

GOVERNANCE FRONT

Amid the full-scale war in Ukraine, Metinvest's governance institutions remained robust and the Group continued to adhere to international best practices and the rule of law. At the same time, senior management teams were recalibrated to best address the new reality. In addition, the Group's anti-crisis management system played a crucial role in maintaining operational stability in the face of challenges.

The foundational elements of the Group's business ethics and compliance framework remained in place in 2022 and are designed to protect stakeholder interest.

Consistent with its core principles of corporate governance, the Group has filed lawsuits with the European Court of Human Rights seeking reparation for damages inflicted on its assets during Russia's unprovoked aggression against Ukraine.



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6 More information about the illustration is on page 96.

CORPORATE GOVERNANCE

CORNERSTONE PRINCIPLES

Amid the full-scale war, Metinvest's governance institutions remained robust. The Group continued to adhere to international best practices, grounded in its key corporate governance principles.

CORPORATE GOVERNANCE SYSTEM

Metinvest has established a corporate governance system built on recognised fundamental principles that helped it to navigate the complexities of 2022.

GOVERNANCE PRINCIPLES

The Group's core principles of corporate governance are specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership, and personal commitment.

CORPORATE GOVERNANCE STRUCTURE

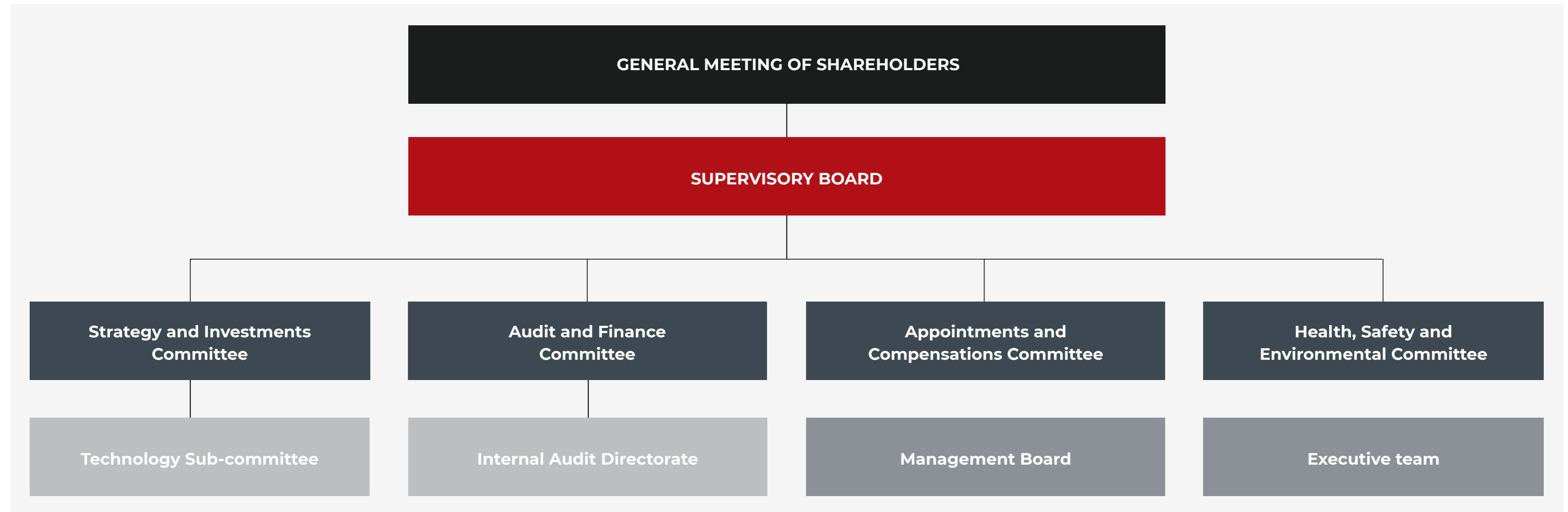
Metinvest B.V.'s corporate governance structure is built in accordance and compliance with Dutch law. It comprises the General Meeting of Shareholders, Supervisory Board and Management Board. On the Group level, the executive team supports operations.

SHAREHOLDERS

For detailed information about the shareholders of Metinvest B.V., please see Notes 1 and 17 to the Summary IFRS Consolidated Financial Statements 2022.

GOVERNANCE STRUCTURE OF METINVEST B.V.

GRI 2-9



GENERAL MEETING OF SHAREHOLDERS

Under Dutch law and the Articles of Association of Metinvest B.V., the General Meeting of Shareholders is authorised to resolve the following matters, among others: to issue shares; to exclude or limit pre-emptive rights; to acquire/transfer shares in the capital of Metinvest B.V. held by Metinvest B.V.; to reduce the share capital; to determine the remuneration of the Management Board; to adopt the annual accounts; to allocate profits; to amend the Articles of Association; to approve material transactions of over US\$500 million; to approve M&A to be undertaken by the Group; and to dissolve, merge or demerge Metinvest B.V.

In 2022, the meetings convened 29 times to discuss and make decisions of shareholders on a wide range of matters, including but not limited to: financial statements; liquidation and establishment of Group companies; and material transactions.

SUPERVISORY BOARD

The Supervisory Board has ten members:

- seven A-Members appointed by the Class A and Class C shareholders
- three B-Members appointed by the Class B shareholder

GRI 2-10

A member of the Supervisory Board is appointed for an indefinite period, unless otherwise specified in the decision concerning their appointment.

Each member of the Supervisory Board may be suspended or dismissed at any time by the same body that has the right to appoint them.

Suspension may be extended one or more times, but in general it cannot last more than three months. If, at the end of the period, a decision has not been made to terminate the suspension or to dismiss them, the suspension shall end.

GRI 2-12; 2-13

The Supervisory Board is responsible for overseeing the activity of the Management Board and the general course of affairs at Metinvest B.V. and the Group overall, including sustainability matters. It approves and updates corporate values, strategies, policies and goals related to the economic, environmental and social aspects of the Group as a whole.

The Supervisory Board also assists the Management Board by giving advice. Four committees provide support to the Supervisory Board in its work: the Strategy and Investments Committee; the Audit and Finance Committee; the Appointments and Compensations Committee; and the Health, Safety and Environmental Committee.

