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of the future

2021

Employee Code
of Conduct of the
Severstal Group
of Companies



Statement from the CEO



This document describes the general rules of conduct each and every one of us

Dear Co-worker,

You are holding a copy of the Employee Code of Conduct of the Severstal Group of Companies (hereinafter – the “Severstal” or the “Company”) latest edition – designed to help all of us get oriented, make the right decisions and take the right actions every day we are on the job. This document describes the general rules of conduct each and every one of us is expected to follow, regardless of rank, status or job description.

The Code of Conduct conveys the fundamental values and key principles that determine how we live and work at our Company. The Code of Conduct is based on internationally recognised best practices for corporate culture.

Remember that the Code of Conduct entitles every employee to voice his or her concerns and receive a knowledgeable response to his or her questions. To enable this an Ethics Committee has been set up at the Company whose job is to resolve disagreements on how the Code of Conduct should be applied and investigate reports of employee misconduct. I guarantee that all information received will be treated as absolutely confidential and every case will be investigated and decided objectively.

I would like to emphasise once again that only by working together and adhering our principles and values can we treat each other better and build the kind of company that every Severstal employee can be proud of.

Sincerely,

Alexei Mordashov

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Purpose of Code of Conduct

This Code of Conduct defines the core standards of conduct and the responsibilities of Severstal employees to one another, the Company, and our business partners. This Code of Conduct identifies the core values and principles we are expected to adhere to when performing our duties.



Company Employees' Responsibility to Comply with Code of Conduct

Every employee of Severstal is required to comply with the Code of Conduct, regardless of status or position.

This Code of Conduct is a description of acceptable behaviour at our Company. We consider employees' compliance with the Code of Conduct to be a crucial element in our evaluation, development and motivation system. Any failure to comply with the Code of Conduct can result in a variety of penalties and disciplinary action — including termination - in accordance with applicable law. The Company's senior management is highly responsible for compliance with the Code of Conduct. Every senior executive must not only adhere to the standards of conduct and serve as a role model, but also help resolve complicated situations and interpret the Code of Conduct to his or her subordinates.



Our Core Values



Workplace Safety

We believe no objective justifies industrial safety violations or disregard for people's lives or health. We create and maintain safe working conditions and we care about health of our employees. We strive to prevent pollution and use energy as well as natural resources efficiently and wisely.



Attention to Customers

We respect and value our customers, both outside and inside the Company's structure. We pay close attention to their expectations, and respond quickly to their requests. We are growing together with our customers and trying to anticipate and meet their future needs.



Teamwork

We rely on the potential and professionalism of our Company's entire workforce. Our actions are based on trust, helping one another and personal responsibility.



Respect

We encourage an atmosphere of mutual respect and support among our employees. We work together to create decent working conditions, we meet the obligations we have assumed, we evaluate our employees fairly, and we support their personal fulfilment and their demonstrating initiative and professional growth within the Company. We acknowledge and appreciate the contributions, experience and talent of each and every member of our team.



Efficiency and Timeliness

We strive to achieve the best results and improve continuously, institute innovative ideas, make correct and timely decisions, implement them precisely, and make optimum use of our resources.



12 guidelines for the employees

01

Safety First!

02

Corruption and bribes are strictly prohibited.

03

Treat others the way you wish to be treated.

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We talk openly about our problems.

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Achieving goals depends on good teamwork.

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We do not mix work and personal life.

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Waste not, want not.

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We do not disclose confidential information.

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When performing your duties, always act in the best interests of Severstal.

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Gifts should not create any expectations from us or our business partners.

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We have to demonstrate good corporate conduct in the public arena.



Guidelines

Safety First!

- Each and every Severstal employee must adhere to occupational safety and health standards when performing his or her duties, and always be cautious in any setting.
- Any violations of safety regulations and accidents must be reported immediately to the section chief or designated staff members responsible for occupational safety and health. Be alert and cautious, and be aware of potential hazards.
- Employees are prohibited from coming to work or being on Company grounds under the influence of alcohol, drugs or other intoxicants. Possession or storage of alcohol or drugs on Company grounds is also prohibited. Smoking is allowed on Company grounds only in designated smoking areas.

