



Remaining determined

Ferrexpo plc
Responsible Business Report 2023



Introduction

Supporting our communities

Developing our workforce

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Ferrexpo in numbers

8,000
workforce

2
active mining operations and associated processing, beneficiation and infrastructure operations

4.2^{MT}
iron ore product sales

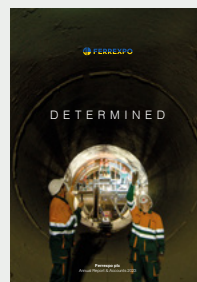
US\$652^M
in revenues

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Our reporting suite


Visit our [website](#) to find this report and others, including the Annual Report and our Climate Change Report.



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Staying resilient during difficult times

Responsible business at Ferrexpo has been dominated by war throughout 2023. We are a leading example of responsible business in Ukraine and, to the rest of the world, we set an example of a Ukrainian industrial champion. Globally, we are a critical player in the provision of high-quality premium iron ore products that are enabling the transition to green steel.

More than two years since the full-scale invasion of Ukraine, Ferrexpo is determined to continue to operate during challenging times and is committed to being a responsible business. We believe we have an obligation to the country and people of Ukraine to keep operating and provide employment for 8,000 colleagues, many of whom are the third generation of family members working at Ferrexpo, and indirectly the estimated 25,000 people in communities that depend on us. During a time of war, our business has never been more relevant, and also in the future rebuilding the Ukrainian economy once the war is over.

Throughout 2023, as war progressed, the availability of people and skills became more complex. More members of our workforce were conscripted to join the Armed Forces of Ukraine and, among the employees that go to work, day in day out, night in night out, there is a noticeable air of fatigue as the war continues. Our approach to responsible business was adapted to support people during these difficult times – whether that was offering individual and family support for returning veterans, or community activities aimed at engaging people and lightening their spirits. See [Developing our workforce](#) and [Supporting our communities](#)

This report details our ongoing work and commitment to be a responsible business through our social impact, people, Net Zero commitments and our governance.



Sustainability achievements in 2023

Humanitarian efforts

100+

Supported more than 100 projects and initiatives through the Ferrexpo Humanitarian Fund and CSR spending, totalling US\$25m

Lost time to injury

-46%

Improvement in the LTIFR to 0.32 in 2023 (2022: 0.51)

Improving diversity

+6.5%

Increase in women in management roles to 22.3% in 2023 compared to 20.9% in 2022

Scope 1 and 2 emissions

2%

Lowering of Scope 1 and 2 emissions by 2% per unit of production basis

Feedback

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About this report

8,000

strong workforce comprising employees, contractors and colleagues serving in the Armed Forces of Ukraine

2

active mining operations and associated processing, beneficiation and infrastructure operations

4.2

million tonnes of iron ore product sales

US\$652^M

revenue

Transparent stakeholder communications

Responsible business is a priority for Ferrexpo. We are committed to sharing transparent information about our sustainability initiatives and performance with our stakeholders, who include governments, members of local communities, employees and investors.

This is our ninth annual Responsible Business Report and covers the period from 1 January 2023 to 31 December 2023, although it also includes some developments in the 2024 year to date. Russia's full-scale invasion of Ukraine commenced on 24 February 2022, and the ongoing war has overshadowed the reporting period. Under very challenging circumstances, Ferrexpo has continued to operate; however, the war has placed considerable strain on our workforce, operations and supply chains.

In 2023, we conducted a double materiality assessment ("DMA") for the first time to better understand our impacts, risks and opportunities and to prepare to meet future regulatory disclosures, such as the Corporate Sustainability Reporting Directive ("CSRD"). In this report, we have elected not to report in accordance with outgoing GRI standards – our intention is to report against the revised standards once the situation in Ukraine is more stable. The report has been reviewed and approved for release by Ferrexpo's Health and Safety, Environment and Communities Committee. This is a sub-committee of Ferrexpo's Board of Directors and is chaired by Non-executive Director Natalie Polischuk. It has also been reviewed by the Executive Committee, which includes the Group's Executive Chair, Lucio Genovese.

Scope of this report

This report covers the Ferrexpo business, which includes its mines, processing and beneficiation facilities in central Ukraine, and associated logistics operations, including the Ukrainian port facilities (south west Ukraine) and our inland waterway business for shipping products along the River Danube.

Entities within the Ferrexpo business, as outlined in the 2023 Annual Report and Accounts, are accounted for in this report if Ferrexpo holds a majority interest. Data is consolidated on a 100% basis for all entities operated and controlled by Ferrexpo, not on the basis of equity accounting.

References in this report to Ferrexpo, Group, Company, "we", "us" and "our" are all references to Ferrexpo Plc and its subsidiaries.

External assurance

We worked with independent auditors MHA to complete an external assurance process (ISAE 3000) on our reporting of Scope 1 and 2 greenhouse gas emissions and key safety metrics for 2023. Find more details in the **Sustainable environments** section of this report and on our [website](#)

Future targets

Despite the ongoing war in Ukraine, we remain committed to our longer-term Net Zero pathway, which is detailed in our **Climate Change Report 2022**. In 2023, we carried out a life cycle assessment ("LCA") to understand the environmental impacts associated with the production of direct reduction ("DR") iron ore and determine steps to reduce our emissions.

However, the current challenging environment for operations means that some actions included in our plan are either delayed or on hold. As our business adapts to the challenging circumstances that are outside of our control, there is a risk that in the future we may also need to reconsider our Net Zero targets and how we report them, as addressed in our second and separate Climate Report.

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

About this report continued

Forward-looking statements

This Responsible Business Report includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Responsible Business Report and include statements regarding the intentions, beliefs or current expectations of the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies and dividend policy of the Group and the industry in which it operates. These forward-looking statements and other statements contained in this Responsible Business Report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Such forward-looking statements contained in this Responsible Business Report speak

only as of its date. The Group expressly disclaims any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by the applicable law, the Listing Rules, the Disclosure Guidance and Transparency Rules of the FCA or the UK Market Abuse Regulation.

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management may make reference to Alternative Performance Measures ("APMs") that are not defined or specified under International Financial Reporting Standards ("IFRSs"). APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRSs. Ferrexpo makes reference to the following APMs in the Group's Interim Results: C1 Cash cost of production, Underlying EBITDA, Net cash/(debt), Capital investment, and Total Liquidity. Full definitions of the Company's APMs can be found on pages 236 to 237 of the 2023 Annual Report and Accounts.

This Responsible Business Report is for information purposes only and does not constitute, and shall not be interpreted as, either an offer for sale, invitation to subscribe for shares in Ferrexpo, or as the basis of a contract.

Since February 2022, the Group has managed to continue its operations during a time of war. The ongoing war poses a threat to the Group's mining, processing and logistics operations and, in addition, the Group is exposed to the developing political, fiscal and legal environment in Ukraine, heightening the risks associated specifically with a dynamic and adverse legal system in Ukraine. These risks represent a material uncertainty in terms of the Group's ability to continue as a going concern. Some of the identified uncertainties in terms of the Group's going concern are outside of the Group management's control. Please see the Update on principal risks section and the Going concern section of the 2024 Interim Results Statement for more details.

Feedback

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At a glance

We produce iron ore products that are enabling the transition to green steel

Purpose and values

At Ferrexpo, our purpose is to deliver value to our stakeholders by producing and marketing premium-quality iron ore pellets and concentrates in a socially responsible and sustainable manner.

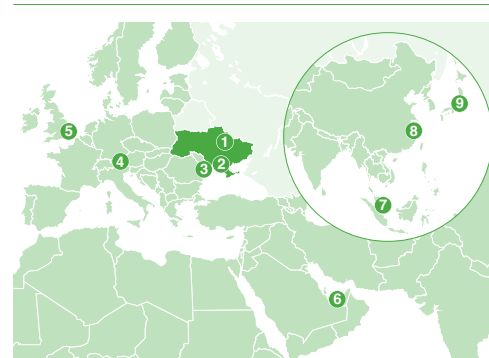
We are focused on taking an ethical approach and developing positive relationships with stakeholders, which include employees, local communities, customers, suppliers and governments in jurisdictions where we operate. Our Group culture and values underpin the way we work.

What we do

Iron ore is used to make steel – a material that is essential to our everyday lives. Almost everything around us is either made of steel or manufactured by equipment made of steel. However, steelmaking is emissions intensive and it is important that the steel value chain decarbonises, to reduce emissions during the steel manufacturing process, including the production of iron ore feedstocks.

The use of higher-grade and beneficiated iron ore products, such as those produced by Ferrexpo, is central to decarbonising steel production. Iron ore pellets, in particular DR pellets, are a preferred feedstock to reduce emissions in steelmaking.

Where we operate



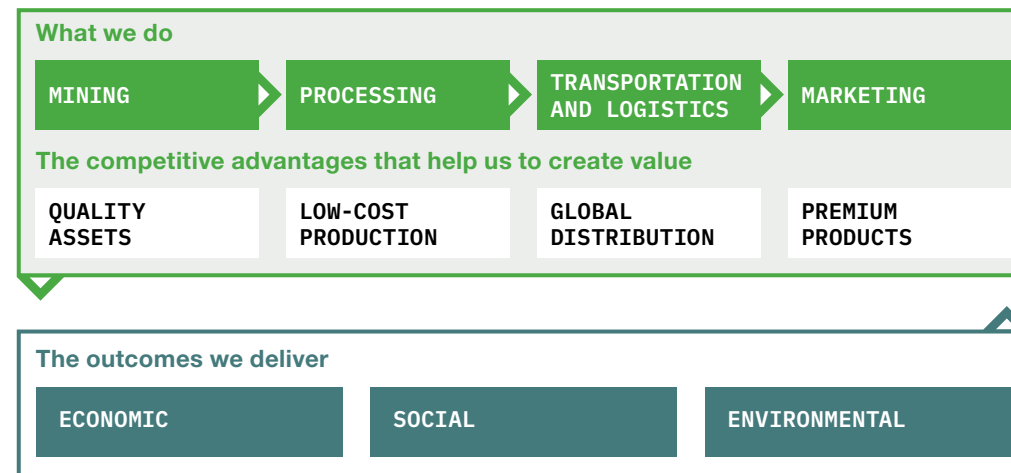
- 1 **Operations** Horishni Plavni
- 2 **Port Facilities** Ukrainian Black Sea
- 3 **First DDSG Barge operations** Danube
- 4 **Ferrexpo AG** Baar, Switzerland
- 5 **Ferrexpo plc** London, UK
- 6 **Trading Office** Dubai, UAE
- 7 **Trading Office** Singapore
- 8 **Trading Office** Shanghai, China
- 9 **Trading Office** Tokyo, Japan

Pellets are also versatile because they can be used in a variety of other steelmaking furnaces, and powered with cleaner and renewable energies, or with other technologies, to reduce emissions. This includes scrap, which can only be recycled in an electric arc furnace (“EAF”) when combined with fresh iron ore pellets.

An independent LCA, conducted in 2023 by external environmental consultants, Ricardo, determined that Ferrexpo DR pellets used in a direct reduced iron and electric arc furnace (“DRI-EAF”) result in 37% lower carbon emissions compared with the traditional, coal-based sinter blast furnace route. See our **2023 Annual Report** for more details on the LCA.

Our business model

The high grades of iron ore we produce help steelmakers to improve productivity and reduce emissions, placing Ukraine at the forefront of the shift to green steel. Ferrexpo’s business covers:



Our financial contributions

We paid over US\$30 million of taxes and royalties in 2023 and generated significant export revenues. Since listing in 2007, we have reinvested over US\$3 billion of capital in expanding and modernising our operations to produce value-adding high-grade and high-quality forms of iron ore.

Ferrexpo is a Switzerland headquartered iron ore company with assets in Ukraine and a listing in the equity shares commercial companies category on the London Stock Exchange (ticker FXPO) and a constituent of the FTSE 250 and FTSE4Good Indices.

US\$32^M
of taxes and royalties in 2023

FTSE4Good
Inclusion in FTSE4Good

US\$101^M
capital investment in 2023

BBRATING
with ESG agency MSCI

8,000
Supporting communities with a workforce of 8,000 people recruited from the local region

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Ferrexpo, a Ukrainian industrial champion

Before Russia's full-scale invasion of Ukraine, Ferrexpo was the world's third largest exporter of iron ore pellets, with operations in central Ukraine and customers around the globe. We are a significant contributor to the Ukrainian economy.

Our 8,000-strong workforce possesses the many and varied technical skills necessary to operate a large-scale integrated business. We are one of the largest employers in the Poltava Region, operating long-life mines, modern and efficient processing and beneficiation plants, supported by a range of ancillary services.

All our products are exported using owned and leased transport and logistics infrastructure – including rail, barges and ports – to premium steel mill customers around the world. Throughout the war, we have managed to maintain a full workforce. Our people at Ferrexpo continue to show unified resilience and flexibility and have been able to adapt how we operate under changing and

challenging circumstances. However, we also recognise that the ongoing war is having a prolonged impact on our people's mental health and activities.

We have extended our Humanitarian Fund to provide various initiatives and projects that are helping during a time of war, including supporting our colleagues who are serving in the Armed Forces of Ukraine and those veterans who have returned.

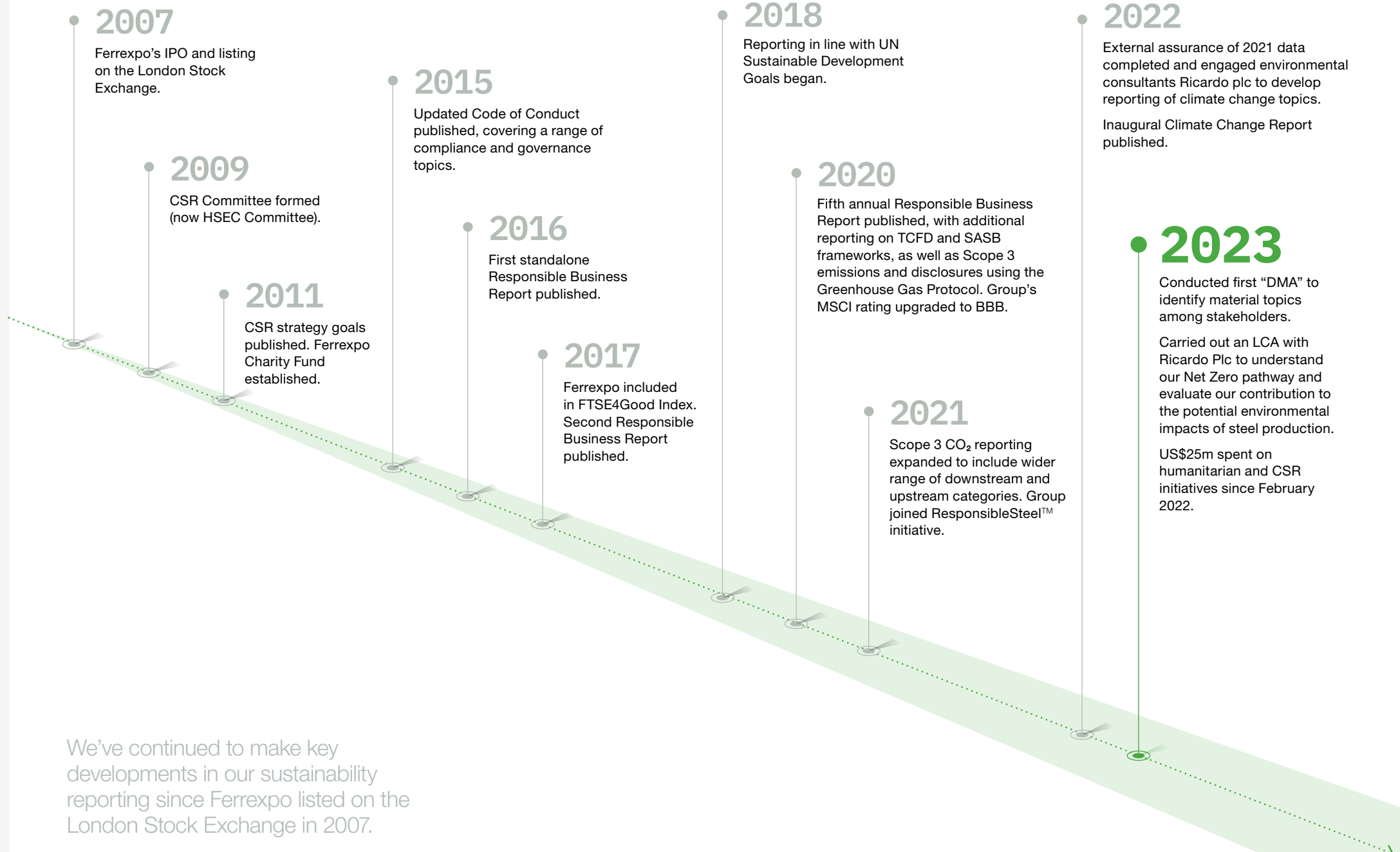
This report details provisions for our people and for the communities where we operate. This includes health and education facilities and support for cultural, social and sports activities.



Feedback

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Our responsible business milestones



We've continued to make key developments in our sustainability reporting since Ferrexpo listed on the London Stock Exchange in 2007.

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Welcome to our Responsible Business Report 2023

— **Lucio Genovese**
Executive Chair

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

This Responsible Business Report provides an opportunity to reflect on the positive social impact that our business has achieved during the most challenging of times.

Our business remains relevant to our workforce, communities and Ukrainian society at large, in addition to our supply chains and customers.

Our primary focus is to protect the safety and wellbeing of our workforce. Further, we continue to provide humanitarian support through the funding of over 100 projects and initiatives at a local and national level. We do this whilst continuing our long tradition of supporting our stakeholders and generating value by producing iron ore pellets in a safe, sustainable and ethical manner.