Decisions relating to the following matters, among others, must be approved or ratified by a resolution of the Supervisory Board: the Group's strategic goals; the Group's investment programme for each calendar year; the Group's annual business plan; appointments at the level

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES AS OF 31 DECEMBER 2022

GRI 2-9

Members	Status	Class membership	Strategy and Investments Committee	Audit and Finance Committee	Appointments and Compensations Committee	Health, Safety and Environmental Committee
Oleg Popov	Chairperson	A	M		C	
Alexey Pertin	Deputy Chairperson	B	C		M	
Christiaan Norval	Member	A	M	C		M
Johan Bastin	Member	A	M	M		
Damir Akhmetov	Member	A	M			
Gregory Mason	Member	B	M			C
Mikhail Novinskii	Member	B	M	M		
Yaroslav Simonov	Member	A		M	M	
Margaryta Povazhna	Member	A				M
Sergii Zuzak	Member	A	M			M

M

Member

C

Chairperson

of top management, approval of their compensation system and key performance indicators (KPIs), and decisions on annual bonuses; appointment of an independent external auditor; approval of the annual consolidated financial statements of Metinvest B.V.; and recommendation to the shareholders on approval of the standalone financial statements of Metinvest B.V. and all mergers and acquisitions to be undertaken by the Group; approval of investment projects with budgets over US\$20 million (up to US\$500 million), material transactions of over US\$100 million (up to US\$500 million), external financing of over US\$30 million, if included in the annual financing programme approved by the Supervisory Board, and any financing transaction regardless of the amount if they are not included; approval of the annual plan for the Supervisory Board's activities; and approval of the regulations of the committees of the Supervisory Board.

In 2022, the Supervisory Board convened 19 times and discussed and took decisions on a wide range of matters, including: wartime issues; annual business planning; the financial statements; the annual report; the appointment of an independent external auditor; material transactions; liquidation and establishment of Group companies; and other material corporate events.

GRI 2-17

Special strategic sessions are held for the Supervisory Board to increase its capacity to address material issues, including sustainability. In 2022, a strategic session was held for the Supervisory Board on its role in assisting management in the circumstances of the ongoing war.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Committee is responsible for making recommendations to the Supervisory Board regarding dismissals and new appointments for senior positions at Metinvest; KPIs and annual bonuses for senior management; and the Group's motivation, assessment and reward systems, and succession planning.

In 2022, the Appointments and Compensations Committee convened three times and discussed the following matters, among others: the executive team's performance assessment; changes in the organisational structure; and appointments.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Committee's remit is to support the executive team in implementing and maintaining the highest standards of a health, safety and environmental culture throughout the business. On behalf of the Supervisory Board, it oversees strategy, policies, systems, controls and principles related to health, safety and the environment.

In 2022, the Health, Safety and Environmental Committee convened four times. It discussed the following matters, among others: humanitarian aid; establishment of rehabilitation centres; health and safety performance, including audits, incident investigations, the Safe Workspace programme and objectives; environmental safety; as well as making site visits to non-Ukrainian assets.

STRATEGY AND INVESTMENTS COMMITTEE

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

In 2022, the Strategy and Investments Committee did not convene. Due to Russia's military invasion, starting February 2022, the Supervisory Board decided to consider all strategic issues by itself in the whole composition.

During the reporting period, the Technology Sub-committee convened three times and discussed the following matters, among others: the overall capital investment programme and individual projects; as well as CO₂ emissions.

AUDIT AND FINANCE COMMITTEE

The Committee is tasked with ensuring the ongoing supervision of all aspects of Metinvest's financial and audit activities in the interests of shareholders and on behalf of the Supervisory Board. Its main responsibilities include overseeing the budget, financial reporting, risk management, internal controls, the internal audit function and assessment of the external auditor. It is assisted by the Internal Audit Directorate.

In 2022, the Audit and Finance Committee convened seven times and discussed the following matters, among others: updates on the Group's operations and the impact of the situation in Ukraine on financial statements; internal audit matters; external auditor selection for the 2022 financial year; the financial statements for the 12 months ended 31 December 2021 and the six months ended 30 June 2022; the annual report for 2021; the Compliance Programme; management of financial liabilities and working capital; tax issues; as well as risks, opportunities and disclosures related to climate change.

MANAGEMENT BOARD

The Management Board consists of two Directors: Director A, who is appointed by a joint meeting of holders of Class A shares and holders of Class C shares; Director B, who is appointed by a meeting of holders of Class B shares.

Under Dutch law, the Management Board is responsible for the management of Metinvest B.V., including economic, environmental and social considerations, excluding those matters that are within the remits of the General Meeting of Shareholders and the Supervisory Board.

Under its Articles of Association, Metinvest B.V. may be represented by the entire Management Board only (that is, Director A and Director B acting jointly). In performing their duties, the Directors must act in the best interests of Metinvest B.V. and its business. The Articles of Association of Metinvest B.V. do not determine a specific term of office for members of the Management Board.

There were no changes in the Management Board team in 2022. As at 1 July 2023, Director A and the CEO is Yuriy Ryzhenkov; Director B is Eliza Désirée den Aantrekker.

EXECUTIVE TEAM

The executive team is responsible for overseeing, coordinating and executing the day-to-day activities of Metinvest, as well as for implementing the strategic decisions of the Supervisory Board and its committees with respect to a broad scope of matters, including economic, environmental and social.

EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

GRI 2-18; 2-19

The Supervisory Board annually sets team goals for senior management, as well as personal goals for the CEO, who allocates them to each executive team member in accordance with their job functions, subject to approval by the Supervisory Board.

These goals are incorporated into a KPI scorecard, where each target is weighted based on a manager's ability to influence its achievement. After a year-end, the Supervisory Board conducts an annual performance appraisal for members of the senior management based on their self-assessment.

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

For additional information please see Note 27 to the Summary IFRS Consolidated Financial Statements 2022.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Metinvest maintains worldwide directors' and officers' (D&O) liability insurance for all entities, renewing it annually. This type of insurance covers the liability of everyone appointed as a director and/or officer of a Group entity, including, but not limited to, members of the Supervisory Board, Management Board and executive team.

D&O liability insurance provides cover for financial losses and legal expenses resulting from claims made against directors and/or officers arising from an actual or alleged wrongful act committed in their capacity. Key cover areas include management liability, pre-claim insurance, special excess protection for directors, company securities liability and additional extensions.

Metinvest relies on global insurance brokers to arrange D&O liability cover, which is provided by reputable, international insurers.

SUPERVISORY BOARD

PRUDENT OVERSIGHT

Metinvest's experienced Supervisory Board provided expert and principled guidance to the business in 2022.

GRI 2-9

OLEG POPOV

Chairperson and Class A Member
Tenure: eight years

Oleg Popov was appointed as a Class A Member of the Supervisory Board on 14 July 2014 and became Chairperson on 11 August 2018. He chairs the Appointments and Compensations Committee and is a member of the Strategy and Investments Committee.

