

INTERNAL AND EXTERNAL AUDIT

ENHANCING OVERSIGHT

Metinvest's internal audit function acts as an independent body to provide oversight of the risk management, internal control and governance processes. Consistent with best practices, the Group also appoints an independent external auditor to review and approve its financial statements.

INTERNAL AUDIT

Metinvest's Internal Audit Directorate is an independent appraisal function established within the Group to examine and evaluate its activities.

In 2021 key internal audit roles were the following:

- supporting the management in achieving strategic objectives through the application of a systematic and consistent approach to improve the risk assessment and risk management processes, as well as to align the internal control and corporate governance systems with best practices
- assisting the management in evaluating and developing appropriate and efficient internal controls within key processes by providing quality assurance to other functions
- ensuring that the management identifies and monitors all key risks in a structured and efficient manner, as well as addresses any significant gaps in operational control in real time
- applying an aligned assurance approach throughout the organisation, whereby audit activities of all functions are coordinated

The independence of the internal audit function is ensured by its direct reporting line to the Chairperson of the Supervisory Board's Audit and Finance Committee.

The function consists of the following streams:

- internal audit
- internal control
- risk management

The annual internal audit engagement plan is developed taking into account Metinvest's key risks, strategic goals, significant matters, cyclical audits, management requests and inputs from the Audit and Finance Committee. In 2021, the internal audit team conducted 37 engagements. Key focus areas included supply management of raw materials and services; production; quality management; risk management; management reporting.

The management is responsible for ensuring that issues raised by the internal audit function are addressed on time. The function also monitors recommendations on internal audit measures agreed with the management.

EXTERNAL AUDIT

GRI 102-56

Covering each financial year since 2006, Metinvest has prepared consolidated financial statements in accordance with IFRS, as adopted by the EU, and has engaged an independent external auditor to audit them.

For the 12 months ended 31 December 2021, the Group appointed PwC to perform this external audit and provide an opinion on the IFRS consolidated financial statements. The measures in place to safeguard the external auditor's independence and ensure high quality of service include rules requiring rotating the signing partner and obtaining pre-approval for all non-audit services.