



**Novolipetsk Steel Public Joint-Stock Company**

**APPROVED BY:**

the Board of Directors  
of the Novolipetsk Steel Public Joint-Stock  
Company

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**Anti-Corruption Policy**  
of Novolipetsk Steel  
Public Joint-Stock Company  
(revised)

Lipetsk  
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## **Article 1. APPLICATION SCOPE**

- 1.1. The Anti-Corruption Policy (hereinafter referred to as the "Policy") is an internal regulatory document setting out the key principles and requirements of the Novolipetsk Steel Public Joint-Stock Company (hereinafter referred to as the "Company" or "NLMK") in the area of corruption prevention and compliance with applicable anti-corruption laws to ensure high ethical standards of business and reinforce the Company's public image.
- 1.2. The requirements of this Policy apply to members of the Board of Directors, all Company employees regardless of their position or profession, and to counterparties and/or business partners of the Company in cases where this is expressly provided for by law, or in cases where counterparties have undertaken to comply with the Company's anti-corruption principles and requirements (inter alia, by including relevant obligations in the contracts).

## **ARTICLE 2. TERMS AND DEFINITIONS**

- 2.1. **Business gifts** any gifts provided by employees on behalf of and/or at the expense of the Company to its business partners, and gifts that the Company or its employees receive from business partners when performing their official duties.
- 2.2. **Corporate hospitality:** expenses incurred by third parties for or for the benefit of the Company and/or its employees, and expenses of the Company and/or its employees (including corporate entertainment expenses) for or for the benefit of third parties related to establishing and maintaining business partnerships that are part of business practices, including expenses for business dinners, transportation expenses, corporate entertainment expenses, etc.
- 2.3. **Risk Management Committee:** a collegial body set up for assuring efficiency of risk management processes in the Company.
- 2.4. **Business partner:** any Russian or foreign legal entity or individual having contractual relations with Community, except for employment.
- 2.5. **Conflict of interest:** a situation or circumstances where private interests of the Company's employee conflict or may conflict with business interests of the Company, which affects or may affect their proper performance of their job duties, including objective decision-making, or resulting in damage to rights, legitimate interests, property and/or business reputation of the Company.
- 2.6. **Compliance business unit:** A business unit in Legal Support responsible for coordinating and controlling implementation of the compliance system and its improvement.
- 2.7. **Applicable law:** Constitution of the Russian Federation, international treaties entered into by the Russian Federation, legislation of the Russian Federation, as well as laws and regulations of foreign states that apply to the Company and/or its employees due to relevant circumstances (e.g. conducting business in the territory of a particular state, conditions of a contract with a foreign business partner, etc.).
- 2.8. **Public officer:**
  - Public civil servant (at federal level and in constituent entities of the Russian Federation)
  - Person holding (filling):
    - A public office in the Russian Federation
    - The position of the Board member of the Central Bank of Russia
    - A public office in a constituent entity of the Russian Federation

- A judge or other person performing organizational and executive, administrative and economic functions in judicial bodies of the Russian Federation, constituent entities and municipalities of the Russian Federation (including justices of the peace)
- Municipal officers
- State military officers
- Officers of law enforcement
- Members of governing and other bodies of political parties
- Foreign officials (employees of foreign states recognized as such by Applicable law)
- Persons performing organizational and executive, administrative and economic functions in international public organizations (including the IMF, UN, World Bank, etc.).

2.9. **Employee:** individual having labour relations with the Company.

2.10. **Related parties:** persons with whom the employee has bloodline (parents, children, grandchildren, full and half-brothers and sisters, grandfathers, grandmothers, aunts, uncles, nephews, nieces) or domestic relations (spouses, partners, adoptive parents, adopted children), or other persons with whom the employees conduct business or act on their behalf and/or interests, or those having property or other close relations with employees.

2.11. **Compliance system:** The system for ensuring compliance of the Company's activities, and those of the Company's employees, with Russian, international and applicable foreign laws, internal standards and organizational and regulatory documents of the Company.