Oleg has been the Director and CEO of SCM Holdings Limited (Cyprus) since November 2018. He is also a member of the supervisory boards of several companies of System Capital Management group in Ukraine and holding companies of DTEK Group in the Netherlands. Oleg served as Chief Operating Officer of System Capital Management (Ukraine) from 2001 to 2006 and its General Director and CEO from 2006 to February 2022.

Oleg graduated from Donetsk Polytechnic Institute (Ukraine) in 1991 and Donetsk State University (Ukraine) in 1996.

ALEXEY PERTIN

Deputy Chairperson and Class B Member
Tenure: eight years

Alexey Pertin was appointed as a Class B Member of the Supervisory Board on 14 July 2014. He is a Chairperson of the Strategy and Investments Committee and a member of the Appointments and Compensations Committee. He is responsible for the following areas: strategic development, production efficiency, sales and management of investment projects.

Alexey has been Chairperson of the Supervisory Board of Smart Holding (Ukraine) since August 2021. Before that, he served as its CEO from 2008 to 2014 and from 2015 to 2021, and was Chairperson of its Supervisory Board from 2014 to 2015. Alexey's career started in 1995 at Cherepovets Iron and Steel Works. He later continued working at Severstal Group in different positions, including CEO of Izhora Pipe Plant and Deputy CEO for Business Development at Severstal Group.

Alexey graduated from the faculty of General Technology at Cherepovets State University in 1994 and from St Petersburg State Technical University with a major in financial management in 2001. Later, he received a degree in Financial Management from the Institute of Professional Managers and an ACCA Diploma in Accounting and Finance and studied for an MBA at the Newcastle Business School of Northumbria University (UK).

YAROSLAV SIMONOV

Class A Member
Tenure: eight years

Yaroslav Simonov was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is a member of the Audit and Finance Committee and the Appointments and Compensations Committee. He oversees legal matters, compliance and corporate governance.

Since February 2022, Yaroslav has been a member of the Supervisory Board of System Capital Management (Ukraine). From August 2017 to January 2022, he held the position of Director, Legal Affairs at System Capital Management (Ukraine). From 2008 to 2017, he was Deputy Director of Voropaev and Partners Law Firm. Yaroslav previously also worked at The Silecky Firm (affiliated with Squire Sanders and Dempsey) and Renaissance Capital Ukraine.

Yaroslav graduated from the Law Department of Kyiv National Taras Shevchenko University (Ukraine) and holds an LLM in International Business Law from the Central European University in Budapest (Hungary).

JOHAN BASTIN

Class A Member
Tenure: four years

Johan Bastin was appointed as a Class A Member of the Supervisory Board on 1 August 2018. He is a member of the Audit and Finance Committee and the Strategy and Investments Committee. He oversees investor relations, investment strategy and finance matters.

Johan is also Chairperson of the supervisory boards of DTEK Renewables International and D.Trading, as well as Non-Executive Director of the Private Infrastructure Development Group. His previous positions include serving as CEO of CapAsia (Singapore), Managing Director at Darby Private Equity (a Franklin Templeton Investments subsidiary), Director at HIID (US), Harvard University's advisory entity and several senior executive roles with the European Bank for Reconstruction and Development (EBRD) in London (UK).

Johan holds a master's in Urban Planning from Eindhoven University of Technology (Netherlands) and a PhD in Regional Planning from Université de Montréal (Canada), and attended McGill University's MBA programme in Montreal (Canada).

CHRISTIAAN NORVAL

Class A Member
Tenure: eight years

Christiaan Norval was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is Chairperson of the Audit and Finance Committee, a member of the Strategy and Investments Committee and a member of the Health, Safety and Environmental Committee. He oversees issues relating to his industrial expertise, the implementation of best practices in management and production, and international affairs.

Christiaan spent a significant part of his career building what is today known as BHP as head of corporate finance. He oversaw most of the transactions to create BHP Billiton, including the IPO of Billiton Plc in 1997. He also served as CEO and President of Sual International Group, a leading aluminium and alumina producer.

Christiaan holds a BCom (Hons) from the Rand Afrikaans University in Johannesburg (South Africa) and is a Chartered Accountant. He is a member of the South African Institute of Chartered Accountants, as well as the Institute of Chartered Accountants in England and Wales.

GREGORY MASON

Class B Member
Tenure: eight years

Gregory Mason was appointed as a Class B Member of the Supervisory Board on 14 July 2014. He is Chairperson of the Health, Safety and Environmental Committee, a Strategy and Investments Committee member, and chairs the Technology Subcommittee. He contributes his expertise in strategic and operations management and is responsible for technological innovation and the implementation of continuous improvement practices.

Gregory was a member of the Supervisory Board of Smart Holding (Ukraine) from 2014 to 2015. He previously served as CEO of Severstal International, managing North American and European operations. Prior to that, he held various positions in steel companies and consulting firms, from engineering and operations management to senior executive roles.

Gregory is a registered professional engineer in the US. He received his master's degree in Electrical Engineering from the Naval University of St Petersburg (Russia) in 1975.

MIKHAIL NOVINSKII

Class B Member
Tenure: five years

Mikhail Novinskii was appointed as a Class B Member of the Supervisory Board on 29 September 2017. He is a member of the Strategy and Investments Committee and the Audit and Finance Committee. He is responsible for defining the strategy and devising business development programmes, assessing their production and innovation potential, and coordinating the development and implementation of promising new business projects.

Mikhail has been the Chief Development Officer of Smart Holding (Ukraine) since November 2018 and a member of its Supervisory Board since August 2021. He began his career in 2013 as a manager of tangible and intangible production projects and programmes at the business controlling and information department of Smart Holding (Ukraine). He then occupied various managerial positions at Smart Holding (Ukraine), including head of the project management department, member of the Supervisory Board and adviser to CEO.

Mikhail graduated from St Petersburg State University (Russia) with a degree in Business Management in 2008. He also holds an MSc in Finance and Management from the University of St Andrews (UK).



DAMIR AKHMETOV

Class A Member
Tenure: eight years

Damir Akhmetov was appointed as a Class A Member of the Supervisory Board on 14 July 2014. He is a member of the Strategy and Investments Committee. He oversees the areas of strategy, corporate development, governance and production efficiency.

From 2013 to October 2020, he worked at SCM Advisors (UK) Limited, a company leading SCM's venture capital efforts, most recently as its Chairperson. He has also been a member of the supervisory boards of several holding companies of DTEK Group.

Damir has degrees of Bachelor of Science in Business Studies (2009) and Master of Science in Finance (2010) from City University London, Cass Business School. He is also a CFA® charterholder, CFA Institute (2017).

MARGARYTA POVAZHNA

Class A Member
Tenure: one year

Margaryta Povazhna was appointed as a Class A Member of the Supervisory Board on 25 April 2022. She is a member of the Health, Safety and Environmental Committee. She oversees the areas of finance, investment strategy and corporate development.

