions, thousand tonnes

Year	Nitrogen dioxide (NO ₂)	Sulphur dioxide (SO ₂)	Carbon monoxide (CO)	Solids (dust)	Total
2017	15.3	20.3	240.6	29.4	314.3
2018	15.7	19.7	270.6	30.0	344.5
2019	14.6	18.1	288.0	26.0	354.0 ³

In 2019, Inkor Chemicals launched an emissions purification project for the crystallisation compartment of naphthalene production. The asset will finish this optimisation in 2020.

GRI 305-1

ADDRESSING CLIMATE CHANGE

Metinvest is fully aware of the gravity of climate change and contributes to tackling it. The Group takes inventory of its GHG emissions, starting from 2020 actively participates in discussions around Nationally Determined Contribution (NDC) and Green Deal projects, and makes every effort to develop strategies and initiatives aimed at minimising its carbon emissions. We have chosen a risk-based approach to integrating climate risks into our plans and business processes, allowing us to minimise our carbon emissions in the long run.

Determining our current level of GHG emissions, as well as formulating goals and approaches to reduce our impact on the climate, is very important for Metinvest and makes up just one part of our general approach to environmental protection. In view of the rapprochement between Ukraine and the EU, we will be reviewing all climate impact requirements applicable to the Group's activities.

Following the ratification of the Association Agreement between Ukraine and the EU, we have been preparing to comply with a number of important EU legislative acts related to environmental protection, including Directives 2010/75/EU and 2003/87/EU, which stipulate regulatory requirements for emissions based on the best available techniques in Europe. These directives cover issues ranging from environmental monitoring to the system for determining GHG quotas and emissions trading. To ensure full conformity, Metinvest plans to take part in pilot projects to obtain integrated environmental permits in the near future. By applying the best available techniques, the Group will be able to develop highly advanced environmental protection measures and adopt operational methods at its assets that comply with the most rigorous European standards.

3 The total increase in emissions in 2019 is mostly related to gaseous components, such as carbon monoxide, which comes from the combustion process. For instance, the new bag filters installed at Ilyich Steel's sinter plant require greater air pressure, which consequently leads to a higher volume of this gas. In addition, the emissions of dust, sulphur oxides (SO_x) and nitrogen oxides (NO_x) are decreasing.



HELPING TO DEVELOP GHG EMISSIONS TRADING

Since 2017, Metinvest has been participating in a joint project with the World Bank and Ukraine's Ministry of Ecology and Natural Resources to create a national GHG emissions trading system (ETS).

The Zaporizhstal JV and Central GOK also acted as pilot sites to develop mechanisms for monitoring, recording and verifying GHG emissions with the view of codifying such practices in national legislation. In 2019, these assets developed drafts of monitoring plans and conducted test verifications.

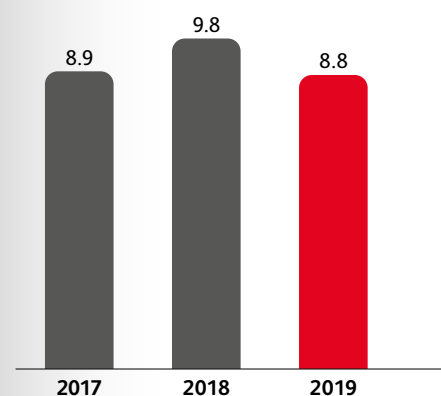
The project's next stage is to implement the Ukrainian emissions trading system in accordance with Directive 2003/87/EU.

"THE PROJECT'S GOAL IS TO TRAIN STAFF AND PREPARE THE PLANTS FOR THE INTRODUCTION OF A SYSTEM FOR MONITORING AND REPORTING GREENHOUSE GAS EMISSIONS, AS WELL AS THE NATIONAL GREENHOUSE GAS EMISSIONS TRADING SYSTEM."

Yuriy Ryzhenkov, Chief Executive Officer

In 2019, Metinvest reduced its direct GHG emissions by 10% year-on-year to 8.8 million metric tonnes of CO₂ equivalent. This was primarily due to alterations in blast furnace utilisation at Azovstal, as well as the shutdown of blast furnace no. 3 at Ilyich Steel and coke chambers at coke producers for major overhaul.

Gross direct GHG emissions of CO₂ equivalent, million tonnes



Note: GHG emissions were calculated for each asset using the methodologies imposed by local regulators⁴.

⁴ For more information on GHG emissions, please refer to Annex 3.

ENVIRONMENTAL ACTION

PROTECTING WATER RESOURCES



GRI 303-1; 303-2

Metinvest seeks to improve its water management practices by completing environmental projects. We strive to uphold high national standards for water usage and discharge, as water is an integral part of our production processes. The Group consumes fresh water from surface water sources (including the Azov Sea), ground water wells, and public water networks based on special water permits and maximum permissible dump specifications, in addition to reusing processed water. Our assets regularly conduct instrumental and laboratory studies of surface and wastewater to track their impact and control their compliance with environmental standards.

To ensure that we use water as responsibly as possible, we are launching new projects to modernise wastewater treatment equipment, recycle water used in technological processes, as well as reuse mining and wastewater. At our mining assets, water circulates in a closed cycle between tailings storage and plants.

Azovstal has repaired a block of air heaters and transitioned to a new closed-type cooling system for blast furnace no. 3. Moreover, the plant has stopped using sea water for cooling one of its blast furnaces in favour of a closed-loop water system. This was made possible by replacing cast-iron thermal protection elements and installing a new evaporative cooling system.

Avdiivka Coke has completed a major overhaul of its fan-cooling tower to make its water recycling systems more effective. Inkor Chemicals has replaced the cooling towers used for recycling water supply and installed a new pumping module in its heat-power unit. These measures will increase the rational use of water in production systems.

Central GOK has regularly worked to improve the water quality of the Ingulets River and Karachunovskoye reservoir by using the water supply of the Dnipro-Ingulets canal to backwash the Ingulets River, which is subject to mine water impact.

The Zaporizhstal JV launched its second modern filter press on the reverse cycle of water supply for gas treatment of open-hearth furnaces, which allowed it to increase shipment of iron-containing sludge used in production and eliminate the risk of polluting the Dnipro River with industrial wastewater.

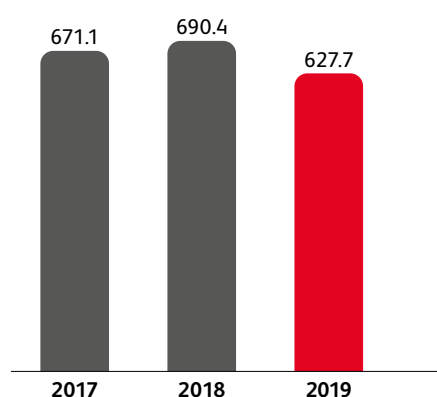
GRI 303-4; 303-5

Water consumption⁵, million m³

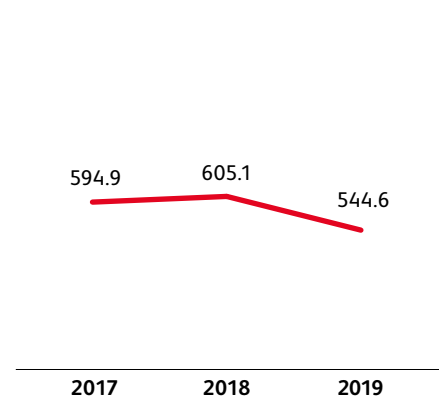
Year	Total volume	Surface water	Ground water	Utilities	Other sources
2017	653.2	602.1	3.1	42.6	5.4
2018	671.8	617.2	3.2	43.6	7.8
2019	614.0	555.1	3.2	43.7	12.0

Note: Quarry water is the largest source of water in the "other" category, accounting for 2% of the overall volume of water consumed by Metinvest.

Total volume of water intake⁶ by the Group's assets, million m³



Total volume of wastewater discharge at the Group's assets, million m³



5 Water consumption – the use of water withdrawn from water bodies in production operations and for household purposes.

6 Water intake – water withdrawal from water bodies for consumption or storage.

MANAGING WASTE



GRI 306-1; 306-2

Metinvest acknowledges that its operations generate industrial waste, including overburden and tailings from the enrichment process, slag and sludge. The Group therefore makes every effort to reduce the waste it creates.

Metinvest generated 234 million tonnes of waste in 2019, 94% of which was non-hazardous waste from mining assets in the form of overburden and tailings. During the reporting period, 28% of all waste by volume was recycled. The total weight of recycled waste increased by 9% year-on-year in 2019, which is a testimony to the positive effects of the

Group's multi-pronged effort to cut down on waste disposal and operational improvements.

As part of our approach to managing waste generation, we also seek to reuse and recycle waste in production processes as much as possible. In 2019, Metinvest implemented several projects to achieve these objectives.

GRI 306-1; 303-2

Metinvest minimises waste storage spaces by depositing its industrial waste in specially designated areas, such as mining allotments and slag and sludge ponds, and has enacted practices to ensure that mining allotments are used rationally. For example, overburden rocks are used at mining assets for crushed stone production, as well as for the construction and repair of automobile and railway links at mines.

By-products of metallurgical production are also partly recycled. Since 2004, Azovstal has been using equipment from the US manufacturer AMCOM to reprocess slag and extract metal-containing components (scrap). Using scrap not only reduces the volume of waste in the slag deposit, it also lowers the consumption of raw iron ore.

Since June 2019, as part of its social partnership with district and village councils in Donetsk region, Metinvest engages in non-commercial distribution of slag products from Azovstal and Ilyich Steel. This programme not only helps us to minimise our slagheap, it reduces the cost of local infrastructure development, as our by-products are used as free construction material. By the end of 2019, we provided almost 160,000 tonnes of slag products for road construction in villages close to Mariupol and other villages in Donetsk region.

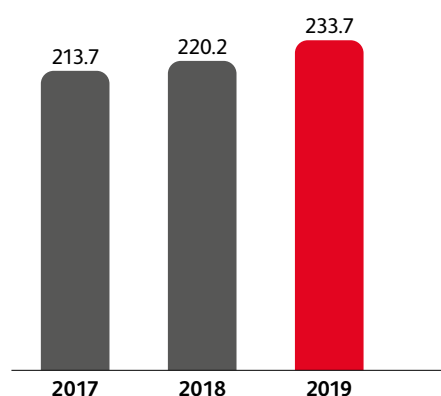
Every year, the Zaporizhstal JV uses the entire volume of blast furnace by-products it creates to manufacture 1.5 million tonnes of construction materials. Scrap is extracted from the open-hearth slag and crushed stone is produced both for our own needs and for sale to external customers.

To uphold its commitments to the Stockholm Convention on Persistent Organic Pollutants, which aims to put an end to polychlorinated biphenyl (PCB) use in equipment, as of the end of 2019, Ilyich Steel had replaced 62% of its electric transformers that contained PCBs and transferred them to disposal.

Avdiivka Coke reduces hazardous tarry waste generation through technical re-equipment of resin collectors and a chemical processing waste pumping unit. Avdiivka Coke also participated in a joint project with the Organisation for Security and Co-operation in Europe (OSCE) and Ukraine's Ministry of Energy and Environmental Protection titled "Assistance in Expanding the Monitoring System in the Donbass Region". The project involved a study of the current state of Donbass tailings and their possible impact on bodies of water in a military environment.

GRI 306-3

Total volume of waste generated at the Group's assets, million tonnes



Total weight of waste, million tonnes

Year	Total weight of generated waste	Weight of landfilled waste	Weight of waste transferred to third parties	Weight of recycled waste
2017	213.7	156.3	0.9	56.0
2018	220.2	158.7	0.9	60.1
2019	233.7	166.3	2.6	65.6

ENVIRONMENTAL ACTION

PROTECTING ECOSYSTEMS AND BIODIVERSITY



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

Even though Metinvest does not operate in any protected natural areas, and its activities do not affect the habitats of species on the International Union for Conservation of Nature (IUCN) Red List or national conservation list, the Group has a number of initiatives in place to preserve biodiversity. Metinvest also engages in land restoration in its areas of activity.

Ingulets GOK participates in mining and biological restoration of old overburden dumps. In 2019, it carried out technical mining restoration at one such dump, where it was able to reclaim an area of 10.46 hectares. In addition, biological reclamation was carried out on a total area of 3.68 hectares. This mining reclamation was performed in three stages, consisting of rough surface planning, application of a fertile soil layer, and final planning. Biological reclamation involved planting 670 young trees, 25 kilogrammes of grass seeds, and approximately 30 kilogrammes of chestnuts. Overall, from 2014 to 2019, Ingulets GOK's efforts to restore disturbed lands encompassed a total area of 26.38 hectares.

In addition, Ingulets GOK undertakes voluntary commitments to support the Vizirka wildlife sanctuary, which was established in 2001 at the asset's initiative on the territory of depleted open-pit mines in Dnipropetrovsk region. The goal of the sanctuary is to protect and renew natural landscapes, as well as to enhance the biological diversity of Kryvyi Rih.

Central GOK is working to re-cultivate quarry no. 2 by covering it with overburden. In 2019, the plant deposited 11 million tonnes of waste rock into the quarry. These measures allowed to both reduce overburden storage spaces in dumps and save arable land.



LET'S SAVE THE DNIPRO RIVER TOGETHER

The Zaporizhstal JV actively participates in projects to restore and protect the Dnipro River. Each year, the asset organises the “Let’s Save the Dnipro Together⁷ project”. Since 2012, more than 8,000 local citizens have taken part, planting more than 715 trees and collecting over 124 tonnes of garbage. In addition, volunteers have released approximately 160,000 fish into the Dnipro River and set up 8,600 spawning areas, 30 floating nests and 30 bird feeders.

In spring 2019, more than 1,000 artificial gravel nests were placed in the Gulf of Otradsnensky, helping the local fish population to grow more quickly. More than 27,000 juvenile grass and silver carp, known as natural river cleaners, were released into the water.

“THIS IS NOT THE FIRST TIME MY FRIENDS AND I HAVE PARTICIPATED IN THIS EVENT. IT REALLY HAS BECOME A GOOD TRADITION FOR US, ALLOWING US TO MAKE OUR CITY CLEANER.”

Oleksandra Tolchina, a worker at cold-rolling shop no. 1 at the Zaporizhstal JV

⁷ Metinvest’s Green Centre initiative has supported this project since 2019.

ENVIRONMENTAL ACTION

ENERGY
EFFICIENCY

GRI 103-2

Metinvest continues to reduce the energy consumption of its production assets and cut the consumption of natural resources. As part of its systematic approach to saving energy and increasing energy efficiency, the Group has an Energy Programmes Division in the Operational Directorate at the Executive Team level, as well as Energy Management and Energy Efficiency departments at each production asset. The departments are responsible for local production operations and energy efficiency activities, and they provide reports on the effects that have been achieved to the Head of Engineering. We develop energy efficiency targets and energy saving programmes at all assets on an annual basis.

Since 2013, we have been implementing an energy management system that conforms to the ISO 50001:2011 international standard and eight of the Group's assets have certified their energy management systems as compliant with its requirements⁸. In 2019, Ingulets GOK was certified in accordance with ISO 50001:2018, the newest energy management system standard.

GRI 103-3

An authorised ISO certification body carries out annual external audits of each asset. In 2019, our assets all successfully passed the external supervisory audits. The external audits confirmed that our documentation management system complies with ISO requirements, which cover standards, protocols, the energy conservation commission and documentation related to energy initiatives. Our internal audit matrix also

includes these issues, which allows us to check our findings even before the external audit.

Metinvest's regular internal audits of energy management systems guide us as we set goals for the year's energy saving programmes. All audits are performed in accordance with our Procedure for Conducting Internal Audits of Energy Management System at Production Sites, which lays out requirements for the composition of the audit committee, the frequency of inspections and reporting procedures. Metinvest has also developed a scoring system for assessing how the ISO is being implemented. We completed nine internal energy management system audits in 2019, allowing us to ascertain the status of these systems at each asset. Ilyich Steel delivered the best results of all production sites, followed by Avdiivka Coke and Mariupol Machining and Repair Plant.

In addition, we have developed and implemented a Methodology for Conducting an Energy Audit at Production Sites, consisting of basic principles and requirements, which lays out a unified approach for energy audits at the Group's assets. This allows us to identify inefficient use of energy resources, select optimal equipment and develop measures to reduce energy consumption. The energy saving committee and energy management teams at each production site are responsible for the auditing process.

8 Central GOK, Zaporizhia Coke, Azovstal, Ilyich Steel, Avdiivka Coke, Inkor Chemicals, Kryvyi Rih Machining and Repair Plant and Mariupol Machining and Repair Plant.



METINVEST'S SYSTEM FOR MANAGING ENERGY EFFICIENCY

Technological measures

- Management of raw material quality
- Technological optimisation
- Process automation

Technical measures

- Equipment repair
- Modernisation and replacement of inefficient equipment
- Development of accounting systems

Operational measures

- Development of differentiated standards and analysis of deviations
- Optimisation of technical modes and equipment
- Introduction of ISO 50001 and regular audits

GRI 302-1; 302-3; 302-4

In 2019, Metinvest decreased its total energy consumption as measured in tonnes of oil equivalent⁹ (TOE) by 7% year-on-year by reducing coke usage and increasing pulverised coal injection at Azovstal following the commissioning of blast furnace no. 3.

Direct energy use*, '000 TOE¹⁰

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electric power	Total
2017	1,189.6	0	2,394.7	207.1	2.7	2,840.1	957.3	7,591.5
2018	1,312.0	0	2,256.3	213.5	2.5	3,072.0	975.4	7,831.7
2019	1,259.8	0	2,011.6	221.7	2.0	2,738.3	1,033.0	7,266.4

* Renewable sources were not used.

⁹ A tonne of oil equivalent is a unit of measurement equal to the amount of energy released by burning one tonne of crude oil.

¹⁰ Only purchased (or extracted) fuel was factored into our calculations. The coefficients used for conversion to TOE are as follows: natural gas – 1.15, heating oil – 1.37, coke – 0.94, diesel fuel – 1.45, petrol – 1.49, coal – 0.888, electric power – 0.123.

ENVIRONMENTAL ACTION

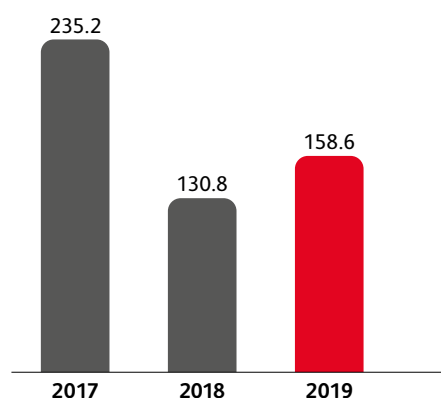
ENERGY EFFICIENCY CONTINUED

We have been able to successfully identify opportunities to recover and utilise energy sources, which allowed us to increase the total amount of energy saved by 22% year-on-year¹¹. We completed various energy-saving programmes at our production assets, which led to an economic effect of US\$38.2 million.

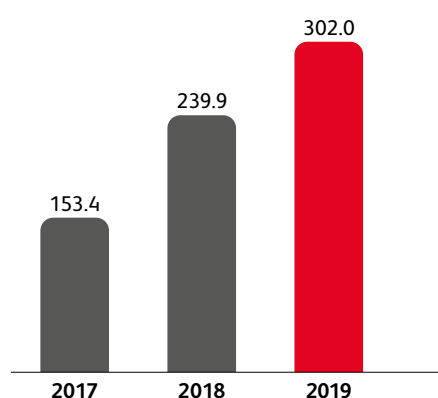
Electricity savings increased by 26% year-on-year thanks to effective modernisation projects at Azovstal, Ilyich Steel, Northern GOK and Central GOK. Such projects included optimising the vacuum filters and vacuum pumps used in operational processes, using blast furnace gas to generate electricity supplies, increasing in-house electricity generation and modernising the lighting system. We will keep working on optimising equipment to reduce idle time and change equipment usage phases to lower electricity costs.

In 2019, Metinvest spent US\$6.9 million on energy efficiency programmes. An increase in the number of energy service projects financed by YASNO Energy Efficiency LLC (YASNO; formerly DTEK ESCO) has resulted in a 39% year-on-year decrease in spending on energy efficiency programmes, while the number of projects went up from four in 2018 to 12 in 2019.

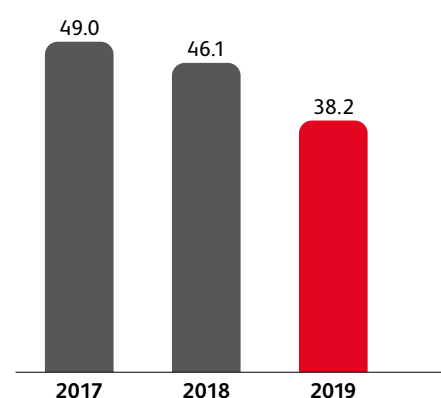
Total energy saved as a result of energy efficiency measures, '000 TOE



Electricity savings, million kWh



Economic effect of energy conservation, US\$ million (excl. VAT)



Note: A 30% decrease in the cost of natural gas has led to a nearly 17% year-on-year reduction in the economic effect of energy conservation.

¹¹ For more information on energy savings, please refer to Annex 3.





ENERGY SERVICE PROJECTS

Metinvest continues to implement joint energy efficiency projects with YASNO under energy service contracts. YASNO uses its own funds to implement turn-key projects for Metinvest, guaranteeing a reduction in energy resource consumption. According to the energy service contract, Metinvest pays for the services provided by means of economies achieved.

In 2019, our collaboration with YASNO resulted in the implementation of 12 energy service projects focused on improving the efficiency of secondary fuel use, modernising fuel-consuming units, increasing the efficiency of heat

exchange and compressor equipment, modernising slurry pumps and devising hydraulic schemes. The annual economic effect of these projects totals US\$5.6 million, with an estimated energy savings of 87 million kWh/year.

One successful example of such collaboration was a project with Ilyich Steel. Jointly with YASNO, the asset modernised ceiling lighting by installing more than 2,000 LED lamps at the oxygen converter shop and hot strip mill 1700, which makes it possible to decrease electricity consumption there by as much as 80%.

“ENERGY CONSERVATION ISSUES ARE PRIORITY TASKS FOR SUSTAINABLE DEVELOPMENT. MODERNISING LIGHTING AT OUR PRODUCTION SITES ALLOWS US NOT ONLY TO SAVE MONEY, BUT ALSO TO CREATE SAFER AND MORE COMFORTABLE WORKING CONDITIONS FOR OUR EMPLOYEES.”