2.12. **Employee:** an employee of the Company or a natural person in civil relations with the Company, should Compliance decide to apply the requirements and procedures set forth in this Policy to such natural person.

2.13. **Social partner of the Company:** a nongovernmental (non-governmental and non-municipal) non-profit organization that carries out social and charity programs as part of the Company's charitable activities (including the Miloserdiye Charitable Foundation in Lipetsk, and the Zabota, Pomosch, Miloserdiye Charitable Foundation in Revda, the Sverdlovsk Region).

2.14. **Functional area (function, FA):** a function, directly reporting to the CEO (Chairman of the Management Board).

2.15. **Employee's private interests:** any personal, social, property, financial, political or other commercial or non-commercial interests of employees and/or their related parties.

### **ARTICLE 3. GENERAL**

3.1. This Policy has been developed in strict compliance with the requirements of the legislation of the Russian Federation, the Charter and other internal regulatory documents of the Company, taking into account the requirements of international and foreign anti-corruption laws, as well as the recommendations of international organizations, and leading global anti-corruption practices.

3.2. All Company employees, members of the Board of Directors, counterparties, and business partners must comply with generally recognized principles and norms of international laws and international treaties of the Russian Federation, applicable anti-corruption laws, and principles and requirements of this Policy and Corporate Ethics Code in any country of the world regardless of their business practices.

#### ARTICLE 4. BAN ON CORRUPT ACTIVITIES

- 4.1. Based on the "zero tolerance" to corruption principle, all Company employees, members of the Board, counterparties, and business partners acting on behalf of and/or in the interest of the Company are strictly prohibited to participate, directly or indirectly, personally or via third parties, in any acts of corruption, including actions on behalf of the Company vis-à-vis third parties, and actions on behalf of third parties vis-à-vis the Company or its affiliates, including:
- Offering, giving or promising bribes, i.e. offering, giving or promising to provide any financial or other benefit or advantage with the intent to induce any person (including public officials or employees of commercial organizations) to perform their official duties improperly in the interest of the bribe giver or the person represented by the bribe giver, including in violation of the order and procedures established by applicable law (for purposes of this Policy, a bribe means, inter alia, commercial bribery).
  - Extorting, soliciting, receiving, or agreeing to receive bribes, i.e. extorting, soliciting, receiving, or agreeing to receive any financial or other benefit or advantage for performing their official duties improperly in the interests of the bribe giver or the person represented by the bribe giver, including in violation of the order and procedures established by applicable law and/or the Company's local regulations.
  - Making facilitating payments to speed up formal procedures in any form (including cash, other valuables, property, property rights or other tangible and/or intangible benefits) to or on behalf of any persons or organizations.
  - Acting as an intermediary in any of the actions, listed above, i.e., directly hand over bribes on behalf of the giver or recipient, or otherwise facilitate commission of the actions, listed above.
- 4.2. To ensure efficient anti-corruption effort and maintain its reputation as a fair and reliable partner, the Company has joined the Anti-Corruption Charter of Russian Business, where it implements a number of measures to prevent corruption in its activities.

#### ARTICLE 5. BASIC ANTI-CORRUPTION PRINCIPLES

In its anti-corruption activities the Company is guided by the following principles:

- **Zero tolerance policy towards corruption:** The Company will not tolerate any forms or instances of corruption in its operating, financial, business and other activities, including in its interactions with shareholders, investors, business partners, public authorities, public officers, political parties and their representatives, and other persons.
- **Preventative nature of anti-corruption measures:** The Company gives preference to preventive anti-corruption measures and implements procedures to prevent violations of established norms and requirements. Anti-corruption measures and procedures are integrated in the anti-corruption system built into the Company's business processes.
- **Compliance with the applicable law:** the Company's anti-corruption system is designed in accordance with the requirements of applicable anti-corruption and other laws and in line with leading global practices. The Company regularly updates its anti-corruption system.
- **Employee engagement:** The Company informs its employees about the provisions of anti-corruption legislation and engages them in forming and implementing anti-corruption standards and procedures.
- **Efficiency and adequacy of anti-corruption measures to corruption risks:** The Company develops and implements a set of measures to reduce the probability of the Company, its managers and employees becoming involved in acts of corruption taking into account the

existing corruption risks in the Company's activities. The Company gives preference to low-cost measures that are easy to implement and deliver meaningful results.

