

Corporate Governance

Approach and Principles

GRI 103-2

We place the utmost importance on responsible business conduct founded on an effective and transparent corporate governance system in line with the highest industry standards and best global practices. We are continually working to improve this system, not only to take into account the interests of all stakeholders, but also to enhance the sustainable development of the Group as a whole.

Since its foundation in 2006, the Group has worked to build a lasting corporate governance system. Metinvest seeks to ensure the effectiveness of its vertically integrated structure and business model and is guided by core principles of management:

- Specialisation
- Vertical integration
- Unified strategic management
- Centralisation
- Growth and investments
- Global best practice
- Tradition and innovation
- Commitment to leadership
- Personal commitment

For further details and a description of each principle, see the Metinvest website.

We understand that a good corporate governance system, underpinned by appropriate codes and policies, is fundamental to being an industry leader in responsible business conduct. Metinvest carries out its business in good faith and adheres to the international principles of good business conduct. In our activities, we are guided by numerous corporate documents. These include the Group's Code of Ethics, Compliance Programme, Procedure on Anti-Money Laundering and Countering the Financing of Terrorism, and Procedure for Declaring Conflicts of Interest, among others.

In 2020, the Group developed a Code of Business Partnership, which was adopted in early 2021. Its purpose is to establish clear standards of compliance with ethical principles and requirements for business conduct that should guide both existing partners and new suppliers. Our principles of business conduct include respect and cooperation, protection of health and the

environment, confidentiality of information, compliance with the law and our Code of Ethics, as well as social responsibility. Through the Code, as well as the Policy on Supplier Selection, Metinvest seeks to prevent potential abuses of authority by maintaining an atmosphere of trust, respect and integrity.

For further information and a detailed description of the governance codes and policies, see pages 70-72 of Metinvest's 2020 annual report.

GRI 102-18

SHAREHOLDERS

During the reporting period, from 1 January to 31 December 2020, there were no significant changes in the shareholder structure.

SCM (Class A shares) owned 71.24% of Metinvest B.V. and SMART (Class B shares) owned 23.76% of the shares. The remaining 5% interest (in the form of Class C shares) has been acquired from the previous owners for the benefit of SCM and SMART.

It is the intention of SCM and SMART to dispose of the said 5% interest in due course (after the receipt of respective governmental approvals, if required), and in such a manner that the ultimate interest of SCM in Metinvest B.V. shall be 75% minus 1 share, and the ultimate interest of SMART in Metinvest B.V. shall be 25% plus 1 share, with SCM remaining as the controlling shareholder.