Since February 2022, Margaryta has been a member of the Supervisory Board of System Capital Management (Ukraine). She is also a member of the supervisory boards of numerous companies of SCM. Since September 2015, Margaryta has been the Chief Financial Executive Officer of SCM (System Capital Management) Limited (Cyprus). In March 2003, she was appointed Chief Accountant of System Capital Management (Ukraine) and its Chief Financial Officer from September 2009 to January 2022. Margaryta's professional experience also includes working at such large Ukrainian enterprises as Scandik Yug and Artemivsk Champagne Wines Factory (1996-2003).

Margaryta graduated from the Donetsk State Commercial Institute with a degree in Industrial Management in 1995. She holds a PhD in Public Administration and an ACCA Diploma in International Financial Reporting.

SERGII ZUZAK

Class A Member
Tenure: less than one year

Sergii Zuzak was appointed as a Class A Member of the Supervisory Board on 18 July 2022. He is a member of the Strategy and Investments Committee and the Health, Safety and Environmental Committee. He oversees strategic development and advises management to evaluate investment projects.

Since February 2022, Sergii has been a member of the Supervisory Board of System Capital Management (Ukraine). He also currently serves on the supervisory boards of numerous SCM companies. Sergii joined System Capital Management (Ukraine) in 2010, where he was Investment Director from 2018 to February 2022, before which he held the positions of Director for Agribusiness Development and Business Development Director. Prior to that, Sergii worked at Creditanstalt Investment Bank, the Western NIS Enterprise Fund and Horizon Capital.

Sergii graduated from the National University of Kyiv-Mohyla Academy with a degree in Economics and Entrepreneurship.

Note: tenure in full years as of 1 July 2023.



EXECUTIVE TEAM

PROVEN LEADERSHIP

Metinvest's core management roster has remained in place as presented in Annual Report 2020, with a few strategic changes. In particular, the team was further strengthened during and after the reporting period by the appointment of two seasoned professionals as Chief Operating Officer and Chief Sustainability Officer, as well as the creation of the new role of Chief Commercial Officer, filled by the Group's experienced former Sales Director. Below we present the biographies of the CEO and the newly appointed members.

YURIY RYZHENKOV

Chief Executive Officer
Tenure: nine years

Yuriy Ryzhenkov was appointed Chief Executive Officer of Metinvest Holding in December 2013.

Before that, he held senior positions at DTEK: namely, Chief Operating Officer and as a member of the executive team from 2010 to 2013 and Chief Financial Officer from 2007 to 2010. Prior to DTEK, he worked as Deputy Chief Financial Officer and Chief Financial Officer of ISTIL Group (Donetsk and London), in the finance business units of Mini Steel Mill ISTIL (Ukraine) and at Donetsk Iron and Steel Works.

Yuriy has degrees in International Economics from Donetsk State Technical University (Ukraine) and in Business Management from King's College (UK). He also holds an MBA from London Business School (UK).

OLEKSANDR MYRONENKO

Chief Operations Officer
Tenure: one year

Oleksandr Myronenko has been Chief Operations Officer since July 2022.

From 2019 to 2022, he served as General Director of Zaporizhstal (Ukraine). Oleksandr started his way up within the Group in 2007 as an Expert in Production and Sales Planning at Promet Steel (Bulgaria) to Production Director of the Operations Directorate. Prior to that, he worked at Smart Holding (Ukraine) as the Head of monitoring and analysis at the metals and iron ore markets department.

Oleksandr graduated from Kyiv Polytechnic Institute (Ukraine) with a degree in Special Metalworking Technologies in 2005. He has also completed executive programmes at IMD (Switzerland) and the Wharton School of the University of Pennsylvania (US).

NEW APPOINTMENTS

TETIANA PETRUK

Chief Sustainability Officer
Tenure: less than one year

Tetiana Petruk joined Metinvest in May 2023.

Over the previous nine years, Tatiana headed the Human Resources and Organisational Development Directorate at Ukrtelecom. From 2011 to 2014, she worked as Deputy Executive Director for Human Resources and System Support at Naftna Industrija Srbija. Prior to that, from 2003 to 2011, she was HR Director of TNK-BP Ukraine.

Tetiana received a master's degree from the Institute of Foreign Languages (Ukraine). She has a diploma from the University of Sheffield (UK). She received a Global Remuneration Professional certification from the WorldatWork Association (US). Tetiana also studied at the Ukrainian Corporate Governance Academy, in a programme developed jointly with INSEAD.

DMYTRO NIKOLAYENKO

Chief Commercial Officer
Tenure: less than one year

Dmytro Nikolayenko was appointed Chief Commercial Officer in August 2022, having been the Sales Director of the Group from 2011.

Before that, he headed the Group's sales subsidiary Metinvest-SMC (Ukraine) from 2007 to 2010; its predecessor SM Leman (Ukraine) from 2003 to 2007; and Energostal (Ukraine) from 1996 to 2003.

Dmytro holds an MA in Economics from the Kyiv-Mohyla Academy (Ukraine), an MBA from the International Institute (Ukraine) and has completed numerous executive programmes at IMD (Switzerland), INSEAD (France) and the Wharton School of the University of Pennsylvania (US).

Note: tenure in full years as of 1 July 2023.

BUSINESS ETHICS AND COMPLIANCE**CORNERSTONE PRINCIPLES**

Metinvest's commitment to best practices in business ethics and compliance is unwavering. These foundational elements define the Group's approach to upholding its obligations.

CODE OF ETHICS

GRI 2-23; 2-24; 2-25; 3-3

Metinvest's Code of Ethics provides the foundation of ethical business behaviour across the Group. It defines the core values for engaging with stakeholders: life, health and the environment, customer focus, professionalism, leadership and teamwork. It also incorporates fundamental human rights and needs, including freedom of thought, religion, opinion and expression, health and safety, decent work, non-discrimination, access to a healthy environment, social responsibility and privacy. The Group fosters these values through the personal example of leadership, as well as training and communication campaigns to raise awareness about the Code of Ethics.

In early 2022, Metinvest conducted regular training for employees on its Code of Ethics, and tested staff on their knowledge of its provisions. After the full-scale invasion in February 2022, mandatory employee training was paused. While Metinvest's plans for 2022 included creating new online training materials, face-to-face seminars and communication campaigns to further promote compliance principles within the Group, these steps were put on hold. At the same time, Kamet Steel, integrated into the Group in the second half of 2021, organised voluntary training on the Code of Ethics during the reporting period, which covered around 2,500 employees.