- **Control and efficiency monitoring:** The Company periodically evaluates and reviews the anti-corruption system, should some of the control procedures and/or measures be insufficiently effective and/or efficient.
- **Business transparency:** The Company takes measures to inform its counterparties, partners, and the public about its anti-corruption business standards.
- **Due diligence:** The Company makes reasonable efforts to prevent business relationships with business partners that may be involved in acts of corruption.
- **Non-prosecution clause:** no sanctions may be imposed on the Company employees and/or business partners who have refused to participate in corrupt practices, even if such refusal resulted in the Company's loss of profits or other commercial and/or competitive advantages, as well as on persons who have reported in good faith that other Company employees or business partners have committed acts of corruption.
- **Mandatory application and inevitability of punishment for violations:** the applicable anti-corruption laws and the anti-corruption requirements of the Company are mandatory for all of its employees (regardless of their position, period of employment, or other circumstances). In the event of a violation of such standards and requirements, offenders will be held liable in accordance with the applicable law and the Company's internal documents.

## **ARTICLE 6. KEY ELEMENTS OF THE ANTI-CORRUPTION SYSTEM**

### **6.1. The management's role model ("tone at the top")**

- 6.1.1. The Company's management, including members of the Board, the CEO (Chairman of the Management Board), Vice Presidents and heads of functions have to communicate to the Company's employees the idea that all forms and instances of corruption are completely unacceptable, and lead by example in terms of ethical behaviour, compliance with applicable anti-corruption laws, and the Company's relevant requirements in performing their official duties.

The "tone at the top" principle aims to establish a corporate culture in the Company based on the principles of objectivity, fairness, transparency, and openness.

- 6.1.2. The Company's management develops the anti-corruption action plan and monitors its implementation.

The Company CEO (Chairman of the Management Board) is in charge of organizing the activities aimed at implementing the principles and requirements of this Policy and appointing persons responsible for the development, enforcement and monitoring of anti-corruption procedures.

### **6.2. Identifying and analyzing corruption risk**

- 6.2.1. The Company identifies and periodically analyzes corruption risks inherent to its business activities due to its nature, the Company's presence in the steel markets in different regions and countries, its organizational structure and other factors.
- 6.2.2. As part of corruption risk identification and analysis, the Company places emphasis on specific business processes and business activities with higher risk in order to introduce appropriate anti-corruption procedures and/or implement other measures.
- 6.2.3. The Company recognizes the need to manage the corruption risk regardless of its probability or the degree of impact.

### **6.3. Primary corporate anti-corruption documents**

The Company's corporate anti-corruption system is based on this Policy and the Corporate Ethics Code which set forth the key principles and requirements in this area.

### **6.4. Anti-Corruption measures**

The Company develops and implements a system of anti-corruption measures covering the corporate level controls and controls in individual business processes of the Company. The Company also seeks to ensure transparency and feasibility of anti-corruption procedures.

### **6.5. Officers and business units responsible for implementation of anti-corruption measures, and their interaction**

6.5.1. In order to effectively fight corruption, the Company has appointed a person responsible for anti-corruption activities, as well as other officers and business units involved in developing and controlling anti-corruption measures and procedures.

6.5.2. The Company has established the Compliance business unit, which is responsible, inter alia, for coordinating the implementation and improvement of the anti-corruption system.

6.5.3. See **Appendix A** for the complete list of the Company's business units responsible for the implementation of anti-corruption measures.

