

STATEMENT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



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Dear colleagues and partners,

Metalloinvest's Consolidated Report 2019 comprises the Annual Report and Sustainable Development Report. This is the first Consolidated Report we publish.

It fully reflects our philosophy – sustainable development is integrated into all business processes and strategic planning of the Company. Successful future means a responsible approach to consumption and production, an ongoing dialogue with stakeholders.

The key priority of the Company is the safety, health and professional development of its employees. Our goal is to further achieve zero injuries in the workplace. Many processes and occupational safety culture need to be improved. We believe that we are on the right way.

The Company continues to proactively manage its debt portfolio and optimise the parameters of existing loans with a focus on reducing borrowing costs and improving its debt repayment schedule.

In 2019, Metalloinvest's capital expenditures increased by 17% reaching USD 517 million. We proceeded with the implementation of an extensive production capacities development programme, digital transformation, introduction of advanced technologies and optimization of business processes.

The Company also continues the consistent implementation of best corporate governance practices. In 2019, the following significant regulatory documents were developed and adopted: the Sustainable Development Policy and the Human Rights Policy. The Code of Corporate Ethics was also updated.

We are committed to the principle of zero tolerance for corruption in any form and manifestation. All our employees follow the Anti-Corruption Compliance Programme and the Company's Anti-Corruption Policy, which also applies to Metalloinvest's subcontractors and partners.

Our targeted action has been recognized by ratings agencies Standard & Poor's, Moody's, Fitch and Expert RA that upgraded the Company's credit ratings by one notch in 2019.

The company seeks to build a long-term partnership with suppliers, contractors and consumers and follows a responsible approach in selecting its counterparties. Metalloinvest takes into account the compliance of its partners with legal requirements in terms of human rights, labour relations and environmental protection.

Metalloinvest is contributing to the achievement of the Sustainable Development Goals and joined the United Nations Global Compact in 2019.

In 2020, we faced new unprecedented challenges. I am confident that strategically built business model combined with an effective management system, strong professional skills and coordinated work of our team will contribute to the Company's strategic goal – leadership in the metals and mining industry.



Ivan Streshinsky

Ivan STRESHINSKY,
Chairman of the Board of Directors
of Management Company Metalloinvest