

BUSINESS ETHICS AND COMPLIANCE

FUNDAMENTAL PRACTICES

Metinvest strives to adhere to international best practices in business ethics and compliance. The Group's rigorous governance system includes various codes, policies and other safeguards designed to protect stakeholder interests.

CODE OF ETHICS

GRI 102-16; 103-2; 103-3

Since 2013, Metinvest's [Code of Ethics](#) has served as the cornerstone of ethical business conduct throughout the Group. The Code of Ethics is built around the following core values for dealing with stakeholders: life, health and the environment, customer focus, professionalism, leadership and teamwork. It also enshrines basic human rights and needs, such as freedom of thought, religion, opinion and expression, health and safety, decent work, non-discrimination, access to a healthy environment, social responsibility and privacy. The Group promotes them through the personal example of leadership, as well as ongoing training and communication campaigns to raise awareness about the Code of Ethics.

Metinvest has conducted regular training on its Code of Ethics since 2014 and tests the Group's staff to evaluate how well they understand it. In the reporting period, 31,908 employees passed the online Code of Ethics test, or 41% of total headcount, compared with 16,710 employees in 2020. The substantial increase in the number of people who passed testing was because of the integration of newly acquired assets and additional efforts to improve employee engagement.

In September 2021, Metinvest held its annual "Ethics Week" at its Ukrainian entities. 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, quizzes and a cartoon illustrating what ethics mean to employees.

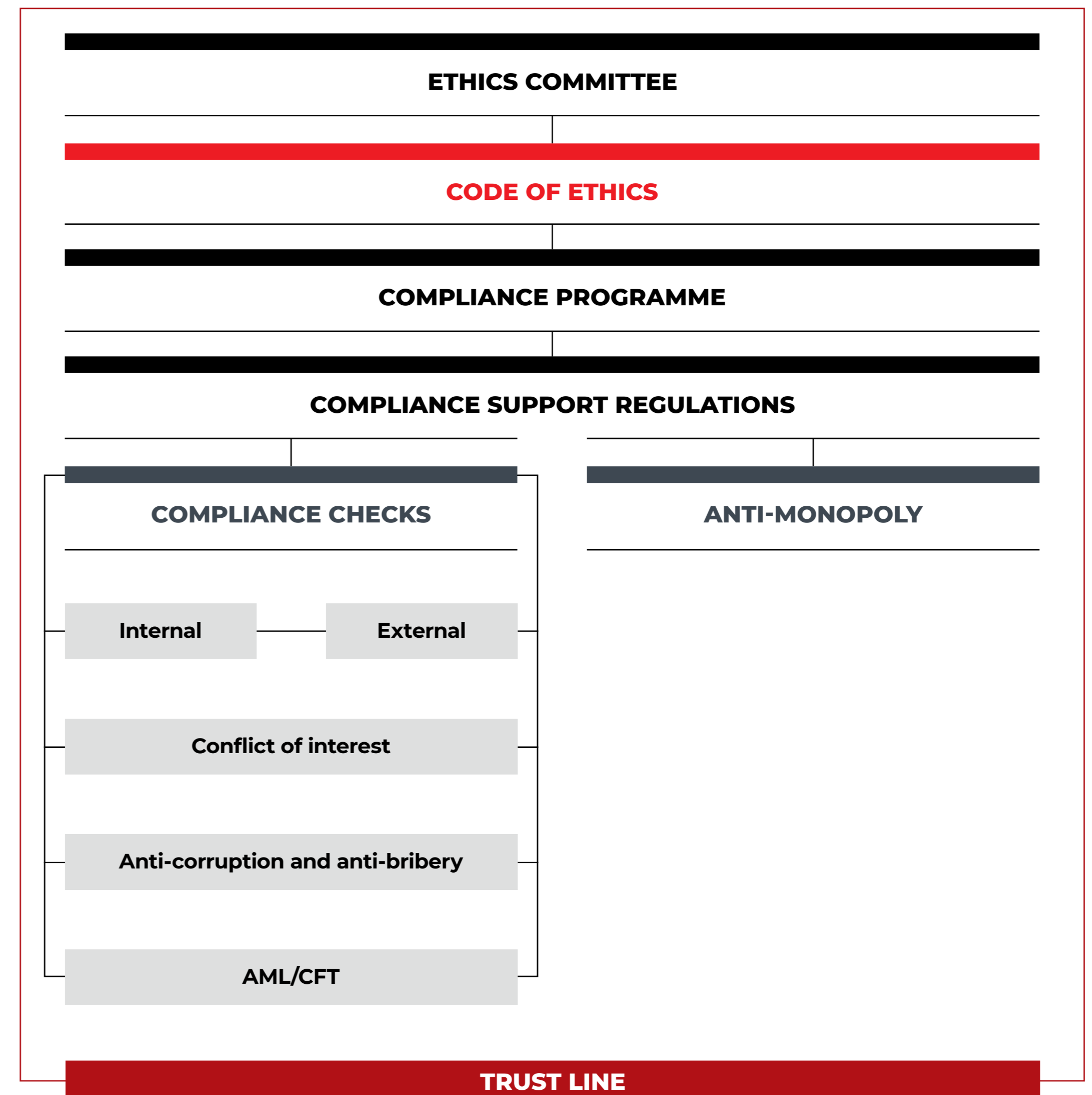
In 2021, to further strengthen business ethics practices, the Group adopted a [Code of Business Partnership](#). For more details about the Code of Business Partnership, see page 66.