6.5.4. The Company ensures proper division of authority of persons and business units responsible for implementation of anti-corruption measures and their efficient interaction.

### **6.6. Notifying and communication**

6.6.1. The Company openly declares zero tolerance to all forms and instances of corruption and has published this Policy along with basic information about its anti-corruption efforts on its official website.

The Company always informs its counterparties and business partners about its anti-corruption principles and requirements, including by incorporating special anti-corruption clauses in the contracts it enters.

6.6.2. The Company ensures development of the appropriate anti-corruption culture by communicating the provisions of this Policy to all employees, providing them with necessary consultations if they have doubts about compliance of their actions or the actions of third parties with this Policy, or other questions on ethics and corruption prevention.

### **6.7. Monitoring and control**

6.7.1. The Company monitors the effectiveness of its anti-corruption measures and procedures and assesses their adequacy and relevance with a view to improve them.

The Company implements the following procedures to monitor and control the efficiency of its anti-corruption system:

- Monitoring changes in the applicable anti-corruption legislation and law enforcement practices to identify elements of the anti-corruption system that need to be updated and/or amended to ensure the system's relevance and compliance with the applicable law.
- Analyzing changes in the Company's activities, including its organizational structure, lines of business, and mechanisms for interaction with business partners in order to determine the impact of such changes on the Company's anti-corruption procedures and the need to modify them.

- Analyzing the Company's internal control environment to identify its deficiencies, as well as ineffective control procedures, with a view to update them and ensure reliability and effectiveness of the anti-corruption system.
- Control employees' adherence to the Company's anti-corruption requirements and procedures, including:
  - Identifying indicators of corruption violations during the annual internal audit of the Company's business activities.
  - Monitoring compliance with anti-corruption procedures as part of the periodic reports by the Security function on the most risky areas and operations.

6.7.2. Based on the results of the measures to control and monitor the Company's anti-corruption system, it compiles relevant reports in accordance with the Matrix of responsibilities of the business units for implementation of anti-corruption measures (**Appendix A**). The Company's CEO (Chairman of the Management Board) and the Risk Management Committee receive the consolidated report on a regular basis (at least once a year).

The Company publishes the key results of the activities, mentioned above, on its official website or otherwise discloses them.

## **6.8. Internal investigations of violations and liability of the violators**

6.8.1. Each identified instance of violation shall be investigated in an objective and timely manner.

The Company undertakes activities in accordance with its regulatory documents on internal investigations and audits, and forms a register of confirmed incidents of fraud and corruption with local and systemic corrective measures.

6.8.2. Depending on the circumstances and conditions of a given incident, the Company may report acts containing elements of crimes and administrative offenses to law enforcement agencies.

6.8.3. Company employees who violate applicable anti-corruption laws and/or the Company's anti-corruption requirements and procedures, regardless of their position, period of employment or other factors, will be held liable under the applicable laws and the Company's internal regulatory documents.

6.8.4. Where necessary and when required by the applicable law, the Company will cooperate with law enforcement agencies and other regulatory authorities to identify and investigate acts of corruption and to impose sanctions on offenders.

## **ARTICLE 7. ESSENTIAL REQUIREMENTS FOR INDIVIDUAL RISK AREAS**

### **7.1. Business gifts and corporate hospitality**

7.1.1. Business gifts and corporate hospitality (including corporate entertainment costs) are a part of the generally accepted business practice to establish strong business relations. At the same time, the Company considers this area to be an area of corruption risk. For this reason, it considers it necessary to establish requirements for allowed business gifts and corporate hospitality that are described in this Policy and the Company's other internal regulatory documents.