Corruption and bribes are strictly prohibited

The employees of the Company are prohibited from offering, promising or accepting bribes, facilitation payments or being involved in any matters which might involve corruption. More detail is available in the Company's Anti-corruption Policy which is available on www.severstal.com/rus/sustainable-development

Treat others the way you wish to be treated

- Each and every employee, regardless of status or position at the Company, deserves to be treated with dignity and respect. We do not tolerate any insults or humiliation of employees in any form: inappropriate or offensive remarks, vulgar or demeaning jokes or stories, or bullying.
- Our Company tolerates no form of harassment. We consider the following behaviour as harassment:
 - Coercion into sexual relations by threatening blackmail or by promising promotion, pay raise or general patronage, or by other abuse of authority;
 - Any sexually-charged insults, vulgar jokes or statements directed at an employee;
 - Any invitation to spend time in an intimate setting, which you did not encourage and/or clearly expressed your disapproval of.
- We respect our employees' opinions and ideas, and provide opportunities to discuss them openly and explain points of view, providing feedback when necessary.
- We strive to honour our agreements. If we are unable to keep our promises, we advise our colleagues and partners accordingly in a timely manner, and offer solutions.

- We strive to be punctual in our work: we answer inquiries in a timely manner, we are not late to meetings or conferences, and we adhere to regular schedules and approved project timelines.
- We welcome a kind attitude. If we desire to reprimand an employee for shortcomings or mistakes in their work, we do it in a constructive manner.
- We strive to notice the strengths and achievements of others, and we tell them so on a regular basis. Every manager must make this a cardinal rule in their treatment of employees.

We talk openly about our problems

We provide accurate and complete information to our colleagues, superiors and subordinates. Timely information about a problem helps resolve it quickly without aggravating the consequences. An open and honest position is a cornerstone of trust among co-workers.

Achieving goals depends on good teamwork

- Every employee is expected to perform his or her duties and carry out supervisors instructions in a responsible manner, not let down the team and always be ready to help colleagues.
- Every employee is expected to abide by the decisions made by the team, even if they differ from the employee's personal opinion.
- Every employee has the right to his or her own point of view, and an opportunity to explain his or her opinion to the team.

We do not mix work and personal life

- Severstal acknowledges everyone's right to work at the Company. This applies to close relatives who have the right to work at the same company. However, when possible, the Company will try to avoid situations where there is a direct supervisor-subordinate relationship between family members, close relatives or romantically involved individuals. We believe that personal relationships should not impair your ability to act in the Company's best interests, or reflect badly on the Company or its employees.
- We also understand that Company employees may become romantically involved with co-workers. We believe that in these situations each party should think about the risks their relationship might entail for the Company, and whether the relationship might negatively affect work morale.

Employee development and promotion within the Company depends solely on professional qualities and merits.

Waste not, want not

- Every employee must treat the Company's property with care, not allow it to be damaged or used improperly. Treat the Company's property with the same care you would give your own property.
- Using work time for personal affairs is unethical, unless approved by your supervisor.
- The Company will not tolerate theft or fraud, regarding either Company physical property or intellectual property.

- Company employees may not use Company property (inventory, computer systems and software, telephone communications, copiers, vehicles, wireless devices, etc.) for personal gain or for any other purposes unrelated to their official duties.

We do not disclose confidential information

- We do not disclose confidential information, access to which is restricted by law or by the Company's internal policies, and which constitutes a commercial, official, personal or other secret protected by law.
- Severstal protects personal and private information regarding its employees, partners and customers, and complies with all its obligations to maintain confidentiality.
- Company employees are expected to comply with confidentiality and information security requirements.
- Employees do not have the right to use confidential information for personal gain.

When performing your duties, always act in the best interests of Severstal

- We avoid situations where an employee's personal, social, property, financial or political interests or activities contradict the Company's best interests.
- Employee conduct and employee decision-making should be based on sound judgment, professionalism and the Company's best interests, not selfish or other personal interests.

- Company employees are expected to avoid any situation or circumstance where their personal interests would come into conflict with the Company's interests.
- Each employee is required to notify his or her supervisor of any situation that could potentially create a conflict of interest.

A conflict of interest means a situation when an employee's personal interest (direct or indirect) can affect a proper, objective and impartial performance of his duties in the Company.

