SUSTAINABLE DEVELOPMENT POLICY
OF NLMK GROUP
(Version No. 1)

Lipetsk
2019
1. GENERAL PROVISIONS

1.1. This Sustainable Development Policy of NLMK Group (hereinafter referred to as the Policy) sets out the principles, goals and objectives of Public Joint-Stock Company “Novolipetsk Steel” (hereinafter referred to as the Company or NLMK), and of legal entities directly and/or indirectly controlled by NLMK (hereinafter referred to as NLMK Group) related to the environment, occupational health and safety, as well as ethical, socio-economic, and other aspects of sustainable development.

The Policy sets out strategic sustainable development focus areas and ensures common understanding among all stakeholders, including management, shareholders and investors, rating agencies, employees, contractors, local communities, suppliers, and consumers of NLMK Group’s products.

1.2. The Policy applies to the members of the Board of Directors, as well as to all NLMK Group employees regardless of their position or profession.

1.3. The Policy is aimed at the accomplishment of sustainable development goals, which are aligned to the long-term economic interests of the business as well as its environmental performance, which contributes to improving the living standards and social well-being of citizens in the regions in which the Company operates.

1.4. The Policy was developed in accordance with the current legislation of the Russian Federation, the Company’s internal documents, the principles of the UN Global Compact (UN Global Compact), the International Bill of Human Rights, the main conventions of the International Labor Organization, the requirements of ISO international standards, various initiatives and recommendations of Russian and international organizations, as well as leading international practices in the field of sustainable development.

2. SUSTAINABLE DEVELOPMENT PRINCIPLES

2.1. As a leading global producer of steel and steel products, NLMK Group recognizes its responsibility to society, nature and future generations. Sustainable development is an integral part of NLMK Group’s business and enables the Company to maximize long-term shareholder value.

2.2. NLMK Group’s activities adhere to key principles of sustainable development, such as:

- Creating long-term shareholder value;
- Caring about employee health, well-being and development;
- Treating the environment responsibly;
- Delivering value-added products to our customers;
- Adhering to high ethical standards in conducting business;
- Developing, supporting and respecting the interests of local communities;
- Maintaining transparency & high quality information disclosure.

3. SUSTAINABLE DEVELOPMENT GOALS AND OBJECTIVES

3.1. NLMK Group’s key sustainable development goals are:

- To undertake efficient production without injury, accidents or incidents, through the implementation of best occupational health and safety and industrial safety practices, as well as through continuous development and promotion of a responsible production culture among NLMK Group employees and contractors;
- To respect and enforce human rights throughout NLMK Group’s activities;
– To contribute to the social development of the regions in which the Company operates;
– To comply with industry best practices for the efficient use of materials, fuel and energy, as well as production process safety and environmental performance.

3.2. NLMK Group’s key sustainability objectives are:
– To refine processes and technologies to achieve efficient production of steel products;
– To create favourable working conditions that maximize the professional and creative potential of employees;
– To apply best practices for the management of occupational health and safety and industrial safety, efficient risk management, and the incentivization and active participation of employees in occupational safety initiatives;
– To use resources carefully and aim to achieve the highest standards in environmental and resource efficiency, including energy efficiency;
– To provide quality professional training which enables employees to achieve the requisite qualifications to meet production objectives, creating a favorable social and psychological environment for personnel, and developing corporate culture;
– To create the conditions for equal opportunities for professional, career, and creative development of employees, encouraging initiative and innovation;
– To create new development opportunities in the regions in which the Company operates, and tackle social problems in partnership with local communities and authorities at all levels;
– To comply with high standards of corporate governance and business ethics, to meet responsibilities the Company has assumed and support constructive dialogue, to strive to maintain a high level of trust between all stakeholders including shareholders, employees, investors, counter-parties, authorities, society and public organizations, based on a foundation of long-term cooperation, the diligent fulfillment of contractual obligations, mutual respect and assistance;
– To adhere to a policy of zero tolerance to corruption.

3.3. NLMK Group strives to continuously improve its performance in terms of sustainable development and to integrate the principles of responsible business conduct into its everyday operations.

The accomplishment of sustainable development goals is aligned to the long-term economic interests of the business and protection of the environment, which contributes to improved quality of life and social well-being of citizens in the regions in which the company operates.

4. POLICY COMPLIANCE AND ENFORCEMENT MEASURES

4.1. The Company’s Board of Directors has control over the observance of this Policy.

Management of the Company’s sustainable development agenda by the Company’s Board of Directors is undertaken by the relevant Committees of the Board of Directors, as set out below:

<table>
<thead>
<tr>
<th>Key aspect of sustainable development</th>
<th>Committee of the Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental performance:</td>
<td></td>
</tr>
<tr>
<td>– Emissions, including greenhouse gases</td>
<td></td>
</tr>
<tr>
<td>– Discharges and waste</td>
<td>Strategic Planning Committee</td>
</tr>
<tr>
<td>– Resource utilization</td>
<td></td>
</tr>
</tbody>
</table>
4.2. This policy shall be implemented by the Company’s executive bodies. These executive bodies shall bear responsibility for the implementation of this Policy.

4.3. In order to ensure the implementation of this Policy, as well as to coordinate the activities of all Company subdivisions in relation to sustainable development, the Company shall approve internal documents aimed at implementation and observance of the goals, objectives and principles set out in this Policy.

5. **FINAL PROVISIONS**

5.1. This Policy, as well as all amendments and modifications hereto, shall be approved by the Board of Directors of the Company.

5.2. This Policy is effective from the moment of its approval by the Board of Directors.

5.3. If in the event of any amendments to the current legislation of the Russian Federation, the Company Charter or other internal documents of the Company, any provisions of this Policy are found to be in conflict with them, then this Policy shall only apply to the extent that is not in conflict with current legislation, the Company Charter or other internal documents of the Company.