Giving and receiving business gifts and corporate hospitality on behalf and/or for the benefit of the Company and its employees must comply with all of the following requirements:

- Giving and receiving business gifts and corporate hospitality must comply with the applicable law, requirements of this Policy, the Corporate Ethics Code, provisions of regulatory documents governing the exchange of business gifts and corporate hospitality, corporate entertainment expenses, and other internal regulatory documents of the Company.
  - Giving and receiving business gifts and corporate hospitality shall be based on a clear business purpose, and not pursue, as a direct or indirect objective, pushing the recipient of the gift or corporate hospitality to a decision serving to maintain or expand the Company's activities.
  - Giving and receiving business gifts and corporate hospitality should not imply creation of any obligations to the giver and/or represent remuneration (including implicit remuneration) for the service or work performed for the benefit of the giver.
  - Giving and receiving business gifts and corporate hospitality should not create reputational or other risks for the Company, its employees and other parties in the event of public disclosure of information on business gifts/entertainment and entertainment expenses.
  - Giving and receiving business gifts and corporate hospitality should not be in the form of cash or non-cash money, securities, precious metals, luxury goods, or any cash equivalents.
  - Giving and receiving business gifts and corporate hospitality should be justified, reasonable and commensurate with the specific occasion/event.
- 7.1.2. Additional requirements, permissible limits on cost of business gifts and corporate hospitality given and received from and by the Company's employees, and the procedure for their approval are determined by the regulatory document governing the exchange of business gifts and corporate hospitality.
- 7.1.3. When receiving or giving business gifts and providing or partaking in corporate hospitality in their professional capacity and/or on behalf of the Company, employees shall make sure that they comply with the Company's anti-corruption principles and requirements. Employees of the Company are personally liable for complying with such requirements.
- 7.1.4. Gifts and corporate hospitality that do not comply with the established requirements shall be returned. Information on such instances shall be sent to Compliance at [compliance@nlmk.com](mailto:compliance@nlmk.com).
- 7.1.5. In case of doubt or any questions related to whether or not a business gift/instance of corporate hospitality is acceptable, or in case return is impossible, the employee shall seek a consultation from Compliance by sending an e-mail to [compliance@nlmk.com](mailto:compliance@nlmk.com).

## **7.2. Charity work and sponsorship**

- 7.2.1. As a socially responsible organization, the Company performs charity and sponsorship activities to create a social environment conducive to business development. It does so within the established areas of such activities and in compliance with the requirements of applicable law.
- 7.2.2. Charity and sponsorship activities of the Company are not intended to influence any decisions made by the authorities, public officials, or other persons related to maintaining or expanding the Company's business activities or to obtaining any commercial and/or competitive advantages, and does not constitute remuneration (including implicit remuneration) to such persons.

The Company provides sponsorship directly without involving any other organizations or persons as intermediaries; sponsorship is always reimbursable (events are sponsored only if the Company receives counter advertising services).

The Company may perform charity work as part of joint programmes with its social partners that are non-profit organizations.

7.2.3. The Company makes reasonable efforts to ensure proper use of charity and sponsorship funds.

7.2.4. The Company publishes the key information about its charity and sponsorship activities on its official Internet website, in the annual report, or otherwise discloses it.

### **7.3. Conflict of interest**

7.3.1. When performing their duties and/or representing the interests of the Company, employees should be guided by the principles and requirements of this Policy, the Corporate Ethics Code, and provisions of the regulatory documents governing the procedure for prevention, disclosure and settlement of the conflict of interest, and avoid and prevent situations that directly lead to the conflict of interest, including, among others:

- When making decisions on any business matters and performing their job duties, employees should be guided solely by the interests of the Company.
- Employees must not use their official position (including insider, confidential, and proprietary information) or the Company's property and/or assets for private benefit.
- Employees must disclose their private interests that could lead to actual and/or potential conflict of interest in the Declarations on presence/absence of conflict of interest that are collected using the automated "Declaration of conflict of interest" corporate service.

7.3.2. The procedure of settling the conflict of interest is governed by the Regulations on the procedure for prevention, disclosure, and settlement of conflict of interest.