Personal interest is understood as the possibility of earning income, any benefits or advantages directly by the employee, their family members, as well as persons with whom the employee and (or) their family members have property, corporate or other close relationships. In particular, we identify the following situations as having a potential conflict of interest:

- Direct or beneficial ownership by an employee or a person closely related or in a close proximity to them of shares or ownership interests in the Company's suppliers, purchasers or competitors, sufficient to materially influence that party's operations (it is assumed that there is no material influence if the ownership interest is less than 1%);
- Making personnel decisions by an employee in relation to a person who is closely related or in close proximity to them, and / or a person with whom their personal interest is connected;
- Exercise by an employee of control or audit of activities of the division where a person who is closely related or in close proximity

to them, and / or another person, with whom their personal interest is connected, works;

- Participation of an employee in making decision regarding a transaction with a business partner of the Company, where a person closely related or in a close proximity to him, and / or a person with whom his personal interest is connected, works;
- Participation of an employee in making decision on the procurement of goods (works, services) for the division where a person closely related or in a close proximity to them, and / or a person with whom their personal interest is connected, works;
- Use by an employee of information that has been obtained in course of performing his duties in order to acquire benefits or competitive advantages when making commercial transactions for themselves or a person closely related or in close proximity to them or another person with whom a personal interest is connected;
- Other situations specified by internal policies and regulations of the Company.
- An employee is obliged to take measures to prevent any possibility of conflict of interest.
- An employee should contact their direct supervisor or the Ethics Committee in order to clarify whether a particular situation is a conflict of interest.
- A Company employee having any new or prior criminal conviction must inform their direct supervisor accordingly.

Gifts should not create any expectations from us or our business partners

- Company employees are not allowed to accept or offer gifts, special acknowledgments, services or admission to recreational events, if this would put the recipient in a position where their ethics might be called into question.
- Company employees may accept or offer business gifts, provided they meet the following criteria:
 - Not prohibited by law;
 - Not of extravagant value;
 - Cannot be construed as a kickback or attempt to influence.

Descriptions of gifts that may be given or accepted by Company employees, as well as regulation of permissible values of such of gifts are spelt out in conjunction with a procedure for registration of gifts in the Anti-corruption Policy of PAO Severstal and Related Legal Entities.

We respect and value our customers and partners

- Our internal customers are the Company divisions that we supply with products and services. Our outside customers consist of not only our purchasers, but our business partners as well.
- To the extent it would not contradict their confidentiality obligations, when dealing with customers, Company employees must communicate only truthful information about products, services and prices, and never make false statements about competitors' products or services. We comply with all applicable laws governing competition.
- Employees are expected to treat the Company's customers and

suppliers respectfully, fairly and honestly. Our Company's business reputation is built on the opinions of the people we deal with.

We have to demonstrate good corporate conduct in the public arena

- When receiving a request for an interview or comment from media whether official (via phone or email) or private (via messengers including social media), Company employees should notify the Communications and IR Department of such requests and get their comments and responses approved by the aforementioned Department.
- Before speaking at press conferences, workshops and/or other public events, Company employees should notify the Communications and IR Department accordingly, to get prior approval of their narratives.
- When communicating via the Web in social networks, blogs and forums, Company employees should strictly abide by the following rules:
 - Present any information only on their own behalf, not on behalf of PAO Severstal. Only the Communications and IR Department or authorised employees of other divisions may represent the Company in social media and create official groups or/and sites of the Company, its enterprises and subsidiary companies in social media;
 - Avoid responding to negative or derogatory comments about Severstal, as this may be inflammatory. Only the Communications and IR Department or authorised employees of other divisions may respond to such comments;
 - Any such stances disclosed on the Web are to be reported to

socialmedia@severstal.com. You may also use this address for any other purposes connected with your presence in social networks;

- · Never discuss business terms or the Company's decisions with your colleagues in social networks and on the Web. Please bear in mind that your correspondence should not contain any sensitive information, which is classified as a commercial secret, as it may cause harm to the Company's goodwill or lead to biased publications;
- · Never publish official papers and correspondence or its copies in social media or on the Web. It may break the law on the confidential information and commercial secrets.
- If you have any comments or proposals to improve efficiency and proficiency across the Company, do not hesitate to contact the Unified Hotline at vopros@severstal.com or phone **8 (800) 700 72 77**. Your ideas will be appreciated and add to the Company's overall success.