As we focus our business to be nimbler and more adaptive to the challenges we face, and the dynamic markets in which we operate, we continue to operate in a responsible manner. However, due to war, the pace of sustainable development we might otherwise be able to achieve has slowed. We are continuing to advance and have achieved some milestones, including a life cycle assessment of our premium DR pellets products and our first double materiality exercise, and we continue to optimise our broader decarbonisation opportunities, most notably our Green Mine initiative.



Feedback

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These workstreams and others have allowed us the opportunity to refresh how we have structured this year’s Responsible Business Report and the content herein. I would like to convey my thanks to the broad Ferrexpo team that has come together to complete this report, and also to you, our shareholders and stakeholders, for your interest in Ferrexpo.

Responsible business in times of war

Over the past year, the world has entered a new era of heightened geopolitical uncertainty and increasingly divided politics. These global tensions and uncertainty – from the war on our doorstep in Ukraine to strained politics and conflicts elsewhere – affect not just our business but also our workforce in Ukraine.

We constantly monitor and assess the impact of shifts in geopolitics on our business. As we come close to entering a third year of war, since the full-scale invasion by Russia in early 2022, it remains our priority to look after our people, their families and the communities where we are present. I am deeply saddened that the continuation of war has resulted in a greater loss of life among our employees. In 2023, 19 of our colleagues were killed serving in the Armed Forces of Ukraine, while others returned from fighting having witnessed and endured much trauma.

There’s no doubt that our workforce has become fatigued by a prolonged war, so we have turned much of our focus to supporting people’s mental health and stability. Ferrexpo offers psychological and advisory support for those who have lost loved ones, and we are currently exploring how we can extend psychological support to families who are affected by their loved ones returning from the front.

Support for communities

The local communities around our sites benefit from Ferrexpo humanitarian spend and corporate social responsibility (“CSR”) activities. Over the past two years, we have supported the maintenance and rebuilding of physical infrastructure. We have also housed more than 1,300 people who lost their homes, providing food, medical assistance, safety and psychological support to help alleviate stress and trauma.

Today, our broader support to surrounding communities aims to strengthen the resilience and mental health of the wider community. This includes offering childcare and family support to help employees who are affected by classroom disruption and school closures, along with community and employee wellbeing initiatives that provide vital support to reduce stress and boost morale in challenging times, such as free meals to employees and community members. Throughout 2023 and in 2024, we arranged and hosted a number of cultural and sporting events and funding for the communities – offering a war-fatigued community a chance to be creative and physical.

Expanding production and reopening trade routes

Our own employees have shown incredible resilience. Together, Ferrexpo teams worked tirelessly during the end of the 2023 holiday season to restore capacity out of Ukrainian Black Sea ports and replenish supply chains that were broken due to the war. In January 2024, we were able to boost production and sales, sending our first bulk cargoes to Asia since February 2022.

This has enabled Ferrexpo to meaningfully restore capacity for the first time since 2022 to reach more customers, despite challenges. We will continue our efforts to export from

the Black Sea as long as it remains safe to do so. We have been able to charter bigger ships to export our iron ore pellets, which is also more economic. The opening of these transport routes also increases our flexibility to deliver our products to customers in Europe by ocean, barge or rail.

Our focus throughout 2023 was also to invest in capital projects that improve product quality and operating costs. For example, our new press filtration technology reduces the moisture content of iron ore concentrate before it is processed into pellets. This improves the quality of the pellet, while reducing emissions during the production process, and it is pleasing to note that feedback from customers has been positive.

Driving sustainability within Ferrexpo

We have a strategy to reach Net Zero production by 2050 and remain committed to our long-term targets. Our investment in sustainability continues with the purpose of being an enabler of the transition to green steel. Throughout 2023, we visited European customers to explore opportunities to supply DR pellets. The provision of green steel supports many companies’ decarbonisation goals and contributes to the global steel industry’s pathway to low emissions. It also presents a future growth opportunity for our business.

In 2023, the diversity of our workforce gradually improved, working towards our Group target of 25% female representation in managerial positions by 2030. We made some progress as that percentage increased to 22% in 2023, following a multi-year trend from 18% in 2019.

Moving towards EU integration for Ukraine

I firmly believe that Ferrexpo can be a pivotal player in the future of Ukraine. The country is in the first phases of undertaking a formal ascension process to apply to become a member of the European Union (“EU”) after being granted EU candidate status in June 2022. This involves meeting numerous political, economic and legislative criteria to align Ukraine’s governance and legislation to EU standards. For Ukrainian business, admission to the EU will provide an opportunity for a level playing field. For Ferrexpo, EU integration will offer us unlimited access to large premium European steelmakers that are in turn critical to the major European industries.

Our own governance structures are already aligned to European standards – we are quoted on the London Stock Exchange – and we know that strong governance is a critical issue for our stakeholders. Ferrexpo offers an example of a business already plugged in to European value chains.

As I write this, war continues in Ukraine. I would like to thank Ferrexpo employees for their resilience, collective efforts and stoicism during difficult times. We remain committed to continuing to provide support and stability for our stakeholders – including our people and the surrounding communities – wherever possible in these challenging times.

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During a time of war, our responsibility is to protect

— **Natalie Polischuk**
Chair, Health, Safety,
Environment and Community
("HSEC") Committee and
Non-executive Director.



I have been the Chair of the HSEC Committee, which leads Ferrexpo's ongoing commitment to sustainability, corporate social responsibility, health and safety and environmental stewardship, since May 2023.

The past year was another year of full-scale war in Ukraine. In the midst of ongoing military hostilities and uncertainty, Ferrexpo continuously adapts its operations, provides resources to safeguard its employees and communities and remains committed to its environmental responsibilities. The social and environmental impacts of the ongoing war are profound, including humanitarian catastrophe, significant number of internally displaced people fleeing from the regions of active military combat, destruction of critical civilian infrastructure by continuous missile attacks and environmental damage, such as widespread chemical contamination of air, water and soil. Our communities in the Poltava Region and Ukraine are affected by air strikes and frequent power outages, and our employees bear their share of war burden, including limited energy supply, uncertainty and fatigue. We grieve for those colleagues who have lost their lives in combat zones or has been wounded. It is not surprising that under these challenging circumstances the focus on social matters have grown in importance and these became considerations in all aspects of our operational activities.

The HSEC Committee provides strategic oversight of all matters related to humanitarian aid and CSR activities in local communities, policies and systems to ensure the health and safety of our workforce and the management of environmental risks. The Committee meets four times a year. In addition to a comprehensive agenda covering all areas of oversight, at each session we review our activities and contributions to humanitarian relief and also have a regular deep dive review of one of the ESG topics.

Investing in our people and communities

In the past year, the HSEC Committee has focused on safeguarding and supporting Ferrexpo employees and our communities, from providing physical security and humanitarian aid to offering psychological support. We are proud of all our humanitarian efforts, from constructing bomb shelters in local schools to donating to critical national emergencies such as the Kyiv Children's Hospital and Khakovka Dam region, to applying funds for local hospital renovations and purchases of medical equipment.

Around 10% of our workforce are mobilised to serve in the Armed Forces of Ukraine, and we provide support to the families of employees who continue to serve on the front lines. Reintegration programmes have been developed for returning veterans, which include physical and psychological rehabilitation.

Ferrexpo continues to support sporting and cultural activities in the Poltava Region, such as football tournaments or women's empowerment workshops. These initiatives help to support

mental wellbeing and boost the morale of our people to help them cope with the challenges of war and burnout.

Our focus on our people and affected communities of Ukraine will continue through the times of need.

Maintaining our environmental commitment to Net Zero

Under the most challenging circumstances, Ferrexpo consistently adheres to its environmental responsibilities. We continue to report climate-related data proactively and transparently. We remain committed to decarbonisation activities to reach Net Zero. While large-scale capital investments into electrification of mining fleet and production facilities upgrades have to be postponed until the war end, we continue to work with our partners and suppliers on research, feasibility and engineering studies and projects. In our Climate Change Report this year we assess the impact of various scenarios of war duration on our pathway to Net Zero. (See the **Climate section** [↗](#))

We continue to use sunflower husks to substitute natural gas in the pelletising process and research other biofuel opportunities to further reduce emissions. We aim to procure as much electricity as possible from renewable sources, although these efforts may be hindered by energy shortages in Ukraine. Biodiversity projects and water management have been a part of our culture for years, such as looking after the ecological balance of the Dnieper River, phytoremediation or planting trees. The continuation of these projects allows Ferrexpo to engage our employees and local communities into building sustainable future together.

Looking to the future

The fundamental values of sustainability are core to Ferrexpo and I would like to thank all our workforce and stakeholders for embracing responsible business. Our teams have progressed and delivered under the most challenging circumstances and continue to think strategically about our future.

Feedback

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WE ARE DETERMINED

Yurii Khimich,
Corporate Social Responsibility Project Leader in Ukraine and General Manager of Ferrexpo Belanovo Mining

Our corporate social responsibility (“CSR”) activities form a large part of our commitment to being a responsible business. We believe it’s part of our duty as a company to support local communities and others.

CSR matters to our stakeholders – including our employees, those in the communities where we operate and governmental bodies – and I believe that this work is a part of our success as a Ukrainian company. Part of my responsibility is to lead the team that runs CSR projects in Ukraine.

Supporting communities

Ferrexpo had a strong CSR programme in place before war broke out. But this all changed in 2022. In the first weeks of war, we witnessed hundreds of refugees, including children, fleeing from their homes. These people had lost everything so we organised quickly, and started to offer them a space at Ferrexpo’s facilities for an overnight stay.

At the time, I realised that our existing CSR programme and budget could not meet the needs of this emergency. With the support of the leadership team, we developed an additional programme of funding to help our fellow Ukrainians. The Humanitarian Fund was set up in 2022 to contribute additional funds for those affected by the war.

As at the end of 2023, our Humanitarian Fund and associated CSR funding has reached more than US\$25 million, collectively funding more than 100 projects and initiatives. This has included helping 3,500 refugees with accommodation, some of whom we continue to support today.

We have also responded, ad-hoc, to emergency situations to stand shoulder to shoulder with those who need our help. This includes our financial support in 2024 to Ukraine’s largest children’s hospital, Ohmatdyt Children’s hospital in Kiev, which was tragically targeted in a missile attack causing loss of life. Our company donated around \$US250,000 towards reconstructing the destroyed departments of the medical facility. Our goal was to support the hospital’s patients and medical staff, and restore a semblance of safety and peace for Ukrainian children.

Supporting our employees

Our CSR work ensures that we look after our own employees. On the fourth day of the full-scale invasion, a 24-hour kindergarten was organised for employees’ children at the Ferrexpo site. This “Ferrexpo Children’s Center” received around 120 children every day for four months. Other CSR funds have been used for a variety of projects, including to help schools build bomb shelters to keep children safe.

As the war prolongs, some of our employees have already been demobilised after serving with the Armed Forces of Ukraine. We set up our Veteran

Support Programme to help them and their families. Returning veterans are offered advice and support for any legal, administrative or financial issues. Medical examinations for both physical and mental health are undertaken, and veterans have the right to return to their previous roles – or to a new role if their physical or mental health or other circumstances have changed.

We also have a training programme where managers and colleagues of veterans learn the basics of interacting with individuals who have physiological disabilities and post-traumatic stress disorder (“PTSD”). This ensures that there is a supportive work environment for veterans on their return.

A foundation of ethics

All of our contributions align with our duties as a listed company – whether providing local support or donating to national emergencies. Every request for funding from Ferrexpo, in the areas of health, education, sports and culture, is subject to a stringent governance procedure. As a team, we review and allocate funds depending on where we believe they can help best, with each project approved by the HSEC Committee to ensure good governance.

Recently, the work of our Humanitarian Fund was recognised by the non-governmental organisations GlobalGiving and CSR Ukraine. We also received a “Global Good” award for our humanitarian contributions to Ukraine.

Outside of Ukraine, we continue to boost awareness of the situation in Ukraine. As a Group, we remain committed to continue our CSR and Humanitarian Fund support for Ukraine and its communities.



Feedback

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Our approach to sustainability

We aim to operate in a safe, ethical and responsible manner, adopting sustainable operating practices wherever possible. Since the full-scale invasion of Ukraine in early 2022, we have had to adopt an agile and flexible strategy to ensure that we are concentrating our efforts in the most important areas.

The war will have a wide-ranging and long-lasting impact. It is important that we understand the impacts on the people and communities of Ukraine, as well as on our business. This helps us to tailor our responsible business activities now and in the future. Our approach is to look to the future and create lasting value for all stakeholders, by prioritising support for Ukraine and continuing to adopt sustainable practices and ethical partnerships with global agencies, such as the United Nations.

We have, therefore, continued to implement many sustainability initiatives throughout 2023. However, the ongoing conflict has led to a necessary shift of focus in certain areas. For example, to prioritise humanitarian

support over some areas of capital investment, and to extend our support in the communities where we are present.

We have continued to develop our decarbonisation and Net Zero strategy. Some programmes are on hold, due to the practicalities of operating during war time – for example, the plans to electrify our mining fleet are progressing, but much of the work is limited to desktop research. However, our intention to reach Net Zero still stands, and our ambitions in the field were published in our recent second Climate Change Report. We also maintain our dedication to furthering diversity, equity and inclusion (“DEI”) throughout the business.

Our commitment to workplace safety remains at the centre of our daily activities, and we are focused on protecting our workforce operating during a time of war and helping their families to remain safe. Our efforts have stepped up to protect the health and wellbeing of our people and local communities, as well as providing targeted humanitarian support. Read more in the **Supporting our communities section**

Measuring our performance and executive remuneration

We have set key metrics across all key areas of responsible business. We report on these annually to reflect our performance. It allows us to measure the effectiveness of our strategy and specific initiatives, while demonstrating our progress to stakeholders in a transparent manner.

Our Responsible Business strategy aligns to internationally recognised frameworks such as the UN SDGs and SASB. We are also preparing to meet the requirements of the Corporate Sustainability Reporting Directive (“CSRD”) reporting regulation. In 2023, we made a first step by undertaking a DMA that offers more in-depth insight into what matters most among our stakeholders. Read more on **page 15**

We also carried out an LCA during 2023 that informs our Net Zero pathway. The LCA assessed the cradle-to-gate environmental footprint of manufacturing steel billet using our DR pellets, a crucial precursor to downstream steel production. It evaluates our contribution to the potential environmental impacts related to steel production.

The remuneration policy for executives at Ferrexpo has sustainability-related topics in the Short-Term Incentive Plan. This includes annual targets intended to help deliver our medium-term (2030) carbon reduction goals on Scope 1 and Scope 2 emissions, and to boost the production of higher-grade DR iron ore pellets, which are key to lowering the Group’s Scope 3 emissions.

Governance at Ferrexpo

We have strong governance structures in place across Ferrexpo to maintain high standards of business conduct and ethics. Sustainability is governed within our risk management framework, under the responsibility of the Health, Safety, Environment and Community Committee (“HSEC”) that has oversight of matters related to social responsibility, safety and climate change-related risks. This is one of six committees that report into the Ferrexpo Board.

For more on governance, risk and governance structures, please refer to our **2023 Annual Report** (pages 73 and 96). For more detail on our sustainability governance structure, please read the **Ethical business section** of this report.

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Our stakeholders

Creating value for our stakeholders

Ferrexpo has a wide range of stakeholders – from our employees, contractors, and communities located close to our operations in Ukraine, to local and national governments and our international customers, investors and suppliers. Our executive management team consults frequently with all our stakeholders, to help shape, coordinate and communicate our approach to responsible business and hear their feedback.



Employees and contractors

99%

The percentage of our workforce based in central Ukraine or Kyiv

Customers

10+

Despite the war in Ukraine, we maintained a diverse client base in 2023, selling to a similar number of customers as in 2022

Suppliers

US\$514^M

Total paid to suppliers in 2023 (2022: US\$912m), reflecting value generated through our production processes

Communities

100+

The Ferrexpo Humanitarian Fund and associated CSR spending has supported over 100 projects and initiatives with US\$25m of funds since February 2022

Environment

50%

Reduction in CO₂ emissions by 2030. Ferrexpo has announced a Net Zero pathway by 2050

Government

US\$32^M

Ferrexpo continues to represent a significant proportion of Ukraine's tax revenues

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Stakeholder engagement

Our responsible business approach reflects the needs of our stakeholders. Stakeholder engagement and an understanding of the key issues for each stakeholder help to focus our efforts on generating long-term value while limiting our environmental and social impacts. We also use the insights to improve business practices and to communicate the issues that are more important to us. We are currently developing specific engagement plans for individual stakeholder bodies.