Taras Shevchenko, General Director of Ilyich Steel



After effectively implementing the modernisation activities in 2019, we plan to continue such initiatives to achieve even more in 2020, including developing and implementing energy conservation programmes, executing energy service

contract projects, introducing natural gas substitution technology at Azovstal, optimising our fleet and transitioning to the updated ISO 50001:2018 standard.

PEOPLE MANAGEMENT AND DEVELOPMENT

KEY 2019 RESULTS AND EVENTS

37% average monthly salary increase in the Group

Almost US\$6 million invested in employee training and development

Over 40,000 employees completed corporate learning and development programmes

Almost 39,000 employees and their family members provided with recreational services

Over 1,500 new graduates hired

Almost 3,000 students completed internships at Metinvest assets and 874 students participated in the Metinvest Scholarship Programme

In this section:

68	Our Approach
72	Personnel Structure
74	Employee Remuneration and Motivation
75	Social Benefits
76	Employee Healthcare
78	Staff Training and Development
83	Internal Communications



PEOPLE MANAGEMENT AND DEVELOPMENT

OUR
APPROACH

Metinvest provides almost 67,000 jobs worldwide and remains one of Ukraine's largest employers. We believe that ensuring fair working conditions, continuous professional growth and the wellbeing of our employees are essential for the long-term success and sustainability of our business.

GRI 103-2; 103-3

In 2019, the Group decided to integrate the people management function into the Sustainable Development and People Management Directorate, along with the health and safety, environmental protection and public relations teams. Beginning its work in April 2020, the new directorate aims to improve Metinvest's system of labour relations, strengthen the corporate culture and employee engagement, enhance the efficiency of remuneration and the employee development system, as well as ensure the safety and wellbeing of the Group's people.

Metinvest strives to apply the best international practices to its human capital management strategy. The key focuses of our five-year strategy are to enhance Metinvest's attractiveness as an employer, provide the Group with skilled employees and improve staff efficiency, as well as upgrade the quality of services for employees. We abide by

the standards of the Society for Human Resource Management (SHRM)¹, which set norms for operational and strategic personnel management. Our human capital management strategy serves as a basis for developing KPIs for the Group's management, key functional managers and employees. We regularly assess the performance of the function against the KPIs and monitor the strategy's implementation.

PEOPLE MANAGEMENT
AWARDS IN 2019

Metinvest was recognised in four nominations of the Top 100 Talent Departments, Brands and Employers ranking in Ukraine:

- Top 10 employee brands
- The most efficient HR team in Ukraine
- Top 20 HR directors
- Top 10 educational programmes



¹ The Society for Human Resource Management is a professional human resources membership association promoting the role of HR as a profession and providing education, certification and networking to its members.



In 2019, Metinvest dealt with complex challenges related to human capital management. The migration of the workforce, as well as higher employee demands and expectations regarding working conditions and professional development were aggravated by the steel market downturn. To retain employees and ensure seamless production, we focused on aligning our remuneration package with competitive market rates and developing employees' professional skills by introducing new training and development tools. The Group has also revised its onboarding programme to foster employer brand attractiveness. The programme aims to effectively integrate new hires into corporate activities, so that they can quickly attain expected levels of performance and engagement. On top of that, Metinvest continued investing to build its knowledge resilience and its ability to retain knowledge within the organisation, by designing and adopting knowledge exchange procedures.

METINVEST CAREER CENTRES

We are developing a regional network of Metinvest Career Centres in the Ukrainian cities where the Group operates. Their key task is to create a single-channel information and consultation service for potential candidates, as well as a convenient platform for navigating an aggregated list of job openings at Metinvest's assets. This new approach aims to increase employer brand awareness and promote professional careers in the metallurgical and mining industries.

In December 2019, we opened a new Career Centre in Zaporizhia after successful launching one in Kryvyi Rih in 2017. The centre delivers a variety of career services to make the job application process as seamless and efficient as possible. Candidates gain access to the list of available job postings with information on salary ranges and employee benefits. In 2020, we plan to introduce another Career Centre in Mariupol.

CAREER MANAGEMENT APPROACH

To top up learning opportunities, the Group has introduced a Career Management Policy that outlines our approach to career development, drawing upon the principles of personalisation and diversification of learning opportunities. The approach includes the following elements:

- A total of 11 career maps developed for the key functional areas (management, economics and finance, sales, procurement, etc) that contain transparent career development plans;
- A rotation system that facilitates assignments within the Group's entities and various functions; and
- An internal application and selection process for management positions, which guarantees equal opportunities for all candidates who qualify.

“WE STRIVE TO NURTURE TALENT AND ENCOURAGE OUR PEOPLE TO DEVELOP AND GROW THEIR PROFESSIONAL SKILLS. OUR CAREER MANAGEMENT TOOLS ARE DESIGNED TO FOSTER A LEARNING-ORIENTED CULTURE AND PROMOTE LEADERSHIP.”

Aleksei Komlyk, Chief Sustainability Officer

PEOPLE MANAGEMENT AND DEVELOPMENT

OUR APPROACH CONTINUED



SAP QUALITY AWARDS 2019

Metinvest was recognised as a winner of the 2019 SAP Quality Awards in the “Business Transformation” category for the successful implementation of SAP SuccessFactors at Azovstal, Ilyich Steel and Metinvest Holding. SAP SuccessFactors is a solution for automating personnel performance management, which provides employees with 24/7 online access to their performance tracking, goal setting and bonus records.

In 2019, we also rolled out SAP SuccessFactors at Northern GOK, Central GOK and Ingulets GOK. At the beginning of 2020, more than 42,000 employees were using the system, reducing the amount of time needed for goal setting and annual evaluation by more than 50%.

“IT IS A CHALLENGING AND PROMISING PROJECT, REQUIRING NOT ONLY TECHNOLOGICAL INNOVATION, BUT ALSO FUNDAMENTAL CHANGES TO OUR CULTURE AND PROCESSES.”

Yuliya Riakhovska, Director of the Business Support Department

DIGITAL TRANSFORMATION OF
HUMAN CAPITAL MANAGEMENT

In 2019, we continued to integrate SAP solutions and further automate people management processes. Among them is the SAP Human Capital Management module, which we use to enhance services of our shared human capital management centre by consolidating the HR functions on the Group level. This ensures the application of unified standards and provision of rapid, high-quality services to employees, while maximising the productivity of human capital management staff.

Metinvest became the first company in Ukraine to launch the SAP Innovation Management system, which is one of the tools the Group uses to increase the operational efficiency of its assets. The new system has been introduced at 11 assets, empowering employees to develop solutions that improve business performance. Since the launch of the SAP Innovation Management system in 2019, employees have submitted 8,895 ideas for reducing costs, increasing efficiency, improving the health and safety system, as well as enhancing product quality. Of these, 3,289 employee proposals were approved for further development and implementation.

 **For more information about Metinvest’s digital transformation, please refer to the “Digital Advances” section of the Report.**



RESPECT FOR HUMAN RIGHTS

Metinvest is committed to protecting labour and human rights in all its operations and business activities. The Group strives to cultivate a creative and collaborative work environment characterised by trust. We take responsibility for ensuring that all our employees are treated with dignity and respect and enjoy a safe workplace that prioritises their health and wellbeing.

Our Code of Ethics ensures equal opportunities to all employees without barriers or discrimination on the grounds of nationality, race, gender, age, religion or any other characteristics that have no relevance to a person's professional competencies. In terms of labour rights, we strictly abide by the laws and regulations of each country in which the Group operates. We uphold the rights of our employees to join trade unions and collective bargaining agreements, as well as to carry out trade union activities.

GRI 102-17

Metinvest recognises that human rights violations can have a serious impact on individuals and businesses when they are not addressed promptly, and it therefore provides employees with access to grievance mechanisms. Employees can report suspected breaches of the Code of Ethics via the Trust Line.

The Group prohibits any retaliation against employees who report such violations in good faith; all reported violations are subject to thorough investigation. If the complaint is substantiated, measures are taken that correspond with the severity of the issue at hand.

For more information about Metinvest's Code of Ethics and the Trust Line, please refer to the "Business Ethics and Anti-Corruption" section of the Report.

GRI 102-41

COLLECTIVE BARGAINING AGREEMENTS

In 2019, collective bargaining agreements covered more than 90% of the Group's employees, who belong to over five trade unions, including the Trade Union of Steelworkers and Miners of Ukraine. We engage in open dialogue with trade union representatives and cooperate with the Federation of Steelworkers, an all-Ukrainian association that balances the interests of the state, metals and mining business owners, and employees.



PEOPLE MANAGEMENT AND DEVELOPMENT

PERSONNEL STRUCTURE

GRI 102-7; 401-1

As of the end of 2019, Metinvest employed 66,565 people, with workers in the metallurgical segment making up the largest proportion of staff. We hired 10,880 new employees, including 1,509 recent graduates, which accounted for 13.9% of total recruitment during the year.

The employee turnover rate decreased to 11.0%, compared with 11.7% in 2018². To stay on track to meet the targets of the Technological Strategy 2030, Metinvest hired additional personnel for investment projects and operations involving new machinery and equipment. At the same time, due to the adverse steel market developments in the second half of the year, the Group scrutinised all fixed costs and made a decision to implement optimisation measures, by planning to eliminate 30.0% of administrative staff

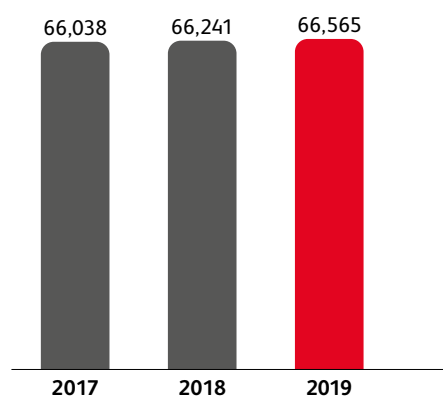
positions. As this decision was taken in late 2019, its effect on Metinvest's performance will be examined later in 2020.

Metinvest supports all employees affected by layoffs and offers free career-counselling services. Building on this approach, we signed agreements with three city administrations to provide former employees with job opportunities in public utilities.

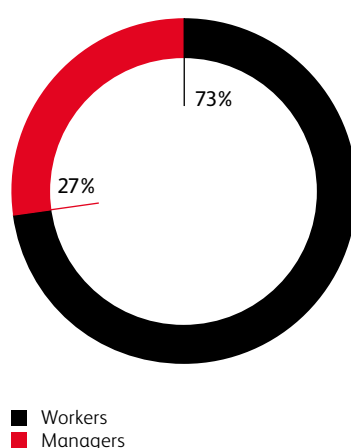
There were no significant changes to the geographical distribution of the workforce. In 2019, most of our staff were employed in Ukraine, with other locations employing less than 5% of the Group's personnel. Workers have traditionally constituted the largest share of staff and the staffing level was 99.6% throughout the Group.

GRI 102-7; 102-8; 405-1

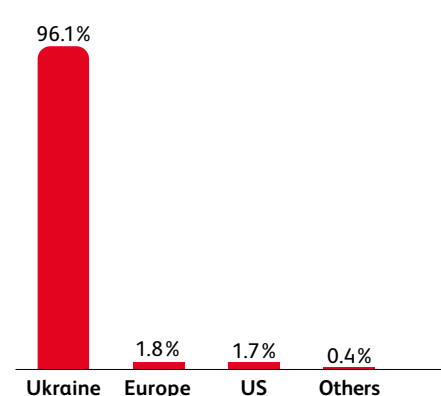
Total number of employees



Employees by category, 2019



Employees by region, 2019



² Staff turnover rate figures do not account for the decrease in headcount due to operational automation, and exclude employees with temporary employment contracts (seasonal workers, interns). Staff turnover rate figures that account for all employee categories are 15.7% (2017), 15.1% (2018) and 15.9% (2019).

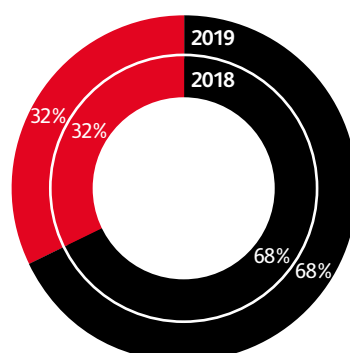


EQUAL OPPORTUNITIES

We do not tolerate discrimination on any grounds and seek to ensure that all employees have equal opportunities. 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 2019, over 30% of our personnel were female. Women accounted for 27% and 10% of the Executive Team and the Supervisory Board, respectively.

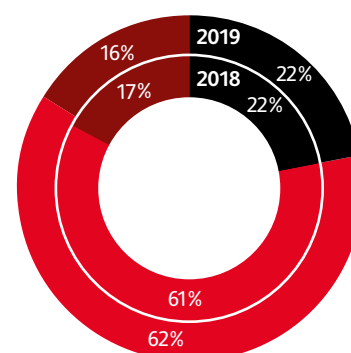
GRI 405-1

Employees, by gender



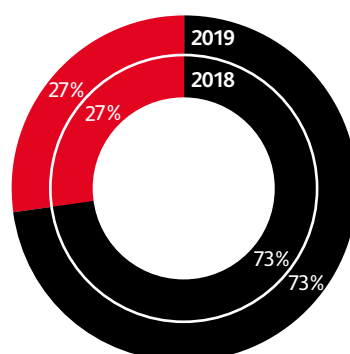
■ Men
■ Women

Employees, by age



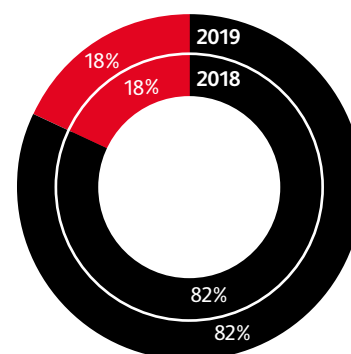
■ Over 50
■ 30-50
■ Under 30

Executive Team, by gender



■ Men
■ Women

Executive Team, by age



■ Over 50
■ 30-50

As an equal opportunity employer, Metinvest provides professional opportunities to people with disabilities and regularly participates in dedicated career fairs. In 2019, we hired 435 individuals with disabilities for various positions, including both administrative and production occupations. The total

number of employees with disabilities reached 1,859 by the end of 2019. 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.

PEOPLE MANAGEMENT AND DEVELOPMENT

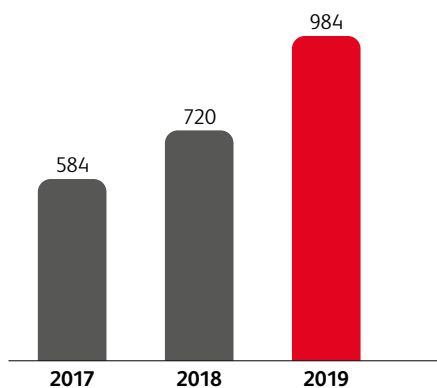
EMPLOYEE REMUNERATION AND MOTIVATION



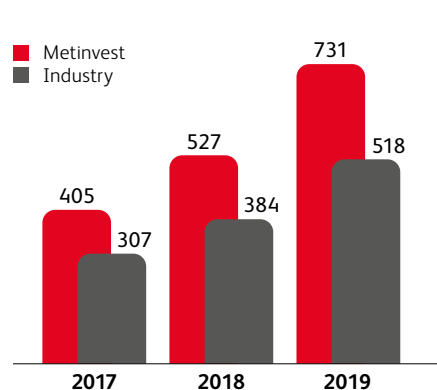
In 2019, Metinvest revised its remuneration package and adjusted it to the benchmark levels established on the market. As a result, the management decided to increase the average salary of production asset personnel in Ukraine by 15% from April 2019. The Group also introduced a single salary system for blue-collar staff: in addition to a basic salary defined for each position, workers are entitled to bonus payments based on their individual performance evaluation. In 2019, coupled with the hryvnia appreciation against the US dollar, the average monthly salary in the Group increased by 37% year-on-year.

GRI 202-1

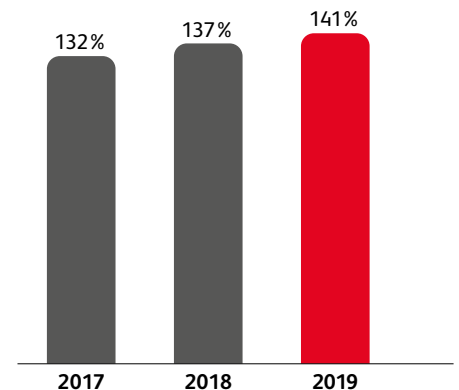
Average monthly salary in the Group, US\$



Comparison of the average monthly salary at the Group's Ukrainian assets with the average monthly salary for the industry in Ukraine³, US\$



Ratio of the average monthly salary at the Group's Ukrainian assets to the average monthly salary for the industry in Ukraine



GRI 404-3

Each employee undergoes a yearly performance appraisal and career development review. It is conducted in the form of a self-assessment, as well as a feedback session between the staff member and their direct supervisor to walk through key achievements, identify areas for improvement and discuss an individual development plan for the following period. If they do not agree

with the performance assessment provided by their direct manager, an HR committee is in place to resolve such disputes and ensure that the business contributions of Metinvest's people are fairly evaluated. In 2019, we introduced individual performance bonuses to reward employees who have demonstrated sustained effectiveness and high levels of productivity. We also

revised bonus payment schemes that were previously linked to the production results of each asset. The new approach links bonus payments to performance results achieved by each production unit within an asset, thereby creating a stronger impetus to improve individual performance and prioritise responsible behaviour.

³ The data on the average salary for the industry in Ukraine was taken from <http://www.ukrstat.gov.ua/>.

SOCIAL BENEFITS

GRI 401-2

In 2019, Metinvest continued to improve social benefits and create comfortable and safe working conditions for its employees.

ENCOURAGING EMPLOYEES TO IMPROVE PRODUCTION EFFICIENCY

We believe that increased employee engagement in production efficiency translates directly into improved business productivity. Metinvest conducts Lean Asset and Labour Competition programmes, which provide staff with an opportunity to receive a bonus for submitting a winning proposal for improving the efficiency of materials usage or other performance metrics at the asset. In 2019, the Labour Competition engaged approximately 49,000 employees representing 11 assets of the Group and resulted in around 16,000 winners.

As part of these efforts, the Group made the My Choice Individual Social Package programme available at all its major Ukrainian assets⁴. The programme allows employees to create customised social benefit plans based on their individual preferences. In 2019, the list of benefits was expanded to include 79 unique options in such categories as health, learning and development, travel and transportation, additional income, entertainment and leisure, as well as benefits for family and home. About half of these options were designed for children and close family members: additional paid leave for family celebrations, as well as a variety of different learning opportunities, including English language and IT courses. In addition to My Choice benefits, employees receive New Year gift boxes and school kits for their children.

The Group is introducing additional employee benefits aimed at reducing living costs. More than half of the assets covered by the My Choice programme provide reduced public transportation fares to their employees. Ingulets GOK is currently testing a programme to provide bus passes to employees' children.

Understanding that working conditions are important for staff, in 2019, we continued retrofitting changing rooms, washrooms, restrooms, meeting rooms and common areas as part of the Working Life programme, for which we allocated around US\$6 million.

⁴ The My Choice Individual Social Package is provided to all staff members at production assets, including employees on maternity/paternity leave, employees serving in the Armed Forces of Ukraine and part-time employees. The benefits are not provided to temporary employees.



PEOPLE MANAGEMENT AND DEVELOPMENT

EMPLOYEE HEALTHCARE

In 2019, we improved our voluntary health insurance programme⁵ by providing employees with wider access to medical services. All employees may extend their insurance coverage to their immediate relatives at discounted rates.

To ensure that our employees and their family members receive access to the medical services most relevant to them, in 2019 Metinvest began to test a number of new healthcare options to add to the insurance package in the future and offer even greater value to employees.



COVID-19 RESPONSE

In early 2020, the COVID-19 pandemic brought new challenges for Metinvest and its people. We took unprecedented measures to prevent the spread of the virus and ensure the safety of our personnel.

Our strategy was to reduce the number of social contacts wherever possible. We initiated remote work for administrative staff, cancelled public events and business trips, initiated regular temperature screenings for employees at all production sites and provided means for personal protection.

We established crisis response centres at our sites and carried out daily monitoring of the virus spread. We also provided corporate transportation for a safer commute to and from worksites, in addition to regularly disinfecting premises and vehicles. All canteens were switched to takeaway service providing employees with packaged food and bottled water.

Despite the challenging situation, Metinvest continues to pay full salaries to all employees and ensures that infected employees receive medical care under the medical insurance programme.

“THE HEALTH AND SAFETY OF OUR EMPLOYEES IS OUR TOP PRIORITY. WE WILL CONTINUE TO USE ALL AVAILABLE RESOURCES TO SAFEGUARD OUR PEOPLE, SECURING JOBS AND BUSINESS OPERATIONS DURING THE COVID-19 PANDEMIC.”

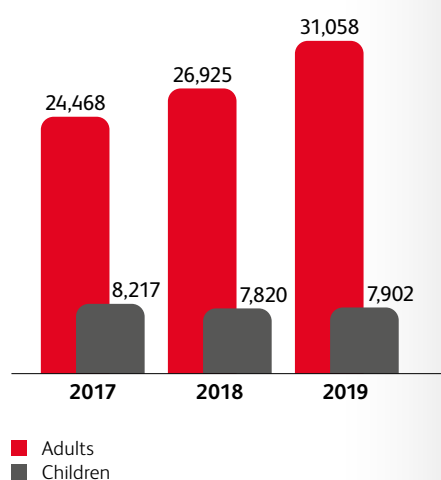
Yuriy Ryzhenkov, Chief Executive Officer

 For more information about Metinvest's response to COVID-19, please visit our [STOP CORONAVIRUS](#) website.

⁵ The voluntary health insurance programme covers all staff members except temporary employees.

We care about the health and wellness of our employees and respect their rights to rest and leisure. Each year, we provide vacation packages to employees and their families, which include paid accommodations in a recreational facility or a children's wellness centre. In 2019, we provided recreational services to approximately 39,000 adults and children.

Metinvest employees and their family members who underwent wellness treatment



Note: The data for 2017-2018 were recalculated due to changes in methodology. The 2019 figure includes Metinvest employees and their family members only as compared with cumulative figures for the Group's and outsourced staff as presented in previous reports.

We continue to develop social facilities under our ownership, such as children's camps and health resorts, as part of a long-term plan to improve their management. The Group has almost completed transferring the ownership of many of these leisure facilities to the local authorities under agreements that ensure they are managed properly and its employees retain access to them.