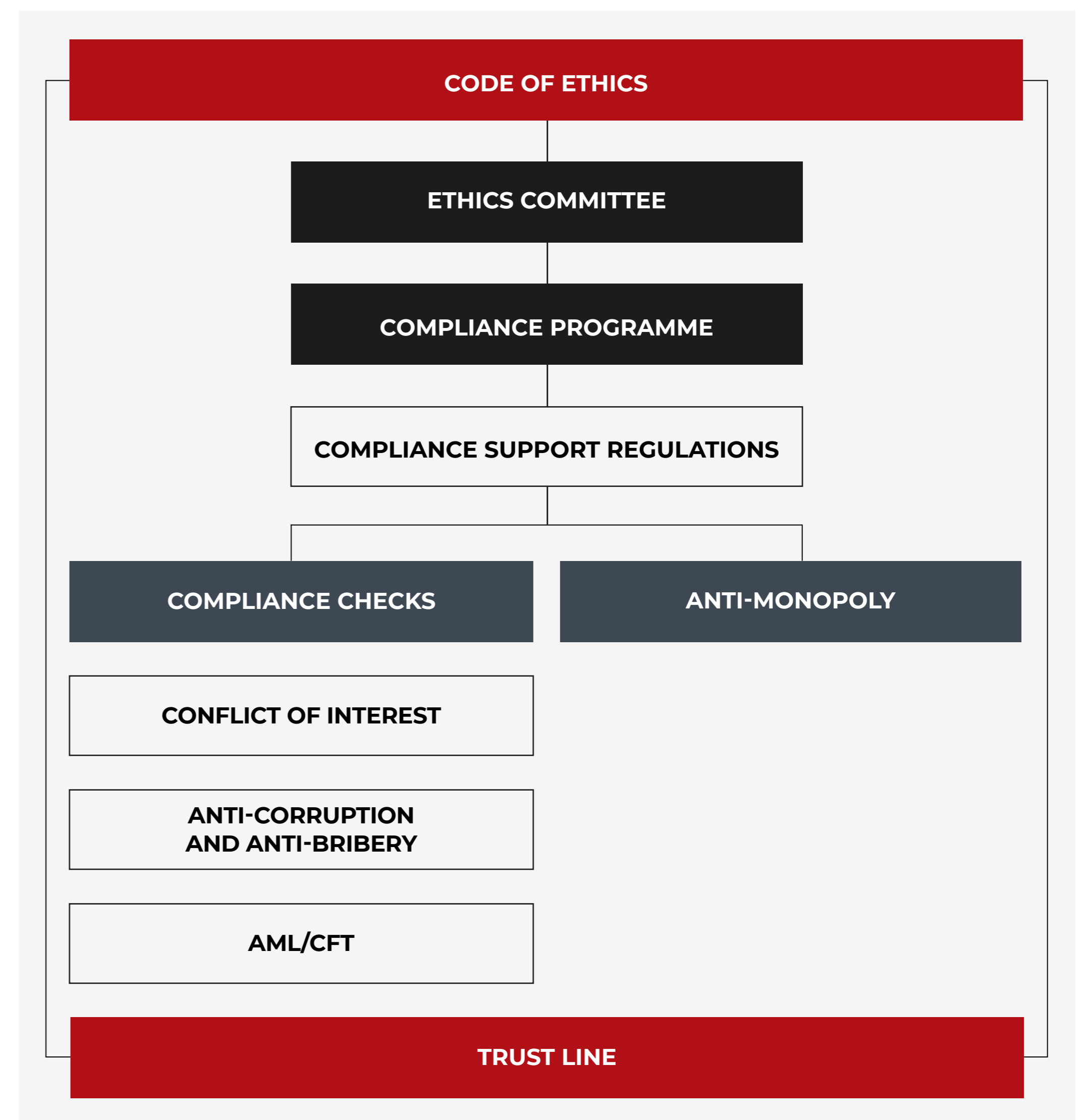
In addition, in recognition of the importance of fair commercial relationships, Metinvest maintains the Code of Business Partnership, which sets clear standards of compliance with sustainable practices and business requirements to guide both existing and potential suppliers. For more details about the Code of Business Partnership, see page 62.

ETHICS COMMITTEE

Metinvest's Ethics Committee is chaired by the CEO and includes senior management. It convenes quarterly: to discuss the functioning of the Compliance Programme across the Group; to make decisions regarding conflicts of interest; and to review reports received through the Trust Line.

Also, the Compliance Programme's progress is reported quarterly at meetings of the Supervisory Board's Audit and Finance Committee and annually at a meeting of the Supervisory Board.

The imposition of martial law in Ukraine in early 2022 impacted the scope of issues addressed by the Ethics Committee. All committee members participated, discussing topics such as conflicts of interest, sanctions risks, Trust Line reports, approval and monitoring of high-risk positions.

BUSINESS ETHICS FRAMEWORK

COMPLIANCE PROGRAMME

Metinvest's Compliance Programme has been instrumental in fostering fair business practices and serving as an anti-corruption mechanism. The Group's Ethics Committee monitors the performance of the programme quarterly, including an evaluation of the approach to anti-corruption management.

While some projects under the Compliance Programme were suspended in 2022, the primary focus in the reporting period was screening to ensure sanctions compliance related to counterparties.

The Group implemented several new initiatives in this area. For example, it launched the supplier compliance check module in the SAP CRM system for its assets in Western Europe. Also, Metinvest integrated the SAP MDG (Master Data Governance) OpenDataBot to trace and block certain counterparties automatically. Metinvest Polska introduced counterparty sanctions controls in SAP MDG and plans to implement SAP CRM in 2023.

TRUST LINE

GRI 2-26

Metinvest employs the Trust Line maintained by SCM, one of the Group's shareholders, to enhance transparency and accountability.

The Trust Line is available through the following channels:

Toll free number within the borders of Ukraine: **0 800 60 07 77**
 International number: **+38 044 224 72 32**
 Email: **trustline@scm.com.ua**
 Web: **www.scm.com.cy/trust-line**

The Trust Line enables stakeholders to report anonymously any legal violations, breaches of business conduct and corporate ethics, or non-compliance with the standards and principles of the Code of Ethics. It also allows employees and local communities to report their concerns, including on environmental or safety matters.

The Trust Line operates 24/7 and an authorised representative is available for consultation anytime. It accepts information through various channels, such as email and text message, and allows submissions in any of the working languages applied within the Group. The Internal Audit Directorate routinely oversees the Trust Line's operations and informs the Audit and Finance Committee and the Supervisory Board about the reports received.