COMPLIANCE PROGRAMME

Since 2014, Metinvest's Compliance Programme has helped to promote fair business practices and has acted as an anti-corruption mechanism. The Group's Ethics Committee performs quarterly reviews to monitor its implementation, including by assessing the approach to anti-corruption management.

In 2021, Metinvest developed a supplier compliance check module in the SAP CRM system for its assets in Western Europe. It was launched in May 2022, after the reporting period.

In addition, the Group updated the Code of Ethics webpage on its internal portal for all compliance documents, links, training materials and frequently asked questions.



TRUST LINE

GRI 102-17

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 and has an authorised representative available to speak at any time. It can receive information through various channels, including email and text message. Submissions are possible in any of the Group's working language.

In 2021, 784 reports were submitted through the Trust Line, of which 238 were confirmed, compared with a respective 736 and 358 reports in 2020. Among the main topics of appeals were breaches of internal procedures and contractual obligations, and HR and HSE violations.

During the year, the Procedure for Routing, Investigating and Closing Reports Received through the Trust Line was introduced. It establishes the requirements and departments responsible for investigations, determines the form and content of reports, and mandates monitoring of the implementation of corrective measures. It also outlines the actions that responsible employees must take when performing independent internal investigations of allegations received through the Trust Line.

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

GRI 102-25

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 any 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 or declaring any issues. They are also required to submit initial (further to taking up employment in management positions), current (if any real or potential conflict appears during a year) and annual declarations (once a year regardless of whether there is a conflict).

During the reporting period, the Group updated its Procedure for Declaring Conflicts of Interest. The main changes were aimed at reflecting the current practice of declaring and settling conflicts of interest (through an electronic system and the administrative support of compliance coordinators). The amendments also clarified the types of situations that might be considered conflicts of interest.

In 2021, 95% of declarants submitted annual declarations, compared with 99% in 2020. In addition, 114 forms disclosed a conflict of interest, compared with 40 the previous year. These differences in the figures were mostly caused by a substantial increase in the number of declarants because of the integration of new assets and the updates to the Procedure for Declaring Conflicts of Interest.

ETHICS COMMITTEE

Metinvest's Ethics Committee is chaired by the CEO and includes senior management. The Committee meets quarterly 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, progress 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.

In 2021, the Procedure for Ethics Committee Meetings was amended to reflect the current approach to its meetings, update its composition and describe its areas of oversight.

In addition, an audit of the implementation of decisions taken by the Ethics Committee concerning declared conflicts of interest was performed during the reporting period.

APPROACH TO TAX

GRI 207-1; 207-2

Tax compliance is a vital component of the responsible business. In a view of this, the Group's tax approach is governed by the relevant policies of SCM and Metinvest. Metinvest's Tax Policy approved in September 2021 is governed by the following principles:

- declaration and payment of taxes in line with the rules of business jurisdiction
- use of tax deductions and benefits as set out by legislation
- mandatory identification and management of tax risks
- inclusion of the tax function into the business decision-making process
- arms-length approach

The Group oversees compliance with key tax policy issues at several levels. In particular, it establishes two or three tiers of decision-making controls (depending on the type of operations and their materiality), embeds key issues of policy implementation in the personnel appraisal and motivation system, and undergoes external audits by auditing firms and fiscal authorities.