METINVEST STEEL GAMES

Metinvest promotes a healthy lifestyle among its employees. In 2019, we held our largest sport competition, the Metinvest Steel Games, in Kryvyi Rih. It was set up as an Olympic village, which enabled us to engage more than

1,000 city residents and employees' families. In total, 700 participants from 19 assets participated in individual and team sports, including basketball, volleyball, athletics and swimming.

“PARTICIPATING IN THE METINVEST STEEL GAMES IS A UNIQUE EXPERIENCE: YOU GET THE CHANCE TO SHOW YOUR ATHLETIC SKILLS WHILE SPENDING TIME WITH FRIENDS FROM THE LARGE METINVEST FAMILY AND MEETING NEW PEOPLE.”
Tetiana Melnyk, engineer at Metinvest-Promservice and gold medallist in the 100 metre sprint race

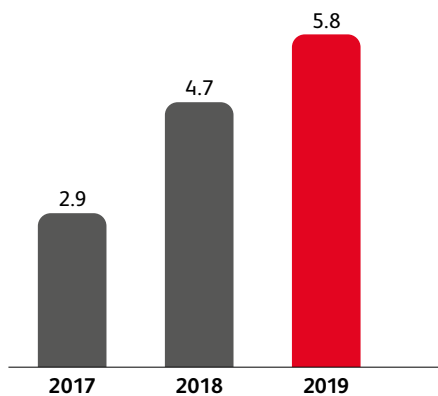
PEOPLE MANAGEMENT AND DEVELOPMENT

STAFF TRAINING AND DEVELOPMENT

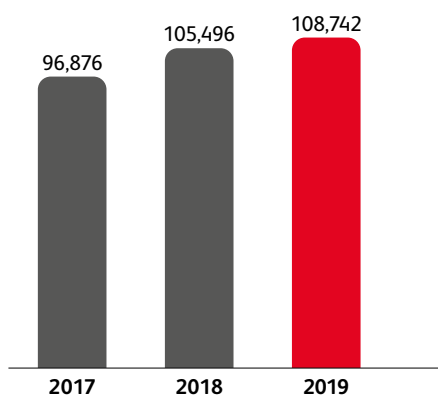


Metinvest provides a variety of training and development opportunities to ensure continuous professional and career growth for employees at all levels. In 2019, the Group invested US\$5.8 million in human potential through its expanded training programmes to ensure that employee knowledge and skills correspond to today's changing job requirements.

**Investments in employee training,
US\$ million**



Number of training enrolments



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

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.

GRI 404-2

Metinvest's Corporate University learning programmes target diverse groups of personnel, including onboarding training for new hires, as well as managerial and professional training. The Corporate University programmes aim to improve professional performance by equipping staff with the 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 continue to integrate 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 a Wiki-Master database, which contains a collection of useful articles and learning materials prepared by Metinvest's experienced specialists and field experts.

GRI 404-1

40,238

employees completed corporate learning and development programmes

73 hours

per year is the average amount of training received by one employee

51.5%

of the Group's employees participated in e-training

The Group also has separate e-learning programmes on health and safety, the Code of Ethics and cybersecurity. New hires receive hands-on, supervised onboarding training at the workplace and get access to training machines and simulators. For mid-level managers, the Group's strategy is focused on addressing key skill areas. We have created 12 technical academies for line managers of production shops to cover crucial engineering and business disciplines, fill potential skills gaps and teach new techniques.

SIMULATORS FOR SKILL DEVELOPMENT

To ensure that the chosen training formats lead to the desired outcomes and engage learners effectively, all training centres at the assets have adopted strategies to integrate digital solutions into their learning experiences. In 2019, a number of simulators were introduced for welders, repairmen, electricians and blast furnace operators to practice job tasks and problem solving. In 2020, we plan to integrate simulated tutorials into training programmes for five other professions.

DEVELOPING MANAGEMENT SKILLS

Metinvest offers over 20 managerial programmes designed to develop leadership competencies and valuable skills. A dedicated team of 35 internal trainers conducts interactive sessions that help attendees to experience real-life situations and practice effective decision-making. In 2019, we provided 21,861 training sessions, including managerial training tailored to increase professional skills in specific areas, such as the Sales Academy, HR Academy and Project Management Academy.

In 2019, we carried out two programmes to improve management skills for workshop foremen, one of which focused on effective meeting behaviour and another on building economic literacy relevant to production processes.

We also finalised the three-module Metinvest Tomorrow Builders programme, which has been developed in collaboration with the INSEAD business school and the

Group's management. The programme is designed for high-potential managers being considered for executive positions; it aims to develop strategic thinking, corporate governance and leadership skills. In 2019, 39 managers participated in the programme.

During the reporting period, senior managers of the Group took part in a new international leadership development programme that has been organised in partnership with the Wharton Business School. Participants were invited to visit six assets in China, explore best practices and meet with Chinese business leaders to share their experiences.

Metinvest has developed a Talent Pool programme, which is designed for candidates for leadership positions, including senior, middle and junior management positions. The programme helps to identify the most promising leaders and support their career development. In 2019, talent pool candidates filled 66% of the senior management and middle management positions, as well as 39% of junior management positions.

NUMBER OF EMPLOYEES WHO COMPLETED INTERNAL MANAGEMENT PROGRAMMES IN 2019

18,196

PEOPLE MANAGEMENT AND DEVELOPMENT

STAFF TRAINING AND DEVELOPMENT CONTINUED

DEVELOPING YOUNG TALENT

Empowered, skilled and engaged young minds drive the future of sustainable business. Metinvest actively invests in training and development programmes for talented young employees to motivate them and create an engaging work environment. Since 2013, Metinvest has been coordinating the activities of its own Youth Organisation, which brings together over 30,000 young employees. The organisation holds over 50 employee engagement activities across the Group each year.

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 senior management and develop solutions to improve production processes. Since 2013, when the contest was launched, 5,000 young employees have participated, around 600 of them have received promotions and 190 projects have been approved for implementation at the Group's assets. The winners of the 2018-19 contest were offered internships at the Group's Bulgarian and Italian re-rollers.





INVESTING IN NEXT GENERATIONS

Metinvest's human capital management strategy envisages promoting the Group as an employer of choice. We strive to attract the next generation of employees and support them in their efforts to attain university degrees in technical fields. We have strengthened our close relationships with key educational institutions in Ukraine by signing long-term cooperation agreements. As of 2019, our assets collaborated with 26 educational institutions and offered almost 3,000 internships to students, over 400 of whom were hired upon graduation.

We have introduced the Metinvest 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 Zaporizhia⁶. In 2019, 874 students received scholarships from Metinvest.

Metinvest has also developed dual education programmes for local universities. They combine classroom and workplace learning for students, enabling them to become familiar with the production process and interact with the Group's employees.

We promote various contests among young leaders. Among them, in 2019, Metinvest held a math competition in collaboration with the Minor Academy of Sciences of Ukraine that attracted 128 school students from Mariupol, Zaporizhia and Kryvyi Rih.

Metinvest experts and experienced specialists provide career-counselling sessions on school premises to introduce future university applicants to the metals and mining industry, as well as to give them an overview of the relevant skills and knowledge.

In 2019, we developed the Map of Professions, a career guidance programme for school students that includes a set of interactive booklets on metallurgical and mining professions, as well as a series of career guidance lessons for students

in grades 5-10. We plan to launch the programme next year in schools in the regions where the Group operates.

Supporting education in Ukraine, we have continued to develop professional standards to help the government align existing professional qualification requirements with the present needs of employers. In total, 50 educational standards and 45 professional standards have been introduced in the country with Metinvest's support.

Metinvest has traditionally served as a partner and sponsor for WorldSkills Ukraine⁷, a professional skills competition that aims to promote vocational professions among young people. During the competition, students and employees aged 18-22 years demonstrate their professional skills by performing practical tasks in a limited time. In 2019, WorldSkills Ukraine took place for the fourth time, while Mariupol, Zaporizhia and Kryvyi Rih first held regional qualifying rounds that engaged a total of 254 participants. The competition resulted in 77 winners, including 22 employees from Metinvest's assets.

6 Kryvyi Rih National University, Kryvyi Rih Metallurgical Institute of the Ukrainian National Metallurgical Academy, Zaporizhia Polytechnic National University, Zaporizhia National University and Pryazovskiy State Technical University.

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

PEOPLE MANAGEMENT AND DEVELOPMENT

STAFF TRAINING AND DEVELOPMENT CONTINUED



M.STUDENT CHAMP

M.Student Champ is a case competition where students try to develop the best solution to production issues at real manufacturing sites. Students have a chance to show their knowledge and skills in 11 categories, encompassing more than 100 real cases on the CASERS.org platform. This provides a great opportunity for participants to gain practical experience, win a cash prize and receive a job offer at Metinvest.

The competition was first introduced two years ago at a single asset in Kryvyi Rih. Due to its great success, in 2019, we rolled it out in Avdiivka, Zaporizhia and Mariupol.

“WE HAVE DEVELOPED A NEW LABOUR PROTECTION SOLUTION: CAMERAS WITH ARTIFICIAL INTELLIGENCE HELPING TO DETECT WHETHER PRODUCTION SITE EMPLOYEES USE PERSONAL PROTECTIVE EQUIPMENT. WE’VE CHOSEN THIS TOPIC, BECAUSE WE KNOW THAT SAFETY IS A TOP PRIORITY FOR METINVEST.”

Sergiy Zuyev, M.Student Champ participant

INTERNAL COMMUNICATIONS

Metinvest's internal communications aim to support trusting relationships with employees and ensure effective communications within the Group.

Management plays a key role in keeping employees informed about business operations and corporate goals. Each asset's leadership conducts regular meetings with employees to discuss key results and short-term plans. In seeking to make internal communications more valuable, management decided to increase the frequency of staff meetings and invite senior executives, so that employees could express their ideas and concerns directly to the Group's leadership.

To foster employee engagement and provide instant access to corporate news and updates, in 2019, we introduced an updated version of Metinvest's corporate portal and launched a mobile application for the Group's employees. The portal has become a convenient tool for navigating

personal accounts, accessing feedback channels and tapping into useful resources, while the mobile application helps to keep employees informed and involved.

Metinvest uses employee engagement surveys as an additional tool to gain valuable feedback about workforce sentiment. They allow staff to speak openly about key processes within the Group and help to meet their expectations.

In 2019, we introduced dot surveys, which make it possible to identify more efficiently the areas with the greatest employee interest and concerns, and to prompt measures to address them.

“WE BELIEVE THAT SEEKING OUT EMPLOYEES’ OPINIONS, LISTENING TO THEIR CONCERNS AND RECOGNISING THEIR CONTRIBUTIONS ARE CRUCIAL FOR CREATING A POSITIVE WORKPLACE ENVIRONMENT AND RETAINING THE BEST TALENT.”

Oleg Davydenko, Head of Corporate Communication Department

OCCUPATIONAL HEALTH AND SAFETY

KEY 2019 RESULTS AND EVENTS

Metinvest invested US\$102 million in occupational health and safety

The Group developed a new five-year roadmap for rebooting the health and safety management system

Metinvest received Vision Zero international certification

The Group reached the lowest lost-time injury frequency rate in its history

1,611 employees participated in health and safety training programmes

In this section:

86	Our Approach
88	Investments in Safety
89	Occupational Health and Safety Training
91	Occupational Injury Prevention and Response

INTRODUCTION

ABOUT THE REPORT

WE ARE METINVEST

CORPORATE
GOVERNANCEENVIRONMENTAL
ACTIONPEOPLE MANAGEMENT
AND DEVELOPMENTOCCUPATIONAL
HEALTH AND SAFETYLOCAL COMMUNITIES
DEVELOPMENT

ANNEXES



OCCUPATIONAL HEALTH AND SAFETY

OUR APPROACH

GRI 103-2

Metinvest is committed to providing a safe work environment for its employees and contractors¹. We apply a proactive approach to ensure that every individual who enters the Group's facilities is engaged in health and safety and committed to the safety culture. To live up to our zero injuries commitment, we focus on cultivating positive behavioural changes, which includes encouraging every employee and contractor to take personal responsibility for their health and safety and improve their individual safety performance.

Metinvest's Policy and Principles in the Field of Health, Safety and the Environment defines our long-term priorities for continuous improvement in this area. The Group has 15 corporate health and safety standards based on international best practices that lay out our comprehensive approach to the field.

Our responsible health and safety practices cascade down from the highest level of the organisation, beginning with the Supervisory Board's Health, Safety and Environmental Committee, which provides effective oversight to ensure compliance with the relevant requirements and practicable global standards.

The Sustainable Development and People Management Directorate, which took over the responsibilities of the Directorate for Occupational Safety and Environment at the Executive Team level, coordinates the Group's work in this area, while the Occupational Health and Safety departments of each asset are responsible for these matters at the entity level.

VISION ZERO

With human life as our overriding priority, we continue to focus on delivering our ultimate health and safety goal of achieving zero incidents.

In 2019, Metinvest became the first organisation in Ukraine to receive Vision Zero certification from the International Social Security Association (ISSA). The Vision Zero approach is based on seven "golden rules" aimed at developing a sustainable safety culture and creating a zero incident working environment.

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



GRI 103-3

In 2019, Metinvest developed a new five-year roadmap for further improving its occupational health and safety management system and reducing the risk of work-related incidents. The roadmap aims to enhance staff motivation and competencies in the area using modern training methods, revise the Group's qualification standards, as well as improve safety performance monitoring and tracking progress.

In 2019, we rolled out a new proprietary health, safety and environment software solution throughout the Group to improve incident monitoring and reporting systems. It consists of eight cloud-based modules, which include incident reporting and investigation, audits and inspections, risk assessment and training, as well as development planning. During the reporting period, more than 1,300 employees were trained to use the new system.

GRI 403-1

In 2018, ISO 45001 replaced OHSAS 18001 as the best practice in international occupational health and safety standards. As of the end of 2019, four Metinvest assets were certified in accordance with the ISO 45001:2018 standard. Another six assets were certified in compliance with OHSAS 18001:2007 and plan to undergo ISO certification audits once their current OHSAS certificates expire².

Metinvest has developed a comprehensive set of KPIs called the Health and Safety Traffic Light, which captures the performance of each asset's occupational health and safety management system.

Health and safety performance is an important part of the bonus programme for both senior management and line

managers of the Group. In 2019, we introduced a supplemental incentive tool for the Executive Team and general directors of production assets called a Health and Safety Trigger to strengthen their focus by increasing or reducing the amount of their bonus based on the Group's performance in this area. In 2020, the trigger was extended to senior management of the Group's assets. In addition, a certain part of line managers' bonus was linked to such KPIs. As a result, the 2020 KPIs of almost 4,000 senior and line managers were linked to their performance in the area.

GRI 103-3; 403-2
MANAGING HEALTH AND SAFETY RISKS

Metinvest's risk assessment encompasses all aspects of the Group's operations, from existing production processes to planned investment projects. Across the Group, it has introduced globally recognised standards, including hazard identification (HAZID), environmental hazard identifier (ENVID) and hazard and operability studies (HAZOP), job safety and work safety analysis procedures, as well as lock out, tag out (LOTO) and permit-to-work methods.³

During the reporting period, we carried out 31 risk assessments in accordance with HAZID methodology and two HAZOP risk assessments.

As a part of our five-year roadmap, we have launched a critical risk management programme aimed at preventing fatalities and severe injuries at our production sites. The programme involves conducting an in-depth analysis of the Group's health and safety performance and identifying the root causes of incidents.

During the reporting period, we chose two priority areas for the first stage of the critical risk management programme:

working at height and work that requires isolating hazardous energy sources. Combined, they have accounted for 40% of all severe injuries at the Group over the past 10 years.

Building on global best practices, we have adopted new regulations governing the LOTO procedure and working at height, along with implementation and action plans.

Metinvest has built and equipped new safety parks, as well as upgraded existing ones, for employees at its Ukrainian assets to practice working at height. Safety parks contain multifunctional training areas that simulate real working conditions and allow workers to master practical safe-working skills using safety equipment and personal protective equipment (PPE). This approach to high-risk work helps to minimise the fear factor that may occur in critical situations and mitigate risks when employees perform such tasks.

GRI 103-3; 403-2
CONDUCTING INTERNAL AUDITS

Metinvest relies on its internal audit system to evaluate the compliance of the Group's assets with legislative requirements and corporate standards governing occupational health and safety. We conduct regular audits and inspections to detect and promptly eliminate cases of non-compliance. During the reporting period, the Executive Team conducted 23 audits at the production sites. Meanwhile, line managers performed around 116,000 safety inspections and identified over 167,000 cases of non-compliance. To properly address these issues and mitigate future risks, we introduced around 127,000 measures. The results of internal audits conducted in 2019 helped the Group's assets to increase the effectiveness of their health and safety management systems.

² The Group's assets that are certified in compliance with OHSAS 18001:2007 and plan to undergo ISO certification audits once their current OHSAS certificates expire as of the end of the reporting period are Azovstal, Ilyich Steel, Ingulets GOK, Metinvest-Promservice, Mariupol Machining and Repair Plant, Ferriera Valsider and Promet Steel. The Group's assets certified under the ISO 45001:2018 standard as of the end of the reporting period included Metinvest Holding, Northern GOK, Central GOK and Spartan UK.

³ HAZID (Hazard Identification), ENVID (Environmental Hazard Identification) and HAZOP (Hazard and Operability Study) are procedures for assessing the safety and environmental effect of both new projects and existing processes. LOTO (lock out, tag out) is a safety procedure to ensure that potentially dangerous equipment has been shut down correctly to prevent hazardous releases during maintenance, repair or cleaning activities.

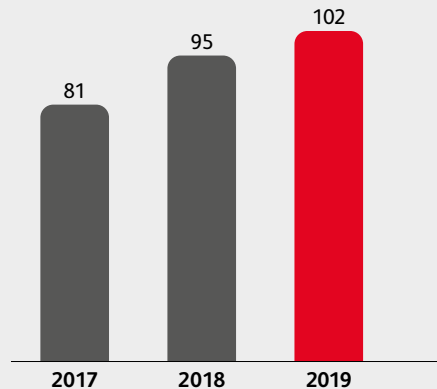
OCCUPATIONAL HEALTH AND SAFETY

INVESTMENTS IN SAFETY

Metinvest continues to invest in safe working conditions to ensure the wellbeing of its employees. In the reporting period, spending on health and safety amounted to US\$102 million, up 7% year-on-year from US\$95 million in 2018. We substantially increased investments in the safety of workplaces, buildings, facilities and transportation.

We closely follow the latest advances in machinery and equipment to continually improve safety at our production sites. New multigas analysers purchased in 2019 feature increased sensitivity for detecting a substantial number of gases, which reduces the risk of poisoning at sites with gas-related hazards. To ensure the safe inspection of buildings and structures in hard-to-reach or hazardous areas, we have purchased drones that can help to perform risk and hazard identification and send an alert to site operators.

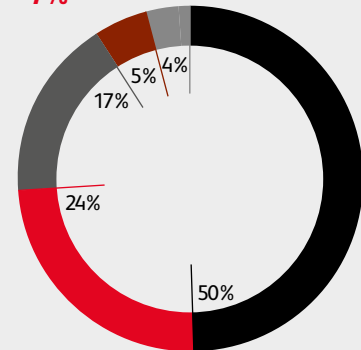
Metinvest's investments in occupational health and safety, US\$ million



Spending on health and safety in 2019

US\$102M

+7%



- Occupational health
- Safety of buildings, facilities and transportation
- Safety in the workplace
- Emergencies and fire safety
- Medical and other expenses

OCCUPATIONAL HEALTH AND SAFETY TRAINING

GRI 403-5

Metinvest works to systematically improve employees' knowledge and skills in the area of occupational health and safety by conducting training sessions for managers, specialists and workers.

Development of staff competencies in health and safety matters is a key element of the Group's roadmap. In 2019, 14 general directors of assets passed the Institution of Occupational Safety and Health (IOSH) Managing Safely course, which is an internationally recognised certification for managers and supervisors. We also launched a system of continuous professional development for the entire health and safety function based on the IOSH competency model.

As part of the critical risk management programme, we have introduced new training programmes for different employee categories, whereby we trained 78 internal health and safety facilitators. In addition, we held a training course on leadership in occupational health and safety for Supervisory Board members and general directors of assets, as well as a course on best health and safety practices in England for 18 specialists of the health and safety function.

In 2019, 1,611 employees took part in health and safety training and 236 employees attended first-aid medical training.

"HUMAN LIFE IS OUR KEY PRIORITY. WE STRIVE TO CREATE A POSITIVE CULTURE REGARDING WORKPLACE SAFETY. THIS MEANS THAT ALL MANAGERS TAKE RESPONSIBILITY FOR SUBORDINATES' SAFETY AND ALL EMPLOYEES DO THE SAME FOR THEMSELVES AND COLLEAGUES."

Aleksandr Pogozhev, Chief Operations Officer

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY TRAINING CONTINUED

HEALTH AND SAFETY LEARNING PROGRAMMES IN 2019

PROGRAMME	NUMBER OF EMPLOYEES TRAINED
Safely carrying out hazardous work under the permit-to-work system	631
Efficient health and safety management tools for junior managers	374
Providing emergency medical aid (for workers without medical education)	236
Practical application of LOTO and inspection of equipment	99
Health, safety and environmental risk assessment using HAZID and ENVID methodology	78
Analysis of safe working practices	66
Ensuring safe work by contractors	39
Leadership in occupational health and safety for managers	18
Risk analysis and assessment system using international methodologies at Metinvest's enterprises	17
System for occupational health and safety at Metinvest Holding. Safety audits. Implementation and functioning	13
Efficient management of occupational health and safety for managers	13
Analysis of the dangers and issues associated with the HAZOP process for chairmen (designed for training chairmen)	11
Creating frameworks for conducting risk analyses	9
Hazard identification and chairmen skills	7

GRI 403-4

EMPLOYEE MOTIVATION

Metinvest has developed numerous initiatives to promote a safety culture and build a sense of responsibility among personnel.

Employees are encouraged to submit their ideas for improving workplace health and safety processes. The most relevant and viable initiatives are implemented at the production sites and recognised with a bonus award. In addition to that, an annual company-wide competition supported by the Group's CEO is held to collect innovative health and safety ideas.

During the reporting period, we developed a new Safe Work programme to promote better working practices and reward employees for complying with safety rules. The pilot project was launched in 2020 at four assets: Ilyich Steel, Northern GOK, Metinvest-Promservice and Kryvyi Rih Machining and Repair Plant. It involves line managers who assess workers' performance each day against eight criteria related to occupational and environmental safety habits. The programme aims to focus employees on prioritising safety above all and builds on our aspiration to strengthen our safety culture.

