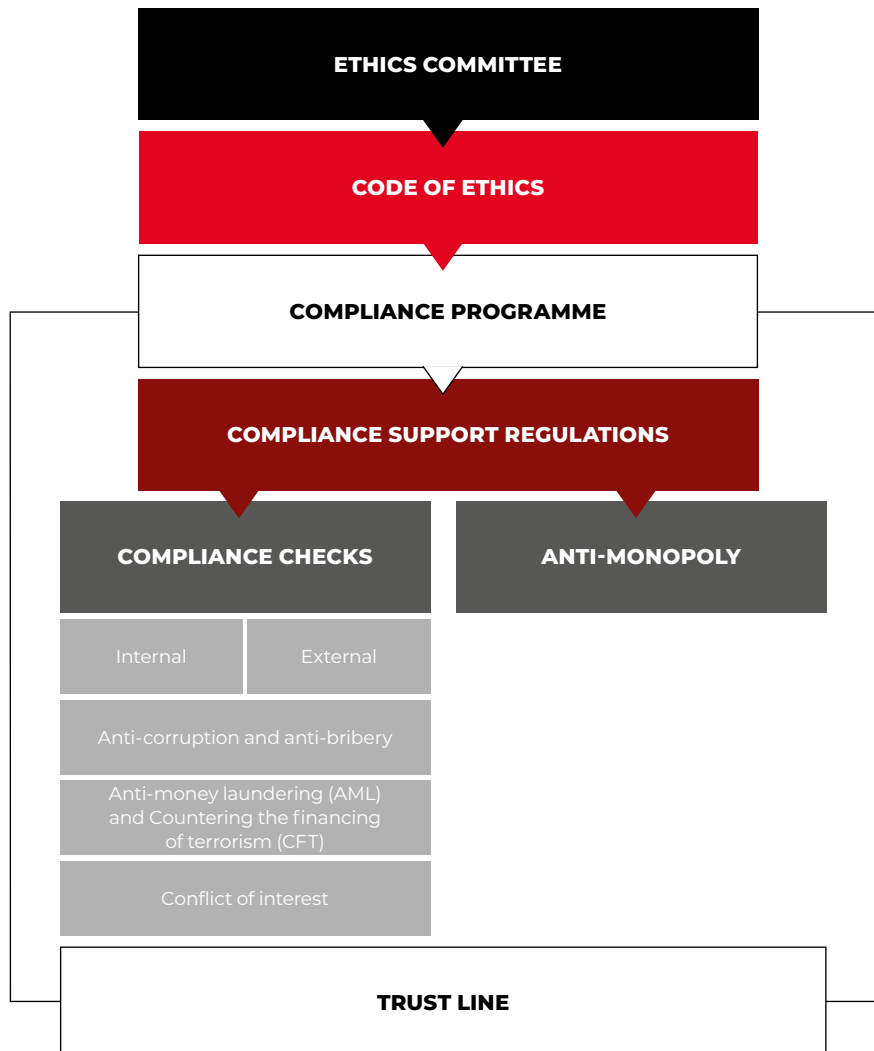


While a privately owned organisation, Metinvest places great importance on having a robust system of corporate governance. This is fitting for an international business, demonstrating adherence to best practice and providing reassurance for all stakeholders. As part of this, the Group has devised and introduced numerous codes, policies and other safeguards.



CODE OF ETHICS

Metinvest’s Code of Ethics establishes core ethical and business standards, including anti-corruption, to which all employees and management must adhere. The Code of Ethics is built around the following core values for dealing with stakeholders: health and the environment, customer focus, professionalism, leadership, teamwork, non-discrimination and lawfulness. These are promoted through the personal example of leadership, as well as ongoing training and communication campaigns to raise awareness about the Code of Ethics.

In 2020, the Group amended the Code of Ethics to incorporate a new approach to types of conflicts of interest and the contact details of the Trust Line.

The Code of Ethics is available for stakeholders at: <https://metinvestholding.com/en/about/ethic>.

Metinvest has conducted training on its Code of Ethics since 2014 and uses tests to evaluate how well employees understand it. Initially limited to senior executives, they have been a mandatory element of such training online for all Group staff since September 2019. In the reporting period, around 16,710 employees passed the online Code of Ethics test, or 25% of the headcount, compared with 25,588 employees in 2019.