Who are they	01 Financial markets	02 Workforce and unions	03 Communities and civil society
What matters to them	<p>We have a broad range of financial stakeholders that include our shareholders (institutions and individuals), lenders, market experts and media.</p>	<p>Our people are critical to the success of our business and ongoing operations. Over 99% of our employees and contractors are based in Ukraine. We also have employees serving in the Armed Forces of Ukraine and engage with former employees, recruitment agencies and trade unions.</p>	<p>These are people who are based locally, regionally and nationally, including the mayor and council members of Horishni Plavni, the chairs of territorial communities and members of the regional council. It also includes charity groups, schools and cultural institutions.</p>
How we engage	<ul style="list-style-type: none"> – Good performance and profitability – Strong corporate governance standards – Access and interaction with key stakeholders, such as our customers, partners and government 	<ul style="list-style-type: none"> – Maintaining health and safety – Job security and investment in the future – Humanitarian and charity support 	<ul style="list-style-type: none"> – Local issues – Educational initiatives – Employment support and professional development – Humanitarian and charity support – Strong corporate governance
	<ul style="list-style-type: none"> – Annual General Meeting – Quarterlies, interims and full-year results and financial reporting – Regulatory announcements – Investor roadshows – Website and electronic digests – Company and industry events 	<ul style="list-style-type: none"> – Host regular town halls for our employees – Weekly meetings with managers – Digital channels and social media are used for internal and external communications – Employee engagement surveys – In-person sessions with Director Designate for Workforce Engagement 	<ul style="list-style-type: none"> – Open days and key events, such as education days and celebrating for our local communities – Regular digital digest – Media interaction on our economic and humanitarian support – Speaking or taking part in national events, on topics such as employment or learning support – Charity partner events

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Who are they	04 Suppliers	05 Customers	06 Governments	07 Industry
What matters to them	Our suppliers include providers of equipment, consumables and services, along with ancillary and support providers, such as maintenance and professional services. We also have logistics providers.	Our customers include steel mills in Europe, MENA, Asia and North America, as well as commodity traders around the world.	Our government stakeholders are state agencies and representatives in Ukraine and globally as well as international organisations and IFIs. We also engage with state licensing institutions, law enforcement bodies and lobbying and politically related groups, such as the diplomatic community.	Industry stakeholders include domestic and international businesses along with industry associations and the scientific and research community. We also engage with industry and media associations, in Ukraine and abroad.
How we engage	<ul style="list-style-type: none"> – Continued supply of key consumables – Alignment with Ferrexpo supplier standards – Post-war intention to work together to reduce emissions 	<ul style="list-style-type: none"> – Performance and profitability – Innovation and product developments – Corporate governance standards – Climate change and sustainability 	<ul style="list-style-type: none"> – Contribution to the Ukrainian economy – Provision of stable employment for the region – Positive impact on the region – Adherence to laws and regulations 	<ul style="list-style-type: none"> – Company profile, reputation – Company activities – Alignment and partnerships where there are common interests – Product developments – Future strategy
	<ul style="list-style-type: none"> – Ongoing dialogue with customers to understand and co-develop different iron ore feedstocks – Attend and present at leading industry events and conferences in Europe, Asia and the MENA region to reach industry and market counterparts 	<ul style="list-style-type: none"> – Regular meetings between marketing team and existing and potential customers – Customer site visits internationally (those in Ukraine to resume post war) – Attendance at industry events – Our reports including the Annual, Responsible Business and Climate Change Reports 	<ul style="list-style-type: none"> – Regular dialogue to keep our employees and contractors safe – Dialogue to understand resource, transport and logistics constraints during war time – Understanding how Ferrexpo can support communities 	<ul style="list-style-type: none"> – Regular electronic digest highlighting key business events – Meetings and participation in industry events – Media engagement

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Our material issues and strategy

In 2023, we conducted our first DMA, with a view to meeting the requirements of increasing sustainability reporting obligations. The assessment was conducted by environmental consultancy Ricardo.

The DMA process involved identifying and assessing the material impacts that our business has on people and the environment – called impact materiality – and the material risks and opportunities that various ESG topics have on our business, referred to as financial materiality. This provided a more in-depth analysis of the issues that are material to us as an organisation.

We engaged experts from across the different functions within Ferrexpo, including sustainability, corporate governance, risk management, human resources and finance. We also engaged with external stakeholders and consulted trends. The impact materiality matrix was informed by 156 responses.

Results showed that internal and external Ferrexpo stakeholders were most concerned about responsible business and corporate governance, closely followed by our role in enabling the transition to green steel and how we can ensure ongoing employment. In all, nine topics were identified as being of material interest to Ferrexpo across environmental, social and governance categories.

Ricardo also worked with senior managers of the Group on their integrated strategies for managing sustainability risks and opportunities.

¹ Material impacts include the potential and actual, positive and negative impacts.

Our material topics

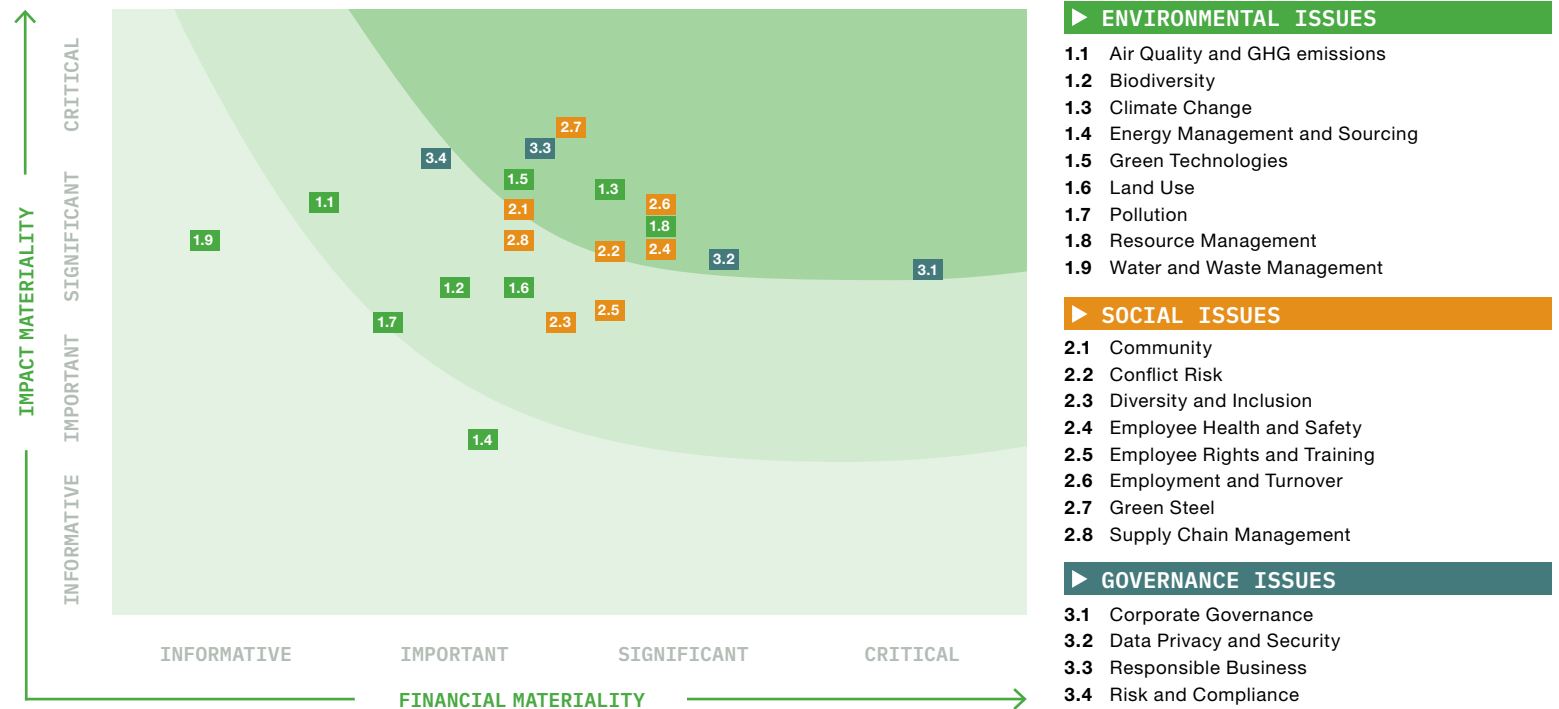
The identified material issues have been assigned to Ferrexpo’s four strategic pillars (detailed in the table), which are reflected in the sections and topics in this report. Outputs have also been mapped to Ferrexpo’s internal risk management and scoring strategies to enable integration into internal risk reporting (i.e. the Ferrexpo risk register).

As part of our commitment to openness and transparency, we engage with stakeholders on a regular basis to build awareness and knowledge across these topics.

Strategic pillars

Communities	Employees	Environment	Ethical business
<ul style="list-style-type: none"> Community Conflict risk 	<ul style="list-style-type: none"> Employment and turnover Employee H&S Employee rights and training Diversity and inclusion 	<ul style="list-style-type: none"> Green steel Climate change Resource management Green technologies Land use Biodiversity Air quality and emissions Pollution Energy management and sourcing Water and waste management 	<ul style="list-style-type: none"> Responsible business Corporate governance Data privacy and security Risk and compliance Supply chain management

Ferrexpo 2023 Double Materiality Matrix



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- Supporting our communities**

- Developing our workforce

- Sustainable environments

- Ethical business

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Generating value for communities

Throughout 2023, our focus has remained firmly on providing humanitarian and social support to our local communities. Some support has been to provide people’s basic needs – from donating generators and funding infrastructure to keep essential services running – while other support has been to protect the wellbeing and welfare of our workforce and communities. Our work in the communities where we are present is focused on sustaining livelihoods and keeping aspirations alive.

The following section is supported by supplementary information and data provided in the Appendix.



Humanitarian support
US\$25^M

Total funding for humanitarian and corporate social responsibility (“CSR”) support

10⁺

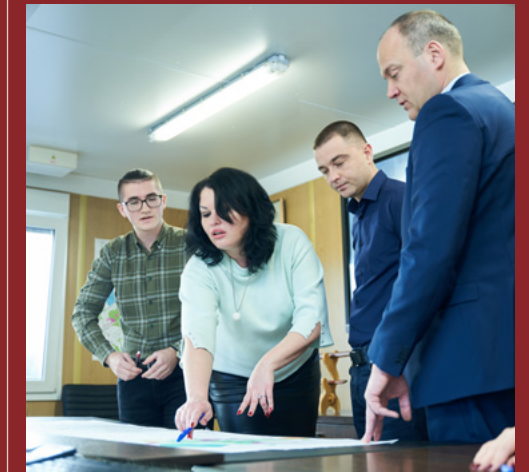
Individual projects and initiatives supported

Individuals supported
3,500⁺

Individuals in local communities supported by direct aid

12

Regions received humanitarian support



Feedback
We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Feedback

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Supporting Ukraine in difficult times

National and local authorities are under significant strain to provide consistent services for communities. We believe that it is the duty of responsible businesses in Ukraine to step in and support where possible.

During 2023, we launched our programme of infrastructure, health, education and cultural initiatives to help communities amid the devastation of war. The majority of projects have been enabled by our Ferrexpo Humanitarian Fund, to support local people, including our suppliers and customers, to mitigate the effects of the current crisis.

Since February 2022, we have provided more than US\$25 million of targeted humanitarian and CSR aid, fostering over 100 projects and initiatives to support the practical and psychological wellbeing of our workforce, communities and critical national incidents. Each Humanitarian Fund project is approved by our Health, Safety, Environment and Community (“HSEC”) Committee members, which also ensures good governance.

Projects supported during 2023 include:

Housing refugees: We have housed more than 3,500 internally displaced people at our accommodation facilities.

Free meals: We have provided daily meals for internally displaced people in addition to donating over 800 tonnes of food to local communities throughout Ukraine.

Donating vehicles: We have provided vehicles worth an equivalent of over US\$7 million to the Ukrainian authorities (armed forces and local territorial defence units). Donations also include three armoured ambulances since 2022.

Medical support: We have provided medical equipment worth US\$1.3 million to local hospitals.

IT equipment: We have provided devices and hardware, including laptops, monitors, printers, mobile phones and modems, to support local authorities’ efforts to coordinate the registration and housing of internally displaced people.

Electricity generators: We have provided 26 powerful generators to support the residents and to continue vital services of communities in Nova Galeschyna and Pryshyb and Horishni Plavni.

Our community commitments in numbers for 2023

US\$25^M

Humanitarian Fund total spend by end 2023

Key achievements

97
memorandums approved

120
modular housing provided for 120 people

12
regional centres covered in Ukrainian regions

47
vehicles donated

5 million
people helped

40
medical equipment items supplied

820
tonnes of food supplied

26
power generators donated

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.



Ferrexpo Humanitarian Fund

In the early stages of the war, Ferrexpo's Board of Directors approved the formation of the Ferrexpo Humanitarian Fund, with the goal of providing direct assistance to communities affected by Russia's full-scale invasion in 2022.

This has enabled us to provide direct support to those in need, as well as to help our suppliers and customers provide contributions to mitigate the effects of the humanitarian crisis as it unfolded in Ukraine.

Through this fund, and additional CSR support projects, we have provided US\$25 million of targeted humanitarian aid to date, supporting more than 100 projects and initiatives across 12 regions of Ukraine.

Rebuilding infrastructure in Ukraine with direct aid in 2023

There are many ways that we have contributed to Ukrainian communities in 2023. Frequent air raid alerts and power outages have disrupted working lives and access to key services, including the provision of healthcare and education.

Ferrexpo, often with partners and suppliers, has worked swiftly and efficiently to repair and regenerate buildings, roads and key points of infrastructure that keep our communities functioning and connected. This ranges from rebuilding critical infrastructure that affected the power and water supply, to repairing hospitals, providing homes and building and adapting underground facilities for childcare and education. Our projects and support have been essential to helping sustain people in towns and smaller communities during a time of war.

The following offers an insight into some of our support throughout 2023.

Aiding recovery efforts after Kakhovka Dam destruction

Ferrexpo stepped in to assist the Chornobaivka community in the Kherson region, in response to the devastation caused by the Russian occupation and the destruction of the Kakhovka Dam.

Following severe flooding and damage to local infrastructure, we allocated over UAH6 million to help with road repairs, clearing debris, deepening ponds and waste removal. The cleanup, conducted by Ferrexpo's contractor, Odessa Road Construction Management, lasted from July to October 2023.

Providing a safe place of learning for teachers and students

Some students have been unable to attend in-person classes for 18 months. We provided over UAH2.6 million in funding to equip a basement shelter for staff and students at the Nova Galeschyna Lyceum.

The shelter can accommodate up to 200 people and we installed new lighting and ventilation systems, flooring and portable toilets and washbasins. It opened in September 2023 and has enabled the school to resume teaching.

Powering communities with generators

In February 2023, we opened a dedicated coworking space at the Technical Expertise Centre in Horishni Plavni in central Ukraine, offering free internet access and reliable power for students and remote workers.

We also donated two generators to Nova Galeschyna. One for the Family Medicine Outpatient Clinic, serving nearly 3,500 residents from 17 surrounding villages, and a second larger 100 kW diesel generator, which is used to power several districts to maintain water and wastewater services.

Two more generators were provided to the small community in Pryshyb. They are being used to power lighting and equipment for more than 200 students at the Pryshyb Lyceum and to power the Family Medicine Outpatient Clinic, which also houses a residential facility for elderly residents.

“The donation from Ferrexpo is hugely appreciated. It means students can attend classes in person under safe conditions.”

Svitlana Hrysiuk
Head of the Department of Education, Culture, Sports and Tourism of the Pryshyb Village Council

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Supporting Ukraine continued

Water pipeline and social housing in Pryshyb

In December 2023, the first phase of a new 19 kilometre water pipeline was opened in Pryshyb, through a collaboration between the state authorities and Ferrexpo. Previously, residents relied on water delivered by trucks. As a result, approximately 500 households, along with schools, medical and cultural facilities, now have access to clean drinking water. The total project cost UAH27 million.

We have also been helping to transform old and neglected buildings into new apartments, with renovation work co-financed by Ferrexpo and the local community budget that is in part funded by Ferrexpo's tax contributions.

One building will primarily be designated for social housing, with units set aside for orphans. Another will house internally displaced persons ("IDPs") and local utility workers. After ten years of service, it is intended that these workers will be eligible to apply for ownership of their apartments.

Reconstructing a city hospital's surgical department

In Horishni Plavni, Ferrexpo has played a crucial role in the reconstruction of the surgical department in the city hospital. The project took two years to complete and cost over UAH4 million, half of which was funded by Ferrexpo. The reconstruction included modernisation of the hospital's infrastructure and upgrading of medical equipment and systems.



Helping the city of Trostyanets return to a sense of normality

“The timely completion of these projects would not have been possible without Ferrexpo’s support.”

Mayor Dmytro Bykov
Mayor of Horishni Plavni

“Ferrexpo was one of the first companies to respond to the call for help after the de-occupation of Trostyanets, in northeastern Ukraine. Ferrexpo provided the community with significant support worth over UAH12 million.

Support included the provision of public transport vehicles so that people could return home, an excavator to help repair damaged infrastructure and filling large shell craters. Utility service vehicles, uniforms and tools were also supplied.

Ferrexpo supported us with a substantial amount of office equipment – including computers, laptops, printers and video cameras – to ensure public safety. The equipment was also donated to help restore community institutions.”

Yurii Bova
Trostyanets Mayor, Sumy Region

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Engaging with communities

We maintain close contact and regular dialogue with the communities located around our operations in Ukraine and logistics business in central Europe.

There are many ways in which we communicate with our stakeholders – from in-person events to digital and printed media, along with local television. Read more under Stakeholder engagement in the [Introduction](#)

Supporting education and diversity

We are committed to gender equality, inclusivity and supporting youth as part of our longer-term strategy. Science, technology, engineering and mathematics (“STEM”) subjects and educational support are offered for younger generations who are striving to learn and develop during this time of conflict.

We also launched Femunity Teens, a programme to foster leadership and responsibility among teenagers. This follows the success of the Fe_munity programme, an external Ukraine-wide programme. Read more in the section [Developing our workforce](#)

Femunity Teens

Femunity Teens aims to empower teenagers, both girls and boys, aged 13–17.

The programme focuses on leadership, self-esteem, emotional intelligence, career orientation, financial literacy and more. It promotes gender equality and aims to equip young people with the skills and knowledge necessary for personal and professional development.