1,700+

HEALTH AND SAFETY PROJECT
PROPOSALS SUBMITTED BY
EMPLOYEES

~400

PROJECTS APPROVED FOR
IMPLEMENTATION

OCCUPATIONAL INJURY PREVENTION AND RESPONSE



Metinvest follows international best practices by using the lost-time injury frequency rate (LTIFR) and fatality frequency rate (FFR) metrics, which are measured in terms of incidents per million man-hours worked, to monitor its performance. In 2019, the Group improved the health and safety performance at nearly all production assets, achieving the lowest LTIFR in its history. Notably, Ingulets GOK delivered its first year without lost-time injuries, while Ilyich Steel reported 153 days without lost-time injuries, its longest period on record.

In addition, United Coal's vice president, Don Jones, was honoured with the title of Director of Coal Safety in 2019 from the Joseph A. Holmes Safety Association⁴ for his outstanding contributions to preventing and reducing accidents and injuries in the industry.

GRI 403-9

In 2019, despite experiencing a total of 83 workplace injury incidents at the Group's assets, Metinvest was able to decrease its LTIFR to 0.790, which is the lowest rate that it has ever achieved.

Recorded workplace incidents were mostly related to slipping, moving around or falling on a level surface (24% of all injuries), moving or rotating mechanisms (17%), collapse of structures or equipment (10%) and electricity (9%). To prevent such hazards in the future, the Group enhanced fall prevention and electrical safety programmes. In addition, Metinvest continues to provide employees with certified and up-to-date PPE that meets the most rigorous safety

standards. In 2019, the Group adopted new corporate requirements for PPE based on national and international standards and regulations. The updated requirements are related to the operating and protective features of PPE, as well as their physical and mechanical properties.

GRI 403-2

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.

Although the FFR was nearly halved to 0.053 in 2019 from 0.099 in 2018, demonstrating the coherence of our health and safety measures and controls, we deeply regret that six fatal incidents occurred at Metinvest assets during the reporting period. Three incidents resulted from a deviation from dismantling rules, two incidents resulted from failure to perform a LOTO procedure, while one incident was caused by deviation from the rules for working at height.

We fully investigated each of these incidents and introduced measures aimed at preventing their reoccurrence. Following a fatal accident in which a worker at Kryvyi Rih Machining and Repair Plant fell from a ladder during a deaerator inspection, we conducted targeted safety audits to check the availability of ladders and set up storage areas for ladders with restricted access. Moreover, we adopted a regulation that defines the rules for the inventory and storage of ladders and gaining access to them. We also issued instructions for shift meetings, which require drawing workers' attention to the importance of strict compliance with the permit-to-work system and safety requirements when performing high-risk tasks.

⁴ The Joseph A. Holmes Safety Association (JAHA) is a non-profit organisation in the US that promotes health and safety in the mining industry.

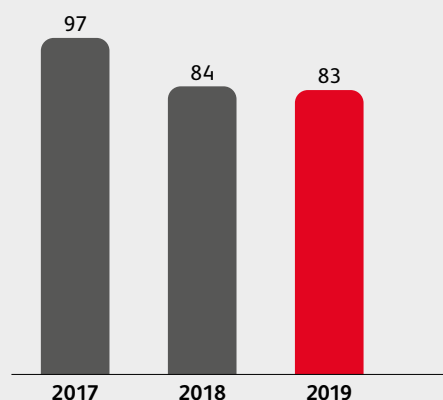
OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL INJURY PREVENTION AND RESPONSE CONTINUED

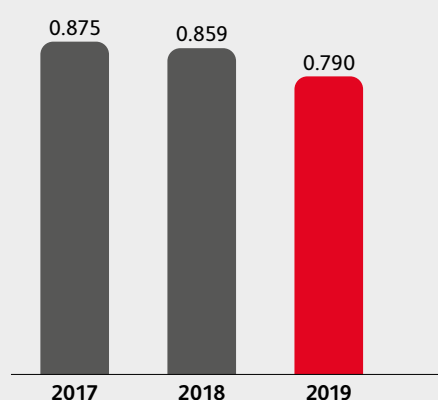
Following a fatal incident where a worker of Metinvest-Promservice lost his life due to the ignition of an electric locomotive while taking measurements, we introduced preventive measures related to LOTO procedures.

We arranged training sessions on maintaining pneumatic system equipment and installing locks and tags, in addition to purchasing special locks to fix pneumatic system cranes in the open position.

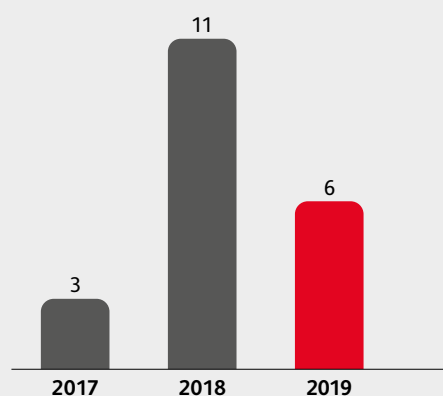
Total number of lost-time injury incidents among Metinvest employees*



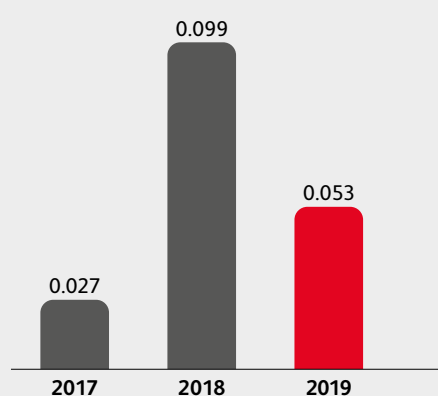
Lost-time injury frequency rate (LTIFR)**



Total number of fatal incidents among Metinvest employees



Fatality frequency rate (FFR)***



* Figures for lost-time injury incidents and LTIFR were recalculated for 2017 and 2018 to reflect adjustments made by United Coal, which introduced an updated calculation methodology. According to the methodology, incidents initially recorded as non-lost time may be later classified as lost time in the event that health complications occur within a year following an incident.

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

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



ACTING ON INCIDENTS

The Group's assets have an incident reporting system in place to inform managers about incidents 24/7, allowing them to take prompt action and minimise consequences. According to Metinvest's internal procedures, the CEO is informed within two hours of any fatal incident and within 24 hours of any lost-time incident.

We thoroughly investigate every incident in accordance with legislative requirements and the Group's internal

procedures. When unsafe working conditions are identified or an injury occurs, we perform root-cause analysis to determine the circumstances and causes of the incident. Subsequently, we review the results of the analysis and adopt the necessary preventative measures. Employees and contractors are required to report incidents or hazardous situations to their supervisor and health and safety specialist. Deliberately concealing information is deemed a serious disciplinary offence.

"THE EARLIER WE KNOW ABOUT AN INCIDENT, THE MORE SAFETY RISKS WE CAN AVOID. WE ENCOURAGE EVERYONE TO TAKE RESPONSIBILITY FOR IMMEDIATE REPORTING. SOMETIMES A POSITIVE OUTCOME IS JUST ONE TIMELY CALL, ONE TIMELY ACTION APART FROM WHAT CAN TURN INTO A SERIOUS ISSUE."

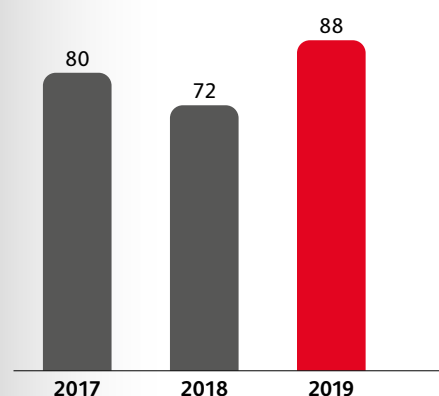
Yuriy Ryzhenkov, Chief Executive Officer

GRI 403-6

EMPLOYEE HEALTH

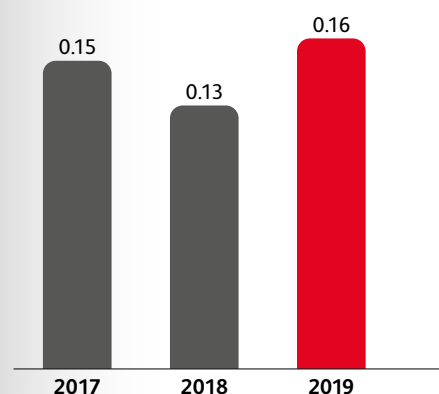
Excellence in health and safety requires continuous support of the physical and mental health of our employees. As a responsible employer, Metinvest develops a healthcare strategy with a view to improve employee wellbeing and promote a healthy lifestyle, reduce the number of workplace illnesses and lost-time injuries, as well as offer effective and qualified first aid.

Total number of cases of workplace illness among Metinvest employees*



* In 2017-18, while Ukraine's State Sanitary and Epidemiological Service was in the process of reorganisation, it did not issue workplace regulations. After the procedure was reinstated in 2019, a greater number of employees were referred to healthcare institutions for workplace illnesses, which led to an increase in the reported rate of workplace illness among employees.

Workplace illnesses frequency rate**



** The workplace illness frequency rate is calculated as the number of workplace illness cases per 200,000 hours worked.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL INJURY PREVENTION AND RESPONSE CONTINUED

GRI 403-10; 403-6

The most common types of work-related diseases among Metinvest employees are respiratory diseases, which account for 32% of all work-related illness, followed by musculoskeletal conditions – 68%. To prevent workplace illnesses, Metinvest provides voluntary medical insurance for workers and conducts regular medical checks, including in-depth examinations for cardiovascular pathologies. Certain categories of workers undergo mandatory medical examinations before they begin their shifts or drive a vehicle.

GRI 403-3

Metinvest regularly audits its health services to ensure that they are highly effective in mitigating health risks and promptly diagnosing occupational illnesses, including an annual assessment of the quality of medical examinations. Moreover, we calculate a health index⁵, regularly analyse the dynamics of workplace illness involving a temporary loss of ability to work, and evaluate the psychophysiological causes of workplace injuries. The results are used to develop individual measures for groups of employees who suffer from frequent illnesses.

📄 **For more information about Metinvest's voluntary health insurance and employee wellbeing programmes, please refer to the "Social Benefits" section of the Report.**



COVID-19 RESPONSE

Regardless of the circumstances that we find ourselves in, taking care of our people's health and safety will always be our priority. Since the COVID-19 outbreak began in early 2020, we have been taking all possible measures to prevent the spread of the virus. We have been providing employees with necessary means for personal protection recommended by international and national health organisations, including face masks, respirators, gloves and hand sanitiser.

All premises and Metinvest transport are properly cleaned, disinfected and operate under strict safety requirements.

We have also introduced a #DoctorMetinvest video blog led by our Head of Health Protection Department to equip our staff with knowledge on situations that COVID-19 may cause. The employees receive useful safety tips related to the virus and guidelines on what to do if they experience symptoms.

"WE ATTRACT EMPLOYEE ATTENTION TO THE MOST RELEVANT SITUATIONS CAUSED BY COVID-19 AND GIVE PRACTICAL ADVICE IN A STRAIGHTFORWARD MANNER."

Oleg Vatansky, Head of Health Protection Department

📄 **For more information about Metinvest's response to COVID-19, please visit our STOP CORONAVIRUS website.**

⁵ 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 employees of the asset.

GRI 403-7**CONTRACTOR SAFETY**

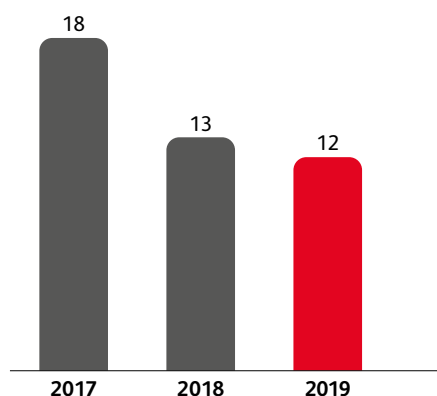
Metinvest hires contractor organisations to perform certain work at its production sites. Contractors are subject to the same occupational health and safety rules as Metinvest employees. On top of that, they are required to comply with the Safety Standard for Contractor Organisations, which sets out the rules and procedures for work performed by contractors. During the contractor selection process, we assess the risks of planned work and contractors' compliance with health and safety regulations. Each contractor has a supervisor responsible for overseeing work and engaging with workers on health and safety matters. If the contractor is involved in high-risk work, Metinvest also assigns a specialist from the Occupational Health and Safety Department at entity level to closely monitor safety compliance. Contractors are required to report all high-risk activities planned the day prior to their start.

We regularly perform safety audits of contractor organisations and provide safety briefings to their employees. Upon the completion of the work, we assess contractors' performance against a set of health and safety criteria to decide on further cooperation.

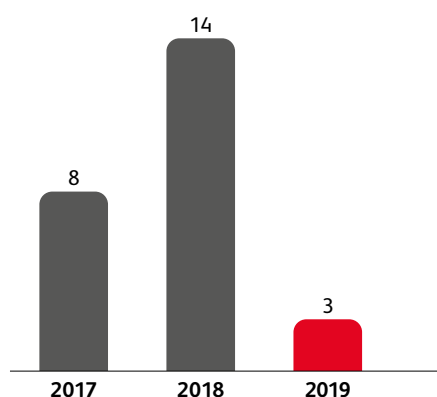
GRI 403-9

Regrettably, there were 12 lost-time incidents and three fatalities among contractors during the reporting period. For all incidents, we conducted full investigations and adopted the measures necessary to prevent similar cases in the future.

Total number of lost-time injury incidents among contractors



Total number of fatal incidents among contractors



In 2020, we aim to centre our efforts on enhancing contractor safety to further improve the overall safety performance of the Group. Our plans include reviewing the contractor selection process by introducing additional health and safety requirements for both pre-qualification and bidding stages. Contractors bidding for projects with high safety risks will be required to provide health and safety management plans for Metinvest to ensure that contractual relations are initiated with those who have highly effective risk control measures in place. In addition, if a contractor organisation has previously performed work for Metinvest, historical health and safety performance records will be taken into consideration.



LOCAL COMMUNITY DEVELOPMENT

KEY 2019 RESULTS AND EVENTS

The Group invested US\$11 million in local community development in 2019, while the Zaporizhstal JV invested an additional US\$2 million

Metinvest enhanced its local partnership programmes with city development funds in Zaporizhia and Kryvyi Rih

Metinvest was recognised as a leader in community engagement by Sustainable Ukraine

The Steelmaker's Kitchen, a book published by the Group, received the 2019 Sustainability Award from the UN Global Compact in Ukraine

Metinvest's local partnership programmes were included among the "Top 20 Companies That Care" by Ukraine's Vlast Deneg business journal

In this section:

98 Our Approach

100 Social Partnership Programme





LOCAL COMMUNITY DEVELOPMENT

OUR APPROACH

GRI 203-2; GRI 413-1

Wherever it operates around the world, Metinvest is an integral part of the local community, linking its future as a business with the wellbeing of local residents. As part of a lasting commitment to our communities, we look beyond superficial or performative acts and strive to make a comprehensive, meaningful impact on their way of life.

The Group underscores the importance of making strategic long-term investments in the sustainable development of the cities and towns where it operates, engaging with communities as it contributes to social infrastructure development, education, healthcare, sport, culture and environmental stewardship. With these initiatives, we seek to improve the overall quality of life for local residents, which also helps us to retain the talented local professionals who work at Metinvest's main mining and steelmaking assets in Mariupol, Zaporizhia, Kryvyi Rih and Avdiivka. Rolling out its community development projects, the Group confirms its role as an economic anchor for these regions.

To ensure that its sustainability efforts make a difference in the long run, Metinvest is enhancing its strategic social partnership programmes with local city development funds. In 2019, the Group widened its cooperation network with the Kryvyi Rih Foundation of the Future and the Zaporizhia Joint Action Platform, which are based on the successful model of partnership that it launched with the Mariupol Development Fund in 2016.

GRI 103-2; 103-3

A well-organised network of internal governing bodies helps to ensure continuity in our strategic community development and social partnership programmes, which the Sustainable Development and People Management Directorate oversees at the Group level. The Regional Development Department is responsible for implementing social projects at the regional level. All social partnership programmes are approved by the Group's Supervisory Board and CEO. The Social Research Department provides support by regularly monitoring and analysing public opinion to ensure that our initiatives meet the needs of local communities. We use the results of these studies to evaluate existing programmes and form a basis for future decision-making.



A FEEDBACK THAT MATTERS

Aiming for a broader response to community needs, Metinvest conducts surveys in the cities where it operates to gain insights into public opinion on its community programmes through its Social Research Department. To gather information, the department applies both quantitative (mass and short surveys) and qualitative (focus group studies and in-depth interviews) methods. Respondents are asked to provide their perspective and feedback covering three dimensions: the quality of city infrastructure and services; environmental conditions and Metinvest's impact on the environment; and the overall relevance of its programmes to improving community wellbeing. Each of these dimensions corresponds to a wider area of social impact that the Group aims to make.

SUSTAINABLE UKRAINE

In its 2019 ranking, Sustainable Ukraine recognised the Group's community engagement approach. The first professional rating for corporate sustainability in Ukraine, it draws upon leading international practices of evaluating corporate governance, corporate social impact, non-financial risk and opportunities, overall sustainability performance and running peer benchmarking.

The Group received an "A" grade and was ranked among the eight top performers out of Ukraine's 250 largest taxpayers. All companies were assessed on various sustainability criteria, with Metinvest scoring the highest among other participants in local community engagement and human rights protection.



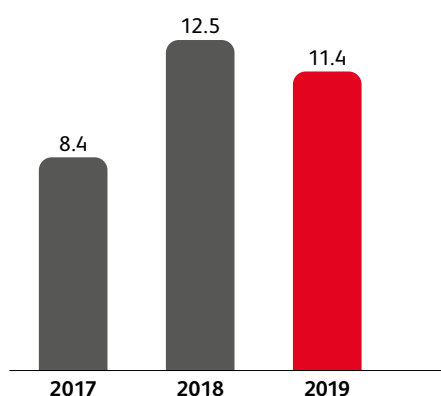
LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME

GRI 203-1; 203-2

In 2019, Metinvest invested a total of US\$11 million in its communities, demonstrating a strong commitment to local residents. The Group's community investment strategy is guided by an intention to serve as many beneficiaries as possible, even under the circumstances of market challenges, which in 2019 led to a slight decrease in investments compared with 2018. Overall, more than 2 million people in Ukraine, 300,000 people in the UK, 250,000 people in Italy, 200,000 people in Bulgaria and 65,000 people in the US benefit from Metinvest's social partnership programmes.

Community investment, US\$ million*



* The figures exclude the investments of the Zaporizhstal JV in social partnership projects, as this asset falls outside the scope of the Report. The Zaporizhstal JV contributed US\$778,000 in 2017, US\$2.1 million in 2018 and US\$2.4 million in 2019.

Social partnership programmes by focus area, US\$ million

Social infrastructure	4.8
Sport and culture	1.9
Education	1.6
Environmental stewardship	1.6
Healthcare	1.0
Greater community engagement*	0.3
Charity**	0.2
Total	11.4

* The figure excludes the contribution of the Zaporizhstal JV for the "We are the City" contest in the amount of US\$255,000.

** Metinvest continued to provide financial support to socially disadvantaged groups and those in distress by partnering with public organisations. The Group's charitable donations targeted orphanages and veteran unions, people with disabilities and victims of the Chernobyl disaster.



When carrying out complex projects, Metinvest works closely with city development funds, which have become the primary channel for the Group's engagement with local governments, civic groups and international development agencies for improving community liveability. By partnering with the Mariupol Development Fund, the Kryvyi Rih Foundation of the Future and the Zaporizhia Joint Action Platform, Metinvest develops the best initiatives possible while ensuring that the projects it funds meet the needs of communities and align with regional agendas.

In 2019, Metinvest and the Zaporizhstal JV contributed US\$9 million to these funds, almost a four-fold increase compared with 2016, when this investment model was launched.

The effectiveness of such investments is enhanced through partnerships with global leaders in this area, such as the US Agency for International Development (USAID), United Nations International Children's Emergency Fund (UNICEF) and the European Bank for Reconstruction and Development (EBRD), as they bring global best practices in transparency and project management

to the initiatives they are involved in. In 2020, Metinvest plans to continue strengthening its strategic partnerships with local residents, government authorities and non-governmental organisations to provide consistent developmental support to the cities and towns where it operates. This also includes enhancing social partnership programmes and their positive impacts through larger geographical coverage and broadened engagement with local residents.

UPGRADING SOCIAL INFRASTRUCTURE

Metinvest systematically invests to improve the social infrastructure in the regions of its presence, striving to create better living conditions for employees, their families and all local residents. The Group invests to upgrade public spaces and recreational areas, construct roads and repair residential buildings. This is part of our commitment to improving the image of the cities and towns, making them comfortable places to live. Due to Metinvest's involvement, these positive changes in regional development have been taking place more rapidly in recent years.

Metinvest's involvement covers both ongoing initiatives and urgent response projects following unforeseeable circumstances or natural disasters. After a storm in Kryvyi Rih in July 2019, Metinvest helped to restore damaged infrastructure, including power transmission lines and roofing, allocating around US\$177,000 to disaster relief.



US\$4.8M
INVESTED



51,799 M²
OF ROADS REPAIRED



55
APARTMENT BUILDINGS REPAIRED



87
PLAYGROUNDS CONSTRUCTED



27
PUBLIC SPACES MODERNISED

LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED



VESELKA PARK. MARIUPOL

The modern Veselka Park features a pedestrian fountain and was opened in spring 2019. The project's implementation began in 2018 in partnership with Metinvest, the Mariupol Development Fund and Mariupol City Council.

The park is a unique landscaped territory featuring a multitude of paths and trees where both adults and children can unwind. It is known by locals as "little Holland" due to its many tulips, benches and playgrounds.

The park is located across the street from the Multicentre; the country's largest social services office that was constructed with Metinvest's support. The Group's overall investments in the park, Multicentre and fountain construction amounted to US\$1.2 million.

"TOGETHER WITH OUR RELIABLE PARTNERS, WE ARE CREATING A NEW, MORE COMFORTABLE MARIUPOL. GREEN PARKS LIKE VESELKA AND MODERN FOUNTAINS ARE ALL PART OF THE CITY'S NEW AESTHETIC OF LIFE. I WANT ALL MARIUPOL RESIDENTS TO BE INSPIRED BY THE CITY AND SEE HOW IT IS CHANGING, DEVELOPING AND BECOMING AN EXAMPLE FOR OTHER INDUSTRIAL CITIES IN UKRAINE."