In September 2020, Metinvest held an “Ethics Week” at its companies in Ukraine, Russia, Belarus, Switzerland and Italy. The aim was to promote the Code of Ethics and its principles through numerous activities, including interviews and videos with senior executives and compliance coordinators, as well as contests and quizzes.

COMPLIANCE PROGRAMME

Since 2014, Metinvest has had a Compliance Programme to ensure transparency and act as an anti-corruption mechanism. The Group monitors its implementation, including by assessing the approach to anti-corruption management, through a quarterly review by the Ethics Committee.

ETHICS COMMITTEE

To ensure that the tone is set from the top, Metinvest has an Ethics Committee. Chaired by the CEO and including the senior management, it meets once a quarter to discuss the implementation of the Compliance Programme throughout the Group, take decisions concerning conflicts of interest and review reports received through the Trust Line. In addition, the progress of tasks on the Compliance Programme agenda is reported quarterly at meetings of the Supervisory Board’s Audit and Finance Committee and annually at a meeting of the Supervisory Board.

TRUST LINE

Since 2013, Metinvest has used the Trust Line maintained by SCM, one of the Group's shareholders, to increase transparency and responsibility. It allows stakeholders to anonymously report violations of the law, breaches of business conduct and corporate ethics, and non-compliance with standards and principles of the Code of Ethics.

The Trust Line operates around the clock, with an authorised representative available to speak at any time, and can receive information through other channels, in particular, email and text message. Submissions are possible in any working language.

In 2020, 825 reports were submitted through the Trust Line, of which 430 were confirmed as violations of internal procedures, HR cases and others. This compares with a respective 746 and 359 in 2019 and 722 and 363 in 2018. Such statistics suggest that Metinvest's stakeholders feel empowered to speak up and report their concerns.

The Trust Line is available through the following channels:

Toll free number within the borders of Ukraine:
0800 60 07 77

International number:
+38 044 224 72 32

Email: trustline@scm.com.ua

Web: www.scm.com.cy/trust-line

CONFLICTS OF INTEREST

Metinvest recognises that employees have personal interests and encourages their development, especially where they are beneficial to the community at large. However, it also understands the necessity for staff to avoid conflicts between their interests and those of the Group.

Metinvest's Procedure for Declaring Conflicts of Interest requires employees to inform their direct supervisor and the legal team in a timely manner about a real or potential conflict of interest. In addition, those in management positions are required to submit declarations confirming that they do not have any conflicts of interest to declare any issues. They are also required to submit declarations further to taking up employment in management positions (initial declaration), if any real or potential conflict appears during a year (current declaration) and once a year regardless of whether there is a conflict (annual declaration).

In 2020, 99% of declarants submitted annual declarations and 40 forms disclosed a conflict of interest. In addition, a webinar called "Settling Conflicts of Interest" was launched, and more than 1,500 declarants across the Group watched it and passed a test on the subject.

ANTI-CORRUPTION AND ANTI-BRIBERY

Many of the countries where Metinvest operates have adopted anti-corruption laws that seek to prevent companies and individuals from gaining undeserved benefits. The Group strictly follows these laws in its daily operations. It does not offer or take bribes, nor does it promote corruption. It is committed to working with counterparties and business partners whose reputation is not associated with corruption and bribery. For this purpose, the Code of Ethics specifies the rules that all employees must follow in terms of anti-corruption and anti-bribery.

Metinvest performs mandatory anti-corruption verification of suppliers and customers, while operations with representatives of the public sector and programmes for financing social projects receive special scrutiny.

All internal and external candidates for senior and high-risk positions are subject to mandatory internal security screening. Former government officials and politicians are subject to more detailed verification. In 2020, there were 43 checks of candidates for high-risk positions.

In 2020, there were no reported or confirmed cases of corruption violations.

AML/CFT

Metinvest's Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requires obligatory due diligence checks of all counterparties, including for watchlists covering sanctions, terrorism, money laundering, dual/military-use products, corruption and other areas of interest. In addition, automatic sanctions checks are in place for all counterparties registered in SAP MDG (the Group's counterparty pool).

In 2020, Metinvest also checked 421 transactions for risk of violation of economic sanctions and AML/CFT regulations, seven of which resulted in a ban on cooperation.