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

7.4.1. The Company does not engage agents, dealers, other representatives or intermediaries to make any payments and/or perform actions that contradict the principles and requirements of this Policy or create a risk to its business reputation and/or the business reputation of its employees in performance of their job duties.

7.4.2. The Company ensures a fair, open and transparent process for selecting suppliers, contractors, and other business partners based on objective selection criteria, and a transparent procedure for determining the cost of purchased and sold products which is regulated by the applicable law and the Company's internal regulatory documents, including the document on qualification of business partners, the procedure for qualifying a counterparty, and the procedure for contractor selections involving the Tender Committee.

7.4.3. The Company takes the necessary steps to avoid entering into business relationships with counterparties and business partners that may be involved in acts of corruption, and to identify payments and other financial transactions with corruption potential or those aimed at the legitimization of proceeds of crime (money-laundering), the financing of terrorism and the proliferation of weapons of mass destruction.

7.4.4. When making decisions on interaction/collaboration with an intermediaries, agents, partners, suppliers, and other counterparties, the Company:

- Checks information about a potential counterparty or a business partner, including due diligence, check of business reputation, tolerance for corruption, and absence of the conflict of interest.
- Informs its potential counterparties and business partners about its anti-corruption principles and requirements by incorporating special anti-corruption clauses in the contracts it enters.

## **7.5. Interaction with authorities and public officers**

7.5.1. The Company does not make "facilitation payments" for formal procedures (administrative, bureaucratic or any other) in favor of authorities, public officers, and other persons, that is, it does not provide money, property, property rights, services, or other tangible or intangible benefits to secure or accelerate execution of standard procedures or actions not provided for by laws and other regulations of a particular country.

The Company does not involve third parties in interaction with authorities and public officers. In exceptional cases, if there is an objective need to hire a contractor or a consultant, the Company conducts an obligatory background check of the potential contractor for possible corruption risks, and ensures a fair and transparent process for its selection and payment for its services.

7.5.2. The Company avoids paying any expenses for public officers and their immediate family members (or in their interests) to obtain commercial advantages in specific projects of the Company, including transportation, accommodation, entertainment, PR campaigns, and other costs, or to obtain other benefits at the Company's expense.

7.5.3. The Company enters into employment contracts and civil contracts with former government and municipal officials in strict compliance with the requirements of Russian law, in particular, with the requirements of Article 64.1 of the Russian Labour Code.

## **7.6. Interaction with political parties and movements, their members and representatives**

7.6.1. The Company does not support any political parties or movements, does not participate in political activities with a direct or indirect purpose of influencing decisions affecting maintaining or expanding the Company's activities, or when such participation could be perceived as an attempt to do so.

7.6.2. The Company prohibits financing political parties and movements, their members and representatives and does not give its employees consent to their involvement with political parties and movements on behalf of the Company. That being said, the Company recognizes its employees' right to engage in political activity during their off-duty hours, if such involvement is not related to their performance of job duties and is not detrimental to the Company's activities. Political activities or public position of employees may never be regarded as the political activities or public position of the Company.

## **7.7. Accounting and reporting**

7.7.1. The Company records all business operations and transactions in a timely, accurate and correct manner, with sufficient detail in the primary accounting documents, and reflects them in the accounting, management, and other reporting available for inspection.

The Company has appointed persons responsible under the applicable Russian laws for preparation and submission of complete and accurate financial statements within the time limits set by the applicable laws.

7.7.2. Misrepresentation or falsification of accounting, tax, and management accounting and reporting data is strictly prohibited, constitutes a violation of the applicable law and is subject to investigation in accordance with the Company's procedures.