Vadym Boichenko, Mayor of Mariupol



MULTIFUNCTIONAL SQUARE. KRYVYI RIH

Thanks to this project, the square of the Seventh Anniversary of Independence of Ukraine has been completely renovated into a multifunctional green space. Located in Kryvyi Rih's Ingulets district historic neighbourhood, the old square had been poorly maintained and was therefore unpopular with local residents. Metinvest stepped in to invest around US\$152,000 to revitalise the square and develop the adjacent area, thus creating a community space where people of all ages can take a walk or participate in sport. The square was equipped with all the necessary facilities, including new pedestrian walkways, benches and bins, as well as a modern playground and concrete skatepark. In Ukraine, there are only two skateparks where the main surface is made entirely of concrete, which increases their reliability and service life.

“OPENING A SQUARE WITH SPORT EQUIPMENT IS A HIGHLY IMPORTANT INITIATIVE. IT PROMOTES HEALTHY LIFESTYLE AND PROVIDES YOUNG PEOPLE WITH AN OPPORTUNITY TO TAKE UP SPORT, BECAUSE SKATEBOARDING COULD BE A MUCH HEALTHIER ALTERNATIVE TO SURFING THE INTERNET.”

Oleksandr Alabiyev, Chairman of the Federation of Extreme Sport of Ukraine



ADVANCING EDUCATION

In 2019, Metinvest continued to invest in the development of schools and universities, from children's nurseries to higher education. Its projects emphasise innovative forms of education and systematically promote science, technology, engineering and maths (STEM) disciplines, while also paying special attention to encouraging leadership and entrepreneurship among students and teachers.



US\$1.6M
INVESTED



57
EDUCATIONAL PROJECTS
IMPLEMENTED



51
EDUCATIONAL INSTITUTIONS
RECEIVED ASSISTANCE

LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED



THE STEELMAKER'S KITCHEN

Seeking to generate interest in the metallurgical and mining industry among young people, Metinvest created an augmented-reality book titled The Steelmaker's Kitchen. It describes how metallurgy and mining are organised in laymen's terms. Readers can download a special app on their smartphone or tablet and watch a video about the different stages of steelmaking.

The book is a charitable publication that was released in Ukrainian, Russian and English. In addition, the Ukrainian Ministry of Education and Science has approved it for use as a textbook in secondary schools. It will be provided free

of charge to libraries, schools and specialised higher and secondary educational institutions of Mariupol, Kryvyi Rih, Zaporizhia and Avdiivka.

The Steelmaker's Kitchen became a finalist in the 2019 Partnership for Sustainability Award, an international competition held under the auspices of the UN Global Compact in Ukraine that recognises partnership projects contributing to sustainable development.





START-UP DEVELOPMENT CENTRE AT KOROLENKO CENTRAL CITY LIBRARY. MARIUPOL

The transformation of Korolenko Central City Library in Mariupol presented new opportunities for both book lovers and tech entrepreneurs. The project was implemented in partnership with the Mariupol City Council, the Mariupol Development Fund, USAID and the European Investment Bank with a contribution from Metinvest of around US\$116,000. This was the first project in Mariupol to transform a library into a modern IT hub.

Thanks to these joint efforts, Korolenko Central City Library is once again a centre for social events, education and personal development. It has been merged with the 1991 Mariupol start-up centre, an innovative hub for young talent. By transforming the library into a new space for both learning and pleasure, it has quickly become a mainstay for local youth. It can also be used as an event space for forums and conferences.

The library itself now contains not only an extensive book collection, but also a great number of electronic books in an e-library that readers can access using QR codes.

"I AM REALLY PROUD OF THE RESULT, BECAUSE NOW WE HAVE A NEW, MODERN LIBRARY, WHICH WAS A LONG-CHERISHED DREAM FOR ALL MARIUPOL RESIDENTS."

Victoriya Lisogor, Director of Korolenko Central City Library



IT-HUB. KRYVYI RIH

A new IT hub and co-working space with modern technology and high-speed internet access has been opened at the Kryvyi Rih Economic Institute to create a unique space in the centre of the city.

Metinvest invested around US\$198,000 to establish the IT hub and co-working area in cooperation with the Kryvyi Rih Foundation of the Future. The IT cluster reflects the global shift towards digital transformation, while contributing to the competitiveness of the local and national economies. The new space, designed for IT specialists and students, encourages people to team up and develop new business ideas and product prototypes. The hub and co-working space feature state-of-the-art technology, a modern open-office design, meeting rooms and cafés to provide a comfortable working environment for all its users.

A total of 600 square metres of the working area has been renovated to house the hub's high-tech study and work spaces. The hub also features modular areas with the capacity to accommodate up to 100 people at the same time.

"THE CREATION OF AN IT HUB AND CO-WORKING AREA IS AN EXAMPLE OF SUCCESSFUL COOPERATION BETWEEN UNIVERSITY, COMMUNITY AND BUSINESS. SEEING THE ACTIVE ENGAGEMENT OF ALL PARTIES, I FIRMLY BELIEVE THAT KRYVYI RIH HAS A CHANCE TO BECOME ONE OF THE MAIN IT CENTRES IN THE COUNTRY."

Artem Kariavka, founder and director of an IT company



LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED



INNOVATION LEADERS IN EDUCATION. MARIUPOL AND KRYVVI RIH

MARIUPOL

In 2019, in cooperation with the Mariupol Development Fund and local authorities, Metinvest organised the Innovation Leaders in Education contest, which aims to support the initiatives of educators striving to come up with innovative learning methods and ways to make education more inclusive. Overall, 43 initiatives from 28 educational institutions in Mariupol were submitted as part of the contest.

The 12 winning projects received funding grants. Among them are: STEM projects that use adaptive teaching methods to make English classes more effective; ideas for holistic education and boosting student motivation; and physical education (PE) classes for

disabled children, allowing them to practice yoga instead of the standard PE programme. Another initiative called I Explore the World aims to train elementary school teachers using the comprehensive education methodology.

KRYVVI RIH

In Kryvyi Rih, the Innovation Leaders in Education programme is held in partnership with the Kryvyi Rih Foundation of the Future. Its goal is to develop and provide psychological training for teachers to prevent professional burn out. In total, 53 training sessions were held, motivating a total of 1,325 teachers to share their knowledge and valuable experience with children.

“PARTICIPATION IN SUCH PROGRAMMES OPENS UP MANY OPPORTUNITIES FOR TEACHERS IN OUR CITY, INCLUDING PROFESSIONAL DEVELOPMENT COURSES AND PSYCHOLOGY TRAINING, COMMUNICATION AND SHARING EXPERIENCES WITH COLLEAGUES FROM OTHER CITIES.”

Iryna Chernobai, practical psychologist from Kryvyi Rih



SUPPORTING HEALTHCARE

Healthcare is one of the priorities for sustainable development of society, and one more key focus area of Metinvest's investments. The Group systematically contributes to improving the quality of medical services by supporting renovations of healthcare facilities and providing new modern equipment.



US\$1M
INVESTED



15
HEALTHCARE FACILITIES
RENOVATED



19
PIECES OF MEDICAL
EQUIPMENT PURCHASED



10
HEALTHCARE FACILITIES
SUPPLIED WITH
58,602M³ OF OXYGEN

UPGRADING CITY HOSPITALS. KRYVYI RIH

Metinvest continues to systematically upgrade medical infrastructure in Kryvyi Rih, where Hospital no. 17 is one of the strategic facilities that has undergone a phased modernisation. The hospital serves 40,000 residents of Kryvyi Rih's Ingulets and Shyroky districts, including most of Ingulets GOK's employees. In 2019, the trauma centre and intensive care unit of the cardiology department were provided with all necessary medical equipment. The intensive care unit was also made more accessible by altering the floor plans and removing barriers to access.

In 2019, Metinvest also supported Hospital no. 7 in Kryvyi Rih by repairing an intensive care unit and a blood transfusion room of the anaesthetic unit. The Group's total investment during the period in Hospital no. 17 and Hospital no. 7 amounted to roughly US\$138,000. As the result, the range of medical services offered was considerably extended, improving access to full-scale quality medical care for local residents.

"THANKS TO THE SUPPORT OF METINVEST, THE HOSPITALS RECEIVED A SOLID BASE AND THE OPPORTUNITY TO DEVELOP. THE COORDINATED WORK OF THE CITY AND A MAJOR BUSINESS ALLOWS US TO IMPLEMENT SIGNIFICANT PROJECTS THAT TAKE HEALTHCARE TO A NEW LEVEL AND IMPROVE THE QUALITY OF LIFE IN KRYVYI RIH."

Yuriy Vilkul, Mayor of Kryvyi Rih



CENTRAL CITY HOSPITAL RENOVATION. AVDIIVKA

The Avdiivka Central City Hospital is the only health facility in the city providing a full range of medical services to the people living both in the city and in the neighbouring areas. To mitigate the consequences of military activities that damaged the hospital badly and led to an outflow of qualified specialists to larger cities, Avdiivka Coke stepped in to support the renovation of the medical facility.

In 2019, Metinvest invested around US\$271,000 to upgrade surgery and traumatology units that provide treatment to more than 1,000 patients a year. The units were fully equipped with cutting-edge medical devices to perform better diagnostics. Overall, 630 square metres of hospital space were renovated and 11 hospital rooms were equipped with modern conveniences. Today, the updated hospital offers high-quality medical services to local residents and can once again attract and retain dedicated, highly qualified specialists.

"TODAY, NO STATE-FINANCED INSTITUTION CAN FUNCTION WITHOUT THE HELP OF PARTNERS, WHICH IS WHY SUCH PUBLIC-PRIVATE PARTNERSHIPS ARE VERY IMPORTANT. I AM SURE THE RENOVATED UNITS WILL CONTRIBUTE TO THE IMPROVEMENT OF MEDICAL TREATMENT."

Roman Peschansky, Chief Specialist, Adult Preventive Healthcare Department, Healthcare Office of Donetsk Regional State Administration



LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED



COVID-19 RESPONSE

Acknowledging the risks and hazards associated with COVID-19, Metinvest has taken unprecedented measures to support local communities in the regions where it operates. As of the end of August 2020, the Group has invested around US\$5 million in initiatives to prevent the spread of the virus.

Together with the charitable initiatives of its shareholders, the Rinat Akhmetov Foundation and Vadym Novynskyi's International Charitable Foundation, Metinvest has provided COVID-19 rapid tests, medical ventilators and protective equipment to hospitals all over Ukraine.

During the hardest times of the pandemic, Metinvest supported projects to install oxygen pipelines and oxygen units in three city hospitals in Mariupol. These projects turned out to be extremely valuable and lifesaving during the virus outbreak and helped local hospitals to provide the best possible care for patients. The Group invested nearly US\$116,000 in this project.

Furthermore, Ilyich Steel supplies oxygen for intensive care patients in Mariupol and regional hospitals, as well as at the request of other medical facilities. From March to August 2020, the asset provided more than 24,000 cubic metres of oxygen to 11 medical facilities.

In addition, Metinvest provided food packages to more than 2,000 of its retired employees who live in Mariupol, Zaporizhia, Kryvyi Rih, Avdiivka and Novhorodske. The Group allocated around US\$54,000 for this purpose.

Another important initiative that Metinvest supported was arranging and financing the delivery of humanitarian supplies worth more than US\$1 million from China to Ukraine. The Group spent roughly US\$260,000 to organise the flight from Beijing to Boryspil, where humanitarian aid was collected in the presence of Metinvest's CEO, Yuriy Ryzhenkov; Ukraine's Deputy Foreign Minister, Yevgeniy Ienin; Ukraine's Deputy Minister of Health, Ihor Ivashchenko;

and China's Ambassador to Ukraine, Fan Xianrong. COVID-19 tests, lung ventilators, disinfectants and infrared thermometers from Chinese government bodies, private organisations, associations and foundations will be distributed among Ukrainian governmental authorities, medical institutions and universities in Kyiv and 10 of the country's regions.

One more way that Metinvest has decided to support the cities and towns where it operates is by not using the tax holidays that have been introduced throughout the coronavirus lockdown to ensure that their governments continue to receive much-needed budget revenues.

"WE UNDERSTAND THAT THE COVID-19 OUTBREAK INCREASES OUR RESPONSIBILITY TO SOCIETY. WE ARE DOING, AND WILL DO, EVERYTHING WE CAN TO ENSURE THAT OUR ASSISTANCE IN THE FIGHT AGAINST THE PANDEMIC IS COMPREHENSIVE."

Yuriy Ryzhenkov, Chief Executive Officer

 For more information about Metinvest's response to COVID-19, please visit our [STOP CORONAVIRUS](#) website.

PROMOTING SPORT AND CULTURE

Sport and cultural events help people to develop stronger social bonds, building happier and healthier communities. To this end, Metinvest implements projects that promote healthy living and wellbeing among its employees and local residents, consistently investing in the cultural development of its communities.

In 2019, the Group engaged in a variety of vibrant events. Notable cultural projects in Mariupol included the GogolFest festival of contemporary art, the MRPL City Festival, Europe Day and France Day. Zaporizhia hosted several popular youth, music and literary festivals, such as Zaporizhzhia Jazzy, Khortytsia Freedom and Zobi Fest. Metinvest also supported such iconic European events as the Rolli Days in Genoa and Arena Opera Festival in Verona, where its re-rolling assets are located.

Among the most prominent sporting events that the Group supported were Zaporizhia's Riverman and Steel Cup, as well as Kryvyi Rih's Iron Hundred cycling marathon and Steel Run half marathon. In Italy, Metinvest sponsored the international Genoa Half Marathon, which attracted more than 1,700 participants, including 173 of the Group's employees.



US\$1.9M
INVESTED

METINVEST SUPPORTED:



42
SPORTING EVENTS



75
CULTURAL EVENTS

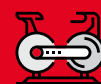
METINVEST REPAIRED AND EQUIPPED:



98
SPORT GROUNDS



21
CULTURAL INSTITUTIONS



17
SPORT FACILITIES

LOCAL COMMUNITY DEVELOPMENT SOCIAL PARTNERSHIP PROGRAMME CONTINUED



GOGOLFEST. MARIUPOL

GogolFest is an international festival of contemporary art that was founded in Kyiv in 2007, offering theatre, music and visual performances, as well as educational and children's programmes.

In 2019, the event was held in Mariupol for the second time. Metinvest donated around US\$58,000 to support the festival, which was organised in partnership with the Mariupol Development Fund, the Mariupol City Council and international partners.

GogolFest has become a true gem in the city's cultural life. In 2019, it featured eight venues and 100 different acts over the course of six days, and was attended by more than 35,000 people. Attendees

were able to travel to the venue on an art train, the first train of such concept in Europe. Along the way, visitors were treated to DJ sets and art events in various train cars.

The festival itself featured concerts from Ukrainian and foreign artists, as well as exhibitions and performances. The most anticipated event of the festival was the Grand Opera Nero, a unique theatrical show that was written exclusively for GogolFest and presented at the dock of Azov Shipyard.

The festival in Mariupol was chosen from more than 700 participants as one of the winners of the prestigious European EFFE Awards 2019-20.

"THE CULTURAL LIFE OF MARIUPOL IS BECOMING MORE DYNAMIC AND EXCITING EVERY YEAR, GIVING THE AUDIENCE UNFORGETTABLE EXPERIENCES. WITH THE GRAND OPERA NERO, GOGOLFEST SHOWED ITS VISITORS UNEXPECTED AND FRESH PERSPECTIVES IN CONTEMPORARY ART."

Anton Telbizov, stage director, one of the participants in the stage production of Grand Opera Nero





RIVERMAN SWIM ACROSS THE DNIPRO. ZAPORIZHIA

For the second consecutive year, the Zaporizhstal JV and the Zaporizhia Joint Action Platform have become the main sponsors of a massive swimming competition across the Dnipro called Riverman. The event, which took place in Zaporizhia, attracted twice as many participants as in 2018. Overall, 1,000 professional and amateur athletes swam in the event this year, including around 100 employees of the Zaporizhstal JV.

Swimmers from Zaporizhia, Dnipro, Kyiv, Kharkiv, Ivano-Frankivsk, Mykolaiv and many other parts of the country competed in a 200 metre sprint, a challenge designed for amateurs, as well as a 1 kilometre open water swim between the island of Khortytsia and the city's Central Beach for the most experienced athletes. The winners received cash prizes.

Besides the swim, the event included master classes, contests and other activities for attendees and their children, allowing community members to spend quality time engaged in healthy leisure.

“THE EMOTIONS ARE OVERWHELMING. I AM A PROFESSIONAL ATHLETE AND HAVE NEVER SEEN A COMPETITION OF THE SAME SCALE AS RIVERMAN ANYWHERE ELSE.”

Volodymyr Voronko, winner of Riverman, swimmer from Kryvyi Rih



IRON HUNDRED CYCLING MARATHON. KRYVYI RIH

In 2019, 652 cyclists from 63 Ukrainian cities took part in Kryvyi Rih's fourth annual Iron Hundred cycling marathon. Metinvest was the main sponsor of the event, which was organised in partnership with the Ukrainian Bike Family organisation and the Kryvyi Rih Foundation for the Future.

Iron Hundred is often called a sightseeing marathon by its organisers, who brought together athletes of different levels to compete for the main prize: a new bike. The marathon consisted of two routes, which were 55 and 100 kilometres in length and passed through industrial areas of the city.

“I AM FULL OF IMPRESSIONS — 100 KILOMETRES JUST FLEW RIGHT BY! OUR RESULTS COULD HAVE BEEN BETTER, BUT WE HAVE PROVED TO OURSELVES THAT WE CAN COPE WITH SUCH MARATHONS.”

Martin Miskiewicz, event participant



LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED

PROMOTING ENVIRONMENTAL STEWARDSHIP

Metinvest believes that a strong culture of environmental awareness can be a powerful driver for sustainable development. To foster environmental sustainability in the cities and towns where the Group operates, in 2013 it established the Green Centre public union, which supports community green initiatives and organises educational campaigns to promote environmental awareness.

Through its representative offices in Mariupol, Zaporizhia and Kryvyi Rih, the Metinvest Green Centre promotes local environmental stewardship while contributing to improving public green spaces and recreational areas near residential buildings. In 2019, Green Centre had many success stories, including the completion of several notable projects that brought together local residents and public organisations.



US\$1.6M
INVESTED



1,250
REQUESTS FOR
BEAUTIFICATION FULFILLED



781
TONNES OF TRASH
CLEANED UP



4,113
TREES PLANTED



118
HECTARES OF
TERRITORY CLEANED

ECO-SCHOOL.
ZAPORIZHIA

Eco-School is a project organised by Metinvest Green Centre that aims to teach children about environmental responsibility. In 2019, the project took on more than 8,000 students from Zaporizhia schools, who competed in four rounds of a tailored contest over the course of four months. The contest included an intellectual game on environmental topics, a school community work competition, a school conference on environmental issues and Green Runs, a sport competition. Of 19 educational institutions that participated in the project, three schools made it to the top three, namely Academic Lyceum no. 23, Lyceum no. 34 and the Elint Collegium. As a reward, interactive green zones were installed at the winning schools.

“ECO-SCHOOL IS A GREAT CONTEST AS IT PROVIDES AN OPPORTUNITY TO ENGAGE LOCAL RESIDENTS AND THEIR CHILDREN IN GREEN ACTIVITIES, WHILE FUELLING THEIR INTEREST IN ENVIRONMENTAL ISSUES.”

Volodymyr Mayorov, Principal,
Academic Lyceum no. 23





GREEN HUBS AND GREEN LEAGUE. KRYVYI RIH

In 2019, Metinvest Green Centre supported the launch of three new green hubs in Kryvyi Rih's Ternivskyi, Pokrovskyi and Metalurhiynyi districts, in addition to the first green hub that was previously opened in Ingulets district.

Kryvyi Rih's four green hubs serve as community centres, where local residents can get together to relax and catch up, participate in educational programmes that focus on environmental issues and take part in a variety of other social activities. Overall, the green hubs hosted 207 events during the year that engaged nearly 1,600 adults and children.

One of the notable projects started in November 2019 with support of the Green Centre was the Green League educational project for children and their parents. The programme is designed to raise awareness of environmental issues and foster responsible behaviour. Local ecologists and teachers talk with children about the environment, as well as arrange environmental tours, fun eco-quests and contests using the green hub spaces. Throughout the year, the Green League organised 48 events that were attended by 1,310 people. The events spanned master classes on making bird feeders, lessons on environmental protection and separate waste collection, as well as team building games, environmental quests and much more.

"IT IS ESSENTIAL TO ARRANGE SUCH EVENTS FOR CHILDREN FROM AN EARLY AGE. THIS WAY, WE CAN HELP THEM TO BUILD A HOLISTIC PERSONALITY AND FOSTER ENVIRONMENTAL EDUCATION."

Volodymyr Kazakov, Professor, Department of Geography, Regional Studies and Tourism at Kryvyi Rih State Pedagogical University



100 YARDS. KRYVYI RIH

The 100 Yards programme in Kryvyi Rih brings together local residents, community organisations and the Green Centre to improve the quality of green spaces and recreational zones in residential areas. Since its launch in 2016, more than 5,000 proactive citizens have already brought their projects to life and revamped the courtyards of 98 apartment complexes. In 2019, Kryvyi Rih residents submitted 197 projects, of which 52 were implemented. Their ideas translated into the installation of 36 playgrounds, 30 sport grounds, 123 benches, 90 garbage bins, 12 gazebos and several new pedestrian walkways in the courtyards of their apartment buildings. The winners were selected by an expert jury, which included representatives of Kryvyi Rih's housing and communal facilities, community leaders and representatives of the city's industrial enterprises.

"PEOPLE PARTICIPATE IN THE COMPETITION BECAUSE IT GIVES THEM TANGIBLE RESULTS AND A REAL OPPORTUNITY TO MAKE A POSITIVE CHANGE."

Olga Yakubovska, winner of 100 Yards in 2019



LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED



BATTERY RECYCLING PROJECT. MARIUPOL, KRYVYI RIH AND KYIV

To promote responsible waste management, Metinvest Green Centre supports the Recycle a Battery, Save Nature project. It aims to organise the collection and transportation of used batteries for recycling. The project was initiated by the Metinvest Green Centre in Mariupol in 2015 as part of our Green Plant environmental programme for students at Mariupol schools. In 2018, Azovstal joined the initiative and started to collect used batteries as well.