Advancing education in Horishni Plavni

In September 2023, the regional collaboration project between Ferrexpo and Specialised School No.5 in Horishni Plavni marked its eighth consecutive year. It is an academic programme designed to provide an advanced curriculum in natural sciences and mathematics for 10th and 11th-grade classes – or STEM subjects.



Pupils are offered educational excursions to company facilities, as well as opportunities to conduct research and interact with professionals from various fields and top management. These activities give students a clear understanding of the roles of both workers and engineering-technical staff, helping them make informed decisions about their future careers.

Over the past eight years, 187 students have joined the Ferrexpo classes through a competitive selection process. This year, 29 students were formally inducted into the 10th-grade specialised class, with gifts from Ferrexpo presented as part of the ceremony.

Feedback

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Scholarship opportunities for “Ferrexpo class” graduates

Graduates of the “Ferrexpo class” who pursue higher education in mining and metallurgical disciplines are eligible for ongoing support through Ferrexpo’s scholarship programme. This is designed for students who excel academically and provides additional scholarships, materials for coursework and diploma projects, opportunities for internships, and ultimately guaranteed employment at one of the Company’s facilities.

To date, five students from the National Technical University (Dnipro Polytechnic) have participated in the scholarship programme, two of whom are now successfully employed at Ferrexpo.

Free eye health screenings in communities

Timely diagnostics and preventive care can significantly reduce the risk of eye diseases. During 2023, Ferrexpo partnered with Vizium-Kremenchuk, launching a programme providing free ophthalmological consultations for residents of rural areas in the Kremenchuk district. The first visit took place in the village of Dmytrivka near Horishni Plavni.

The screenings included vision diagnostics, eye pressure measurement, and examinations for eye diseases, focusing on early detection of common conditions such as cataracts and glaucoma, which can lead to vision loss. A mobile ophthalmology team travelled directly to the community to offer these services.

Nearly 50 residents attended the first day of the consultations. Elderly residents particularly appreciated the on-site consultation, as many of them are unable to travel to the city due to health reasons.



Feedback

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Ferrexpo Charity Fund: Inspiring hope and talent in Ukraine

Ferrexpo provides direct support to local communities through our Ferrexpo Charity Fund.

Projects that require funding are identified through consultation with local community representatives. Through targeted support, we aim to improve infrastructure and facilitate social development, with a specific focus on children and socially vulnerable citizens. The Charity Fund has been in operation since 2010 and is wholly owned and controlled by the Group.

Focus areas include support for local authorities, for educational and medical institutions and direct aid to individuals, usually in the form of food and support packages. In 2023, we also funded cultural activities for employees and the community – such as a theatre group, photography and poetry writing. This was a tactical shift to help our communities who are fatigued by two years of war – instead, offering them an opportunity to be creative and have fun.

**Projects funded across Ferrexpo
Ferrexpo’s corporate theatre group**

FerroTale is Ferrexpo’s corporate theatre group, established in early 2023. The main goal of the project is charitable activity, specifically raising funds to support the Armed Forces of Ukraine through theatrical performances. The troupe collaborated with the Poltava Academic Regional Ukrainian Music and Drama Theatre, which helped ensure the quality of the shows was at a professional level.

FerroTale has raised over UAH500,000 for the Armed Forces of Ukraine, from four performances of two plays in Horishni Plavni. Tickets were also donated to socially vulnerable persons. Approximately 3,200 people attended these performances. FerroTale hopes to bring one of the plays to a theatre in Kyiv.

FerroTale continues to grow and plan new performances. The collective has already established itself as a successful example of collaboration between business and the arts, as well as an effective way for company employees to realise their creative potential.

Photography exhibition “Faces of the Mining Industry”

In 2023, an exhibition was opened with the works of photo journalist Oleksandr Chekmenev, commissioned by Ferrexpo. Oleksandr is known for his iconic portrait of Ukrainian President Volodymyr Zelenskyy on the cover of TIME magazine, and his collaborations with The New York Times, Forbes, and other renowned publications.

The exhibition, “Faces of the Mining Industry”, was commissioned to promote the men and women in technical and labour professions, who continue to support Ukraine, through their work, during the war. It featured portraits of professionals from 14 different trades, including engineers, dispatchers, train operators, laboratory technicians and cooks. Oleksandr captures the person’s energy and trust to convey their essence through the photograph.

A charity lottery took place at the opening, raising over UAH100,000. Oleksandr announced that the proceeds would go to support the family of internally displaced person Yevhenia Ushakova, from the Donetsk region. The exhibition was presented at the Forbes conference “SuperHumans” in April 2023.



Projects funded across Ferrexpo

Supporting sport in Horishni Plavni

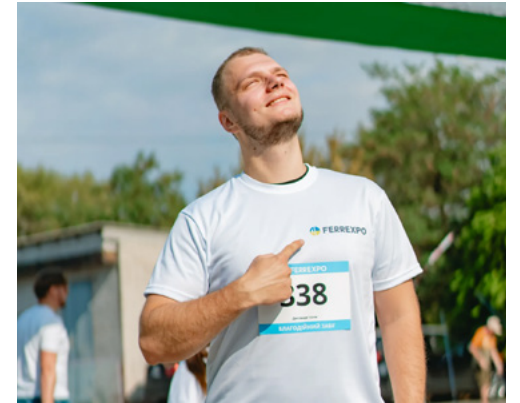
Horishni Plavni is home to two youth sports schools that offer training in 13 different sports, providing an inclusive environment for children and teenagers. These sports schools are key to the physical and personal development of local youth, offering equal opportunities for all participants. The schools focus on preparing young athletes for higher achievements with programmes tailored to various sports disciplines.

The sports facilities include gyms, swimming pools and stadiums, and are well maintained with the support of local businesses, such as Ferrexpo. The Company plays an active role in enhancing the sports infrastructure in the city, ensuring that young athletes have access to top-quality equipment and safe, modern venues for training and competitions.



Sports for people with disabilities in Horishni Plavni

Horishni Plavni is dedicated to promoting sports for people with disabilities, with many athletes achieving remarkable success both nationally and internationally. Ferrexpo plays a vital role in supporting sports for individuals with disabilities by funding facility upgrades and equipment purchases. This support helps ensure that all athletes, regardless of physical ability, have access to the resources they need to excel in their chosen sports, further solidifying Horishni Plavni's reputation as a hub for athletic excellence.



Supporting women's football in Poltava

With financial support from Ferrexpo, the professional women's football club Vorskla WFC from Poltava competes in the Ukrainian Women's Premier League. It was founded in 2004 and has since achieved significant success, including five national championship wins.



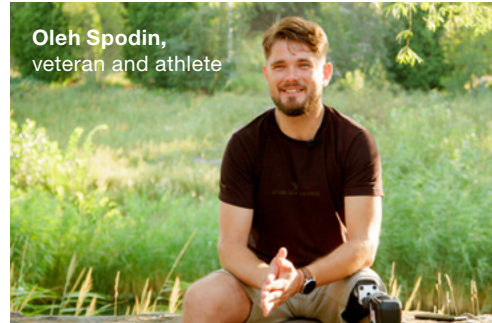
Feedback

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Feedback

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Personal stories

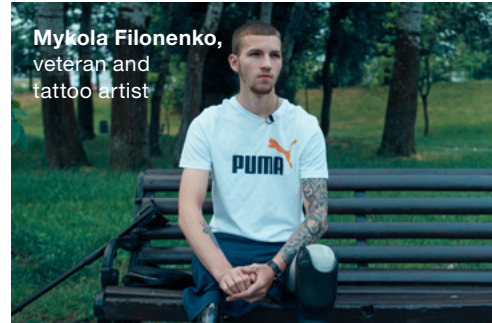


Oleh Spodin,
veteran and athlete

Oleh Spodin, a 32-year-old veteran and former mine surveyor at Ferrexpo, was injured while serving in the Armed Forces of Ukraine. He had joined the local defence force as a soldier in the 14th Mechanized Brigade at the onset of Russia's full-scale invasion. His injuries led to the amputation of his leg.

Oleh remained resilient, despite the life-changing injury, and quickly adapted to a prosthetic. He received care at the Superhumans Center. Ferrexpo contributed to his rehabilitation by helping fund his electric prosthetic.

Oleh found new purpose through sports, particularly archery. He participated in various competitions and trained with the aim of competing internationally. Today, Oleh is preparing to return to his role at Ferrexpo, demonstrating his unyielding spirit.



Mykola Filonenko,
veteran and
tattoo artist

Mykola Filonenko, a former Ukrainian soldier, joined the defence of Ukraine on 27 February 2022, just three months after completing his mandatory military service. During combat, while providing first aid to a fellow soldier, he sustained a mine explosion injury that led to the loss of his legs. Despite this, Mykola was determined to achieve his long-held dream of driving a car.

With the support of his family, colleagues and Ferrexpo's rehabilitation programme, he received prosthetics and rehabilitation in the US. He obtained his driver's licence and successfully transitioned into a new profession as a tattoo artist. Ferrexpo's charitable fund provided him with UAH100,000 for rehabilitation after his prosthetic procedure.



Liudmyla Luzan,
rowing, Olympics 2020
and 2024 medallist, athlete

Liudmyla Luzan is a Ukrainian sprint canoeist who has achieved significant success on the international stage, competing in the Olympics and World Championships individual and team canoeing events. She has won multiple Olympic medals – including at the Paris 2024 Olympics – to become one of the leading female athletes in her sport.



Liudmyla Kyklynska,
rowing, athlete, winner at
the World Rowing Championships

Liudmyla Kyklynska is a highly accomplished Ukrainian rower and is known for her outstanding performances at the World Rowing Championships, achieving success in both team and individual events.

Liudmyla has secured victories at the World Rowing Championships, winning gold in several competitions. Her most notable accomplishments include dominating in both the women's quadruple and double sculls events. She is one of Ukraine's top rowers, known for her exceptional technique, stamina and teamwork.

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Developing our workforce

Our work to protect and develop the people within our workforce gained additional momentum in 2023. We have successfully boosted recruitment and training opportunities, despite the ongoing conflict. Protecting our people and looking after their mental health have remained paramount, along with offering development opportunities and promoting an inclusive workplace.

Safety is always a high priority in our sector and we maintain a good safety record. We continue to take measures to protect our employees during this time of war.



<p>Safety first</p> <p>0.32^{LTIFR}</p> <p>below our five-year historical average (0.52)</p>	<p>Diversity of management</p> <p>22.3%</p> <p>of management roles held by women (2022: 20.9%)</p>
<p>Skilled workforce</p> <p>1,204</p> <p>employees provided with skills training (2022: 1,131)</p>	<p>Gender diversity across the workforce</p> <p>31%</p> <p>of total workforce are female (2022: 29%)</p>

Feedback
We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

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We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Local hiring

Of the people that we employ in Ukraine, almost all are from local communities.

Ferrexpo has a heritage of providing employment to local communities since the city of Horishni Plavni was established in 1960 to support the construction of the mine and development of Ferrexpo. Today, the majority of our employees in Ukraine either live in or close to the community of Horishni Plavni. Around the world, we have offices in seven major cities to serve our customers and other stakeholders.

In 2023, we recruited 373 new starters and 100% of salaries paid by the Group's local operating entities in Ukraine (FPM, FYM and FBM) went to individuals local to Horishni Plavni (2022: 100%). In addition, in 2023 we worked with 1,353 contractors (2022: 1,976).

The Ferrexpo workforce

99%
employees located in Ukraine

6,432
employees

1,353
contractors

2,100
female employees

8,000
strong workforce

We pride ourselves on the diversity of our workforce, with more than 2,100 women employed across the Group, representing 31% of the global workforce (2022: 29%, 2,290 female employees). However, we have observed that many women have left our workforce since the start of the war as many chose to leave the country. We have initiatives in place to increase diversity among our workforce. Read more in the **Diversity, Equity and Inclusion (DE&I)** section [📄](#)

Feedback

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An employer of choice

We are the largest employer in the Horishni Plavni region and, therefore, our business has a wider economic and social impact, for the families and communities of our employees, and the supply chains that rely on our activities.

Our goal is to remain a leading employer in Ukraine and we actively look for upcoming talent among the students and graduates who are working towards careers in our industry. Our skilled workforce receives competitive salaries. A significant proportion of our workforce in Ukraine has worked with the Group for over five years and, in some cases, generations of families have worked with Ferrexpo.

The wellbeing of our workforce extends beyond just salaries. Ferrexpo's corporate culture is one of accountability, initiative, decency and continuous improvement among our employees. As a responsible employer, we do not tolerate discrimination on the basis of race, religion, gender, marital and parental status, sexual orientation, gender self-determination and age. We promote mutual respect across our organisation and encourage colleagues to share and understand each other's viewpoints and experiences within our diverse workforce. We also nurture individual skills and potential.

CASE STUDY

A new generation of employees at Ferrexpo

Ivan Nazarov has been a Senior Project Control Specialist at Belanovo Mining Complex for more than a year, continuing his family legacy, as his grandfather and father were heavy-duty truck drivers at Ferrexpo.

After graduating from NTU Dnipro Polytechnic and completing several internships, Ivan joined Belanovo Mining in 2022. He is responsible for implementing development scenarios and providing technical support. He continues to expand his skills, including earning a driver's licence for company vehicle use.

“ Ferrexpo's corporate culture is one of accountability, initiative, decency and continuous improvement among our employees.

— **Greg Nortje**
Group Chief Human Resources Officer



Feedback

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Our workforce continued

Employee engagement

Good communication is the backbone of our business. By engaging regularly with our colleagues, we create a positive work culture where ideas can be shared and individual voices heard. It reduces employee turnover, increases productivity and builds strong relationships – and offers a collective sense of contributing to Ferrexpo’s progression and success.

As well as face-to-face meetings, we run town hall sessions, publish a monthly newspaper called ‘Gornyak’ (Miner) and ad-hoc newsletters, and keep connected with employees through various online channels. Read more in the **stakeholder section of the Introduction**. Career development reviews are conducted on an annual basis, and in 2023 were completed by 98% of eligible employees.

Our ideas bank encourages innovative suggestions for how we can improve safety, productivity and job satisfaction. It is open to all employees and we receive a huge variety of ideas and opinions from all areas of our business. It’s a great engagement tool, and any ideas that are adopted become part of the Group’s Business Improvement Programme.

Board visibility in Ukraine and abroad

More than 95% of our workforce is in Ukraine, so the Ferrexpo Board maintains a strong presence in the country, both in Kyiv and in the Poltava Region. Engagement with our workforce is carried out in multiple languages to ensure that both our Ukrainian and international stakeholders are kept well informed.

In his capacity as Non-executive Director Designate for Workforce Engagement, Vitalii Lisovenko frequently visits Ferrexpo’s operations in Horishni Plavni. The visit typically includes meetings with community leaders, management, operations employees and, recently, veterans who have returned to work. These visits are an opportunity for all employees to freely voice their concerns and issues directly with the Board of Ferrexpo, providing an open two-way dialogue.

Additionally, across the Group, we communicate through media and on social media platforms in both English and Ukrainian and, in 2023, we published our second Responsible Business Report in Ukrainian, to help inform local stakeholders about the Group’s sustainability initiatives.

CASE STUDY

Best Employer for Veterans by Forbes Ukraine

In 2023, Ferrexpo was recognised as the Best Employer for Veterans by Forbes Ukraine from a list of 25 best employers for veterans. The companies included have well-developed systems for helping demobilised veterans adapt to life after their service.

The survey was based on questions about veteran adaptation programmes, sent to 116 of Ukraine’s largest companies and banks with more than 1,000 employees.

Feedback

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Maintaining a safe workforce

Protecting our people

Our goal is to be an agile, innovative and supportive business that creates positive opportunities for our employees, particularly during difficult times. Our primary focus has been to protect our workforce and their families as the war continues.

At the time of the publication of this report, more than 700 of our employees are serving in the Armed Forces of Ukraine. This is more than at any time since the full-scale invasion in February 2022. We are proud of their efforts and offer support by providing personal protective equipment and other non-lethal equipment.

The measures we take to keep our Ukrainian-based workforce safe include remote working where possible, on-site air-raid shelters and adjusted shift patterns that align with night-time curfews. We also support the rehabilitation of those among our workforce who return from war. Aid, accommodation and employment services have been provided for internally displaced people after fleeing the war.

In 2023, we continued to supply vehicles for the war effort, provided aid to the Kakhovka region following the destruction of the dam: just two examples of the more than 100 projects and initiatives to provide humanitarian support that were approved by our HSEC Committee after a thorough review process. Read more in the [Supporting our communities section](#)

Our approach to safety

Health and safety in and around our workplaces is of paramount importance. The nature of our business of mining and processing iron ore into pellets brings inherent safety risks that need to be managed. We work to go beyond industry best practice to keep colleagues protected, adopting a risk-oriented approach to promote safer working conditions for our workforce at our sites.

Our 'Vision Zero' safety programme, launched in 2021, targets the elimination of accidents and injuries across our operations. To mitigate safety risks, we look at the causal factors of safety incidents, and create risk registers for each activity being carried out.

Our operations level safety committee has a corrective action strategy to reduce risks in the workplace through the analysis of accidents. Through this, we have hazard maps and risk registers tailored to each department at our operations. These are used to raise awareness and understanding of risks relating to safety, and to help ensure that new and emerging risks are quickly identified and reported.

Safety at Ferrexpo

0
fatalities at our operations for the third consecutive year

0.32^{LTIFR}
over a rolling 12 months (below the historic five-year trailing average of 0.52)

0.64
All injuries frequency rate ("AIFR")

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A safe workforce

Lost time injuries

An organisation’s lost time injury frequency rate (“LTIFR”) is calculated as the number of lost time injuries incurred by an organisation’s workforce (being employees and contractors) per million hours worked.

