



NLMK Group

**APPROVED**

by the Board of Directors  
of Public Joint Stock Company  
“Novolipetsk Steel”

Minutes of Meeting No. 245  
of December 23, 2016

**CORPORATE ETHICS CODE OF NLMK GROUP**

(first issue)

Lipetsk  
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## **Article 1. Scope of application**

1.1. NLMK Public Joint Stock Company (hereinafter – the Company or NLMK) and its subsidiaries and affiliates (hereinafter – NLMK Group) are certain that honest and open interaction with business partners and the community, compliance with leading corporate governance practices and standards of business ethics, and maintenance of a fitting corporate culture provide for the strengthening of NLMK Group’s business reputation and its position on the international market for metal products.

With these aims in mind, NLMK Group not only observes the relevant legislative provisions, but establishes and follows additional ethics principles and rules of business practice.

- 1.2. This NLMK Group Corporate Ethics Code (hereinafter – the Code) establishes the corporate ethics values and principles of NLMK Group.
- 1.3. This Code has been developed in accordance with the requirements of prevailing legislation and with consideration of widely accepted standards of business conduct and ethics.
- 1.4. The Code is an open document published on the official websites of NLMK Group enterprises.
- 1.5. The members of the Board of Directors and all employees of NLMK Group irrespective of their job position, specialty or the nature of their work shall know and observe the provisions set out in the Code.

## **Article 2. Regulatory references**

This Code includes references to the following regulatory documents:

- 2.1. Federal Law of the Russian Federation No. 273-FZ “On Corruption Counteraction”, dated December 25, 2008;
- 2.2. Federal Law of the Russian Federation No. 135-FZ “On the Protection of Competition”, dated July 26, 2006;
- 2.3. Methodological guidelines for the development and implementation of measures for preventing corruption, as approved by the Ministry of Labor and Social Development of the Russian Federation on November 08, 2013;
- 2.4. The Russian Union of Industrialists and Entrepreneurs’ Russian Anti-Corruption Charter for Business (ACRB), dated September 20, 2012;
- 2.5. The NLMK Group Anti-Corruption Policy on December 23, 2016;
- 2.6. The NLMK Group Environmental Policy, approved by order of the President (Management Board Chairman) on February 06, 2015 No. 84;
- 2.7. NLMK Group Occupational Health and Safety Policy, approved by order of the President (Chairman of the Management Board) on February 06, 2015 No. 84;
- 2.8. Guidelines for the implementation of a unified format and requirements of regulatory management for interaction between NLMK Group’s enterprises, approved by the President (Chairman of the Management Board) on December 23, 2015.

## **Article 3. Definitions**

This Code contains the terms and definitions corresponding to the NLMK Group Uniform Corporate Glossary <https://home.nlmk.ru/mediacenter/brandbook/Forms/AllItems.aspx>:

NLMK Group, prevailing legislation, public officer, employee.

#### **Article 4. Basic ethical values**

NLMK Group sets out the following basic ethical values for the Group and its employees:

- **Observation of legislation:** NLMK Group and its employees shall meet the requirements of Russian and other prevailing legislation, industrial and corporate regulations, standards and procedures.
- **Transparency and honesty:** NLMK Group bears the obligations it has undertaken towards counterparties and employees, maintaining its reputation as a reliable business partner and ensuring the transparency of its transactions and operations.
- **Efficiency:** NLMK Group strives for ongoing improvement of the efficiency of its activities, e.g. by improvement of the system for corporate governance, production processes and the introduction of innovative technologies.
- **Mutual respect and professional approach:** NLMK Group employees are one of the basic values of NLMK Group; their competence, trust, friendliness, cooperation and team spirit enable the reaching of established goals and ensure the stable development of the Group.
- **Safety and social responsibility:** NLMK Group ensures the compliance of all production processes with occupational health and safety requirements, adhering to the policy of social responsibility towards its employees and the population of the regions in which NLMK Group operates, and takes environment protection measures.

#### **Article 5. Key ethical principles**

NLMK Group's ethical principles refer to six main areas:

- relations with NLMK Group's employees;
- interaction with business partners and counterparties;
- relations with government authorities;
- relations with competitors;
- occupational health and safety, environmental protection;
- control and risk management.