In 2019, Metinvest partnered with Environmental Investments LLC to participate in the Batteries, Surrender nationwide project, which became the first ever initiative in Ukraine to collect and transport batteries abroad for recycling. With Green Centre support, we managed to collect 1.2 tonnes of used batteries in Mariupol, Kryvyi Rih and Kyiv. Materials were packed and sent off to recycling sites of GreenWEEE International SA (Romania) in special traceable tanks and recycled into secondary raw materials.

“THANKS TO THE PROJECT, WE ENHANCED OUR BATTERY RECYCLING INITIATIVE AND STRENGTHENED OUR CONTRIBUTION TO ENVIRONMENT PROTECTION IN UKRAINE.”

Viktoriya Koshmanova, coordinator, Metinvest Green Centre in Mariupol



ENCOURAGING GREATER COMMUNITY ENGAGEMENT

Metinvest believes that engaging local communities in regional development increases the effectiveness of its efforts for two reasons. First, engagement allows it to learn about local concerns and focus its actions on the most impactful issues. Second, it can involve locals in development projects, allowing them to contribute in ways they find meaningful. In this way, Metinvest helps community members define their own roles in joint initiatives and choose when and how to participate.

Four Metinvest programmes have become an annual tradition:

- We Improve the City (Mariupol)
- FestMetinvest (Kryvyi Rih)
- We Are the City (Zaporizhia)
- Transforming Avdiivka Together (Avdiivka)

 **For more information about each of the initiatives in previous periods, please refer to the 2017-18 Metinvest Sustainability Report.**

In 2019, the We Improve the City contest in Mariupol brought more attention to environmental and health issues. In addition to its traditional focus on urban beautification, green spaces and tourist infrastructure, the contest was expanded to include environmental science and health projects. In 2019, out of a total of 103 applications submitted, 16 winning projects were implemented.

BIORESOURCES OF THE SEA OF AZOV INTERACTIVE LABORATORY. MARIUPOL

One of the winners of the We Improve the City contest was a project to build an interactive creative scientific and educational laboratory called Bioresources of the Sea of Azov on the campus of Pryazovskyi State Technical University. The laboratory was created in one of the university's classrooms, which was completely renovated and provided with new furniture and necessary equipment. It also includes hundreds of exhibits and dozens of photos, a collection that has been assembled over the course of a decade. Experienced scientists in the fields of ecology, energy conservation and biology will be on site to educate curious visitors. This project will allow people who visit the laboratory to learn more about the marine ecosystem of the Sea of Azov, which is of great educational value.

“THE BIORESOURCES OF THE SEA OF AZOV PROJECT AIMS TO CLOSE A SIGNIFICANT INFORMATION GAP ON THE RESOURCES OF THE SEA OF AZOV AND SUBSEQUENTLY ENHANCE THE ATTRACTIVENESS OF MARIUPOL.”

Volodymyr Monin, marine hydrobiologist, candidate of biological sciences, associate professor at Pryazovskyi State Technical University



With its FestMetinvest contest, the Group aims to provide Kryvyi Rih residents with a platform where they can bring their ideas and perspectives to make the city a more vibrant and attractive place. In 2019, the contest was held for the second time and was met with even greater enthusiasm from local residents. The participants submitted 30 projects for the contest, 17 of which were selected as winners and implemented.



KRYVBAS CITY SKILLS. KRYVYI RIH

As part of FestMetinvest, in September 2019, Kryvyi Rih's Heroes Park hosted the Kryvbas City Skills family festival. The event featured 14 locations dedicated to 40 different professions. Each child received a passport at the entrance to the festival that allowed them to participate in various activities. Kryvbas City Skills included a robot battle, chemical laboratory experiments, a performance by dog handlers and working dogs, as well as virtual reality simulation of driving an excavator.

“THIS IS THE FIRST TIME AN INTERACTIVE FESTIVAL OF PROFESSIONS OF THIS SCALE HAS BEEN HELD IN KRYVYI RIH. APART FROM BEING A FUN LEISURE ACTIVITY, KRYVBAS CITY SKILLS IS A CAREER GUIDANCE EVENT THAT HELPS CHILDREN TO EXPLORE THEIR FUTURE CAREER OPTIONS OFFERED BY THE LOCAL ENTERPRISES.”

Tetiana Kripak, Director of the Department of Education and Science, Kryvyi Rih City Council



LOCAL COMMUNITY DEVELOPMENT

SOCIAL PARTNERSHIP PROGRAMME CONTINUED

In 2019, Metinvest once again held the We Are The City contest in Zaporizhia, which aims to support social initiatives proposed by local residents and public organisations. Out of 420 submissions, it selected the best 100 initiatives to be subsequently implemented.

The We Are The City contest was recognised as the best corporate contribution to achieving SDG 11 “Sustainable Cities and Communities” during the X National CSR case study competition, an annual event organised by the Ukrainian NGO “Centre for Corporate Social Responsibility.”



PLAYGROUND FOR CHILDREN WITH DISABILITIES. ZAPORIZHIA

A highlight of the We Are the City contest in 2019 was the construction of an inclusive playground with special swings at the Zaporizhia Children's Botanical Garden. More than just a local attraction in Zaporizhia, the botanical garden is also a major extracurricular educational facility providing various classes that are attended by more than 700 children. Students with disabilities can now use the inclusive play environment to enjoy fun activities, socialise and develop their physical strength and motor skills.

“BREAKING DOWN BARRIERS AND MAKING CHILDREN WITH DISABILITIES FEEL INCLUDED AND VALUED IS SO IMPORTANT. WE BELIEVE THAT THE NEW INCLUSIVE PLAYGROUND INCREASES THE SENSE OF BELONGING AND ACCEPTANCE WHILE FOSTERING POSITIVE INTERACTION BETWEEN ALL CHILDREN REGARDLESS OF THEIR ABILITIES.”

Tamara Yeremina, Director of the Zaporizhia Children's Botanical Garden



The Transforming Avdiivka Together and Transforming Toretsk Together contests are especially important for local residents, as the cities of Avdiivka and Toretsk suffered significantly due to their proximity to the conflict area in Eastern Ukraine. The contests bring together local communities who wish to transform their towns into better places to live and work

by implementing projects to develop social infrastructure, as well as beautify residential buildings and the surrounding areas. In 2019, a total of 24 of the 30 projects submitted in Avdiivka and 15 of the 24 projects submitted in Toretsk were implemented as contest winners.



YOUTH HUB AND AKIMOF MUSICAL CLUB. AVDIIVKA

In 2019, Avdiivka welcomed the new youth hub and Akimof musical club, which opened in the premises of the future Centre for Children and Youth. The project was initiated by The Power of Ideas and Muzychna Varta, two local community organisations that won the Transforming Avdiivka Together contest and got the opportunity to set up a creative space for educational, music and art events. Local residents, artists, musicians and other organisations expressed strong support for this initiative. They helped with repair work and provided the youth centre with musical instruments and books. The hub provides training sessions, master classes, cultural events, forums, exhibitions and many other activities for local residents.

“SINCE OUR INITIATIVE HAS BEEN WELL RECEIVED BY AVDIIVKA RESIDENTS, WE WILL CONTINUE TO PARTICIPATE IN TRANSFORMING AVDIIVKA TOGETHER TO TRANSLATE OUR IDEAS INTO REALITY AND ENHANCE THE CULTURAL LIFE OF THE TOWN.”

Oleksiy Savkevich, representative of The Power of Ideas LLC and Muzychna Varta



ANNEXES

In this section:

120	Annex 1. Index of Standard Disclosures in the Report with Reconciliation to GRI Standards and SASB
140	Annex 2. Management Approach Disclosures
154	Annex 3. Additional Information on GRI Disclosures
159	Annex 4. Metinvest's Contribution to Sustainable Development Goals
165	Annex 5. Abbreviations



ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB

GRI 102-55

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 the Report, p11		
102-2	Activities, brands, products and services	Full	Products, p32		 
102-3	Location of headquarters	Full	GRI Content Index, p120	A116A Nakhimova Avenue, Mariupol 87534, Donetsk Region, Ukraine.	
102-4	Location of operations	Full	Map of Metinvest's Key Assets, p04-05		
102-5	Ownership and legal form	Full	GRI Content Index, p120; Annual Report 2019, p129	Metinvest is comprised of the parent company Metinvest B.V. and other legal entities that Metinvest B.V. owns directly or indirectly.	
102-6	Markets served	Full	Products, p33		

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
102-7	Scale of the organisation	Full	Metinvest in Numbers, 2019, p06; Strategic Goals and Priorities, p18; Personnel Structure, p72; GRI Content Index, p121	More information about the scale of the organisation, including financial performance and production figures, is presented in the Annual Report 2019.	
102-8	Information on employees and other workers	Full	Personnel Structure, p72; Annex 3. Additional Information on GRI Disclosures, p154		 
102-9	Supply chain	Full	Supply Chain, p38		
102-10	Significant changes to the organisation and its supply chain	Full	GRI Content Index, p121	In 2019, Metinvest acquired stakes in two Ukrainian metallurgical coke producers, including a 23.71% stake in Southern Coke and a 49.37% interest in Dnipro Coke. There was a change in the shipment mode of coking coal. In 2019, coal exports from Russia were subjected to a quota system. In June 2019, Metinvest was denied coal export quotas and, as a result, railway shipments of coking coal were discontinued. Metinvest's shipments were redirected to seaborne coal.	
102-11	Precautionary principle or approach	Full	Approach to Sustainability Risk Management, p26		

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
102-12	External initiatives	Full	GRI Content Index, p122	Metinvest supports global sustainability initiatives and contributes to social and environmental projects. The Group is a participant of the UN Global Compact. Metinvest takes into account the UN Sustainable Developments Goals in its strategy and operations.	
102-13	Membership of associations	Full	GRI Content Index, p122	Metinvest is a member of: – World Steel Association – European Steel Association (EUROFER AISBL) – UN Global Compact – European Business Association – Centre for Corporate Social Responsibility – HR Forum Association – Association of Industrial Automation of Ukraine – National Agency for Higher Education Quality Assurance In July 2019, Metinvest B.V. became a member of the Association of the Dutch Metallurgical Industry (VNMI).	
GRI 102: GENERAL DISCLOSURES 2016. STRATEGY					
102-14	Statement from senior decision-maker	Full	Chairman's Statement, p02; CEO's Statement, p16		
102-15	Key impacts, risks and opportunities	Full	Approach to Sustainability Risk Management, p26		

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
GRI 102: GENERAL DISCLOSURES 2016. ETHICS AND INTEGRITY					
102-16	Values, principles, standards and norms of behaviour	Full	Corporate Values, p19; Business Ethics and Anti-Corruption, p30		
102-17	Mechanisms for advice and concerns about ethics	Full	Business Ethics and Anti-Corruption, p30; Respect for Human Rights, p71		 
GRI 102: GENERAL DISCLOSURES 2016. GOVERNANCE					
102-18	Governance structure	Full	Corporate Governance, p45		
102-19	Delegating authority	Full	Sustainability Governance, p21; Corporate Governance, p45		
102-20	Executive-level responsibility for economic, environmental, and social topics	Full	Sustainability Governance, p21		
102-21	Consulting stakeholders on economic, environmental, and social topics	Full	Stakeholder Engagement, p28; Sustainability Governance, p21		
102-22	Composition of the highest governance body and its committees	Full	Corporate Governance, p45; GRI Content Index, p123	Additional information about the composition of the Supervisory Board is available on the Metinvest website and in the Annual Report 2019.	

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
102-24	Nominating and selecting the highest governance body	Full	Corporate Governance, p46		
102-25	Conflicts of interest	Full	Business Ethics and Anti-Corruption, p31		
102-27	Collective knowledge of highest governance body	Full	Corporate Governance, p47		
102-28	Evaluating the highest governance body's performance	Full	Corporate Governance, p49		
102-30	Effectiveness of risk management processes	Full	Approach to Sustainability Risk Management, p26	Please refer to the overall effectiveness of the risk management process in our Annual Report 2019, p74	
GRI 102: GENERAL DISCLOSURES 2016. STAKEHOLDER ENGAGEMENT					
102-40	List of stakeholder groups	Full	Stakeholder Engagement, p28		
102-41	Collective bargaining agreements	Full	Respect for Human Rights, p71		
102-42	Identifying and selecting stakeholders	Full	Stakeholder Engagement, p28		
102-43	Approach to stakeholder engagement	Full	Stakeholder Engagement, p28		
102-44	Key topics and concerns raised	Full	Stakeholder Engagement, p28		
GRI 102: GENERAL DISCLOSURES 2016. REPORTING PRACTICE					
102-45	Entities included in the consolidated financial statements	Full	Report Boundaries, p11		

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
102-46	Defining report content and topic boundaries	Full	Materiality Assessment, p12		
102-47	List of material topics	Full	Materiality Assessment, p13		
102-48	Restatements of information	Full	Personnel Structure, p72; Employee Healthcare, p77; GRI Content Index, p125	The staff turnover rates for 2017 and 2018 were recalculated as they included only voluntary, negotiated and disciplinary misconduct resignations. The number of Metinvest's employees and their family members who underwent wellness treatment was recalculated due to changes in methodology. The LTIFR figures for 2017 and 2018 were recalculated to reflect adjustments made by United Coal.	
102-49	Changes in reporting	Full	About the Report, p10		
102-50	Reporting period	Full	About the Report, p10		
102-51	Date of most recent report	Full	About the Report, p10		
102-52	Reporting cycle	Full	About the Report, p10		
102-53	Contact point for questions regarding the report	Full	GRI Content Index, p125	Sustainable Development and People Management Directorate Metinvest Holding Tel. +38 (044) 251 83 05, ext.1816 E-mail: csr@metinvestholding.com	
102-54	Claims of reporting in accordance with the GRI Standards	Full	About the Report, p10		
102-55	GRI content index	Full	GRI Content Index, p120		

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
102-56	External assurance	Full	GRI Content Index, p126	Financial figures presented in the Report are subject to external assurance. The accuracy of non-financial figures is validated by internal auditors.	
GRI 103: MANAGEMENT APPROACH 2016					
103-1	Explanation of the material topic and its Boundary	Full	About the Report, p13; Annex 2. Management Approach Disclosures, p140; GRI Content Index, p126	The information on 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, p140; GRI Content Index, p126	Refer to Annex 2. Management Approach Disclosures for a summary on 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, p140; GRI Content Index, p126	Refer to Annex 2. Management Approach Disclosures for a summary on how Metinvest evaluates the management approach to each of the material topics.	
GRI 201: ECONOMIC PERFORMANCE 2016					
201-4	Financial assistance received from government	Full	GRI Content Index, p126	The Group did not receive financial assistance from any government in the reporting period.	

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 to local minimum wage	Partial	Employee Remuneration and Motivation, p74; GRI Content Index, p127	Figures are reported for Ukraine, which is the location of significant operations of Metinvest. The Group did not collect data by gender in the reporting period.	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
203-1	Infrastructure investments and services supported	Full	Local Community Development, p100; GRI Content Index, p127		       
203-2	Significant indirect economic impacts	Full	Approach to Sustainability Risk Management, p26; Local Community Development, p98; Environmental Action, p52	A detailed explanation of our approach to mitigating these risks is presented in the Environmental Action and Local Community Development sections of the Report.	
GRI 204: PROCUREMENT PRACTICES 2016					
204-1	Proportion of spending on local suppliers	Full	Supply Chain, p38; GRI Content Index, p127	Local suppliers are defined as suppliers that are registered and operating in Ukraine.	 
GRI 205: ANTI-CORRUPTION 2016					
205-1	Operations assessed for risks related to corruption	Partial	Business Ethics and Anti-Corruption, p31		

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
205-2	Communication and training about anti-corruption policies and procedures	Partial	Business Ethics and Anti-Corruption, p31 GRI Content Index, p128	In 2019, a total of 31,856 employees completed online training on the Group's Code of Ethics. All business partners are required to confirm their familiarisation with the Group's Code of Ethics, which integrates anti-corruption provisions.	
205-3	Confirmed incidents of corruption and actions taken	Full	Business Ethics and Anti-Corruption, p31	In 2019, 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, anti-trust, and monopoly practices	Full	GRI Content Index, p128	Metinvest was not a participant of legal actions pending or completed during the reporting period pertaining to anti-competitive behaviour, or violations of anti trust and monopoly legislation.	
GRI 207: TAX 2019					
207-1	Approach to tax	Partial	GRI Content Index, p128; Metinvest in Numbers, 2019, p06	Metinvest's governance system for tax is compliant with the national legislation.	 
GRI 302: ENERGY 2016					
302-1	Energy consumption within the organisation	Full	Energy Efficiency, p63		 
302-3	Energy intensity	Full	Energy Efficiency, p63; Annex 3. Additional Information on GRI Disclosures, p155		 

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
302-4	Reduction of energy consumption	Full	Energy Efficiency, p63; Annex 3. Additional Information on GRI Disclosures, p155		 
GRI 303: WATER AND EFFLUENTS 2018					
303-1	Interactions with water as a shared resource	Partial	Protecting Water Resources, p58; Annex 3. Additional Information on GRI Disclosures, p158; GRI Content Index, p129	The Report does not provide a description of how Metinvest engages with suppliers or customers with significant water-related impacts, as well as the process for setting water-related targets.	
303-2	Management of water discharge-related impacts	Full	Protecting Water Resources, p58; GRI Content Index, p129	Metinvest regularly conducts instrumental and laboratory studies of wastewater in accordance with state environmental standards.	
303-3	Water withdrawal	Partial	Protecting Water Resources, p58; GRI Content Index, p129	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	Protecting Water Resources, p58; GRI Content Index, p129	Metinvest does not collect data on water discharge by types of destination and category.	
303-5	Water consumption	Full	Protecting Water Resources, p58		 

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
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	GRI Content Index, p130	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	Protecting Ecosystems and Biodiversity, p60; GRI Content Index, p130	The Report does not provide information on significant direct and indirect positive and negative impacts on biodiversity with reference to species affected, extent of areas impacted, duration of impacts and reversibility or irreversibility of the impacts.	
304-3	Habitats protected or restored	Partial	Protecting Ecosystems and Biodiversity, p60; GRI Content Index, p130	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 species with habitats in areas affected by operations	Full	Protecting Ecosystems and Biodiversity, p60; GRI Content Index, p130	Metinvest's operations do not affect IUCN Red List and national conservation list species.	
GRI 305: EMISSIONS 2016					
305-1	Direct (scope 1) GHG emissions	Full	Addressing Climate Change, p56; Annex 3. Additional Information on GRI Disclosures, p158		 

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Full	Mitigating Impact on Air Quality, p56		 
GRI 306: WASTE 2020					
306-1	Waste generation and significant waste-related impacts	Full	Managing Waste, p59		
306-2	Management of significant waste-related impacts	Full	Managing Waste, p59; GRI Content Index, p131	Waste-related data are retrieved from statistical and internal reporting forms maintained in accordance with respective legislation on waste management. In order to determine 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, p59; GRI Content Index, p131	Data on waste composition were not collected for the reporting period.	
306-4	Waste diverted from disposal	Partial	Managing Waste, p59; GRI Content Index, p131	In 2019, 94% of waste generated by Metinvest was non-hazardous waste from mining assets – in the form of overburden and tailings.	
306-5	Waste directed to disposal	Partial	Managing Waste, p59; GRI Content Index, p131	In 2019, 94% of waste generated by Metinvest was non-hazardous waste from mining assets – in the form of overburden and tailings.	
GRI 307: ENVIRONMENTAL COMPLIANCE 2016					
307-1	Non-compliance with environmental laws and regulations	Full	GRI Content Index, p131	Metinvest was not subject to significant fines or penalties for non-compliance with environmental laws and regulations.	

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
GRI 401: EMPLOYMENT 2016					
401-1	New employee hires and employee turnover	Full	Personnel Structure, p72; Annex 3. Additional Information on GRI Disclosures, p154		 
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partial	Social Benefits, p75		 
401-3	Parental leave	Partial	GRI Content Index, p132	In 2019, 15 male and 673 female employees took parental leave.	
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016					
402-1	Minimum notice periods regarding operational changes	Full	GRI Content Index, p132	In the event of significant changes in working conditions, Metinvest provides employees with a two month notice before changes become effective, which is consistent with the requirements of the Labour Code of Ukraine.	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018					
403-1	Occupational health and safety management system	Full	Occupational Health and Safety: Our Approach, p87		
403-2	Hazard identification, risk assessment, and incident investigation	Full	Occupational Health and Safety: Our Approach, p87; Occupational Injury Prevention and Response, p91		 

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
403-3	Occupational health services	Full	Occupational Injury Prevention and Response, p94		 
403-4	Worker participation, consultation, and communication on occupational health and safety	Full	Occupational Health and Safety Training, p90		
403-5	Worker training on occupational health and safety	Full	Occupational Health and Safety Training, p89		
403-6	Promotion of worker health	Full	Occupational Injury Prevention and Response, p93		 
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Full	Occupational Injury Prevention and Response, p95		
403-8	Workers covered by an occupational health and safety management system	Partial	GRI Content Index, p133	Contractor staff are subject to the same occupational health and safety rules as Metinvest employees.	
403-9	Work-related injuries	Partial	Occupational Injury Prevention and Response, p91; GRI Content Index, p133	Number of hours worked by employees: 112,668,105.	 
403-10	Work-related ill health	Partial	Occupational Injury Prevention and Response, p94; GRI Content Index, p133	Metinvest does not calculate occupational illness figures for contractor staff, as this falls under the responsibility of contractors.	 

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
GRI 404: TRAINING AND EDUCATION 2016					
404-1	Average hours of training per year per employee	Partial	Staff Training and Development, p78		 
404-2	Programmes for upgrading employee skills and transition assistance programmes	Full	Staff Training and Development, p78		 
404-3	Percentage of employees receiving regular performance and career development reviews	Full	GRI Content Index, p134	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 Structure, p72		 
GRI 406: NON-DISCRIMINATION 2016					
406-1	Incidents of discrimination and corrective actions taken	Full	GRI Content Index, p134	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	Full	GRI Content Index, p134	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.	
GRI 408: CHILD LABOUR 2016					
408-1	Operations and suppliers at significant risk for incidents of child labour	Full	GRI Content Index, p134	Metinvest did not identify any operations or suppliers at significant risk for incidents of child labour in the reporting period.	