In 2022, a total of 392 reports were submitted through the Trust Line, of which 113 were confirmed, compared with a respective 784 and 238 in 2021. The most-reported topics were breaches of internal procedures and contractual obligations, and HR management matters. The decrease in the number of reports was caused by the temporary loss of operational control over assets in Mariupol and the slowdown of business activity since the outbreak of war in Ukraine.

Metinvest's Procedure for Routing, Investigating and Closing Reports Received through the Trust Line sets out the requirements and departments responsible for investigations, determines the format and content of reports, and mandates the monitoring of corrective measure implementation.

In 2022, the Group achieved a 30% year-on-year reduction in the time required to address reports submitted through the Trust line.

CONFLICTS OF INTEREST

GRI 2-15

Metinvest acknowledges that employees have personal interests and supports their development, particularly when they benefit the broader community. It also recognises the need for employees to avoid conflicts between their interests and those of the Group.

Metinvest's Procedure for Declaring Conflicts of Interest mandates that employees promptly notify their direct supervisor and the legal team of any actual or potential conflict of interest. In addition, those in management positions must submit declarations confirming the absence of conflicts of interest or declaring any issues. The Group requires initial (upon assuming a management role), current (if any real or potential conflict arises during the year) and annual declarations (once a year, irrespective of the existence of a conflict) to be submitted.

In 2022, annual declarations were submitted by 84% of declarants, compared with 95% in 2021. In addition, 35 forms disclosed a conflict of interest, compared with 114 the previous year.

UPHOLDING CORE VALUES

Adhering to the principles of law and fairness, Metinvest continues to uphold its core values. In line with this, it has sought legal redress through the European Court of Human Rights (ECHR). The aim of these lawsuits is to obtain compensation for the harm done to the Group's assets during Russia's unwarranted acts of aggression against Ukraine. The claims centre on Russia's violation of Metinvest's rights under Article 1 of Protocol 1 to the European Convention on Human Rights. This includes causing significant damage and destruction to Group assets; denying control over them, in many cases to the point of effectively depriving it of ownership; and depriving it of their business use and income-generating potential.

The Group tasked around 300 dedicated personnel to review open sources to record the damage inflicted, primarily on the Mariupol plants, resulting in nearly 1,500 individual verified instances. Also, Metinvest has initiated dozens of criminal proceedings and assembled a collection of more than 100 media articles from local and international outlets that covered damage to the Group's property. The legal strategy was coordinated in unison with SCM.

Despite the complex nature of and lengthy process related to the invasion-related claims, Metinvest remains steadfast in its pursuit of justice. While ECHR decisions are typically enforced voluntarily, the Group believes that these lawsuits have not only procedural, but moral value as well. Given the immense devastation and violations of human rights Russia has caused, Metinvest believes that an international legal mechanism for the enforcement of damages against the aggressor state (including those confirmed by ECHR decisions) will be developed by the G7 (Group of Seven) and other countries that share the core values of respect for human rights and international law.

ANTI-CORRUPTION AND ANTI-BRIBERY

GRI 205-1; 205-2; 205-3

Metinvest adheres to the stipulations of relevant anti-corruption and anti-trust laws while conducting business.

The Group's strategy for addressing corruption and fraud risk encompasses distinct evaluation criteria, unambiguous definitions and well-defined responsibilities for monitoring this risk.

Metinvest implements anti-corruption measures at various levels. It fosters employee consciousness of its unyielding stance against corruption and carries out compulsory anti-corruption checks for suppliers and customers. Transactions involving public sector representatives and social project financing programmes undergo heightened examination.

All internal and external applicants for senior and high-risk positions are subject to mandatory internal security screening. Former government officials and politicians undergo more comprehensive verification processes. In 2022, a total of 74 candidates for high-risk positions underwent checks, compared with 172 a year ago.

During the year, no cases of corruption violations involving public officials were reported or confirmed. However, 26 cases were identified involving fraud and private bribes received from counterparties to lobby their interests. The Group applied disciplinary actions appropriate to each incident against the parties involved.

AML/CFT

Metinvest's Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) mandates thorough due diligence checks for all counterparties, encompassing watchlists related to sanctions, terrorism, money laundering, corruption and other areas of concern. Moreover, automated sanctions checks are implemented for all counterparties registered in SAP.

In 2022, Metinvest scrutinised over 7,000 transactions for potential breaches of economic sanctions and AML/CFT regulations. During the reporting period, the Group blocked 4,450 counterparties in the SAP system, most of which were from or related to Russia and Belarus.

ANTI-MONOPOLY COMPLIANCE

GRI 206-1

Metinvest acknowledges the importance of fair competition in its Code of Ethics and adheres to all respective regulations in the countries in which it operates. The Group has implemented anti-monopoly policies at its largest entities.

The Group has a distinct anti-trust compliance function staffed by a legal team that oversees enquiries and requests from relevant government authorities. It also provides expert advice on potential anti-trust risks and conducts clarifications as needed.

In addition, the Group offers yearly training to assist managers in identifying and averting actions that could potentially be deemed breaches of these laws.

In 2022, there were no fines and/or sanctions imposed on the Group for anti-competitive behaviour or violations of anti-trust and monopoly legislation.

ANTI-CRISIS MANAGEMENT

GRI 2-16; 403-2

Metinvest's anti-crisis management system plays a crucial role in maintaining operational stability in the face of challenges. Governed by the Business Security Policy, most recently revised and updated in 2022, the system ensures a unified approach to security management across the Group. It strives to minimise the impact of security risks on its operational assets and safeguarding employees and material resources.

Metinvest constantly monitors the military, socio-political situation and factors that may affect the Group's business processes. The Group conducts comprehensive risk assessments and performs audits at its facilities, allowing it to identify potential risks, analyse their impact on business processes and implement appropriate preventive measures. Metinvest classifies crisis situations as operational or strategic, depending on the potential consequences.

A response is ensured by the Group's anti-crisis headquarters, headed by the CEO. A 24-hour emergency hotline operates for timely communication on incidents. This reporting channel extends to Metinvest's CEO and upwards to the Supervisory Board members, as appropriate. By facilitating prompt notifications, Metinvest can act decisively to mitigate any threats that may arise.

In February 2022, in response to the outbreak of the full-scale war, Metinvest's activated the anti-crisis headquarters. Its work was focused on preserving lives and maintaining operations of the entities. These efforts included personnel evacuation, humanitarian aid, as well as accommodations and employment for those relocated to Ukrainian-controlled territory.

The Group also transformed defensive structures that it was mandated by legislation to maintain prior to the full-scale war into long-term shelters to protect employees and resources. It took additional measures to ensure workforce safety, including purchasing essential supplies and equipment. Metinvest also established voluntary firefighting brigades at some locations to help manage fires resulting from artillery attacks.