In 2023, the Group’s LTIFR has remained at a relatively low level for approximately five years, falling from an average of 1.18 (2016–2018) to an average of 0.32 for 2023, ahead of the Group’s historical five-year trailing average of 0.52. Safety performance is also measured via the number of fatalities at the Group’s operations, which have remained fatality free for more than three successive years.

Our health and safety performance

	2023	2022	Change
Safety indicators (lagging)			
Fatalities	0	0	–
Lost time injuries	10	9	+11%
Lost time injury frequency rate (“LTIFR”)	0.51	0.41	+24%
All injuries frequency rate (“AIFR”)	0.99	0.97	+2%
Near miss events	1	5	(80)%
Significant incidents	8	12	(33)%
Restricted work days	934	497	+88%
Severity rate (average lost days per incident)	104	55	+88%
Safety indicators (leading)			
Health and safety inspections	5,413	3,293	+64%
Health and safety meetings	1,388	1,165	+19%
Health and safety inductions	5,332	11,602	(54)%
Training hours	6,828	11,786	(42)%
Hazard reports	740	595	+24%
High visibility management tours	157	124	+27%

Health and safety training for our employees

Comprehensive and instilled awareness of potential hazards among our workers reduces the risk and incidence rate of accidents in our workplace. While inductions and training were impacted by the war in Ukraine, with less on-boarding and many people working off-site, we were able to conduct safety-related courses for 2,900 members of staff.

The Group also provided 19 safety-related courses to contractors in 2023 (2022: 117; 2021: 566). Ferrexpo’s safety practices are guided by our Occupational Health and Safety Management Systems, which apply to employees and contractors across all operations and have ISO 45001 accreditation.

CASE STUDY

Belanovo Mining sets up a volunteer fire brigade to serve local communities

In April 2023, Belanovo Mining established a volunteer firefighting team of 12 employees – including electricians and energy specialists – who are prepared to respond quickly to emergencies.

The team firefighting training has enabled them to reduce response times to just nine minutes – it means that they can reach local communities faster than standard emergency services. They are equipped with a state-of-the-art fire engine that holds 5,000 litres of water and can also traverse difficult terrain. The team assists at the mining complex and in nearby villages, including Nova Galeschyna, Bondari, Ostaptsi and Vasylenky.

The Belanovo fire brigade is now a part of the regional emergency response plan of the State Emergency Service of Ukraine.

Feedback

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Feedback

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Health and wellbeing during difficult times

The importance of health and wellbeing has always been core to our business, but living through a war brings incredible physical and psychological strains.

Health and wellbeing during difficult times

Ukrainians are currently living under extremely challenging conditions and, as a company, it is important that we help our employees manage stress and stay healthy. Huge efforts are being directed into providing support for the wellbeing of our workforce and local communities in times of war. The initiative aims to help employees to maintain physical and mental health, to help engagement and focus, as well as reduce stress levels.

In 2023, the Company organised numerous initiatives focused on boosting employee wellbeing, including our corporate theatre project, which addresses mental wellbeing, diversity and charity. For example, our charity run attracted more than 500 participants and raised funds for the national initiative “Prosthetics for the Unbreakable”. Read more in the

Supporting our communities section

Our wellbeing programme to support mental health

The “Ferrexpo Wellbeing and Psychological Support Project” has been operating since February 2022. The objective of this project is to support mental health issues that employees and their families are experiencing as a result of the war. Its implementation helped employees understand that seeking psychological support is acceptable. Access to anonymous consultations with leading specialists allows employees to work through crisis situations.

High participation has been recorded since the start of the project:

- The introductory (online) wellbeing programme, which covers mental health, mindfulness, physical health and financial literacy, has been completed by 80 to 120 participants, at each of the 13 sessions
- 1,168 consultations took place over the psychological support hotline
- 202 line managers completed training at the Wellbeing Officer School
- 193 individuals participated in the Wellbeing School for teachers
- Child psychotherapist consultations included 19 in-person sessions and 92 online sessions
- Yoga sessions are offered three times a week



CASE STUDY

Caring for our employees' children

At the start of the war, we opened an on-site childcare centre which accommodated 120 children of employees and contractors. Around 100 volunteers – including company employees, educators, displaced individuals and local community members – supported the centre’s activities.

The centre offered more than 280 hours of English lessons, over 50 workshops, and nearly 80 emotional intelligence training sessions for the children. The canteen prepared more than 50,000 meals. All expenses related to the children’s care were fully covered by Ferrexpo. The centre was later closed as more normalised educational patterns were restored.

Feedback

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Health and wellbeing continued

Assessing wellbeing among employees

Employee wellbeing assessments were conducted before the invasion of Ukraine and, most recently, in 2023. In the pre-war period, psychological burnout tests indicated moderate signs of burnout. There was an overall decrease of 7% in burnout levels, particularly among office-based workers. The results reflected a non-critical situation, suggesting that the Company is adequately addressing employee needs.

A psychological screening was conducted for 846 employees during April and May 2023. It resulted in moderate to high wellbeing levels. This suggests a resilient mental state, strong social support networks, and well-developed self-care skills that help employees overcome challenges effectively.

Health and wellness

Our on-site medical facility is available to all employees. The Group has a medical insurance programme for employees, which includes life and critical illness insurance, as well as regular medical examinations and the provision of free medicines. Health awareness initiatives frequently take place, such as raising awareness of the signs of breast cancer.

External recognition for wellbeing programme

Our occupational health and safety, environment and working conditions were assessed by an independent auditor for the Sedex Members Ethical Trade Audit ("SMETA"). The good quality of medical care, our management of social security and the medical insurance we provide to our employees were highlighted.

Encouraging sustainable lifestyles

During a time of war, it is more important than ever to promote a work-life balance and encourage positive lifestyle choices among our workforce. Our initiatives include the provision of healthy nutritional options in our canteens and training for our workers and their families by professional dieticians. We sponsor and support local sports facilities, including gyms, community swimming pools, sports pitches and equipment for local rowing clubs.



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Diversity, Equity and Inclusion at Ferrexpo

CASE STUDY

Female representation

We achieve gender diversity at Ferrexpo by focusing on female representation in management roles to reflect women progressing their careers at Ferrexpo.

Female representation in managerial positions progressed to 22.3% in 2023, following a multi-year increase from 20.9% in 2022 and 18% in 2019. The Group target is 25% by 2030.

A diverse workforce and an inclusive culture at Ferrexpo result in a stronger business performance. We have initiatives in place to promote diversity across gender, disability, sexual orientation and culture. Our goal is to develop a business with a diverse workforce and an inclusive working environment, where contributions are valued, different perspectives are embraced, and biases are acknowledged and mitigated.

We also recognise that there are roles in our industry that are traditionally male dominated. We have produced a series of videos to challenge some of the preconceptions about women working in a mining role, while celebrating the women at Ferrexpo. We also have programmes and initiatives in place to boost female representation that focus on the recruitment, promotion and retention of women.

Ferrexpo is a signatory to the Women's Empowerment Principles ("WEPs"), a United Nations-supported initiative for business leaders to express support for advancing gender equality. In 2022, we completed the WEPs' Gender Gap Analysis, achieving a rank of "Leader" within this framework. Our existing policies support addressing the gender pay gap, parental leave and initiatives to create a working environment free from violence, harassment and sexual exploitation.

Ferrexpo has subscribed to the WEPs as part of the Alliance for Gender-Responsive and Inclusive Recovery that was launched at the Ukraine Recovery Conference in Berlin to address the disproportionate impact of the war on women, girls and other vulnerable groups.

We are currently progressing plans to launch Employee Resource Groups which are communities of workers at Ferrexpo that are convened around shared identities and interests. The goal is to strengthen workplace relationships, foster a sense of belonging, promote personal and professional growth, and bolster the voice of minorities.

Diversity during 2023

Our DEI efforts continued in 2023, but some planned internal events were rescheduled due to disruption arising from the war in Ukraine. Activities that took place in 2023 included an inaugural 'School for Clerks', involving 32 employees with disabilities, with the aim of equipping these employees with appropriate practical life skills to support their inclusion and equal participation across activities at Ferrexpo.

Our lead programme for promoting gender diversity in management roles is our Femunity Women in Leadership programme (called Femunity). It is now in its fourth year of selecting and training high potential future female leaders of our business – to date, more than 200 participants have been trained under the project. Read more in the **Supporting our communities section**

A new programme, called Femunity Teens, took place with 54 teenagers drawn from the local community surrounding the Group's operations. The programme aims to develop participants as they navigate the challenges and gender biases that might

hinder their personal progression during secondary or tertiary education, or within broader society. It is built around the themes of self-discovery, self-directed learning and personal growth. Read more in the **Supporting our communities section**

Other women-based initiatives are in progress including the recruitment and training of women into historically male professions with the 'Iron Women' platform, and female leader-led town hall events.

30.9%
 Positions held by women as a percentage of total workforce in 2023 (2022: 28.7%)

22.3%
 Women in management roles across the Group increased to 22.3% in 2023 (2022: 20.9%)

25%
 Target of 25% of management positions to be held by women by 2030. Progress to date has seen an increase from 2019 to 22.3% in 2023

Feedback

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Supporting employees with disabilities

We are intent on creating a supportive culture for people with disabilities and offer flexible working schedules, including remote operation, tailored training for any employees with disabilities, and a scholarship programme at the National Technical University (Dniprovskaya Polytechnic) in Dnipro.

As of 2023, 4% of the Group’s employee workforce in Ukraine, or 291 individuals, has a registered disability (2022: 4%), meeting a requirement under local legislation. We celebrate the contribution of those with disabilities at our operations, including individuals working in our social services department, mining department and in the Ferrexpo funded local museum. We also sponsor disabled athletes to help promote healthy lifestyles and fund events in Ukraine and pay for athletes to attend competitions abroad.

CASE STUDY

Supporting war veterans after demobilisation

In February 2022, on the first day of the invasion of Ukraine, Oleh Tiunov enlisted in the military. He served for 11 months, including time with the 72nd Brigade, where he fought near Bakhmut. His service was cut short when he was hospitalised due to a heart attack and a concussion, leading to his eventual demobilisation.

Following a medical examination at Ferrexpo’s health unit, it was determined that he couldn’t return to his former role as an excavator operator. However, the Company provided him with a position that accommodated his health needs. Now, Oleh trains excavator operators and their assistants. In his free time, he volunteers and studies road construction.

CASE STUDY

Women in the mining profession

Kateryna Lazorenko, a mother of five, initially trained as a lawyer and worked in the judiciary and notary services. She later became the first female driving instructor in her hometown of Horishni Plavni. In 2018, she joined Ferrexpo’s programme for women drivers of heavy-duty vehicles and became one of the Company’s first female truck drivers, later operating 40-tonne vehicles and powerful Bell machines.

Kateryna’s determination and support from other women led to her winning the ‘Best in Profession’ award in 2021. She continues to develop her skills as a senior mechanic and is an inspiration for gender equality in traditionally male-dominated fields.

Valeria Borovyk, an electrical fitter for the Automated Process Control Systems Shop (“APCS”), has been with Ferrexpo since April 2023. Valeria was educated at Kremenchuk Polytechnic College and completed an internship at Ferrexpo.

Valeria maintains electrical equipment and handles repairs. She attributes her smooth transition into the profession to the dual education system, which allowed her hands-on experience.

Olena Nikolaychuk-Neroda drives a large dump truck at Ferrexpo’s operations. She changed careers following Ferrexpo’s pilot project in Ukraine to involve women in the transportation of ore in open pits driving heavy-duty dump trucks. Her first dump truck was a 32-tonne Bell truck. She now drives a 220-tonne dump truck at the Yeristovo Mine.

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Developing the skills to fulfil our goals

Training at Ferrexpo

4,439
employees trained in 2023

79
sponsored learners welcomed to our operations

Developing the skills to fulfil our goals

At Ferrexpo, we believe that training at every stage of an individual's career is fundamental to developing the skills required to fulfil our strategy. It also creates a positive working culture, enhances employee satisfaction and increases engagement among our employees, which leads to better retention.

Contractors often work in the same areas and in similar tasks as employees. Our training and development are of equal importance among contractors as for employees, as it helps to maintain high safety practices and labour standards.

Soft skills such as emotional intelligence and stress management are vital for team success, especially for those striving for leadership roles. Our new Soft Skills School runs training programmes for employees to help them improve their abilities in these areas.

Training provided across Ferrexpo

	2023	2022	Change
Number of employees for whom training/development was planned	4,564	6,855	(33)%
Percentage of employees who have completed training/development	97%	90%	+8%
Number of employees that undertook safety training	2,910	3,960	(27)%
Number of employees that undertook skills training	1,114	1,131	(2)%
Number of employees that undertook other functional training	415	1,052	(61)%
Total Number of employees trained	4,439	6,143	(28)%
Number of Workers and Administrators trained	2,029	2,592	(22)%
Number of Specialists trained	673	1,243	(46)%
Number of Managers trained	1,737	2,308	(25)%
Total number of contractors that undertook safety training	19	117	(84)%
Total number of contractors that undertook skills training	21	53	(60)%
Total number of contractors that undertook training	40	170	(76)%
Total training expenditure related to health and safety training for employees (US\$)	172,552	127,842	+35%

Feedback
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Training and development continued

Training was provided to 4,439 employees in 2023 (2022: 6,143) through the Group's human resources department. The decrease largely reflects fewer employees in the workplace due to the war. Training focuses heavily on safety and skills training, with these topics representing a combined 91% of the training completed in 2023 (2022: 93%).

Average training hours per employee decreased in 2023 to 15 hours (2022: 34 hours). Ferrexpo trained 40 contractors in 2023 (2022: 170), representing 3% of the contractors working at our operations.

Opportunities are also offered to students where we work with local schools and universities to develop the talent pipeline. In 2023, we welcomed 79 sponsored learners to our operations (2022: 118), mainly apprentices and supernumeraries. We also offer a range of programmes to help new joiners at Ferrexpo develop their careers.

Workforce development – Soft Skills School:



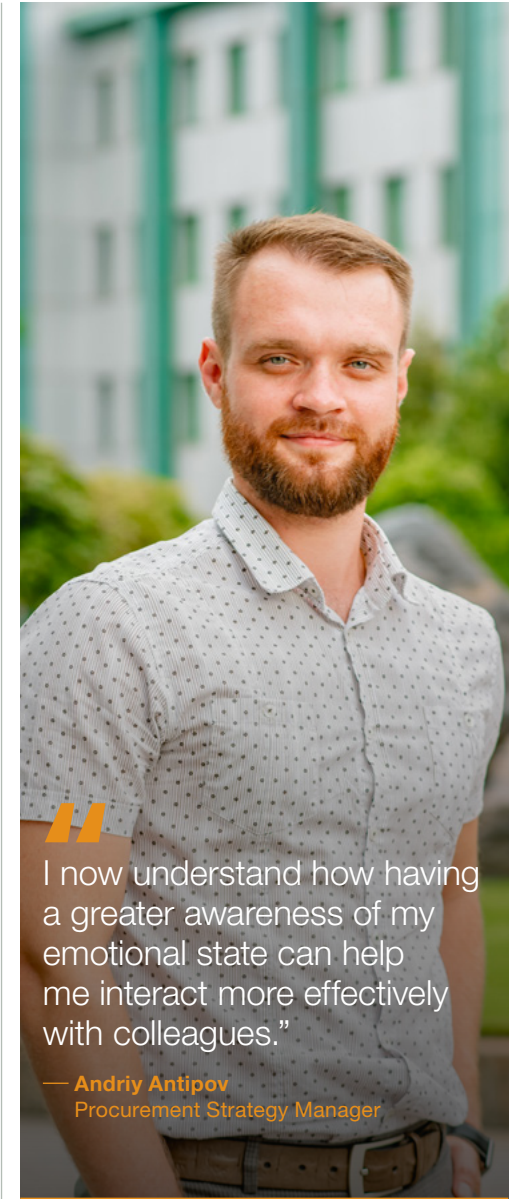
“I learned to view my emotions and thoughts from a different perspective.”

— **Mykhailo Kaliukh**
Repair Technician



“Sometimes our emotions can be overwhelming. I learned how to use meditation to help manage this.”

— **Oleksandra Bogomaz**
Assistant Manager



“I now understand how having a greater awareness of my emotional state can help me interact more effectively with colleagues.”

— **Andriy Antipov**
Procurement Strategy Manager

Feedback

We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Protecting our environment

Our interactions with the environment span air, water, wildlife and the landscapes surrounding our operations in Ukraine. We also have an inland river barging subsidiary in Central and Eastern Europe. To address our impacts, we focus on reducing emissions, enhancing biodiversity, recycling water and reducing waste.

This section should be reviewed with the 2023 Annual Report. Supplementary environmental data is provided in the Appendix to this report.



2%

reduction in Scope 1 and 2 emissions on a unit basis

97%

of process water recycled

3.9MT

pellets produced for greener steel production

8%

of waste reduced



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Investing in green steel

Our position as a leading European supplier of premium iron ore pellets enables us to support our customers with the transition to green steel.

Our products are important to Ukraine and to customers around the world, particularly as companies seek to decarbonise their supply chains and realise their own Net Zero ambitions.

Currently, 7% of global GHG emissions are generated from steel production. Demand for lower and zero carbon steel is forecast to grow rapidly, from 15 million tonnes in 2021, to over 80 million tonnes by 2030. Independent analysis shows that Ferrexpo DR pellets, when used in an EAF, can lower carbon emissions by more than one third compared with the traditional, coal-based sinter blast furnace (see diagram).

