

**Explanatory report by the Executive Board  
of Aurubis AG, Hamburg,  
on disclosures pursuant to Sections 289 (5),  
315 (2) No. 5 HGB**

**Internal control system relating to the consolidated accounting process**

The objective of the internal control system (ICS) for the accounting process is to ensure that financial statements are prepared in compliance with regulations. Aurubis has an internal control and risk management system in which structures and processes related to the accounting process are defined and implemented in the organization. This ensures that the Group accounting procedures are reliable and performed correctly, that business transactions are thoroughly reported in a timely manner as prescribed by law and in the Articles of Association, and that legal norms and internal guidelines on accounting are observed. Amendments to laws and accounting standards are continuously analyzed for their relevance for the consolidated financial statements, and resultant changes are incorporated in the Group's internal processes and systems.

**Principles of the internal control system related to accounting policies**

As the parent company, Aurubis AG prepares the Aurubis Group's consolidated financial statements. The financial reporting of the consolidated Group companies that are included in the consolidated financial statements takes place prior to this process. These Group companies prepare their financial statements locally and transfer them via a defined uniform group-wide data model to the Corporate Accounting Department. The Group companies are responsible for compliance with the valid group-wide guidelines and procedures as well as for the correct and timely execution of the accounting-relevant processes and systems.

The internal control system includes the following main principles:

- Ensuring standardized accounting procedures in the preparation of the separate financial statements of Aurubis AG by systematically implemented controls, which are supported by manual accounting controls and other authorization and approval procedures

(separation of functions, access regulations and limitations, the use of the dual control principle, guidelines on payment transactions)

- Ensuring uniform group accounting procedures in accordance with IFRS by the application of uniform accounting regulations and work instructions, central audit of reporting packages, analysis of deviations from the budget and reporting as part of the quarterly finance meetings
- Inclusion of external accounting and internal reporting by all Group companies in a uniform consolidation and reporting system
- Overall consolidation of the consolidated financial statements by the Corporate Accounting Department, which centrally performs the consolidation measures, coordination and monitoring of the timely and procedural input
- Giving the Group companies support in accounting procedures by having a central contact person in Corporate Accounting
- Clarification of special technical questions and complex issues related to specific cases with an external consultant.

### **Internal audit as process-independent risk observation**

The Internal Audit examines the reliability of the accounting practices, among other things. In particular, existing internal accounting policies and the adherence to them in practice are assessed. The Internal Audit additionally provides information about risks that arise from identifiable deviations and advises on adjustment measures.

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