DISCLOSURE	DESCRIPTION	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS	UN SDGS
GRI 409: FORCED OR COMPULSORY LABOUR 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Full	GRI Content Index, p135	Metinvest did not identify any operations or suppliers at significant risk for incidents of forced or compulsory labour in the reporting period.	
GRI 413: LOCAL COMMUNITIES 2016					
413-1	Operations with local community engagement, impact assessments, and development programmes	Partial	Local Community Development, p98; GRI Content Index, p135	The current efficiency monitoring system, including public opinion surveys, and its role in the decision-making process is described in the Report.	      
413-2	Operations with significant actual and potential negative impacts on local communities	Full	GRI Content Index, p135	Metinvest acknowledges the risks of its operations regarding the environment and local communities' wellbeing. A detailed explanation of our approach to mitigating these risks is presented in the Environmental Action and Local Community Development sections.	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
416-1	Assessment of the health and safety impacts of product and service categories	Full	GRI Content Index, p135	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 Content Index, p135	In 2019, 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 incompliance with legal provisions concerning product safety for customers.	

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

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, p34		
417-2	Incidents of non-compliance concerning product and service information and labelling	Full	GRI Content Index, p136	In 2019, Metinvest did not identify any incidents of non-compliance with regulations concerning product information and labelling.	
417-3	Incidents of non-compliance concerning marketing communications	Full	GRI Content Index, p136	In 2019, Metinvest did not identify any incidents of non-compliance with regulations on marketing communications.	
GRI 418: CUSTOMER PRIVACY 2018					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Full	GRI Content Index, p136	Metinvest did not identify any substantiated complaints concerning breaches of customer privacy in the reporting period.	

SASB METALS AND MINING 2018, SASB IRON AND STEEL 2018

CODE	ACCOUNTING METRIC	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS
GREENHOUSE GAS EMISSIONS				
EM-MM-110a.1 EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Partial	Addressing Climate Change, p56	
EM-MM-110a.2 EM-IS-110a.2	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	Partial	Addressing Climate Change, p56	

CODE	ACCOUNTING METRIC	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS
AIR QUALITY				
EM-MM-120a.1 EM-IS-120a.1	Air emissions of the following pollutants: CO, NO _x (excluding N ₂ O), SO _x , particulate matter (PM10), mercury (Hg), manganese (Mn), lead (Pb), and volatile organic compounds (VOCs), and polycyclic aromatic hydrocarbons (PAHs)	Partial	Mitigating Impact on Air Quality, p56	
ENERGY MANAGEMENT				
EM-MM-130a.1 EM-IS-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Full	Energy Efficiency, p63; Annex 3. Additional Information on GRI Disclosures, p155	
EM-MM-130a.2	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	Full	Energy Efficiency, p63; Annex 3. Additional Information on GRI Disclosures, p157	
WATER MANAGEMENT				
EM-MM-140a.1 EM-IS-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Full	Protecting Water Resources, p58	Metinvest does not operate in regions with High or Extremely High Baseline Water Stress.
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Full	SASB Content Index	In 2019, 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	Total weight of tailings waste, percentage recycled	Partial	Managing Waste, p59	
EM-MM-150a.2 EM-IS-150a.1	Total weight of mineral processing waste, percentage recycled	Partial	Managing Waste, p59	

ANNEX 1

INDEX OF STANDARD DISCLOSURES IN THE REPORT WITH RECONCILIATION TO GRI STANDARDS AND SASB CONTINUED

CODE	ACCOUNTING METRIC	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS
EM-MM-150a.3 EM-IS-150a.1	Number of tailings impoundments, broken down by MSHA hazard potential	Partial	SASB Content Index	In 2019, a total of 94% of waste generated by Metinvest was non-hazardous waste – in the form of overburden and tailings.
BIODIVERSITY IMPACTS				
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Partial	Environmental Action: Our Approach, p52; Protecting Ecosystems and Biodiversity, p60	
EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Full	SASB Content Index	Metinvest does not operate in any protected natural areas and its activities do not affect the habitats of species on the IUCN Red List or national conservation list.
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES				
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Full		Metinvest does not operate in or near proved or probable indigenous lands.
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict	Partial	Respect for Human Rights, p71	
COMMUNITY RELATIONS				
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Partial	Local Community Development, p98	
EM-MM-210b.2	Number and duration of non-technical delays	Full		There were no non-technical delays in the reporting period.
LABOUR RELATIONS				
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements	Full	Collective Bargaining Agreements, p71	
EM-MM-310a.2	Number and duration of strikes and lockouts	Full		There were no strikes and lockouts in the reporting period.

CODE	ACCOUNTING METRIC	DISCLOSURE STATUS	WHERE TO FIND	COMMENTS
WORKFORCE HEALTH AND SAFETY				
EM-MM-320a.1 EM-IS-320a.1	(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	Partial	Occupational Injury Prevention and Response, p91	
BUSINESS ETHICS AND TRANSPARENCY				
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Full	Business Ethics and Anti-Corruption, p30	
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Full	SASB Content Index	Metinvest does not operate in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.
SUPPLY CHAIN MANAGEMENT				
EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	Full	Supply Chain, p38	
ACTIVITY METRICS				
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	Full	Annual Report, p14-15	
EM-MM-000.B	Total number of employees, percentage contractors	Partial	Personnel Structure, p72	
EM-IS-000.A	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Partial	Metinvest in Numbers, 2019, p07	
EM-IS-000.B	Total iron ore production	Full	Metinvest in Numbers, 2019, p07	
EM-IS-000.C	Total coking coal production	Full	Metinvest in Numbers, 2019, p07	

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES

The table below summarises the Group's approach to managing material topics (GRI 103-2) and evaluating the approach's effectiveness (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 structure and composition <i>For more information about this topic, please refer to the "Corporate Governance" section of the Report, as well as Metinvest's Annual Report 2019.</i>	Metinvest's corporate governance structure comprises the General Meeting of Shareholders, Supervisory Board and Management Board. At the Group level, the Executive Team supports operations. The Group conducts oversight based on nine clearly established core principles of management, which reflect the sophistication of Metinvest's vertically integrated structure and business model. The principles are clearly aligned with the Group's strategy and include specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership and personal commitment.	The Supervisory Board conducts annual performance evaluations and target setting for the Executive Team. Specifically, the Supervisory Board sets personal goals for the CEO, who cascades them down to each individual on his team in accordance with their job functions. These goals are also subject to the Supervisory Board's approval. Moreover, each manager receives both personal and team goals, which are drawn up into individual performance maps and incorporated into a KPI scorecard. Each target is weighted based on the ability of a manager to influence its achievement.	102-18 Governance structure 102-19 Delegating authority 102-20 Executive-level responsibility for economic, environmental, and social topics 102-21 Consulting stakeholders on economic, environmental, and social topics 102-22 Composition of the highest governance body and its committees 102-24 Nominating and selecting the highest governance body 102-27 Collective knowledge of highest governance body 102-28 Evaluating the highest governance body's performance 102-30 Effectiveness of risk management processes

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, please refer to the “Business Ethics and Anti-Corruption” section of the Report.</i>	The Ethics Committee is the decision authority for cases of corruption associated with Metinvest’s activities. If a case involves a senior manager, it should be addressed to the Group’s Supervisory Board for a final decision. Legal teams at each asset are responsible for identifying, analysing and assessing risks associated with corruption and fraud, as well as communicating critical concerns to the Group’s Compliance Officer. The Group’s Code of Ethics contains provisions on anti-corruption and anti-bribery, which are applied to all Metinvest employees. A list of high-risk positions with regard to corruption and fraud has been compiled and is regularly revised, and a mandatory screening procedure is applied to all internal and external candidates for senior management positions. The Group applies an anti-corruption screening process for suppliers, as well as risk assessment for operations that involve government relations.	The Group conducts audits of its operations to assess the effectiveness of its anti-corruption and anti-fraud procedures. The findings are used to inform decision-making with regard to revising policies and standards, improving risk assessment procedures and reorganising management functions.	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
3	Ethics and compliance <i>For more information about this topic, please refer to the “Business Ethics and Anti-Corruption” section of the Report.</i>	The Group’s Compliance Programme encompasses all its enterprises and covers the issuance of compliance policies, staff training, compliance risk assessments and compliance reporting. The Ethics Committee at the Executive Team level oversees the implementation of the Compliance Programme, takes decisions concerning conflicts of interest and reviews critical appeals received via the corporate Trust Line, a confidential whistleblowing mechanism that processes feedback related to unethical behaviour. The Committee is chaired by Metinvest’s CEO and is composed of senior managers; it meets quarterly. At the enterprise level, compliance coordinators, who report to the Group’s Compliance Officer, manage the implementation of the Compliance Programme. The Legal Directorate and legal teams at each enterprise are tasked with monitoring conflicts of interest and assessing the materiality of each conflict. The Group’s Code of Ethics sets forth its core ethical and business standards, which are applied to all Metinvest employees. The provisions of the Code are communicated to personnel through training sessions, communication campaigns and the personal example of leadership. The ethical standards outlined in the Code are integrated into supplier selection procedures and used as qualification criteria. The Group has in place a Procedure for Declaring Conflicts of Interest, as well as a Procedure on Anti-Money Laundering and Countering the Financing of Terrorism.	The Compliance Programme includes a set of annual targets that are monitored by compliance coordinators at the enterprise level and by the Supervisory Board at the Group level. The implementation status of the Compliance Programme, including its target achievement status, is reported quarterly at meetings of the Supervisory Board’s Audit and Finance Committee and annually at a meeting of the Supervisory Board. The Supervisory Board approves Compliance Programme targets for the upcoming annual cycle.	102-17 Mechanisms for advice and concerns about ethics 102-25 Conflicts of interest 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices 406-1 Incidents of discrimination and corrective actions taken 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 408-1 Operations and suppliers at significant risk for incidents of child labour 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

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, please refer to the "About the Report" section of the Report and Metinvest's Annual Report 2019.</i>	Metinvest regularly issues reports on financial and non-financial performance results and publishes them on its website. The Group's Sustainable Development and People Management Directorate is responsible for maintaining long-term relations with various stakeholder groups, including employees, local communities and NGOs. The Corporate Finance Department deals with financial providers, Government Relations managers deal with government authorities, while the Sales Directorate is responsible for customer relations. The Group operates a Trust Line, a whistleblowing mechanism that processes feedback collected both from internal and external stakeholders.	The Group's Internal Audit Department ensures that reported financial and non-financial figures in the Sustainability Report are sufficiently reliable. Metinvest's financial statements undergo third-party assurance (to view the latest independent auditor statement, refer to the IFRS Consolidated Financial Statements for 2019).	All GRI indicators disclosed in the Report
SOCIAL				
5	Human rights <i>For more information about this topic, please refer to the "Respect for Human Rights" section of the Report.</i>	Metinvest's Code of Ethics sets forth principles of respect for human rights and provides equal opportunities to all employees without barriers or discrimination on the grounds of nationality, race, gender, age or religion. The Code also enshrines employee rights to decent labour, and health and safety conditions. The Group operates a Trust Line, a confidential whistleblowing mechanism that processes feedback related to unethical behaviour, including human rights violations. The Ethics Committee at the Executive Team level reviews all critical concerns related to breaches of ethical conduct, including human rights violations.	Metinvest monitors compliance with the Code of Ethics and its human rights provisions 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. As of 2019, human rights issues are accounted for when evaluating the implementation status of the Compliance Programme.	102-16 Values, principles, standards, and norms of behaviour 102-17 Mechanisms for advice and concerns about ethics 405-1 Diversity of governance bodies and employees 406-1 Incidents of discrimination and corrective actions taken

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
6	Occupational health and safety <i>For more information about this topic, please refer to the "Occupational Health and Safety" section of the Report.</i>	This topic is managed at all organisational levels. The Health, Safety and Environmental Committee of the Supervisory Board oversees health and safety targets and adopts strategic decisions. The Sustainable Development and People Management Directorate (effective as of 1 April 2020) coordinates the implementation of health and safety policies and related initiatives, while Occupational Health and Safety departments are responsible for health and safety at the asset level. The Group has in place the Policy and Principles in the Field of Health, Safety and the environment, as well as 15 corporate health and safety standards, which reflect Metinvest's comprehensive approach to ensuring occupational safety.	In 2018, Metinvest embarked on a transition to ISO 45001 when it replaced OHSAS 18001 as the best practice in international occupational health and safety management system standards. As of 2019, a total of four assets were ISO 45001 certified. Another six enterprises plan to undergo ISO certification audits once their current OHSAS certificates expire. The Group has introduced a set of occupational health and safety KPIs, called the Health and Safety Traffic Light, which captures the performance of the occupational health and safety management system of each asset. Metinvest's health and safety risk assessment system is based on globally recognised standards including hazard identification (HAZID), environmental impact identifier (ENVID) and hazard and operability studies (HAZOP), job safety and work safety analysis procedures, as well as lock out, tag out (LOTO) and permit-to-work methods. The Group conducts internal audits to evaluate the compliance of its assets with the health and safety standards and regulations requirements.	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries 403-10 Work-related ill health

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, please refer to the “Staff Training and Development” section of the Report.</i>	Metinvest’s Sustainable Development and People Management Directorate (effective as of 1 April 2020) is in charge of designing learning programmes, delivering training sessions for employees and managing partnerships with external educational institutions. The Group has adopted a five-year human capital management strategy that emphasises the development of relevant professional skills among employees and the introduction of new learning formats.	The implementation of the human capital management strategy is checked on an annual basis and the results are fed into agenda planning for the following annual cycle. 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.	404-1 Average hours of training per year per employee 404-2 Programmes for upgrading employee skills and transition assistance programmes 404-3 Percentage of employees receiving regular performance and career development reviews
8	Fair working conditions, wages and social benefits for employees <i>For more information about this topic, please refer to the “Employee Remuneration and Motivation” and “Social Benefits” sections of the Report.</i>	Metinvest’s Sustainable Development and People Management Directorate (effective as of 1 April 2020) supervises human capital management across all enterprises and oversees the implementation of the human capital management strategy, which stipulates regular revision of remuneration schemes and social benefit plans. Occupational Health and Safety departments at each Group asset ensure that workplaces meet applicable safety standards.	The Group regularly assesses the performance of the human capital management function against the KPIs and monitors the strategy implementation.	202-1 Ratios of standard entry level wage by gender compared to local minimum wage 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave 403-3 Occupational health services 403-6 Promotion of worker health

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

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, please refer to the "Personnel Structure" section of the Report.</i>	Metinvest's Sustainable Development and People Management Directorate (effective as of 1 April 2020) is in charge of managing human capital, ensuring that the personnel structure is balanced, as well as guaranteeing that all employees receive equal opportunities and are treated with respect. The values enshrined in the Group's Code of Ethics include diversity and intolerance of any form of discrimination.	The implementation of the human capital management strategy is checked on an annual basis and its results are fed into agenda planning for the following annual cycle. The Group regularly monitors headcount figures and related trends, such as the proportion of women in corporate governance or different functions, as well as the share of positions occupied by people with disabilities.	405-1 Diversity of governance bodies and employees

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
ECONOMIC				
10	Economic performance <i>For more information about this topic, please refer to the “Strategic Goals and Priorities” section of the Report, as well as Metinvest’s Annual Report 2019.</i>	The Audit and Finance Committee of the Supervisory Board undertakes the ongoing supervision of all aspects of Metinvest’s financial and audit activities in the interest of shareholders and on behalf of the Supervisory Board. Its main responsibilities include overseeing the budget, financial reporting, risk management, internal controls, the internal audit function and assessment of the external auditor. The Strategy and Investment Committee of the Supervisory Board is responsible for conducting reviews and providing recommendations to the Supervisory Board on the Group’s strategic objectives, including new and existing businesses, investments, mergers and acquisitions. 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.	The Group’s economic performance is monitored through a set of strategic KPIs, including, but not limited to, financial indicators and production outputs, which are reviewed dynamically. Key business development and economic KPIs are reviewed monthly by the Executive Team, and quarterly at the meetings of the Supervisory Board. Annual business planning is a process that involves all profit centres, cost centres and support 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.	201-4 Financial assistance received from government 203-1 Infrastructure investments and services supported

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
11	Responsibility for the quality of products and services <i>For more information about this topic, please refer to the “Products” and “Customer Service” sections of the Report.</i>	Metinvest’s enterprises are guided by our Regulation on Product Quality Management, a key corporate standard on quality control that serves as the basis for our relevant internal procedures. The Technology and Quality Department at each enterprise oversee quality management. Metinvest’s Sales Directorate manages customer relationships. These activities are guided by various internal policies, including, but not limited to, Regulations on Pricing, the Key Account Operational Procedure and others. The function uses a number of KPIs to monitor the effectiveness of the CRM approach.	Metinvest’s quality management systems are certified under the ISO 9001 international standard at almost all production facilities. Quality management systems are assessed independently by each enterprise monthly. To measure their effectiveness, each enterprise adopts performance indicators, which include the number of rejected and non-conforming products and the number of complaints received from customers. The Technology and Quality Department on the Executive Team’s level serves as a second tier of control and conducts internal audits when necessary. 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. The results of the evaluation are used for target setting and planning.	417-1 Requirements for product and service information and labelling 417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
12	Procurement practices and supplier environmental assessment <i>For more information about this topic, please refer to the "Supply Chain" section of the Report.</i>	Metinvest's Logistics and Procurement Directorate exercises control over the procurement process and is responsible for establishing procurement methodologies, developing procurement strategies for product categories, managing supplier relations and integrating sustainability principles into supply chain management. At the enterprise level, the procurement function is represented by four units, which as of 2019 are aligned across the Group: a Supply Planning and Analysis Service, a Supply Service, a Procurement Service and a Central Warehouse unit. Mandatory counterparty screening (compliance, pre-qualification and pre-contract procedures) is an integral part of supplier management, and it is the responsibility of the Service of the Compliance Officer and the Directorate for Analysis and Risk Management. Metinvest has in place a Procurement Policy, as well as procedures and controls that lay out the key principles, goals and objectives of the procurement process. The procurement management system covers processes such as supplier selection, value analysis, solicitation of offers, contract administration and procurement quality control. All suppliers must familiarise themselves with the Group's Code of Ethics and agree to adhere to its provisions.	The effectiveness of the procurement function is evaluated during internal audits, which are aimed at validating the Group's compliance with the principles set forth in the Procurement Policy, namely: ethical business conduct, free competition among suppliers, information transparency, economic feasibility and the effectiveness of procurement. Performance indicators have been adopted to constantly monitor procurement operations run by the Logistics and Procurement Directorate. These allow the Group to stay alert to potential supplier issues. The effectiveness of supplier assessment procedures carried out by the Directorate for Analysis and Risk Management is monitored with the use of performance indicators that are outlined in the Counterparty Risk Management Procedure.	102-9 Supply chain 204-1 Proportion of spending on local suppliers

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
ENVIRONMENTAL				
13	Energy efficiency <i>For more information about this topic, please refer to the "Energy Efficiency" section of the Report.</i>	The Group has an Energy Programmes 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 productive operations and energy efficiency activities locally, reporting on the effect achieved to the Head of Engineering. Each enterprise develops energy efficiency targets for an annual cycle. In addition, energy conservation standards and procedures for conducting audits of energy management systems are applied at the enterprises. Individual KPIs related to energy performance are introduced for employees that oversee energy management programmes.	As of 2019, the energy management systems of nine enterprises are certified under the ISO 50001 standard. Metinvest's regular internal audits of energy management systems guide us as we set goals for the year's energy saving programmes. All audits are performed in accordance with our Procedure for Conducting Internal Audits of Energy Management System at Production Sites, which lays out requirements for the composition of the audit committee, the frequency of inspections and reporting procedures. The Group has also developed a scoring system for assessing how the ISO is being implemented.	302-1 Energy consumption within the organisation 302-3 Energy intensity 302-4 Reduction of energy consumption

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
14	Water, effluents and waste	The Group's Policy and Principles in the Field of Health, Safety and the Environment provides guidelines for all aspects of environmental management.	As of the end of 2019, environmental management systems of 15 of the Group's assets were certified in compliance with the latest requirements of the ISO 14001:2015 standard.	303-1 Interactions with water as a shared resource
15	Biodiversity	The Health, Safety and Environmental Committee of the Supervisory Board is in charge of developing and embedding a comprehensive environmental agenda, covering all material environmental aspects.	Third-party assessments are conducted on an annual basis to validate conformity with the standard and renew the certification.	303-2 Management of water discharge-related impacts
16	Emissions	The Committee reviews the Group's environmental activity quarterly and sets the priorities of the corporate environmental programmes.	In addition, Metinvest conducts regular internal site audits to ensure compliance with environmental legislation, evaluate the effectiveness of technology upgrades and monitor environmental protection measures.	303-3 Water withdrawal
<i>For more information about these topics, please refer to the corresponding sections of the Report: "Protecting Water Resources", "Managing Waste", "Protecting Ecosystems and Biodiversity", "Mitigating Impact on Air Quality"</i>		At each asset, a special Environmental Committee consisting of the plant's management and representatives of the environmental protection departments are responsible for:		303-4 Water discharge
		– Monitoring air emissions, water withdrawal and water discharge permits;		303-5 Water consumption
		– Observing waste management standards;		304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
		– Implementing land restoration and greening projects; and		304-2 Significant impacts of activities, products, and services on biodiversity
		– Reporting on performance results.		304-3 Habitats protected or restored
				304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
				305-1 Direct (Scope 1) GHG emissions
				305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions
				306-1 Waste generation and significant waste-related impacts
				306-2 Management of significant waste-related impacts
				306-3 Waste generated
				306-4 Waste diverted from disposal
				306-5 Waste directed to disposal

ANNEX 2

MANAGEMENT APPROACH DISCLOSURES CONTINUED

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
LOCAL COMMUNITIES				
17	Local community engagement	Metinvest's Sustainable Development and People Management Directorate (effective as of 1 April 2020) is responsible for implementing social partnership programmes, managing community investments and reporting on results to the Supervisory Board. The Supervisory Board also oversees the budgeting process related to the social partnership programmes. The Group's strategic social partnership agenda emphasises the principles of consistency and relevance when engaging with local communities. Metinvest's Social Research Department is in charge of carrying out public opinion surveys to analyse the alignment of the social partnership agenda with community needs, as well as to collect insight about the overall image of the Group and its role in community development. As of 2019, the Group has not developed a formalised impact assessment procedure for community programmes, although it has adopted a number of metrics to monitor project outcomes on a year-to-year basis.	The Group monitors the alignment of social partnership programmes with community needs. The Social Research Department monitors and analyses public feedback by conducting surveys in the cities where it operates. Research results are taken into consideration in the decision-making process with regard to social investment projects.	203-1 Infrastructure investments and services supported 413-1 Operations with local community engagement, impact assessments, and development programmes 413-2 Operations with significant actual and potential negative impacts on local communities
18	Impact assessments and development programmes			
	<i>For more information about this topic, please refer to the "Local Community Development" section of the Report.</i>			