SUPPLY CHAIN MANAGEMENT

RESPONSIVE AND RESILIENT

In a year that fundamentally uprooted Metinvest's logistics and supply routes, the Group was forced to re-orient commercial flows and adjust the supply chain.

APPROACH AND ADAPTATION

GRI 2-6; 3-3

Metinvest's supply management is based on a responsible approach to compliance with applicable legislation. Its supply chain encompasses the purchase of raw materials, goods and services, as well as the procurement, production, marketing and distribution processes. The Group has a procurement management system in place to govern functions such as supplier selection, contract administration, shipment monitoring and product quality control.

In 2022, Metinvest faced wartime business realities, which resulted in the disruption of the supply chains. The blockade and occupation of Ukrainian seaports and the limited capacity of western railway border crossings created transportation bottlenecks. Damage to power infrastructure led to periodic blackouts throughout Ukraine, affecting the Group's operations.

Also, following the full-scale invasion, some suppliers in Ukraine had to evacuate or otherwise suspend operations. As a result, Metinvest has had to look for alternative supply options, including imports.

One way that Metinvest adapted was by reorganising part of its procurement and logistics functions at the Group management level to fall under the operational control of

the new Commercial Directorate headed by the Commercial Director. It combines the Group's sales and procurement functions, managing strategic purchases, including raw materials, fuel and energy with the logistics services. Purchases of other key products are overseen by the Operations Directorate under the control of the Chief Operations Officer. Other directorates are responsible for procuring products and services related to their functions.

Nonetheless, the organisational structure at the entity level of the production assets remains unchanged. Each asset has a planning and analysis service, as well as procurement, supply and warehousing functions. The supply departments of the iron ore assets have been a part of the shared service centre since 2021 to integrate their day-to-day procurement operations.

To ensure compliance with its governing principles, Metinvest conducts audits to monitor and evaluate performance in this area. In 2022, the Internal Audit Directorate audited the Group's subsidiaries in Italy, Bulgaria and the UK to evaluate their procurement controls. The results confirmed that a resilient procurement process was in place, while recommendations were made for further improvements.

PROCUREMENT PRACTICES

GRI 3-3; 205-2

The Group's Code of Business Partnership seeks to establish fair commercial relationships by setting clear compliance standards with sustainable practices and business requirements for existing and potential suppliers. Its key principles are respect and focus on cooperation, occupational health and safety, environmental protection, information confidentiality, compliance with the law and the Code of Ethics, as well as social responsibility.

Metinvest's Procurement Policy and Regulation on Procurement Management guide the internal procedures related to this area. The Procurement Policy is based on the principles of ethical business conduct, free competition among suppliers, information transparency, partnership, economic feasibility and efficiency, and prioritisation of direct producers. The Regulation on Procurement Management covers requirements for supplier verification, tender participants' rights and obligations, and business rules, among other matters.

In addition, the Group adopted a new Procedure for Procurement of Materials and Resources in January 2022. Intended to strengthen oversight of the planning, procurement and supply of materials, it has also helped to cope with the reality of conducting business during the war.

SUPPLIER SELECTION

GRI 2-24; 308-1; 308-2; 414-1; 414-2

Metinvest strives to promote sustainable supply chain management practices and expects its suppliers and business partners to share the same values. The Code of Ethics and Code of Business Partnership outline the Group's expectations for compliance with health, safety and environmental regulations, as well as its zero-tolerance policy towards workplace violence, forced labour and discrimination.

Metinvest requires its suppliers to adhere to all applicable laws, including those that address child labour, minimum living wages, maximum working hours, freedom of association and the right to collective bargaining for their employees.

To ensure fair and transparent procurement processes, a Tender Committee consisting of at least three members from different departments evaluates all offers received based on approved criteria such as price, quality, delivery and payment terms. The Group publishes information about major future tenders on its website a minimum of three days in advance and uses the SAP Ariba digital solution to facilitate secure and efficient communication with bidders.

Metinvest strives to create long-lasting partnerships with its suppliers and business partners while ensuring the highest standards of ethical conduct.

The Group uses pre-contract and pre-qualification procedures to identify potential partnership risks. It also checks suppliers of services related to hazardous work to comply with health and safety requirements and verify that they have the necessary qualifications and licences.

Metinvest reserves the authority to disqualify suppliers for a specified period or indefinitely if they engage in unfair business practices with its companies. The disqualification criteria are available on the Group's website. The Group informs counterparties of the reasons and terms of their disqualification to give them the opportunity to receive feedback and improve their corporate governance as necessary.

In 2022, Metinvest conducted over 8,000 pre-contract assessments and more than 4,000 pre-qualification reviews. Through these processes, it selected 375 new suppliers and disqualified nearly 100 candidates.

The Group also conducts screenings of suppliers and their products to prevent or mitigate corruption risks and non-compliance with international obligations and sanctions. Suppliers which have not passed the compliance screenings are not eligible to participate in the procurement process.

LOGISTICS MANAGEMENT

Metinvest-Shipping manages the logistics function for the Group. It oversees all cargo transport, from rail to port operations, while the executive team coordinates strategic decisions. In 2022, Metinvest reorganised the logistics function to operate under the umbrella of the new Commercial Directorate. This change was intended to ensure expeditious management and consolidation, improve communication and help with the reorientation to new markets. The Group's logistics practices continued to be guided by the key priorities of cost optimisation, risk management, and the development of internal services and competencies.

The full-scale military invasion of Ukraine led to a blockade of crucial seaports in the country. A portion of the Group's fleet of gondola cars and specialised railcars was also blocked in temporarily occupied territory. Railway transportation connection capacity with Western countries has been insufficient to replace seaborne throughput. The reorientation of export deliveries from Ukraine towards the western border crossings has been slowed both by long-standing infrastructure constraints and war-related bottlenecks.

As a result of the Russian Aggression, several vessels with Metinvest products were blocked in Ukrainian ports. In particular, the aggressor state stole goods in the occupied port of Mariupol. In ports that remained under Ukrainian government control, Metinvest arranged a lengthy and complicated unblocking process. This included the discharge and transfer of goods by rail to the ports of the EU for onward shipment to customers. Some of these goods still remain blocked due to legal procedures and other issues.

Despite these challenges, the Group strives to maintain its operations by ensuring the delivery of products to its customers and raw materials to its production assets. In 2022, Metinvest arranged new logistics routes through the EU's northern and southern ports to export its products. In Ukraine, certain volumes were arranged through the port of Izmail, which is located on the Danube river. Also, the number of terminals available for cargo transshipment in the ports of the EU countries was expanded. The Group's sales offices in Poland and Romania hired new staff responsible for logistics in Europe. Metinvest also contributed to making these extended transport routes more accessible. In particular, specific equipment was acquired for pig iron transshipment at Polish ports.