Metinvest identifies, manages and monitors tax risks as outlined in its Regulation on Tax Risk Management. The tax risk assessment methodology includes, among other things, an impact assessment of risks associated with the Group's image and reputation.

Metinvest regularly discloses information on global taxes paid, including in its financial reporting and other communications. By paying taxes, the Group supports the sustainable development of the regions where its assets operate. In 2021, it paid a total of US\$1,587 million in taxes globally, including US\$1,347 million in Ukraine.

ANTI-CORRUPTION AND ANTI-BRIBERY

GRI 205-1; 205-2; 205-3

Metinvest complies with the requirements of applicable anti-corruption and anti-trust legislation when doing business. The Group's Code of Ethics specifies the anti-corruption and anti-bribery rules in place. Metinvest is committed to working with counterparties and business partners whose reputation is not associated with corruption or bribery.

In 2021, Metinvest revised its approach to corruption and fraud risk. In particular, the Group set specific assessment criteria, developed clear definitions and delineated responsibility for the oversight of this risk. In addition, Metinvest developed a plan to minimise such risks at its entities.

Anti-corruption is addressed at several levels within Metinvest's assets. The Group promotes employee awareness of its zero-tolerance principle for corruption. Metinvest also performs mandatory anti-corruption verification of suppliers and customers. 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 2021, there were 172 checks of candidates for high-risk positions, compared with 43 checks a year ago. In addition, the list of high-risk positions was revised to include employees at newly acquired assets and reflect other changes in the corporate structure.

During the reporting period, there were no reported or confirmed cases of corruption violations involving public officials. However, there were five cases involving bribes received from counterparties to lobby their interests. The Group took appropriate disciplinary actions against the parties involved.

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-use or military-use products, corruption and other areas of interest. In addition, automatic sanctions checks are in place for all counterparties registered in SAP.

In 2021, Metinvest also checked 3,774 transactions for risk of violation of economic sanctions and AML/CFT regulations, six of which resulted in a ban on cooperation. For comparison, the 421 transactions checked in 2020 resulted in seven bans on cooperation. The increase was because of the introduction of mandatory checks during the counterparty re-qualification stage and a new data collection mechanism for such checks.

ANTI-MONOPOLY COMPLIANCE

GRI 206-1

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, the Group provides annual training to help managers to identify and prevent actions that might be considered violations of competition laws.

In 2021, no fines and/or sanctions for anti-competitive behaviour or violations of antitrust and monopoly legislation were imposed on the Group.

ANTI-CRISIS MANAGEMENT SYSTEM

GRI 102-33; 403-2

Metinvest has an anti-crisis management system in place that aims to minimise the chances of crisis situations and counter any effects that may impact the Group's operations. The system is based on the principles of prevention and prompt response. Metinvest classifies such situations as operational or strategic, depending on the potential consequences.

To aid in prevention, the Group conducts comprehensive risk assessments and performs audits at its facilities. These audits allow Metinvest to identify potential risks, assess their impact on business processes and the efficiency of the response, and implement appropriate preventive measures.

An effective response is ensured by the Group's anti-crisis headquarters, headed by the CEO. The anti-crisis headquarters at Metinvest's assets are headed by their general directors and include specially trained rescue teams.

Should a crisis situation occur, the Group has a clear mechanism for prompt notification in place in the form of a 24-hour emergency hotline. This allows employees to pass on information about incidents that they witness in a timely manner. The reporting channel extends to Metinvest's CEO and then to the Supervisory Board members and shareholders, as appropriate.

Even before Russia's full-scale invasion of Ukraine in February 2022, the anti-crisis management system had implemented a set of preventive measures to prepare the Group's assets for the risk of war. Since 2020, Metinvest has been conducting quarterly training to teach its personnel how to act in case of hostilities and respond to emergencies. The Group has also provided additional protective measures for its facilities and made special arrangements to ensure appropriate supplies are available for employees.

Since the beginning of the war, Metinvest has worked to evacuate employees from combat zones and other areas facing imminent risk and provide them with temporary accommodation and humanitarian support. It has also sought to prevent human-caused catastrophes and minimise the risks for employees who continue to work at the Group's facilities that are located near the areas of hostilities.