

WE ARE METINVEST

BUSINESS ETHICS AND ANTI-CORRUPTION



Transparent and ethical business is the foundation of our strategic vision, and it is the basis for our partnership with all stakeholder groups. To ensure that ethical principles are respected in our day-to-day activities, Metinvest has introduced several policies and procedures that regulate the way we conduct our business. These include the Code of Ethics, Procedure for Declaring Conflicts of Interest, antitrust compliance policies, as well as the Procedure on Anti-Money Laundering and Countering the Financing of Terrorism.

Metinvest has an Ethics Committee, which is headed by the CEO and now includes the Group's senior management. The Committee meets on a quarterly basis to evaluate the implementation of the Compliance Programme, make decisions on conflicts of interest and review the most critical appeals received via whistleblowing mechanisms.

COMPLIANCE PROGRAMME

Since 2014, the Compliance Programme has been one of the Group's primary mechanisms for ensuring the transparency and accountability of business. The programme focuses on mitigating compliance risks as well as building and strengthening a culture of compliance among our employees.

As part of the programme, Metinvest assets appoint members of the legal services departments to serve as compliance coordinators who report to the Group's compliance officer. At the Executive Team level, the Ethics Committee, composed of the Group's CEO and department directors, meets on a quarterly basis to review the programme and assess how unethical behaviour is dealt with. If the committee determines that the Code of Ethics or other norms or regulations have been breached, it assesses the immediate risks and decides on the optimal response, including disciplinary measures. The status of the programme's implementation is reported on a quarterly basis at meetings of the Supervisory Board's Audit and Finance Committee and annually

at a Supervisory Board meeting. The Supervisory Board approves programme targets for the next annual cycle.

ETHICAL STANDARDS

Metinvest's Code of Ethics lays out the standards and framework for ethical business conduct required of all Group employees, regardless of their title or business function. The Code of Ethics is based on our core values of professionalism, lawfulness, non-discrimination, customer focus, health and the environment, leadership and teamwork. It upholds fundamental human rights and sets forth principles of integrity and honesty, providing guidance to employees when they identify and act upon critical issues that require immediate attention. The Code of Ethics states that all responsive actions should be guided by the most stringent ethical standards. When the requirements of local legislation regarding infringements diverge from the approach suggested by the Code of Ethics, the Group adheres to whichever approach is most stringent.

For more information about Metinvest human rights, please refer to the "Respect for Human Rights" section of the Report.

We ensure that our employees understand our core ethical principles and act accordingly. The provisions of the Code of Ethics are communicated to staff through special trainings and awareness campaigns. They are also referred daily by our leadership.

Metinvest encourages employees to promptly report any violations of the Code of Ethics, and guarantees that no retaliatory measures will be taken against those who raise concerns. The Group also operates a confidential Trust Line for collecting feedback or queries related to unethical behaviour. To mitigate any risks, each issue reported is analysed and thoroughly investigated, and feedback is provided within a set timeframe.

We have observed an increase in the number of queries submitted via the hotline, which reflects growing trust in our feedback mechanisms and non-retaliation policies, as well as the accountability of our personnel. In 2019, 746 appeals were submitted via the Trust Line, of which 359 were confirmed in relation to such areas as violations of internal procedure, HR cases and others. The number of queries submitted shows that our employees feel safe and comfortable speaking up and sharing their concerns.

GRI 102-17

THE TRUST LINE:

Toll free number in Ukraine: 0800 60 07 77

International number: +38 044 224 72 32

Email: trustline@scm.com.ua

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

GRI 102-25**MANAGING CONFLICTS OF INTEREST**

While we do not limit the rights of our employees to have interests – financial or otherwise – beyond their professional occupation, Metinvest ensures that such activities do not constitute conflicts of interest that could negatively affect the Group's performance or reputation. A conflict of interest is defined as any situation in which the personal interests of an employee performing their regular job duties contradict or might contradict Metinvest's interests, including situations in which the employee is in a position to derive personal benefit, which may undermine the objectivity of business decision-making. Such situations include⁴:

- Employing closely related individuals as subordinates, contributing to their appraisal and promotion;
- Holding concurrent positions at Metinvest and other legal entities or business entities that are not part of the Group;
- Establishing business relations and/or conducting business on behalf of Metinvest with legal entities or business entities where the declarant or their closely related party:
 - Are members of the management bodies;
 - Directly or indirectly own 5% or more of a participatory share in the authorised capital; and
 - Are entitled to receive any other remunerations or benefits from such an entity;
- Investing and/or owning a participatory share in Metinvest's competitors and counterparties, independently or through affiliated people, which results in an ownership of 5% or more of the authorised capital;
- Registration of the employee as a private entrepreneur under the condition that they are a competitor or counterparty of Metinvest; and
- Other situations in which the personal interests of the declarant contradict or might contradict Metinvest' interests.

Conflicts of interest are not deemed violations if the employee reports the case proactively. In line with the provisions of our Code of Ethics and Procedure for Declaring Conflicts of Interest, Metinvest employees must promptly inform their direct supervisors and the Legal Directorate if any existing or potential conflicts of interest arise. After this notification, Metinvest's management decides whether the conflict is acceptable and does not affect the core business interests of the Group, or whether the individual should be excluded from certain decision-making processes. If the conflict of interest is confirmed to be critical, the Group reserves the right to demand that the employee choose between retaining employment and serving the said interest.

GRI 205-1; 205-3**PREVENTING CORRUPTION AND ANTITRUST BEHAVIOUR**

Metinvest commits to complying with the anti-corruption laws established in the jurisdictions in which it operates. Identification, analysis, and assessment of risks associated with corruption and fraud are carried out at all levels of the Group and at each of its assets. We do not offer or accept bribes, and we closely monitor to ensure that our vendors and business partners adhere to stringent anti-corruption norms. In 2019, there were no reported or confirmed cases of corruption associated with the Group's operations. Anti-corruption procedures are integrated into the management systems of various business functions, examples of which include the following measures:

- As a part of the appointment process to senior positions and other roles classified as high-risk, all candidates, both internal and external, undergo mandatory anti-corruption screening.

- Mandatory anti-corruption screening of counterparties is an integral part of supplier management, and it is the responsibility of the Service of the Compliance Officer and the Directorate for Analysis and Risk Management.
- All business operations that involve governmental relations are subject to internal scrutiny.

GRI 205-2

We value fair competition and commit to confronting unlawful business restraints. To ensure that antitrust norms and standards are duly respected and complied with, we appoint a legal adviser at the Group level who oversees Metinvest's antitrust procedures. Moreover, responsible employees have been designated at several assets; they are now in charge of analysing commercial practices and identifying antitrust risks. These appointees are employed by Legal Services, corporate units responsible for monitoring legal updates and guiding management on regulatory and compliance issues.

NUMBER OF EMPLOYEES WHO COMPLETED ONLINE TRAINING ON THE CODE OF ETHICS IN 2019

31,856

⁴ The situations listed are effective as of March 2020, following an earlier revision of the Code of Ethics.