During the reporting period, Metinvest implemented several initiatives to enhance the quality of shipments. Metinvest-Shipping implemented SAP to integrate its business processes with the assets, creating a platform that can be extended in the future to overseas assets and customers. Other projects included improved internal guidelines and audit inspections to verify the quality of transshipment facilities, optimising transportation times while ensuring products are not contaminated with foreign materials.



RISK MANAGEMENT

A VIGILANT APPROACH

In 2022, Metinvest reviewed its risk management practices to address the significant changes that the Group has undergone. The vigilant approach underpinning the risk management methodology proved itself in the reporting period.

MANAGING RISKS RELATED TO WAR

In response to the challenges that arose as the full-scale war started, Metinvest adhered to robust risk management strategies aimed at responding to first-tier risks (outside management's control) and mitigating second-tier risks (related to the normal course of business).

Confronted by the Russian Aggression, Metinvest faced the necessity to assess new risks by addressing the following concerns:

- preserving the safety and well-being of those working within territories affected by hostilities
- organising and providing humanitarian aid to the local communities
- determining the optimal use of production capacities
- adapting the logistics model
- ensuring steady utility supplies
- overseeing financial flows

While the fundamentals underpinning the risk management approach were unchanged, the primary objectives for 2022 centred on utilising available production capacities and securing access to sales markets, particularly given the logistical constraints that emerged. Throughout these challenges, the Group remained committed to a risk-oriented, decision-making approach at all levels of management.

RISK MANAGEMENT PRACTICE

Metinvest's fundamental risk management principles are defined in its Internal Audit Policy, which integrates the strategic guidance of the ISO 31000:2018 Risk Management standard. The internal regulations covering dedicated functions also include risk management aspects specific to their business processes, which helps the executive team to guide their decisions using the risk-based approach in place.

Metinvest applies an internal categorisation of risks as commercial or non-commercial. Commercial risks include, but not limited to, those that can be quantified and are directly associated with product and financial flows from operations, as well as with investments in tangible and intangible assets. Non-commercial risks are not directly associated with product and financial flows from operations, or with investments in tangible and intangible assets and include sustainability risks.

The Group delineates the primary roles and responsibilities for risk management. The Economics and Business System Development Directorate is responsible for assessment and monitoring commercial risks. The Internal Audit Directorate is entrusted with overseeing of non-commercial risks.

Metinvest identifies and measures principal risks that directly affect its operational activities and financial outcomes, incorporates these risks into its business planning processes, and develops strategies to mitigate their impact.

As part of these comprehensive risk mitigation efforts, the Group continued to assess commercial risks by analysing the

sensitivity of expected or planned EBITDA to various risk factors. This approach enabled it to adapt and respond to the evolving risks associated with the war.

To mitigate non-commercial risks effectively, management applies a corporate framework to assess the probability and impact of such risks.

RISK MANAGEMENT STRUCTURE

GRI 2-12



SUSTAINABILITY RISK MANAGEMENT

The continuous monitoring of sustainability risks is a prerequisite for ensuring the effectiveness of the Group's approach to sustainable development. The table on this page describes the factors leading to each risk's occurrence, along with the mitigation measures undertaken.

KEY SUSTAINABILITY RISKS AND MITIGATION EFFORTS IN 2022

RISK AND ITS DESCRIPTION	MEASURES TO MINIMISE RISKS
Workplace safety	
<ul style="list-style-type: none"> Workplace injuries and fatalities 	<ul style="list-style-type: none"> Safe Workspace programme Projects related to certain critical risk factors under safety roadmap Health and safety training and incentive tools for employees Safety assessment of contractors involved in hazardous works
Environmental issues	
<ul style="list-style-type: none"> Environmental impacts, including air pollution, wastewater discharges and waste generation 	<ul style="list-style-type: none"> Measures to exclude and reduce impact due to the shelling of assets Monitoring compliance with regulatory requirements Initiatives to improve energy efficiency Trust Line to raise environmental concerns Implementing technical measures to reduce the environmental impact Application of the precautionary principle when planning investment projects
Climate change	
<ul style="list-style-type: none"> Impact on business sustainability Legislative requirements to accelerate low-carbon transition 	<ul style="list-style-type: none"> Best practice approach to the calculation and disclosure on direct and indirect GHG emissions Analysis of climate-related corporate governance and risk management system Analysis and preparation for the CBAM test regime
Business ethics and compliance	
<ul style="list-style-type: none"> Fraud and corruption 	<ul style="list-style-type: none"> Adherence to the Code of Ethics and Code of Business Partnership Trust Line and incident investigation Mandatory verification of suppliers and customers for anti-corruption element Internal security screenings for all senior and high-risk positions
Counterparty sanctions risks	
<ul style="list-style-type: none"> Regulatory penalties and operational disruptions due to non-compliance Reputational damage 	<ul style="list-style-type: none"> Monitoring legislative changes in key jurisdictions Compliance function approval for new counterparties Verifying and blocking transactions with sanctioned/high-risk counterparties
Information security	
<ul style="list-style-type: none"> Losses due to critical information leaks Critical equipment or process interruption due to information system failure 	<ul style="list-style-type: none"> Organisational and technical actions to identify, categorise, protect and monitor the security of confidential information and personal data Analysis of IT infrastructure security Measures for safe remote work Training and testing IT user skills to prevent phishing attacks

INTERNAL AND EXTERNAL AUDIT

ENSURING EFFECTIVE CONTROLS

In 2022, the internal audit function of Metinvest focused primarily on the Group's service companies, as well as its assets outside of Ukraine. The Group appoints an external auditor to review and approve its financial statements, in line with best practices.

INTERNAL AUDIT

Metinvest's Internal Audit Directorate is an independent appraisal function established within the Group to examine and evaluate its activities. The independence is ensured by its direct reporting line to the Chairperson of the Supervisory Board's Audit and Finance Committee.

The annual internal audit engagement plan is developed considering Metinvest's key risks, strategic goals, significant matters, cyclical audits, management requests and inputs from the Audit and Finance Committee. Throughout 2022, the audit plan was updated to reflect the wartime environment in Ukraine and the resulting changes affecting both domestic and international assets.

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

During the year, audit efforts were focused primarily on service companies of the Group, as well as its assets outside of Ukraine. The function also provided oversight for Metinvest's humanitarian efforts, including the launch of hubs in Poland and Ukraine.

EXTERNAL AUDIT

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 2022, the Group appointed PwC to perform this external audit and provide an opinion on the IFRS consolidated financial statements. The most recent Auditor's Report is presented on page 99. 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.