## **ARTICLE 8. TRAINING AND CONSULTING ON CORRUPTION-RELATED ISSUES**

- 8.1. The Company places promotional materials in public areas and publishes information in the corporate media to explain to employees the principles and norms of the applicable law, the Corporate Ethics Code, this Policy and other local regulatory documents on anti-corruption matters.
- 8.2. The Company provides corporate and/or external training and testing to ensure employees' mandatory compliance with the requirements of regulatory documents and their active involvement in implementation of anti-corruption measures; the Company also includes corporate distance learning courses on anti-corruption topics in the employee competence development and evaluation programme. The Company provides free access to training via corporate courses for all interested employees.
- 8.3. Should the Company employees have any questions related to the provisions of this Policy or other anti-corruption measures and procedures, they may seek consultations from the head of their business unit and/or anti-corruption manager, head of Compliance, and/or the Company Hotline.

## **ARTICLE 9. REPORTING CORRUPTION VIOLATIONS**

- 9.1. Regardless of their position, any Company employee who becomes aware of any facts (or signs) of a violation or inducement to violate this Policy and/or applicable anti-corruption laws either by the Company employees or by third parties, shall report them in any of the following ways (including anonymous reports):

- Verbal or written report to Compliance.
- Reporting via the following dedicated channels: e-mail, the Intranet portal, a dedicated telephone line, and other means (hereinafter - the "Hotline").

The employee may also report such facts (or signs) to their immediate manager or to the Security function.

- 9.2. A person who has reported information via the Hotline anonymously shall be aware that follow-up on their message will be difficult, since the Company will not be able to clarify the information or otherwise contact the reporting person.
- 9.3. The Company, within the limits of its authority and available resources, will keep the identity of the person who has provided material and reliable information about a violation confidential (except as required by applicable law), assist in protecting them against any form of pressure, harassment, or discrimination that could potentially result in a change in the status of such person, and assess the fairness and objectivity of the decisions made in relation to such person.

Bearing in mind the principles of this Policy, the Company guarantees that no employee will be subject to sanctions (including dismissal, demotion, bonus cancellation, etc.) by the Company if the employee reports the alleged fact of corruption in good faith or if the employee refuses to commit corrupt acts, including if such refusal resulted in the Company's loss of profit or failure to obtain commercial or competitive advantages.

- 9.4. Should the Company's employees deliberately provide false information, fail to disclose information about other persons inducing them to perform acts of corruption, or fail to disclose other information that must be disclosed under this Policy, it shall be considered a violation of this Policy and applicable laws, and the person who provided false information may be held liable in the manner and on the grounds provided for by the applicable law and the Company's internal regulatory documents.

## **ARTICLE 10. RESPONSIBILITY AND SANCTIONS FOR FAILURE TO MEET THE REQUIREMENTS**

10.1. Following this Policy and compliance with the Company's anti-corruption procedures is a responsibility of each employee in performing their job duties. The Company employees are personally liable for violation of the requirements and procedures provided for in this Policy and other anti-corruption regulations of the Company.

The Company considers knowing and following anti-corruption principles an important professional competence.

10.2. The Company employees who have violated the anti-corruption principles and requirements can be subject to disciplinary, civil, or criminal liability initiated by the Company, the law enforcement agencies, and other persons in the manner and on the grounds provided for in the applicable laws, the Company's Charter, and internal regulatory documents.

10.3. Vice President for Risk Management will be responsible for following-up on compliance with this Policy.

## APPENDIX A

### Matrix of responsibilities of the business units for implementation of anti-corruption measures

AC – the Audit Committee of the Board  
 CEO – Chief Executive Officer  
 RMC – Risk Management Committee  
 ACM – Anti-corruption manager

AD – the Audit Division  
 SC – Security  
 VPHR – Office of Vice President for HR & Management System  
 LD – Legal Department (Compliance business unit)  
 EC – External Communications

H – heads of the Company’s business units  
 VPP – Office of Vice President for Procurement  
 VPS – Office of Vice President for Sales  
 VPSt – Office of Vice President for Strategy  
  