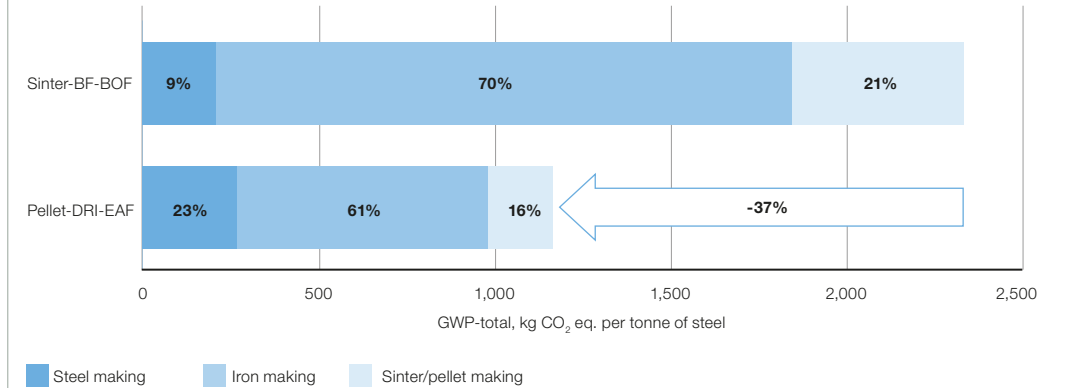
In Europe, legislation is driving this shift to lower and zero carbon steel, which is possible to achieve with a transition by adjusting the feedstocks and production methods among steelmakers. This means that the supply chain needs to supply more advanced lower-carbon steelmaking feedstocks, such as iron ore pellets and DR pellets.

Ferrexpo has continued its market development efforts to enable the transition to green steel despite the ongoing war. Our goal is to increase production and become a key player in the market within the iron ore to steel industry. In 2023, we signed Memorandums of Understanding (“MOUs”) with several premium steelmakers in Europe, MENA and Asia for the supply of high-grade DR pellets to support this transition. We are also collaborating with a variety of potential customers around the world to test and enhance product suitability.

Feedback
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Breakdown for one tonne of steel from sinter-BF-BOF and pellet-DRI-EAF routes

Global warming potential breakdown for one tonne of steel from the traditional sinter-BF-BOF and Ferrexpo pellet-DRI-EAF routes



Ricardo Plc life cycle assessment (“LCA”) report for steel billet production using Ferrexpo DR pellets, April 2023.



Feedback

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The ‘Green Mine’ initiative

One of the biggest opportunities to reduce our own emissions is to electrify and automate our mining processes. This transition supports our environmental goals, while presenting a significant financial opportunity, such as through lower production costs. These efforts are central to Ferrexpo’s Green Mine initiative, formalised in 2023.

We are working on the Green Mine initiative with MEC Mining, a leading Australian global technical research and consulting firm in the sector. Together, we have undertaken a comprehensive research study based on a ten-year mine plan to identify opportunities for electrification of our mining operations.

The study’s solutions include:

- Excavators and dump trucks of various sizes that use diverse technologies from a range of original equipment manufacturers (“OEMs”).
- Potential installation of trolley-assist technology where heavy trucks are equipped with pantographs connected to overhead electric power lines, to supplement the diesel engines with additional electric power. This leads to improved fuel efficiency, enhanced productivity – as trucks can ascend at greater speeds – extended engine life due to reduced strain on the diesel engine and lower emissions.
- The replacement of the existing diesel and diesel-electric locomotive fleet with battery locomotives and traction performance technologies.

A joint working group for the Green Mine has been established that includes internal specialists across disciplines such as mining, mining equipment and repairs, power and energy, finance and IT. The group has visited different mines and OEM facilities in North America, Asia and Australia, and attended industry events, to review various options.

The research study favoured larger electric-diesel trucks, powered by trolley-assist where feasible, based on the topography and scale of Ferrexpo’s mining operations. The performance, emissions, costs and availability of the equipment were also considered.

As a second phase, we identified a pilot area to install trolley-assist infrastructure and start conceptual design. This will consider the adoption and local needs in Ukraine and practical aspects, such as securing power supply, the optimal positioning of charging stations, maintenance requirements and the provision of spare parts. We appointed ABB, along with MEC Mining, to assist with the conceptual design for the pilot trolley-assist project. The pilot study determined the optimal sites of the mine pit ramp and haulage road on the dump at FYM.

The study also determined the optimal fleet size, staffing requirements, tyre specifications, spare parts, maintenance space and time and auxiliary equipment needs. This analysis has provided us with a comprehensive understanding of the project’s capital costs and the potential operating cost savings. Smaller studies have also been conducted regarding excavators, other mining equipment, locomotives and logistics equipment.

There is still more to do before investment decisions can be made, including site work and equipment orders. However, we have initiated early discussion on funding options that consider the ending or continuation of the war.

“Ferrexpo is a Ukrainian industrial champion. We combine quality resources and large-scale facilities to produce premium iron ore pellets that our global customer base uses to make high-quality and low-carbon steel. This innovation is made possible by the commitment of our people.

Our deep technical experience and skill are evident in everything we do. We are proud to be a key player in enabling the transition to green steel, in Europe and around the world, and to showcase Ukraine’s important contribution to global value chains.”

Lucio Genovese
Executive Chair, Ferrexpo

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Working towards Net Zero

We have a clear and considered approach towards reducing our emissions footprint.

At Ferrexpo, we continue our efforts to reduce our Scope 1 and Scope 2 emissions – those emissions that are in our directly controlled operations. We are engaging with our stakeholder groups, including employees, contractors, suppliers and customers, to help reduce our Scope 3 emissions.¹

We published our initial Net Zero pathway for decarbonisation in our Climate Change Report 2022, highlighting the technologies required and timing of investments to achieve Net Zero iron ore pellet production by 2050. Through this work, at that time, we estimated a capital cost of US\$3.3 billion.

An LCA was completed in 2023 in collaboration with environmental consultants, Ricardo, to evaluate our contribution as iron ore pellet producers, to the potential environmental impacts related to steel production. The LCA helps us to explore where to drive down our impacts further, engaging with our downstream value chain but also investigating how to address hotspots within our own operations. The LCA benchmarked the use of DR pellets in steelmaking against the process to produce the same grade of steel via iron ore fines. Outcomes showed that Ferrexpo DR pellets used in a DRI-EAF resulted in 37% lower carbon emissions compared with the traditional, coal-based sinter blast furnace route. (See our 2023 Annual Report for more details on the LCA).

¹ Scope 3 emissions savings are presented on a per tonne of production basis.

Future targets

Our ambition to reach Net Zero remains. However, there are certain investments that have been delayed during the war – such as green mining technology, equipment and infrastructure – because they are difficult to import and finance.

Our strategy, however, remains to produce our products in an environmentally responsible manner, avoid greenhouse gas (“GHG”) emissions where possible and reduce emissions over time. Our second Climate Change Report, published in December 2024, considers a range of scenarios regarding targets due to an extended war.

Performance against targets data for 2023

SUBTOTAL (“S1+S2”)	SCOPE 1 (“S1”) EMISSIONS	SCOPE 2 (“S2”) EMISSIONS	SCOPE 3 (“S3”) EMISSIONS
(2)%	+4%	(11)%	+7%
Our performance since benchmark year (2019-2023 inclusive)			
(32)%	+3%	(58)%	+4%
Our medium-term goals (2030)			
(50)%			(10)%
Our long-term goals (2050)			
Net Zero			(50)%

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Climate change

Scopes 1-3 emissions

Our target at Ferrexpo is to achieve a 50% reduction in our Scope 1 and 2 emissions by 2030. We have a target of a 10% reduction in our Scope 3 emissions by 2030.

Scope 1 emissions

Scope 1 direct emissions principally relate to three activities at our operations – diesel consumption (primarily used in mining activities), natural gas (primarily used in pelletising activities) and gasoil (primarily used in inland waterway logistics activities). Collectively, these three sources of emissions represented 97% of Scope 1 emissions in 2023 (2022: 97%). Emissions from the consumption of diesel and gasoil for transport comprised 60% of Scope 1 emissions (2022: 55%) and natural gas made up 37% of Scope 1 emissions (2022: 43%).

We also track a further 15 sources of Scope 1 emissions across our operations, ensuring that multiple aspects of our operations are covered in our emissions estimates. Absolute Scope 1 emissions fell by 27% in 2023, reflecting in part lower production due to war-related constraints.

Scope 1 emissions on a unit of basis rose 4%, due to increased use of alternative logistics channels for exports, which have resulted in greater consumption of gasoil. The calculations of Scope 1 and Scope 2 emissions have been independently assured for a third successive year.

Scope 2 emissions

Scope 2 indirect emissions relate exclusively to our purchasing of electricity from third parties, which is predominantly used in our concentrator equipment. On an absolute basis, this fell by 39% due to lower production.

On a unit basis, Scope 2 emissions fell by 11% due to an increased proportion of electricity being sourced from cleaner sources including hydro and nuclear power during 2023.

Scope 3 emissions

Our Scope 3 emissions primarily relate to the type of iron ore pellet produced, since the downstream processing of iron ore accounted for 96% of Scope 3 emissions in 2023.

In 2022, DR pellets represented 6% of all production, resulting in lower Scope 3 emissions for that year. However, in 2023, no DR pellets were produced. There were sales of DR pellets; however, these were from stocks.

Consequently, Scope 3 emissions in 2023 on a unit basis increased to 1.33 tCO₂/t of pellet production from 1.24 tCO₂/t of pellet production in 2022. Absolute Scope 3 emissions nevertheless decreased 25% year-on-year due to the overall lower production in 2023.

Greenhouse gas emissions footprint and energy consumption

	2023 Data (% change to 2022)		2022 Data	
	Absolute basis (kilotonnes CO ₂ e)	Unit basis (kg CO ₂ e per tonne)	Absolute basis (kilotonnes CO ₂ e)	Unit basis (kg CO ₂ e per tonne)
Scope 1 emissions	247 (-27%)	57 (+4%)	341	55
Scope 2 emissions	137 (-37%)	32 (-11%)	223	36
Subtotal (S1 & S2) emissions	384 (-32%)	89 (-2%)	564	91
Scope 3 emissions	5,707 (-25%)	1,326 (+7%)	7,642	1,237
Total emissions	6,092 (-26%)	1,416 (+7%)	8,206	1,329
Biofuels emissions (reported separately)	4 (-39%)	1 (-12%)	6	1
Energy consumption (kWh)	2,162,913,319 (-29%)	–	3,052,942,993	–

*Unit basis' represents the intensity ratio, aligning to requirements of Streamlined Energy and Carbon Reporting ("SECR").

Other emissions

Gaseous emissions – aside from GHG – include those emitted from our processing operations (NO₂, SO₂ and CO). The emissions from these sources declined at an average rate of 30% during the year, in line with mining volumes.

	Stationary sources			
	NO ₂	SO ₂	CO	Solid emissions
2022	1,764	970	764	2,497
2023	1,214	651	573	1,573
%	-31%	-33%	-25%	-37%

Feedback

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Managing our environmental impact

Our approach to environmental management is to apply industry best practice to manage our impacts, protect the natural environment and use resources efficiently. We are also focused on the production of green steel – a product that reduces emissions for steelmakers worldwide. We collect a wide range of environmental metrics to monitor our performance and better understand our impacts.

Ferrexpo operates in an ISO-compliant environment management system (ISO 14001:2015) at both our Poltava and Belanovo mining subsidiaries, with the latter achieving accreditation during 2022. These two subsidiaries also have accreditation of the Energy Management System (ISO 50001:2018).

Our first **Climate Change Report** was published in 2022 to provide reliable information on climate-related risks, opportunities and issues, and make climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (“TCFD”). An updated Climate Change Report was published at the end of 2024.

New Environmental Safety Service

The Environmental Safety Service at Ferrexpo Poltava Mining is a newly established project responsible for expanding the Company’s environmental efforts. It adds functions such as GHG monitoring and environmental tax calculations to the existing environmental protection duties.

The service aims to track legislative changes and advance the Company’s environmental initiatives. The goal is to bring company environmental standards closer to European and international norms, ensuring full compliance and implementation.

Governance and risk management

Climate change risk is part of Ferrexpo’s risk management governance framework. The topic is monitored and discussed as a standing agenda item at HSEC Committee meetings.

The HSEC Committee is responsible for the management of climate-related issues, including assessing the effects of climate-related risks on the Group’s business model.

There are specific risks and opportunities relating to climate change ranging from policy and legal topics, physical effects, emerging technologies, market factors and reputational differentiators.

Further details of the Board’s consideration of climate change and its oversight of the Group’s goals and targets for addressing climate-related issues can be found in the **2023 Annual Report**

Highlights in 2023

50%

Targeting Net Zero Scope 1 and 2 emissions by 2050, with a 50% reduction in Scope 3 emissions from the 2019 baseline

5

transformative decarbonisation projects targeted to deliver 90% of emissions savings

95%

reduction in Scope 1 and 2 emissions, and 84% reduction in Scope 3 by 2050, according to future modelling

Achieved significant emissions reductions from 2019 to 2023:

58%

Scope 1

70%

Scope 2

67%

Scope 3

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Managing our impacts on air quality, energy management and sourcing

Biodiversity, resource use, pollution and air quality, along with energy management and sourcing, were identified as material topics. The LCA that we completed in 2023 enables us to drive sustainability improvements across a whole suite of environmental issues including water and waste. This life cycle approach highlights our commitment to sustainability, extending beyond our own operations to the downstream sectors where our products play a crucial role in catalysing positive change.

Energy consumption

Ferrexpo uses energy to mine and process iron ore into our products, with further energy consumed in the delivery of products to our customers. We aim to minimise and progressively reduce energy consumption through the responsible use of key materials, such as diesel and natural gas, and through investing in and modernising operations.

This will reduce our environmental impact, while also improving productivity and reducing the cost of production, with energy accounting for 49% of C1 costs. More than 99% of energy consumption relates to consumption in four key areas of the Group operations:

- Diesel, predominantly used in mining: 15% of energy in 2023 (2022: 15%);
- Electricity, primarily relating to processing: 42% in 2023 (2022: 41%);
- Natural gas and biofuels in the Group's pelletiser: 30% in 2023 (2022: 34%); and
- Gasoil used in transporting iron ore products via the Group's inland waterways subsidiary, First-DDSG, on the River Danube: 12% in 2023 (2022: 9%).

The proportion of energy consumption relating to electricity is expected to increase over time as we add more complex technology and modernise our operations. This means that we are seeking to use clean technology where possible and evaluate technologies across our operations to minimise our energy consumption. These include the adoption of technologies such as battery-powered trucks and using sunflower husks as an alternative to gas.

Key metrics

Percentage of energy used that is zero carbon (terajoules)

Energy consumption	2023	Percentage	2022	Percentage
Non-renewable energy (TJ)	7,271,109,067	93%	10,122,367,809	92%
Renewable energy (TJ)	515,316,591	7%	868,246,727	8%

Amount of self-generation of renewables and the proportion used for own energy use

Energy consumption	2023	2022
Self-generation of renewable energy (kWh)	6,204,090	5,451,021
Proportion used by Ferrexpo	100%	100%

Water use intensity and/or efficiency (megalitres)

Energy consumption	2023	2022
Water withdrawal (m/l)	34,518	33,043
Water usage (m/l)	340,547	419,005
Water return (m/l)	26,279	23,641
Water use/ tonne production	79/t production	68/t production

Proportion of products (by volume or revenue) considered to contribute to a low-GHG emissions

Production (000't unless otherwise stated)	2023	2022	Low GHG emission attributes
Direct reduction pellets	0	353	DR pellets used as feedstock in the DR-EAF steelmaking process produce steel with lower carbon emissions than the BF-BOF route.
Blast furnace pellets	3,845	5,700	The replacement of sinter feed with blast furnace pellets reduces carbon emissions by eliminating the need for the carbon-intensive sintering process.
Commercial concentrate production	307	124	High-grade pellet feed concentrates products increase productivity at the blast furnace as an additive to sinter.

Feedback

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Responsible water use and reducing water impacts

Responsible water use involves managing our environmental footprint, maximising recycling where water use is required and minimising extraction in areas where this is possible. We operate in an area of low-risk water stress and understand the importance of water quality and the impact that low-quality water can have on our surrounding environments, including nature and communities.

Our water-related activities include the water ingress into our mines, to recycling water in our processing operations, to the River Dnipro, which flows adjacent to our operations. This water is used in our operations for the steam energy generation process; for washing of filters in the tailings facility; and (a small proportion) for our plant. We strive to reuse as much water as possible in our operations, typically sourcing from our tailings dam and returning used (process) water to our processing plant.

In 2023, 97% of overall water extraction (2022: 96%) occurred as a result of dewatering (removing water that has entered the open pit operations). The water is tested and returned to the natural environment via an engineered facility designed to maintain a high level of water quality. Testing of water quality continued throughout 2023, with any discharged water quality-tested across more than 12 different chemical elements or attributes, in line with permit requirements.

Water is used during the processing of iron ore. In 2023, the processing plant recycled 97% of process water (2022: 97%). Water withdrawal from the local water supply network remained below 1,000m³/l in 2023 for the fifth successive year, at 539m³/l.

