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Metinvest's ESG Practices: Why Transparency and Responsibility Open Doors to the EU Market

Ukrainian businesses are facing fresh challenges: the European Union is tightening its sustainability-reporting requirements. This means that robust environmental, social and governance (ESG) practices are no longer just a competitive advantage but a prerequisite for operating in the EU market.

At a training session organised by the Federation of Employers of Ukraine (FEU) and the Danish Business Association, Kristina Rusnak, ESG and Sustainable Finance Manager at Metinvest, outlined the Group's experience of introducing ESG practices, managing sustainability risks, preparing for new reporting requirements and upholding social responsibility during wartime.

Experts from the FEU, the Confederation of Danish Industry and leading Ukrainian companies that have already adopted ESG approaches discussed the EU's new rules, which compel businesses to produce sustainability reports. A key topic was the Double Materiality Assessment: a concept that looks not only at a company's impact on the environment and society, but also at how environmental and social factors, in turn, affect the business itself.

Rusnak presented the ESG practices that Metinvest has adopted.

What ESG Is and Why It Matters

ESG is a framework that takes into account:

- a company's impact on the environment
- its responsibilities to society
- transparent, effective corporate governance.

Adhering to these principles helps to reduce risks linked to environmental protection, employee safety, compliance with environmental standards and the quality of corporate governance, all of which bolster a company's resilience and financial stability.

Another powerful driver is regulatory pressure: EU requirements for non-financial reporting, the planned carbon border adjustment mechanism (CBAM) on high-emissions imports and other sustainability initiatives.

Access to finance is also increasingly influenced by ESG factors. Both international and Ukrainian banks and investment funds apply ESG criteria when deciding whether to lend or invest. Consumers, too, are demanding greater transparency and environmental responsibility throughout supply chains.

The EU's New Rules: What You Need to Know

The EU's Corporate Sustainability Reporting Directive (CSRD) replaces the previous Non-Financial Reporting Directive (NFRD) and greatly expands ESG-reporting requirements. From 2028, large, unlisted companies that operate in, or are connected to, the EU market will have to publish detailed sustainability reports.

According to Rusnak, the first step in implementing ESG is to identify material topics: understanding how the company affects people and the environment, and how these spheres, in turn, affect the business. Metinvest updates these topics each year using the Global Reporting Initiative (GRI) Standards, an international sustainability-reporting framework that focuses on environmental and social impact.

Once the material topics are confirmed, the Group selects indicators to track progress across all ESG areas. For instance, the environmental section includes data on greenhouse-gas and other emissions, energy and water use, and spending on environmental protection.

"In wartime, social responsibility takes on particular significance. Metinvest has already allocated more than US$250 million to support the Armed Forces of Ukraine, humanitarian projects and aid to civilians," said Rusnak.

Each year, the Group publishes its sustainability data on its website in line with the recommendations of the GRI, Sustainability Accounting Standards Board (SASB; addresses ESG risks and opportunities that could affect financial performance) and Task Force on Climate-related Financial Disclosures (TCFD; offers guidance on disclosing climate-related risks and impacts).

How Metinvest Prepares Its Reports

Metinvest's first corporate social responsibility report based on GRI standards appeared in 2008. Since 2019, the Group has issued annual sustainability reports, adding SASB standards and, for the first time, carrying out a materiality assessment. In 2021, it released its first integrated report, combining sustainability data with annual financial results.

Last year, Metinvest disclosed its climate-related practices for the first time, assessing risks under Paris Agreement scenarios and beginning to refocus corporate governance on climate change.

ESG ratings help Metinvest to measure progress and pinpoint areas for improvement; the Group currently holds three such ratings.

Metinvest is guided by the principles of accountability, transparency and alignment with international practice. Core areas – community engagement, workforce relations, occupational health and safety, and environmental protection – are governed by internal policies and overseen by the Supervisory Board through dedicated committees and executive directorates.

In 2024, the Group began integrating climate governance, now supervised by the Health, Safety and Environmental Committee. The Internal Audit Directorate monitors ESG risks and reports annually to the Supervisory Board's Audit and Finance Committee.

Metinvest also operates a Code of Ethics for all employees, regardless of country or position. In 2024, it adopted a Human Rights Policy that extends to partners. It also maintains an anonymous Trust Line for reporting misconduct.

The Group has also adopted a Code of Business Conduct, which applies to all suppliers. Compliance with this and the Code of Ethics is a mandatory condition of doing business. Contractors face strict safety requirements that are built into the tender process.

Metinvest regularly reviews ESG risks and puts mitigation measures in place. Emerging risks include climate-related threats (such as CBAM and global climate change) and wartime labour shortages. The Group is responding by strengthening its climate-risk management system, exploring low-carbon technologies, launching decarbonisation initiatives and expanding human-capital programmes, including pay rises, enhanced employee-support measures and veteran-focused initiatives.