ANTI-MONOPOLY COMPLIANCE

Metinvest recognises the need for fair competition in its Code of Ethics and complies with all competition laws in the countries where it operates. Anti-monopoly policies are in place at its largest enterprises, while the legal team has a unit dedicated to monitoring compliance in this area. In addition, annual training is provided to help managers to identify and prevent actions that might be considered violations of competition laws.

In 2020, no fines and/or sanctions for anti-competitive behaviour were imposed on the Group.

CODE OF BUSINESS PARTNERSHIP

In 2021, after the reporting period, the Code of Business Partnership was adopted to ensure that Metinvest and its partners establish truly fair commercial relationships. It aims to do this by setting clear standards for compliance with ethical principles and business requirements to guide both existing suppliers and new potential ones.

The Code's objectives include:

- determining, on the basis of common values, criteria for the fair conduct of partners and Group employees in relation to partners
- identifying and preventing any misuses and abuses of office, as well as related potential risks
- developing a unified culture of interaction based on high ethical standards, and maintaining an atmosphere of trust, respect and decency
- forming a focus on balanced development and social responsibility when interacting with partners.

The Code is based on the following principles:

Respect and focus on cooperation – Metinvest respectfully communicates with its partners and seeks to comply with agreements. The Group expects partners to deal with it in an open and professional manner, abide by all obligations and avoid using unverified information.

Health and safety at work and the environment – Metinvest conducts its operations in compliance with occupational health and safety standards and strives to mitigate environmental impact. It expects partners, including those within the Group, to provide its employees with safe and healthy working conditions and to prevent accidents and injuries.

Confidentiality – Metinvest protects personal information about its employees and partners. It expects partners to use commercially sensitive or otherwise protected information with discretion.

Compliance with the law and the Code of Ethics – The Group condemns all forms of fraud; requires openness, integrity and honesty in all areas of activity; and strives to be an example in matters of ethics, working environment and equality. It expects partners to counteract corruption, on both their part and that of Metinvest employees.

Social responsibility – The Group adheres to the principles of sustainable development throughout its operations. It protects human rights, assesses the impact of its activities on local communities and seeks to improve their quality of life. It expects partners to share these values and to conduct their business in accordance with high ethical standards and considering their impact on the environment, economy and society.

The document is available for stakeholders at: https://metinvestholding.com/Content/CmsFile/ru/codes__Code_of_Business_Partnership.pdf

PROCUREMENT PRACTICES

The Group always seeks to work with partners and contractors that share its ethical and business principles, including relating to conducting supplier assessments through pre-qualification and pre-contract procedures.

Metinvest employs a competitive and transparent tender procedure that evaluates offers for compliance with the specified procurement parameters. The Tender Committee, which consists of a minimum of three members from different departments, considers certain approved criteria, including price, quality, delivery and payment terms, and guarantees, among others.

Information about major future tenders is published on the Group's website a minimum of three days in advance. In addition, Metinvest uses the SAP Ariba digital solution for competitive supplier choice, which enables information to be exchanged with bidders quickly and securely online.

New suppliers, and existing suppliers requiring requalification, are required to undergo a pre-qualification procedure in the corresponding purchasing area. Each applicant must confirm their familiarisation with the Code of Ethics and agree to comply with it. The Group notifies pre-qualified suppliers of new purchases and invites them to participate in the competitive procurement process.

Metinvest is committed to creating a supply chain capable of tracking the origin of goods in order to assess and control the associated risks. In mid-2018, the Group introduced a mandatory pre-contractual supplier assessment. In 2020, around 10,800 pre-contract assessment procedures were conducted, during which Metinvest assessed suppliers' technical, financial and organisational capacities, supply chain, staffing and equipment safety through field visits and documentary review.

The Group reserves the right to disqualify suppliers for a specified period or indefinitely in the event of unfair business with its companies. In 2020, around 70 suppliers were disqualified. Disqualification criteria are published on Metinvest's website. The Group notifies counterparties of the reasons and terms of their disqualification to provide feedback and give them the opportunity to improve their corporate governance as needed.

Metinvest strives to work with partners and contractors that share its business standards. In 2020, the Group began piloting a supplier performance evaluation procedure, which establishes a unified approach to assessing the work of suppliers, including by defining a list and areas of responsibility for those involved.