Maintaining water quality

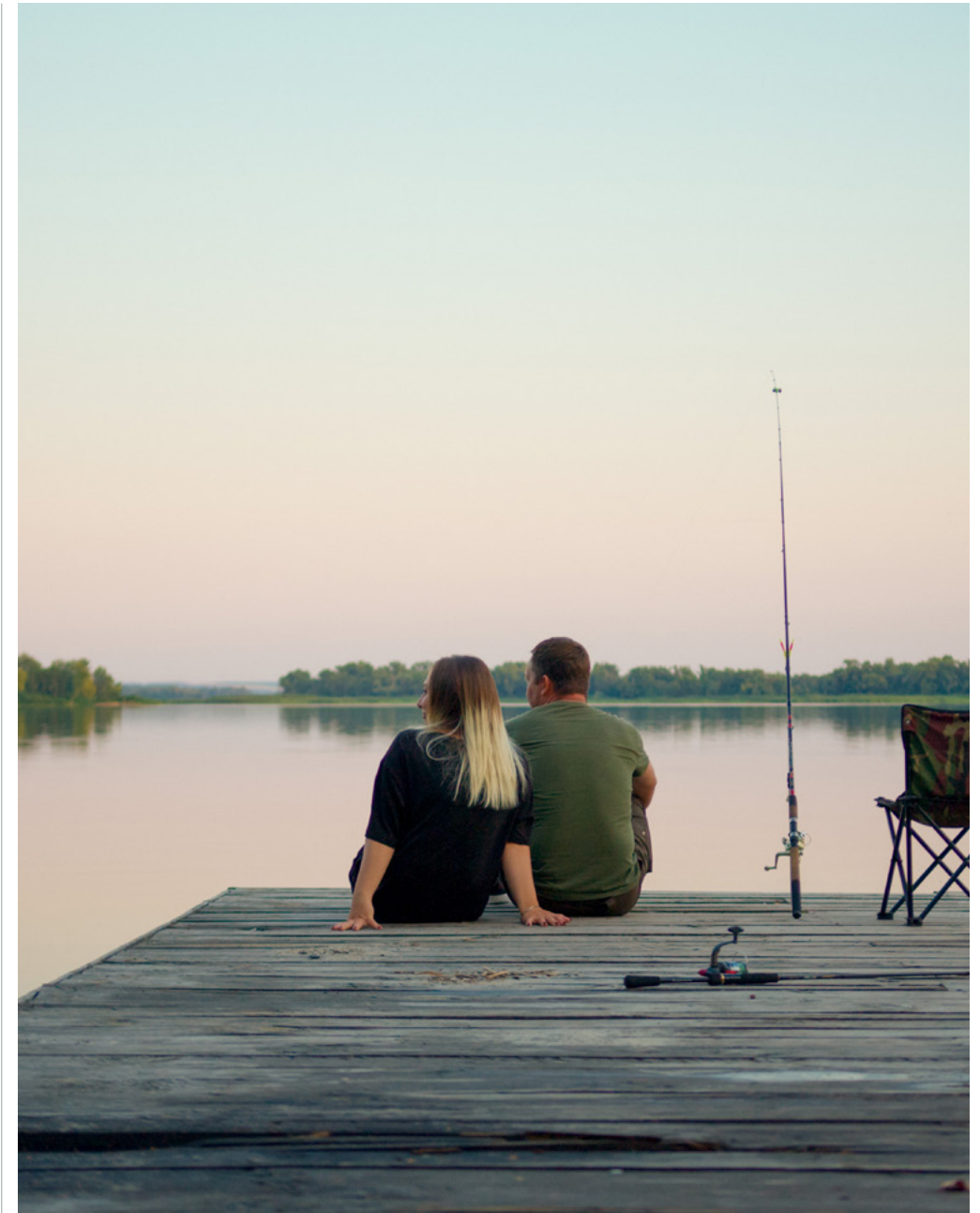
We monitor the quality of the water passing through our bioengineering facilities, the final point before water is transferred away from our operations. We study the bacteria present in the water in our bioengineering facilities, monitoring for any negative effects on aquatic vegetation and the overall stability of the water column. Details of the tests carried out on discharged water are provided in the **Appendix**

Waste management and air quality

Waste collection efforts at our site and offices continue, with separate collection points being designated for recyclable materials including paper, plastic and glass. Recyclable materials are then sold to recycling companies. We have continued to expand our domestic waste recycling across our operations with collection bins and sorting facilities. All four of our main operating subsidiaries in Ukraine now have active recycling programmes.

Our mining operations generate solid form waste (overburden in the form of waste rock and sand), as well as emissions of other gases and dust from our mining and processing operations. Since 2024, waste generated from operational activities is collected and delivered to companies that can use it, while non-recyclable waste is sent to landfill. This includes waste oils from vehicle operation and tyres. Prior to 2024, most of the waste was sent to landfill.

During 2023, waste removal from mining activities fell by 45% due to lower production. The overburden and waste removed from our mining operations are non-hazardous and are stored in on-site waste dumps designed by our mine planning department.



Feedback

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Biodiversity and land use

We aim to improve wider understanding of the natural environment by engaging with local communities and implementing measures to improve environmental stewardship beyond our directly controlled activities.

Biodiversity baseline expanded

In recent years, we have developed a baseline understanding of biodiversity around our operations. Despite the pressures imposed by the war, our environmental department in Ukraine continues to make good progress on a range of initiatives at our operations. This includes regular updates to the Zoo-biota interactive map identifying species of animals in the vicinity of our operations, including 58 of more than 500 species listed in the Red Book of Ukraine.

Ferrexpo does not operate within any areas that are classified as protected on a national or international basis. Our operations in Ukraine are situated within an Important Bird Area (“IBA”, Psel River valley near Horishni Plavni) as defined by Birdlife International (“Birdlife”), which is not protected either on a national or international basis. Species listed by Birdlife that carry a conservation concern for this IBA are the ferruginous duck (Birdlife classification: “Near Threatened”), white-tailed

sea-eagle (Birdlife classification: “Least Concern”) and the lesser kestrel (Birdlife classification: “Least Concern”).

Tree planting

The Group regularly plants trees around its operations for the benefit of the natural environment and local habitats, in addition to stabilising slopes and helping to improve air quality. We have typically planted 400-500 trees a year on average for the past 15 years and are part of the initiative Greening Ukraine, which includes a pledge to plant seedlings to restore ecosystems, and this project is part of a broader initiative across 100 countries.

In 2020, we planted over 1,500 native trees predominantly around our processing plant and maintenance workshops. We also have a pilot project planting samples of Paulownia (foxglove tree) to assess the effectiveness of CO₂ absorption.



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Building trust

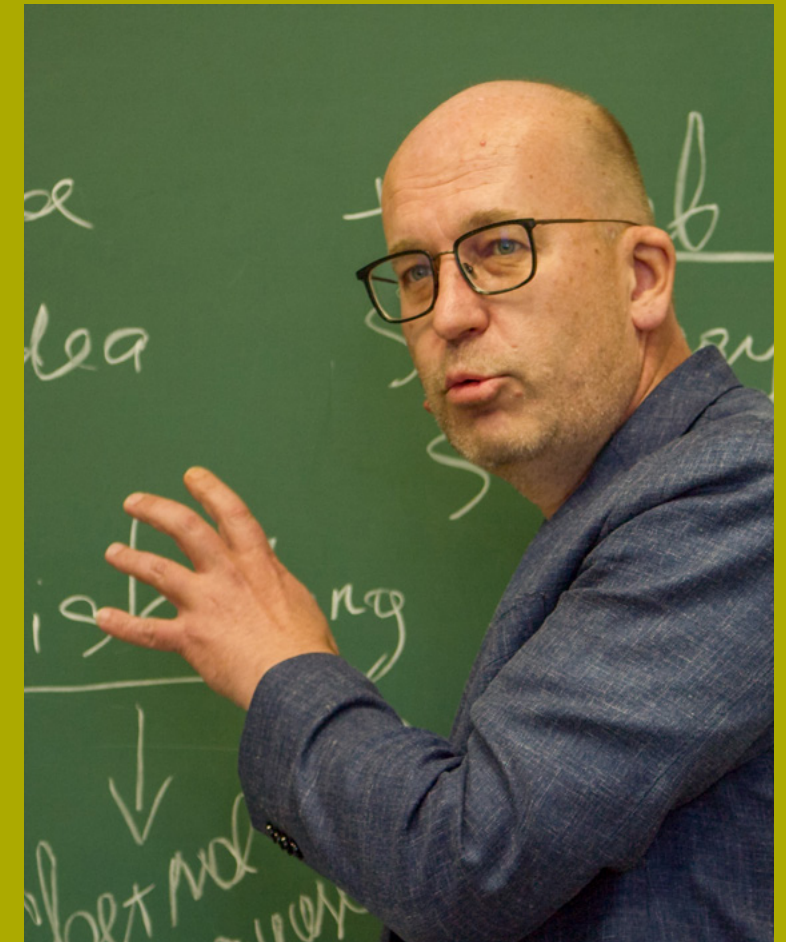
Sound corporate governance is essential to the daily running of a business and building trust among stakeholders. We firmly believe that good corporate governance and ethical conduct are the foundation of responsible business.

The Ferrexpo Group has structures in place to maintain a high standard of corporate governance. We also provide clear oversight of our business strategy, vision and purpose, and facilitate effective communications with our stakeholders. We comply with the applicable laws and regulations within each of the jurisdictions where we operate.

Feedback
We welcome any feedback or questions you may have about this report. Please contact comms@ferrexpo.com or visit our [website](#) for further information.

Conducting ethical business in 2023

941 employees trained on anti-bribery and corruption	1,959 supplier reviews conducted
94% supplier contract referencing Code of Conduct	3 whistleblowing cases



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Corporate governance

Ferrexpo has a strong governance structure that supports the embedding of sustainability across the Company.

Our Board of Directors is ultimately responsible for the Group’s performance in all responsible business areas.

The Board’s sub-committee, called the Health, Safety, Environment and Community (“HSEC”) Committee, focuses on responsible business and assesses the Group’s performance.

The HSEC Committee oversees the effectiveness of policies and controls relating to health and safety, environment and community relations as they affect operations. This reflects the importance of health and safety and climate change to the Group’s business model.

As of the publication date of this year’s report, the HSEC Committee is comprised of the following members:

- Natalie Polischuk**
Independent Non-executive Director (Chair);
- Yurii Khimich**
General Director of Ferrexpo Belanovo Mining and Chair of the local CSR Committee;
- Greg Nortje**
Group Chief Human Resources Officer; and
- Nataliya Storozh**
Health and Safety Director, Ferrexpo Poltava Mining.

The HSEC Committee typically meets quarterly; however, five meetings were held in 2023. During these meetings, the Committee reviews reports covering all key responsible business matters. A monthly Health, Safety, Environment and Communities Report is provided to and discussed by the Executive Committee.

Ferrexpo governance structures and risk management process



Risks relating to responsible business activities are communicated to the Group’s executive management team through the Group risk register, which describes major risks facing the business. It details the likelihood of occurrence and the scale of any financial or other impact. It includes a maximum foreseeable financial loss to the business related to each risk. The register is presented

on a monthly basis, with ad-hoc updates for any material events as required.

For information on the Group’s management of its principal risks, see pages 72 to 90 of the **2023 Annual Report**. Also see the **Introduction section** of this report for our approach to sustainability.

Feedback

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Risk and compliance

Human rights and Code of Conduct

The Group’s approach to ethical business, including anti-bribery and corruption, and human rights is guided by Ferrexpo’s Code of Conduct. Our human rights policy supports the principles defined in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Compliance within local operating businesses is managed by the Group’s compliance department, based in Ukraine. At Group level, Ferrexpo also has a Group Compliance Officer, who reports activities to the Finance, Risk Management and Compliance (“FRMC”) Committee, which is chaired by the Group’s Chief Financial Officer and meets on a monthly basis.

Promoting compliance awareness

Ferrexpo’s managers have a clear responsibility to create an open and supportive environment, in which employees feel comfortable to raise ethical concerns in good faith. We promote a corporate culture in which employees feel able to exercise their right to prevent mistakes or wrongdoing by asking the right questions at the right time.

The rights of employees are protected to report any such concerns without fear of retaliation.

Whistleblowing mechanisms

We have a formal whistleblowing policy with Board responsibility for reviewing Ferrexpo’s whistleblowing arrangements. Ferrexpo has an independently hosted Integrity Line, which is available in several languages, enabling employees and contractors to report concerns on an anonymous basis.

The Board receives regular reports from the Audit Committee and the Head of Internal Audit detailing any new whistleblowing incidents and, where appropriate, steps are taken to investigate such incidents. The Committee is responsible for reviewing and monitoring the Group’s whistleblowing procedures and the systems and controls for the prevention of bribery and corruption.

Freedom of association

Freedom of association is a key element of adopting the Ethical Trading Initiative (“ETI”) Base Code. Ferrexpo supports the basic principle of an individual’s fundamental human rights and dignity for all people, as set out in the Universal Declaration of Human Rights. Ferrexpo employees and suppliers, through the Group’s Code of Conduct for Business Partners, are free to associate and to enter into collective bargaining arrangements.

Human rights and modern slavery

We take **all possible steps** to ensure that slavery and human trafficking are not taking place in any part of the Group’s supply chains or businesses. Ferrexpo requires that its business partners follow the same commitments reflected in our Business Partners’ Code of Conduct. This includes requirements related to human rights, anti-slavery and anti-trafficking.

Cybersecurity

The Group has faced heightened cybersecurity threats from malicious parties since 2014, coinciding with Russia’s initial invasion of Ukraine. This increases our reliance on technology for the safe, efficient and cost-effective production of our products. Purchases of technologies continue to be procured to limit the Group’s cybersecurity exposure.

Our IT department conducts regular reviews of the general IT landscape and requirements for data protection. Employees receive cyber awareness training and email security bulletins are circulated to ensure internal IT users are provided with up-to-date information on cybersecurity. There is a dynamic approach in place to anti-malware, so that we adapt to new threats as they emerge. The relevant employees are notified as and when new threats are identified.

Following an extensive third-party audit (ISO 2700x, “Information Security Standards”) of cybersecurity and internal IT and automation processes, in 2022, we put in place enhanced mitigation actions across the Group’s IT equipment and infrastructure. This included upgrades to the latest standards to reduce vulnerabilities.

This preparation was well timed as, in 2023, we experienced several significant cyber-attacks on our Group IT infrastructure. These included a BGP hijack attack similar to those experienced on other large Ukrainian businesses. Due to fast coordination with major Ukrainian and European providers – along with the investments Ferrexpo Group has made in own data channels, data centres and private network infrastructure – these attacks had minimal impact on our IT systems and operations.

The Group has also responded to potential cyberwarfare and conventional warfare tactics. For example, by placing IT infrastructure in bomb shelters and deploying extensive power control systems.

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Working with our suppliers

We enjoy long-standing relationships with local and international suppliers who have supported us during the ongoing war in Ukraine. In fragmented and constrained supply chains, we have been continuously adapting to an ever-changing operating environment, which means predominantly relying on close relationships with local suppliers in Ukraine to ensure an uninterrupted supply for pellet production.

Some of our suppliers have been forced to close their operations or divert logistical routes and we have adapted and evolved our supply arrangements to ensure supply and reduce risk. However, we endeavour to support and promote Ukrainian businesses wherever possible in our activities. A high proportion of our goods and services are sourced from entities within the Horishni Plavni region, where our operations are based.

Our supply chain includes suppliers of raw, direct and indirect materials, skilled labour and services, along with legal, technical and administrative professional services. Our most significant expenditures are on electricity, gas, diesel fuel, spare parts, labour, explosives, and steel grinding media.

Risk and compliance checks

The Group's compliance department undertakes regular checks on all suppliers. This involves screening entities for risks and elevating those who may be higher risk for further checks and eligibility considerations.

Ferrexpo has a Code of Conduct for Suppliers, which in 2023 was referenced in 94% of our contracts. More than 1,959 due diligence checks were completed on potential third-party suppliers (2022: 1,300 checks).

We are also increasingly engaging to understand the GHG footprint of suppliers, as it is directly relevant to the Group's Scope 3 emissions.

Tax contributions

We support local communities with charitable contributions, principally via the Group's Charity Fund or direct payments from our operating subsidiaries.

In 2023, we contributed US\$50 million in taxes and royalties (2022: US\$164 million; 2021: US\$281 million). As a company, Ferrexpo is a frequent user of Ukraine's utilities and logistics and infrastructure networks and, so indirectly, we contribute to the functioning of the Ukrainian economy beyond our owned operations.

Since our IPO in 2007, the Group has contributed more than US\$3 billion of taxes and royalties to Ukraine through our ongoing operation and development of our assets through investment. The effective tax rate for the Group in 2023 was 26.1% (2022: 35.0%; 2021: 18.7%).

Ferrexpo's tax strategy is approved by the Group's Board of Directors, which is the relevant governance body for reviewing and approving Group strategy. The Group's Executive Committee oversees operational activities and reports directly to the Board regularly throughout the year. The Board is responsible for overseeing compliance with the Group's tax strategy. Risks associated with tax are identified and monitored through the Group's risk register, which is maintained by the Group's finance function. Any changes to the risk profile are reported to the Executive Committee on a monthly basis.

The Executive Committee also oversees compliance with tax governance and control frameworks. Assurance in tax matters is sought from independent tax consultants and auditors of the Group's financial accounts.

For more information, please see the Audit Committee Report and Auditor's Report in the Group's 2023 Annual Report and Accounts, available on the Group's [website](#).

Feedback

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Ethical business and communities

Summary financials

	2023	2022
Direct economic value generated (revenue)	651,795	1,248,490
Operating expenses	(616,107)	(1,192,046)
Included in operating expenses: (but not limited to)		
Employee costs	(73,924)	(92,144)
Royalties	(24,693)	(43,461)
Community support donations	(3,781)	(14,536)
Suppliers	(339,349)	(540,010)
Operating profit	71,126	405,116

In early 2022 the Ferrexpo Humanitarian Fund was established, which combined with associated CSR funding at the date of this report has donated US\$25 million to foster over 100 individual programmes and initiatives.