Channels for reporting violations and gaining explanatory information about the Standard

To get clarification about the Standard of conduct and actions in various situations, as well as to report violations of the Standard, the Company's Anti-corruption Policy, other internal policies and regulations of the Company and/or applicable laws you can use the following channels:

- Your immediate manager;
- Ethics Committee.

Disciplinary punishments and other acts, which could affect negatively employees' labour conditions due to their reporting of violations stated above, shall not be allowed.

In this connection, the Committee proceeds also with applications of the Company employees (including former ones) who have been subject to such acts for the reasons mentioned above.

Your inquiry will be accepted and you will get an answer within 30 calendar days (unless the issue requires more time for examination).

When sending your inquiry to the Ethics Committee, you have the right to remain anonymous. Nevertheless, we recommend that you introduce yourself so that we can contact you if there is a need to obtain additional details.

The Ethics Committee members are required to take all available and reasonable measures to ensure the confidentiality of the applicant's identity. Due to our intention to maintain strict confidentiality of all investigations, the applicant might not be provided with information as to specific results of the investigation or measures taken.

To maintain confidentiality, please, refrain from discussing your report or the facts related to the investigation with other employees. The requirements of an enquiry to be sent to the Ethics Committee and the methods of submission are included in the Whistleblowing policy of the Severstal Group of Companies.

Ethics Committee

E-mail

komitet@severstal.com

Address

127299, Москва, ул. Клары Цеткин, 2 ПАО «Северсталь»

Severstal Hotline

8 (800) 700 72 77



Worked examples

01

Question

I recently cut myself at work. When I approached my boss, he said that the cut was small and not worth reporting. I had been told that any and all injuries and accidents should be reported. What should I do?

Answer

You are absolutely right — any workplace injury or accident should be reported to the occupational safety and health office.

02

Question

My supervisor makes crude jokes and unpleasant comments to me and my co-workers. What should I do?

Answer

Tell your supervisor how you feel. If you are uncomfortable speaking with your supervisor, contact the Ethics Committee.

03

Question

My brother owns a small company that supplies products to Severstal. I work in a department that has nothing to do with those products. Should I report this?

Answer

You should tell your supervisor about this. He or she can either make a decision or consult with the Ethics Committee.

04

Question

I was asked to falsify information in documents to conceal a breach of a stated Company policy. I am very upset by this. What should I do?

Answer

Never falsify documents. Describe the situation to your direct supervisor or contact the Ethics Committee as soon as possible. Falsification of the Company's reporting documents is prohibited, and could result in administrative penalties or criminal charges against you.

05

Question

I have noticed that we sometimes ship products that do not meet contract specifications. Can this be done in extreme situations and small amounts?

Answer

No. This jeopardizes Severstal's reputation. Our customers expect us to deliver products that meet the stated specifications. Notify your supervisor immediately. If you are uncomfortable doing this directly, or if you do not receive a satisfactory answer, contact the Ethics Committee.

06

Question

I have a question that is not addressed in this Code of Conduct. Does that mean I don't have a problem?

Answer

No. It is impossible to address every possible situation in guides such as this Code of Conduct. Severstal's corporate values and your own sound judgment will help you make the right decision. In any case, if you have a question or concern about a situation at our Company or your workplace in particular, report it to your supervisor or the Ethics Committee.



Question

An employee used the Company's computers and equipment to print out a few copies of a book for his child. He did this after business hours. Is personal use of the Company's property and resources allowed if it happens outside business hours.

Answer

No, because personal use of the Company's property is unethical, even outside business hours. However, situations can arise when using a particular Company resource or asset for some limited reasonable purpose (short calls to family members from a work phone, or printing out directions on a corporate printer) are justifiable. If you have any doubt as to whether behaviour is allowed and acceptable, contact your direct supervisor or the Ethics Committee.



Question

An employee regularly spends time on the Internet, communicating with friends on social networks (at least an hour a day). He works a lot and his work always meets quality standards and is delivered on time. Is his behaviour ethical?

Answer

No, because the employee is expected to dedicate all his working time to his work. Also, the employee is treating the Company's

resources dishonestly (regularly making personal use of the corporate internet access). At the same time, if an employee manages to complete his work to standards and on time, and still manages to have a substantial amount of free time, it might be time to offer him a promotion or another position.



Achieve
more
together