##### **5.1. Relations with NLMK Group employees**

NLMK Group facilitates and guarantees that the rights stipulated by collective labor agreements and other internal regulatory documents are put in place for its employees, including:

- respect for personal freedom and human rights;
- observation of labor legislation and labor agreement requirements;
- provision of equal opportunities for development and growth to all employees, preventing discrimination by nationality, age, culture, gender or other attributes;
- assurance of safe working conditions;

- provision of opportunities for dialogue with and feedback to the management of NLMK Group companies;
- observation of statutory procedures and rules for processing of the personal data of NLMK Group employees.

## **5.2. Interaction with business partners and counterparties**

In its relations with counterparties and business partners, NLMK Group:

- aims to maintain long-term cooperation based on mutual respect and assistance, honest fulfillment of contractual obligations, while demanding the same attitude from the Group's business partners and counterparties;
- provides for honest, open and transparent processes for the impartial selection of business partners and counterparties;
- does not abuse relations with business partners in order to obtain any unfair advantage for itself or other parties.

Following the principles of due diligence, NLMK Group uses all reasonable endeavors to reduce risk, by excluding interaction with business partners and counterparties that carry out their activities in violation of prevailing legislation (including anti-corruption law) requirements and/or accepted standards of corporate ethics.

## **5.3. Relations with government authorities**

NLMK Group maintains robust official relations with government authorities in strict accordance with prevailing legislation.

Relations with public officers is built according to the principles of the NLMK Group Anti-Corruption Policy.

## **5.4. Relations with competitors**

NLMK Group strives for honest competition and does not accept any form of unfair competition or abuse of a dominant or monopoly position, and refuses to conclude any agreement with competitors which could objectively be perceived as constraining fair competition or contradicting anti-monopoly legislation.

## **5.5. Occupational health and safety, environmental protection**

NLMK Group strictly follows the requirements of prevailing legislation in the area of occupational health and safety and environment protection in its activities. The environmental protection goals, principles and commitments adopted by NLMK Group are established in the NLMK Group Environmental Policy.

NLMK Group creates and maintains safe working conditions for its employees and representatives of counterparties working at the production facilities of NLMK Group enterprises. Respective principles and commitments are regulated by NLMK Group's Policy for Occupational Health and Safety.

## **5.6. Control and risk management**

NLMK Group's managers and employees observe the following principles in the planning, organization and implementation of their activities:

- attempt to foresee risks related to the Group’s activities and manage them to achieve the targets set for NLMK Group by the shareholders;
- build a reliable internal control system that ensures preservation of NLMK Group facilities and a judicious attitude towards them, as well as the reliability of information disclosed to shareholders and other users of reports.

#### **Article 6. Consultation on corporate ethics**

In case employees of NLMK Group have questions regarding the provisions of this Code or doubts concerning the compliance of their activities with the standards of corporate ethics, they may seek a consultation with their immediate superior and/or persons responsible for anti-corruption work at NLMK Group enterprises.

#### **Article 7. Procedure for amendments, revisions and cancellation of the code**

In case of amendments or additions to prevailing legislation, other laws and regulations or practices associated with the enforcement of laws, or principles and requirements of NLMK Group, this Code shall be revised and updated based on the decision of the Board of Directors following the procedure established by the Company.

#### **Article 8. Requirements on storage of documents and records**

The Code shall be stored according to the requirements of the Guidelines for NLMK Group enterprises on the application of the unified format and requirements over regulatory control.

#### **Article 9. Accountability**

- 9.1. Observation of this NLMK Group Corporate Ethics Code is the responsibility of each employee in the course of the fulfillment of his/her official duties. NLMK Group employees are personally liable for violation of the ethics principles and requirements of the Code.
- 9.2. Observation of the established standards of corporate ethics by employees is seen by NLMK Group as an important professional competency.
- 9.3. NLMK Group employees who violate the established ethics principles and requirements may be brought to disciplinary, administrative, civil or criminal responsibility on the initiative of NLMK Group enterprises, law enforcement agencies or other parties according to relevant procedure and on the grounds stipulated by prevailing legislation, the articles of association of NLMK Group enterprises and their internal regulatory documents.
- 9.4. The President (Chairman of the Management Board) of the Company is responsible for the organization of and control over the implementation of the requirements of the Code.