NO.	MATERIAL TOPIC	MANAGEMENT APPROACH AND ITS COMPONENTS	EVALUATION OF THE MANAGEMENT APPROACH	GRI DISCLOSURES IN THE REPORT
19	Involvement in the social and economic development of the country <i>For more information about this topic, please refer to the “Strategic Goals and Priorities”, “Metinvest and the UN Sustainable Development Goals” and “Local Community Development” sections of the Report.</i>	Metinvest’s Supervisory Board works with management to identify which sustainability-related issues are most pertinent to the Group’s business and its key stakeholders, as well as to oversee the implementation of policies and processes for assessing, monitoring and managing material sustainability-related risks and opportunities. At the Executive Team level, the Sustainable Development and People Management Directorate (effective as of 1 April 2020) is in charge of monitoring the external context and community needs, as well as coming up with sustainable development initiatives for the cities and towns where Metinvest operates.	The scale of contribution and key results are discussed during regular Supervisory Board meetings and may be reviewed based on community needs.	201-1 Direct economic value generated and distributed 203-1 Infrastructure investments and services supported 207-1 Approach to tax 413-1 Operations with local community engagement, impact assessments, and development programmes 413-2 Operations with significant actual and potential negative impacts on local communities
20	Improving living standards in the areas affected by the Group <i>For more information about this topic, please refer to the “Local Community Development” section of the Report.</i>	The Group’s Sustainable Development and People Management Directorate (effective as of 1 April 2020) is responsible for implementing strategic social partnership programmes, managing community investments and reporting results to the Supervisory Board. The Supervisory Board also oversees the budgeting process related to the social partnership programmes. Metinvest comes together with local authorities, business and society to implement joint projects and programmes aimed at improving the quality of life of local residents and enhancing the overall appeal of the areas where they live and work. The Group’s social partnership agenda emphasises the principles of consistency and relevance when engaging with local communities.	The Group monitors the alignment of social partnership programmes with community needs. The Social Research Department monitors and analyses public feedback by conducting surveys in the cities where Metinvest operates. Research results are taken into consideration in the decision-making process with regard to social investment projects.	203-1 Infrastructure investments and services supported 413-1 Operations with local community engagement, impact assessments, and development programmes 413-2 Operations with significant actual and potential negative impacts on local communities

ANNEX 3

ADDITIONAL INFORMATION ON GRI DISCLOSURES

GRI 102-8

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY TYPE AND GENDER, 2019

	Males	Females	Total
Employees with a permanent employment contract	44,666	20,118	64,784
Employees with a temporary employment contract	885	896	1,781
Total	45,551	21,014	66,565

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER, 2019

	Males	Females	Total
Full-time employees	45,281	20,675	65,956
Part-time employees	270	339	609
Total	45,551	21,014	66,565

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT TYPE
(PERMANENT AND TEMPORARY) AND REGION, 2019

Region	Employees with a permanent employment contract	Employees with a temporary employment contract	Total
Ukraine	62,223	1,746	63,969
Europe	1,163	12	1,175
US	1,113	0	1,113
Others	285	23	308

GRI 401-1

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2017	2018	2019
Number of new hires	10,522	10,161	10,880
Number of employees who left the Group	7,822	7,722	7,293
Staff turnover rate*	11.9%	11.7%	11.0%

* Staff turnover rates have been calculated excluding employees who left the Group due to the modernisation and automation of production, as well as employees with a temporary employment contract (seasonal workers and interns). The staff turnover rates including all categories of employees are 15.7% (2017), 15.1% (2018) and 15.9% (2019).

NEW HIRES BY AGE GROUP, GENDER AND REGION

	2017	2018	2019
Age group			
Under 30	4,390	3,966	3,854
30-50	5,036	5,039	5,773
Over 50	1,096	1,156	1,253
Gender			
Male	8,057	7,765	7,849
Female	2,465	2,396	3,031
Region			
Ukraine	10,145	9,745	10,382
Europe	90	110	101
US	230	279	348
Others	57	27	49

GRI 302-3

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

Business process: concentrate production at mining assets (electricity), GJ per tonne

	2017	2018	2019
Northern GOK	0.392	0.394	0.381
Central GOK	0.447	0.426	0.403
Ingulets GOK	0.579	0.562	0.554

Business process: pellet production at mining assets (electricity and natural gas), GJ per tonne

	2017	2018	2019
Northern GOK	0.925	0.915	0.887
Central GOK	0.521	0.473	0.414

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

	2017	2018	2019
Azovstal	22.0	22.2	21.3

Business process: steel production (electricity, natural gas, coke, coal, heating oil, pulverised coal fuel, low-mesh coke and coke nut), GJ per tonne

	2017	2018	2019
Ilyich Steel	23.7	23.8	22.9

GRI 302-4

TOTAL ENERGY SAVED AS A RESULT OF ENERGY EFFICIENCY MEASURES, '000 TONNE OF OIL EQUIVALENT (TOE)

Year	Electric power	Heat energy	Fuel	Total
2017	18.9	5.3	211.0	235.2
2018	29.5	2.4	98.9	130.8
2019	37.1	5.1	116.3	158.6

ENERGY SAVED AS A RESULT OF ENERGY EFFICIENCY MEASURES (FUEL ONLY), '000 TOE

Year	Natural gas	Heating oil	Coke	Coal	Total
2017	57.9	0	140.4	12.9	211.3
2018	19.1	3.0	47.5	29.8	99.4
2019	51.2	0	63.2	1.8	116.3

Note: The coal data shown above represent coal that was directly used by assets as fuel only.

ANNEX 3

ADDITIONAL INFORMATION ON GRI DISCLOSURES CONTINUED

SPECIFIC ENERGY EFFICIENCY ACTIONS TAKEN BY THE GROUP'S PRODUCTION SITES IN 2019

ASSET	ACTIONS TAKEN	EFFECT COMPARING TO 2018
Avdiivka Coke	Installed automatic reactive power compensation units	Reduced reactive energy consumption by 67% year-on-year
Azovstal	Replaced thermal insulation lining of the furnace to reduce heat loss and commissioned the reconstructed blast furnace	Reduced coke consumption and specific natural gas consumption by 9% year-on-year
Zaporizhia Coke	Modernised the turbine generator and electric motor	Increased production capacity to 8 MW and reduced electricity consumption by 15% year-on-year
Ingulets GOK	Modernised the quarry water pump and replaced the mill lining	Reduced specific energy consumption by 2.7 million kWh
Kryvyi Rih Machining and Repair Plant	Installed an electric heating system	Decreased gas consumption by means of substitution with lower-cost electricity
Mariupol Machining and Repair Plant	Reconstructed the batch-type furnace	Reduced specific rate of natural gas consumption by 127.3 m ³ /tonne (43% year-on-year)
Ilyich Steel	Improved the bottom beam insulation	Decreased gas consumption by 2.3 m ³ /tonne (3% year-on-year)
Zaporizhstal JV	Modernised equipment Connected power plants from Zaporizhia Coke	Reduced electricity consumption by 3.2 million kWh and gas consumption by 0.4 million m ³ /year Minimised blast furnace gas losses and reduced natural gas consumption
Northern GOK	Transitioned to LED lighting	Reduced lighting system output from 1,680.3 kW to 462.6 kW
Central GOK	Modernised equipment and optimised raw material consumption	Reduced total electricity consumption by 23.4 million kWh per year

Note: The figures for the achieved reductions in energy consumption are calculated using Metinvest's internal methodology.

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

Direct energy use, terajoules¹

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electric power	Total (non-renewable)
2017	34,864	–	70,183	6,070	79	83,237	28,056	222,489
2018	38,452	–	66,127	6,257	73	90,033	28,587	229,528
2019	36,922	0.004	58,955	6,497	59	80,253	30,275	212,961

Note: Renewable sources were not used.

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Total (Fuel)
2017	34,864	–	70,183	6,070	79	83,237	194,432
2018	38,452	–	66,127	6,257	73	90,033	200,942
2019	36,922	0.004	58,955	6,497	59	80,253	182,686

Percentages of direct energy use by type

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Electric power	Total (non-renewable)
2017	15.67%	0.00%	31.54%	2.73%	0.04%	37.41%	12.61%	100.00%
2018	16.75%	0.00%	28.81%	2.73%	0.03%	39.23%	12.45%	100.00%
2019	17.34%	0.00%	27.68%	3.05%	0.03%	37.68%	14.22%	100.00%

Year	Natural gas	Heating oil	Coke	Diesel fuel	Petrol	Metallurgical coal	Total (Fuel)
2017	17.93%	0.00%	36.10%	3.12%	0.04%	42.81%	100.00%
2018	19.14%	0.00%	32.91%	3.11%	0.04%	44.81%	100.00%
2019	20.21%	0.00%	32.37%	3.56%	0.03%	43.93%	100.00%

Note: Metinvest has not used higher heating values (HHV), also known as gross calorific values (GCV), for calculating energy consumption from fuels.

¹ Only purchased (or extracted) fuel was factored into our calculations. The coefficients used for conversion from TOE to TJ is 1 TOE = 0.0293076 TJ.

ANNEX 3

ADDITIONAL INFORMATION ON GRI DISCLOSURES CONTINUED

GRI 303-1

WATER SOURCES USED BY METINVEST'S ASSETS IN 2019

	MINING ASSETS	METALLURGICAL ASSETS
Surface water sources	Karachunovskoye Reservoir	Dnipro River, Sea of Azov, Kalmius River
Underground water sources	Wells	Wells
Public utilities and other enterprises	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	Quarry, mine and other wastewater LLC State Industrial Enterprise Kryvbaspromvodopostachannia (mine water from Svistunov Ravine)	Own and communal wastewater Drainage water

GRI 305-1

DIRECT (SCOPE 1) GHG EMISSIONS, MILLION TONNES

Year	Methane emission (CH ₄)	Carbon dioxide emissions (CO ₂)	Nitrous oxide emission (N ₂ O)	Total
2017	18.9	8,388.9	0.1	8,407.9
2018	12.7	9,404.0	0.1	9,416.8
2019	15.2	8,445.1	0.3	8,460.6

GROSS GHG EMISSIONS, MILLION TONNES OF CO₂ EQUIVALENT

Year	Methane emissions (CH ₄) equivalent CO ₂	Carbon dioxide emissions (CO ₂) equivalent CO ₂	Nitrous oxide emission (N ₂ O) equivalent CO ₂	Total
2017	459.0	8,388.9	29.3	8,877.2
2018	326.7	9,404.0	28.3	9,759.0
2019	318.3	8,445.1	86.2	8,849.6

Note on calculation methodology and conversion factors:

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

– V_{GHG} = volume of greenhouse gases, tonnes

– K_{GWP} = global warming potential (GWP) rate

V_{GWP} of greenhouse gases:

– Carbon dioxide (CO₂): 1

– Methane (CH₄): 21

– Nitrous oxide (N₂O): 310

ANNEX 4

METINVEST'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

Information on Metinvest's contributions to Sustainable Development Goals (SDGs) 8, 9, 11 and 12, which were the Group's primary focus in 2019, is presented in the "Metinvest and the UN Sustainable Development Goals" section of the Report. The table below outlines the Group's key activities in 2019 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.	– Metinvest regularly revises the remuneration package it offers to employees, adjusting it to the benchmark levels established on the market.	– People Management and Development
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 [...].	– Metinvest contributes to local and state budgets through timely tax payment. – Metinvest cooperates closely with city development funds to build infrastructure and provide the services needed to improve quality of life of local residents, including low-income and vulnerable population groups.	– We Are Metinvest – Local Community Development
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.	– Metinvest arranges disaster relief to help communities to deal with unforeseeable circumstances or natural disasters, including restoration of damaged infrastructure.	– Local Community Development

ANNEX 4

METINVEST'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS CONTINUED

TARGET	CONTRIBUTION	MORE DETAILS
 GOAL 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES		
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. 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.	– Metinvest provides voluntary health insurance to employees. All employees may extend their insurance coverage to their immediate relatives at discounted rates. – Metinvest regularly conducts medical checks of employees' health. These include in-depth medical examinations to prevent cardiovascular diseases and mandatory medical examinations for certain categories of workers before they begin their shifts or drive a vehicle. – The Group's health index allows us to analyse the dynamics of workplace illness so we can develop individual measures for vulnerable groups of employees. – Metinvest promotes healthy living by encouraging its employees to take part in sporting events and marathons. – Metinvest reconstructs and upgrades central city hospitals in the regions where it operates, increasing the quality of medical services provided.	– People Management and Development – Occupational Health and Safety – Local Community Development
 GOAL 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL		
4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. 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.	– Metinvest provides a variety of learning and development programmes for employees through its Corporate University and individual assets' training centres. – The Group conducts the Metinvest Young Leaders programme for talented and ambitious employees under the age of 30. – Metinvest cooperates with educational institutions to promote interest in the steel industry among young people. – The Group's regional network of Metinvest Career Centres provides consultation services for potential candidates in the Ukrainian cities where the Group operates. – Metinvest supports the WorldSkills Ukraine professional skills competition. – The Group equips higher educational institutions with state-of-the-art technological hubs to promote innovation and entrepreneurship among IT students.	– People Management and Development – Local Community Development

TARGET	CONTRIBUTION	MORE DETAILS
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.	– Metinvest organises training opportunities through its Corporate University, along with specialised managerial programmes for employees, regardless of gender or disabilities. – 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.	– People Management and Development
4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development [...].	– Metinvest fosters a sense of environmental responsibility among young people and their families by supporting educational programmes and courses.	– Local Community Development
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.	– Metinvest supports the construction of inclusive playgrounds for children.	– Local Community Development
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.	– Metinvest provides internships and job opportunities to students and graduates pursuing technical degrees. – Metinvest's Scholarship Programme targets top-performing students enrolled in technical degree programmes.	– People Management and Development
4.c. By 2030, substantially increase the supply of qualified teachers [...].	– Metinvest helps educators to test and develop innovative teaching methods and tools. – Through the joint programmes with the city development funds, the Group embeds psychological counselling for teachers to prevent professional burn out.	– Local Community Development
 GOAL 5: ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS		
5.1. End all forms of discrimination against all women and girls everywhere.	– The Group has introduced a Code of Ethics and strictly complies with its provisions regarding equal opportunities for all employees.	– Business Ethics and Anti-Corruption
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.	– Metinvest maintains a Trust Line for employees to report suspected violations of the Code of Ethics.	– People Management and Development

ANNEX 4

METINVEST'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS CONTINUED

TARGET	CONTRIBUTION	MORE DETAILS
 GOAL 6: ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL		
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. 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.	– Metinvest improves its water management practices by upgrading wastewater treatment equipment and embedding industrial wastewater recycling processes. – The Group significantly decreased its water consumption in 2019 compared with past years. – Metinvest mitigates pollution risks associated with discharge to bodies of water near its assets by ensuring the uninterrupted operation of drainage and filtration stations.	– Environmental Action
6.6. By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	– Zaporizhstal JV administers preservation projects at the Dnipro River that include area clean-ups and habitat restoration, as well as releasing fish into the river and building nests for wildlife.	– Environmental Action
 GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL		
7.3. By 2030, double the global rate of improvement in energy efficiency.	– Metinvest develops and implements energy efficiency programmes leading to energy savings. – The Group holds its energy efficiency management systems to high standards through international certification. – Metinvest undertakes technological and operational upgrades to structurally enhance the rational usage of energy sources at its production sites.	– Environmental Action

TARGET	CONTRIBUTION	MORE DETAILS
 GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES		
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.	– The Group has introduced a Code of Ethics and strictly complies with its provisions regarding equal opportunities for all employees. – Metinvest provides professional opportunities to people with disabilities and strives to improve the accessibility of its workplaces. – The Group negotiates employment conditions on an individual basis to attend to the special needs of employees.	– Business Ethics and Anti-Corruption – People Management and Development
 GOAL 13: TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS		
13.2. Integrate climate change measures into national policies, strategies and planning.	– Metinvest reduces the environmental impact of its operations by retrofitting production processes at its assets. – The Group participates in a joint project with the World Bank and Ukraine's Ministry of Ecology and Natural Resources to create a national greenhouse gas emissions trading system. – Following the ratification of the Association Agreement between Ukraine and the EU, Metinvest has been preparing to comply with important EU legislative acts related to environmental protection, including Directive 003/87/EU, which established a scheme for greenhouse gas emission allowance trading. – The Group embeds energy efficient solutions to reduce its carbon footprint and optimise operational costs.	– Environmental Action
 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		
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.	– Metinvest restores quarries and spent overburden dumps, reclaims mines and preserves arable land. – The Group's assets carry out annual landscaping campaigns, including planting trees, shrubs and flowers in parks, on riverfronts and at other recreational sites.	– Environmental Action – Local Community Development

ANNEX 4

METINVEST'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS CONTINUED

TARGET	CONTRIBUTION	MORE DETAILS
	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	
16.5. Substantially reduce corruption and bribery in all their forms.	– Metinvest monitors its compliance with its corporate policies and procedures, which include the Code of Ethics, the Procedure on Anti-Money Laundering and Countering the Financing of Terrorism Policy, as well as the Procedure for Declaring Conflicts of Interest. – The Group abides by its Compliance Programme. – Metinvest maintains a Trust Line for its stakeholders to report suspected violations of the Code of Ethics. – The Group promotes awareness among its employees through ongoing training programmes and communications on business ethics and anti-corruption. – Metinvest conducts anti-corruption verifications of its suppliers. – The Group performs mandatory internal security screenings of all internal and external candidates for senior and high-risk positions. – Metinvest conducts internal audits that include fraud risk assessments.	– Business Ethics and Anti-Corruption – Supply Chain
	GOAL 17: STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT	
17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	– Metinvest cooperates with the city development funds in Mariupol, Kryvyi Rih, and Zaporizhia to jointly implement projects for these cities' sustainable development. – The Group engages with local communities through a number of collaborative initiatives to improve quality of life for the residents of the cities and towns where it operates. – Metinvest has established the Green Centre public union which supports community green initiatives and organises educational campaigns to nurture environmental awareness of children and youth. It brings together local residents and public organisations to beautify urban territories and make them greener.	– Local Community Development

ANNEX 5

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 Service

'METINVEST BUSINESS SERVICE', LLC

Metinvest Digital

'METINVEST DIGITAL', LLC

Metinvest Distribution

'METINVEST DISTRIBUTIYA', LLC

Metinvest Engineering

'METINVEST ENGINEERING', LLC

Metinvest Eurasia

'METINVEST EURASIA', LLC

Metinvest Holding

'METINVEST HOLDING', LLC

Metinvest International

METINVEST INTERNATIONAL S.A.

Metinvest-Promservice

'METINVEST-PROMSERVICE', LLC

Metinvest-Resource

'METINVEST-RESOURCE', LLC

Metinvest-SMC

'METINVEST-SMC', LLC

Metinvest-Shipping

'METINVEST-SHIPPING', LLC

Metinvest Trametel

METINVEST TRAMETAL S.P.A.

Northern GOK

PJSC 'NORTHERN GOK'

Pokrovske Coal

Coking coal assets in Ukraine, the most significant being PJSC 'CG 'POKROVSKE', and LLC 'CONCENTRATING FACTORY 'SVIATOVARVARYNSKA'

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 Vadim Novinsky

Southern Coke

PJSC 'YUZHOKS'

Southern GOK

PJSC 'YUZHNIY GOK'

Spartan UK

Spartan UK Limited

Unisteel

'UNISTEEL', LLC

United Coal

United Coal Company LLC

Zaporizhia Coke

PJSC 'ZAPORIZHCOKE'

Zaporizhia Refractories

PrJSC Zaporizhvohnetryv

Zaporizhstal

PJSC 'ZAPORIZHSTAL'

ANNEX 5

ABBREVIATIONS CONTINUED

OTHER TERMS

C4C

Cloud for customer

CEO

Chief Executive Officer

CH₄

Methane

CIS

Commonwealth of Independent States

CO, CO₂

Carbon monoxide, carbon dioxide

COVID-19

Coronavirus disease 2019

CPQ

Configure price quote

CRM

Customer relationship management

CSR

Corporate Social Responsibility

EBITDA

Earnings before interest, taxes, depreciation and amortisation

EBRD

European Bank for Reconstruction and Development

ENVID

Environmental Impact Identification

ERP

Enterprise resource planning

ESG

Environmental, social and governance

ETS

Emissions trading system

EU

European Union

FFR

Fatality frequency rate

FTE

Full-time equivalent

GDPR

General Data Protection Regulation

GHG

Greenhouse gas

GJ

Gigajoule

GOK

Mining and processing plant

GOST

A set of technical standards maintained by the Euro-Asian Council for Standardization, Metrology and Certification (EASC)

GRI

Global Reporting Initiative

HAZID

Hazard Identification

HAZOP

Hazard and Operability Study

HEC

HANA Enterprise Cloud

HR

Human resources

HSM

Hot strip mill

INSEAD

Institut Européen d'Administration des Affaires

IOSH

Institution of Occupational Safety and Health

ISO

International Organization for Standardization

ISSA

International Social Security Association

IT

Information technology

IUCN

International Union for Conservation of Nature

JAHS

Joseph A. Holmes Safety Association

JSC

Joint-stock company

JV

Joint venture

OTHER TERMS

KPI

Key performance indicator

K_{GWP}

Global warming potential (GWP) rate

kW, kWh

Kilowatt, kilowatt hour

LED

Light-emitting diode

LOTO

Lock out, tag out

LLC

Limited liability company

LTIFR

Lost-time injury frequency rate

M

Million

M^2, M^3

Square metres, cubic metres

MENA

Middle East and North Africa

MSHA

Mine Safety and Health Administration

MT

One million metric tonnes

NDC

Nationally Determined Contribution

NO_2, NO_x, N_2O

Nitrogen dioxide, nitrogen oxides, nitrous oxide

NGO

Non-governmental organisation

OHSAS

Occupational Health and Safety Advisory Services

OSCE

Organisation for Security and Co-operation in Europe

PCB

Polychlorinated biphenyl

PJSC

Public or private joint-stock company

PPE

Personal protective equipment

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 Performance

SO_2, SO_x

Sulphur dioxide, sulphur oxides

STEM

Science, technology, engineering and math

STS

Sourcing Trading System

TJ

Terajoule

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

VNMI

Dutch Association of the Metallurgical Industry



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