 VPF – Office of Vice President for Finance

Anti-Corruption measures	AC	CEO	RMC	ACM	CCE	VPR	AD	AP	VPHR	LD	EC	H	VPP	VPS	VPSt	VPF
<b>1. Corporate measures, setting the "tone at the top"</b>																
1.1. Organizing the activities aimed at implementing the principles and requirements of this Policy; appointing persons responsible for coordinating and performing anti-corruption work		X														
1.2. Management acting as role model of the management, setting the “tone at the top”	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X
1.3. Coordination and follow-up on anti-corruption system implementation		X		X						X						
1.4. Consulting on compliance with anti-corruption laws and organizing a revision of anti-corruption policies and procedures				X						X						
1.5. Control of other business unit employees' compliance with the requirements of anti-corruption document provisions												X				
1.6. Control over the introduction of anti-corruption policies and procedures at NLMK’s subsidiaries		X		X		X		X		X						
<b>2. Internal and external communications on anti-corruption</b>																
2.1. Consulting employees on anti-corruption issues				X						X		X				
2.2. Design and maintenance of the dedicated anti-corruption section of the Intranet portal										X	X					
2.3. Inclusion of anti-corruption topics in the Corporate program for employee training, development and competence assessment				X		X		X	X	X						
2.4. Coordinating the work of dedicated channels for reporting violations, including anti-corruption channels				X				X		X						

Anti-Corruption measures	AC	CE O	RMC	AC M	CCE	VPR	AD	AP	VPH R	LD	EC	H	VPP	VPS	VPSt	VPF
2.5. Interaction with regulators and law enforcement agencies on anti-corruption and compliance with the applicable anti-corruption laws				X				X		X						
<b>3. Corruption risk assessment and monitoring</b>																
3.1. Corruption risk identification and assessment/reassessment			X			X		X		X						
3.2. Making an action plan on corruption risk management, coordination, and implementation control			X	X		X		X		X						
3.3. Regular monitoring of the efficiency of anti-corruption measures and compliance with approved procedures		X	X	X		X	X			X						
3.4. Monitoring the applicable anti-corruption laws and law enforcement practices				X		X		X		X						
3.5. Eliminating the identified deficiencies in the anti-corruption system		X		X		X	X	X	X	X	X	X	X	X	X	X
3.6. Regular reports on corruption risk management to the Risk Management Committee				X		X				X						
<b>4. Implementing and ensuring use of anti-corruption tools</b>																
4.1. Checking business partners for corruption risks prior to contract signing						X		X				X				
4.2. Internal investigations after revealing signs of corruption				X				X								
4.3. Development of the format for Declaration on presence/absence of conflict of interest, defining the list of positions with most exposure to risks of corruption for surveying										X						
4.4. Organizing collection and filing of Declarations on presence/absence of conflict of interest									X	X						
4.5. Analysis of information on potential or actual conflict of interest declared by employees holding positions with most exposure to risks of corruption, recommendations on corrective measures								X		X		X				
4.6. Control of giving/accepting corporate gifts and participating in corporate hospitality by employees										X		X				
4.7. Checking the Company's charity work for corruption risks					X											
4.8. Elaboration of the anti-corruption clause and control of its inclusion in contracts with business partners										X						
4.9. Checking single-vendor purchases, urgent and other non-competitive procedures for corruption risks						X		X				X	X			
4.10. Checking sales with significant deviations from fixed or market prices for corruption risks								X						X		
4.11. Checking M&A transactions for inherited corruption risks															X	

<b>Anti-Corruption measures</b>	<b>AC</b>	<b>CE O</b>	<b>RMC</b>	<b>AC M</b>	<b>CCE</b>	<b>VPR</b>	<b>AD</b>	<b>AP</b>	<b>VPH R</b>	<b>LD</b>	<b>EC</b>	<b>H</b>	<b>VPP</b>	<b>VPS</b>	<b>VPSt</b>	<b>VPF</b>
4.12. Checking payments to business parties that are residents in FATF-listed countries and offshore zones, and payments to government authorities for corruption risks																X
4.13. Checking elements of intermediary services for interaction with the authorities and public officers when signing contracts with business partners										X						