Procurement data 2023

Ukrainian companies (suppliers of goods and materials)	95.2 US\$M	64%
Local	19.1 US\$M	13%
Regional	23.6 US\$M	16%
Foreign	10.3 US\$M	7%

Feedback

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Workforce development

Safety statistics by region and gender

Jurisdiction	Ukraine			Central Europe (Austria, Hungary, Serbia)	Group
	FPM	FYM	FBM	First-DDSG	
2023 data					
Fatalities	-	-	-	-	-
Fatality rate	-	-	-	-	-
Lost time injuries	3	1	-	1	5
LTIFR	0.26	0.34	-	0.88	0.32
Lost days	450	88	-	9	547
2022 data					
Fatalities	-	-	-	-	-
Fatality rate	-	-	-	-	-
Lost time injuries	6	2	1	-	9
LTIFR	0.47	0.58	3.87	-	0.51
Lost days	437	160	-	-	930

Total global workforce 2023

	Location	Employees	Contractors	Total
Operations	Europe	6,747	1,002	7,749
Logistics and Marketing	Asia, Europe, MENA	119	350	469
Corporate	Europe	23	1	24
Total		6,889	1,353	8,242

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Local hiring

Local Hiring	Operations	Logistics and Marketing	Corporate	Ferrexpo Group Total (2023)	Ferrexpo Group Total (2022)
Number of workers and administrators hired from "local community" (within a 30 km radius of operations) (#)	203	9	–	212	361
Number of specialists hired from "local community" (within a 30 km radius of operations) (#)	93	5	–	98	102
Number of managers hired from "local community" (within a 30 km radius of operations) (#)	8	0	–	8	16
Total number of hires from "local community" (within a 30 km radius of operations) (#)	304	14	–	318	479
Number of workers and administrators hired from elsewhere (greater than 30 km radius of operations) (#)	40	2	–	42	107
Number of specialists hired from elsewhere (greater than 30 km radius of operations) (#)	10	1	–	11	16
Number of managers hired from elsewhere (greater than 30 km radius of operations) (#)	1	1	–	2	5
Total number of hires more than 30 km radius of operations (#)	51	4	–	55	128
Total number of all new hires (#)	355	18	–	373	607
% Hires from local community	86%	78%	–	85%	79%

New hires in 2023 by age, gender and location	Operations	Logistics and Marketing	Corporate	Total 2023	% Total 2023	Total 2022	% Total 2022
Number of new hires – Age 18 – 29 years (#)	137	6	–	143	38%	208	34%
Number of new hires – Age 30 – 39 years (#)	95	5	–	100	27%	178	29%
Number of new hires – Age 40 – 49 years (#)	75	3	–	78	21%	157	26%
Number of new hires – Age 50 – 59 years (#)	40	3	–	43	12%	55	9%
Number of new hires – Age 60 years and above (#)	8	1	–	9	2%	9	1%
Number of new hires – Male (#)	218	12	–	230	62%	397	65%
Number of new hires – Female (#)	137	6	–	143	38%	210	35%
% of new hires – Male (#)	61%	67%	–	62%		65%	
% of new hires – Female (#)	39%	33%	–	38%		35%	

Feedback

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Employee turnover

Employee turnover	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Total number of resignations	427	11	–	438	376
Retirements – number retiring having reached retirement age	109	3	–	112	170
Number of employees leaving for other reasons (including ill health, death, etc) during the period	164	1	–	165	284
Total number of retirees or departures for health reasons	273	4	–	277	454
Number of employees retrenched/made redundant	5	1	–	6	33
Number of employees dismissed or who resigned to avoid dismissal	63	0	–	63	69
Retirements – number of employees retiring to avoid dismissal	10	0	–	10	26
Total number of involuntary leavers	78	1	–	79	128
Total	778	16	–	794	958

Breakdown by age

Employee turnover	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Number of employees leaving – Age 18 – 29 years (#)	153	1	–	154	108
Number of employees leaving – Age 30 – 39 years (#)	236	3	–	239	249
Number of employees leaving – Age 40 – 49 years (#)	176	5	–	181	179
Number of employees leaving – Age 50 – 59 years (#)	104	2	–	106	141
Number of employees leaving – Age 60 years and above (#)	109	5	–	114	281
Total	778	16	0	794	958

Feedback

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Turnover

	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Total – Male	504	11	–	515	523
Total – Female	274	5	–	279	435

	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
% Turnover – Males	10.8%	12.7%	–	10.9%	9.2%
% Turnover – Females	13.1%	15.4%	–	13.2%	19.1%
% Turnover – Total	11.5%	13.5%	–	11.6%	12.0%
% Turnover – Total (involuntary)	1.2%	0.8%	–	1.2%	1.6%

	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Total – Female	2,087	33	10	2,130	2,290
Total – Male	4,660	86	13	4,759	5,693

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Training offered

Employees	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Total number of employees that underwent safety training (#)	2,956	15	0	2,971	3,960
Total number of employees that underwent skills training (#)	1,196	8	0	1,204	1,131
Total number of employees that underwent other functional training (#)	416	4	0	420	1,052
Number of workers and administrators trained (all) (#)	2,132	14	0	2,146	2,592
Number of specialists trained (all) (#)	683	9	0	692	1,243
Number of managers trained (all) (#)	1,753	4	0	1,757	2,308
Total number of training hours for employees trained (#)	68,921	289	0	69,210	208,628
Average number of training hours per employee trained	15	11	0	15	34
Sponsored learners (graduates, apprentices, bursaries and other trainees)	79	0	0	79	118

Contractors	Operations	Logistics and Marketing	Corporate	Total 2023	Total 2022
Total number of contractors that underwent safety training (#)	19	0	0	19	117
Total number of contractors that underwent skills training (#)	21	0	0	21	53
Total number of contractors that underwent other functional training (#)	0	0	0	0	0
Total number of contractors trained	40	0	0	40	170
Total number of training hours for contractors trained	1,204	0	0	1,204	10,420
Average number of training hours per contractor trained	30	–	–	30	61

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Other 2023 statistics

Training hours in safety	6,645
Employees for annual training review	47%

Diversity at Board level	Under 30 years		30-50 Years		Over 50 years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Governance bodies as at 31.12.2023								
Board of Directors	–	–	–	1	4	1	4	2
HSEC Committee	–	–	1	2	1	–	2	2
EXCO	–	–	–	1	4	–	4	1

Diversity within employee workforce	FPM		FYM		FBM	
	Male	Female	Male	Female	Male	Female
Age						
18-30	522	147	151	10	6	1
31-40	912	505	522	68	16	9
41-50	936	661	592	107	12	4
51-60	721	531	416	45	4	2
60+	86	56	70	15	0	0

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Protecting environments

Emissions intensity		2023	2022	% (2023-2022)
Scope 1 and 2 (combined)	Tonnes	384,300	563,976	(32)%
Total production (pellets + commercial concentrate)	MT	4.30	6.20	(31)%
Revenue	USD 'Ms	652	1,248	(48)%
Emissions per tonne production	kg CO ₂ per tonne pellet	89.30	90.96	(2)%
Emissions per USD revenue	kg CO ₂ per USD	0.59	0.45	30%

Scope 1 and Scope 2 emissions by geographic location

Scope	1	1	1	1	1	1	1	1	1	1	2	2
All figures tonnes CO ₂ e, unless stated	Diesel	Petrol	Gasoil	Other liquid fuels	Coal	Natural gas	Lubricants	Explosives	CFCs and HCFCs	Graphite electrodes	Electricity	Steam
2022 total	117,305	617	69,569	3,552	381	144,738	1,789	2,270	205	54	223,460	-
2023 total	81,888	461	66,351	3,725	399	91,207	995	1,766	83	30	137,367	-
%	(30)%	(25)%	(5)%	5%	5%	(37)%	(44)%	(22)%	(59)%	(45)%	(39)%	N/A
Per tonne production												
2022 total per tonne	18.9	0.1	11.2	0.6	0.1	23.3	0.3	0.4	0.0	0.0	36.0	-
2023 total per tonne	19.0	0.1	15.4	0.9	0.1	21.2	0.2	0.4	0.0	0.0	31.9	-
%	1%	8%	37%	51%	51%	(9)%	(20)%	12)%	(41)%	(21)%	(11)%	N/A

	2023	2022	% change	Baseline 2019	% change (vs. baseline 2019)
Scope 1	57	55	4%	56	3%
Scope 2	32	36	(11)%	76	(58)%
Total	89	91	(2)%	132	(32)%

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Scope 3 emissions breakdown (from Scope 3 emissions file)

Scope 3 Emissions	2023	2022	Unit
3.1 Purchased Goods and Services			
Water supply	80	107	tCO ₂ e
Bentonite	3,812	3,812	tCO ₂ e
Tyre usage	1,873	1,873	tCO ₂ e
3.3 Fuel and Energy-related activities			
Electricity T&D and WTT	57,966	79,727	tCO ₂ e
Fuels WTT	53,095	72,997	tCO ₂ e
3.5 Waste generated in operations			
Municipal waste	2,012	2,012	tCO ₂ e
Organic waste	1,872	1,872	tCO ₂ e
Inorganic waste	10,289	10,289	tCO ₂ e
3.7 Employee Commuting			
Motorbike	249	288	tCO ₂ e
Own Vehicle	5,631	6,526	tCO ₂ e
Bus	5,155	5,974	tCO ₂ e
3.9 Downstream Transportation and Distribution			
Pellets shipped via rail	78,211	117,153	tCO ₂ e
Pellets shipped via vessel	10,880	42,323	tCO ₂ e
3.10 Processing of Sold Products			
Processing of iron ore pellets to steel	5,476,313	7,297,284	tCO ₂ e
Total Scope 3	5,707,438	7,642,237	tCO₂e
Total Scope 3 (exc. 3.10)	231,126	344,953	tCO₂e
Normalised Scope 3	1.33	1.24	tCO ₂ e/t-pellets
Normalised Scope 3 (exc. 3.10)	0.054	0.056	tCO ₂ e/t-pellets
% Related to steel production	96%	95%	
% Change YoY	7%	(1)%	

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Emissions of other gases (NO₂, SO₂, and CO) and dust

	Stationary sources			
	NO ₂	SO ₂	CO	Solid emissions
2022	1,764	970	764	2,497
2023	1,214	651	573	1,573
%	(31)%	(33)%	(25)%	(37)%

Use of ozone-depleting substances

	2023	2022	Conv factor CFC-11	2023 CFC-11 (kg)	2022 CFC-11 (kg)
R410A consumption (kg)	37	88	0	0	0
R22 consumption (kg)	4	12	0.055	0.217	0.668

Energy consumption by source

Year	Electricity used	Natural gas	Diesel	Petrol	Other liquid fuels	Coal	Sunflower husks	Gasoil	Total
2023	3,279	1,871	1,171	7	13	3	493	949	7,786
2022	4,507	2,969	1,678	9	20	3	809	995	10,991
% change	(27)%	(37)%	(30)%	(25)%	(36)%	5%	(39)%	(5)%	(29)%
% of 2023 total	42%	24%	15%	0%	0%	0%	6%	12%	
Renewable?								Yes	

Energy intensity

2023	2023	2022	%
Production (iron ore pellets and commercial concentrate)	4.30	6.20	(31)%
Energy consumed	7,786	10,991	(29)%
Energy intensity (tonnage)	1,809.39	1,772.68	2%
Group revenue	652.00	1,248.00	(48)%
Energy intensity (revenue)	12	9	36%

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Renewable sources of energy

	2023	2022
Renewable (hydroelectric) % of electricity consum.	2%	5%
Renewable (hydroelectric) % of energy consum.	0%	1%
Biofuels % of energy consum.	6%	7%
Collectively % of energy consum.	7%	8%

	2023	2022
Consumption – General market	267,628,480	459,382,782
Consumption – Hydro	22,670,823	59,665,666
Consumption – Nuclear	583,035,944	688,619,513
FYM consumption	32,706,000	39,409,522
FBM consumption	4,258,758	4,167,613
% Consumption of low carbon sources	67%	60%

Waste generated

	Overburden (rock)	Overburden (sand)	Total overburden	Tailings (total generated)	Gravel
FY 2021	69.3	43.5	112.7	11.5	1.7
FY 2022	26.5	8.5	35.0	4.9	0.6
FY 2023					
%	(62)%	(80)%	(69)%	(57)%	(64)%

	2023	2022
Domestic waste	5,325	5,004
Industrial waste		
– Used moulding sand	1,200	2,487
– Foundry slag	147	261
– Construction waste	4,444	10,562
– Other waste (including railroad ties, faulty and used rubber products and used mill linings)	10,273	4,842
Total waste	21,388	23,155

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Materials used

	2023	2022	% change
Grinding bodies	23,759	34,372	(31)%
Floatation agent	650	917	(29)%
Bentonite	69,221	97,215	(29)%
Limestone	24,626	45,248	(46)%
Dewaterer	473	1,028	(54)%

Water usage

	2023	2022	YoY
Water withdrawal	34,517,628	33,042,962	4%
Surface water	442,587	744,846	(41)%
Pit water extracted (groundwater and water ingress)	33,536,432	31,580,410	6%
Local water supply	538,609	717,706	(25)%
Water usage	340,546,704	419,005,182	(19)%
Water extracted and reused	10,467,381	10,971,190	(5)%
Water recycled within processing plant cycle	330,079,323	408,033,992	(19)%
Water return	26,278,990	23,640,551	11%
Returned without use	23,623,975	21,526,912	10%
Surface dewatering wells	14,221,650	14,119,301	1%
Dewatering of open pits	9,402,326	7,407,610	27%
Returned after use	534,300	629,989	(15)%
Dust suppression	475,786	580,299	(18)%
Other (drinking water, pit water)	58,514	53,230	10%
Water extracted from local networks	538,609	717,706	(25)%
Dewatering % of water withdrawal	97%	96%	2%
Recycling % of processing plant cycle	97%	97%	0%

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References to Ferrexpo plc	References in this report to “Ferrexpo”, the “Company”, the “Group”, “we”, “us” and “our” are all references to Ferrexpo, Ferrexpo subsidiaries and those that work for Ferrexpo, albeit not a singular entity or person. Such terms are provided as a writing style in this report and are not indicative of how Ferrexpo or its subsidiaries are structured, managed or controlled
AGM	The Annual General Meeting of the Company
Audit Committee	The Audit Committee of the Company’s Board
Belanovo	An iron ore deposit located immediately to the north of Yeristovo
Benchmark price	International seaborne traded iron ore pricing mechanism understood to be offered to the market by major iron ore producers under long-term contracts
Beneficiation process	A number of processes whereby the mineral is extracted from the crude ore
Blast furnace pellets	Used in Basic Oxygen Furnace (“BOF”) steelmaking and constitute about 70% of the traded pellet market
Board	The Board of Directors of the Company
BT	Billion tonnes
C1 costs	Represents the cash costs of production of iron pellets from own ore, divided by production volume from own ore, and excludes non-cash costs such as depreciation, pension costs and inventory movements, costs of purchased ore, concentrate and production cost of gravel
Company	Ferrexpo plc, a public company incorporated in England and Wales with limited liability
Corporate Governance Code	2018 UK Corporate Governance Code
CSR	Corporate social responsibility
Directors	The Directors of the Company
Direct reduction	Used in Direct Reduction Iron (“DRI”) production
Executive Directors	The Executive Directors of the Company
FBM	LLC Ferrexpo Belanovo Mining, a company incorporated under the laws of Ukraine
Fe	Iron

Ferrexpo	The Company and its subsidiaries
Ferrexpo AG Group	Ferrexpo AG and its subsidiaries, including FPM
First-DDSG	First-DDSG Logistics Holding GmbH and its subsidiaries, an inland waterway transport group operating on the Danube River
FPM	Ferrexpo Poltava Mining, also known as PJSC Ferrexpo Poltava Mining, a company incorporated under the laws of Ukraine
FTSE4Good	An index series designed to measure the performance of companies demonstrating specific Environmental, Social and Governance practices
FTSE 250	A capitalisation-weighted index of the 101st to the 350th largest companies quoted on the London Stock Exchange.
FYM	LLC Ferrexpo Yeristovo Mining, a company incorporated under the laws of Ukraine
Group	The Company and its subsidiaries
HSE	Health, safety and environment
HSEC Committee	The Health, Safety, Environment and Community Committee
Iron ore concentrate	Product of the beneficiation process with enriched iron content
Iron ore pellets	Balled and fired agglomerate of iron ore concentrate, whose physical properties are well suited for transportation to and reduction within a blast furnace
KT	Thousand tonnes
LLC	Limited Liability Company (in Ukraine)
LTI	Lost time injury
LTIFR	Lost time injury frequency rate
M	Million
MT	Million tonnes
Non-executive Directors	Non-executive Directors of the Company
Ore	A mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination as to make extraction economic
SASB	The Sustainability Accounting Standards Board Standards are a set of guidelines designed to help companies disclose sustainability-related risks and opportunities that could impact their financial performance
Sinter	A porous aggregate charged directly to the blast furnace which is normally produced by firing fine iron ore and/or iron ore concentrate, other binding materials and coke breeze as the heat source
Tonne or t	Metric tonne
UAH	Ukrainian hryvnia, the currency of Ukraine
UN SDG	Collectively 17 United Nations Sustainable Development Goals for peace and prosperity for people and the planet, adopted by all United Nations Member States
US\$	United States dollar
Yeristovo	The deposit being developed by FYM



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