

General information on policies that determine the anti-corruption efforts of the Company

In addition to open access policies (Anti-Corruption Policy, Employee's Code of Conduct, Regulations on the Hot Line Operation, etc.), EvrazHolding (hereinafter referred to as the Company) applies a number of other documents that regulate anti-corruption efforts. The summary of certain documents is given below.

Regulation for interaction with state authorities

This internal document specifies that interaction with government bodies for and on behalf of the Company is carried out by employees solely in accordance with the list of positions, specified in the annex to the Regulation. Such communication can take place solely within the framework of your labor function and in accordance with the job description. The list of positions is formed on an individual basis at each of the Group's enterprises.

In the event that any new unit or employee of the Company has a need to constantly interact with government bodies, such a unit or employee shall make appropriate changes to the regulations on the business unit and job descriptions.

This Regulation shall not apply to representation of the Company's interests in courts, as well as interaction with interaction with when auditing economic and financial activities of the Company within the competence of the relevant state authority. These relations shall be governed by separate local regulatory acts of the Company.

In order to ensure compliance with applicable legislation and the anti-corruption policies and procedures, adopted at the Company, current control of interaction with government bodies is carried out.

Criteria used in current monitoring in relation to certain cases of interaction with government bodies include:

- interaction with government bodies on issues, related to areas of increased corruption risk (for example, charity, licensing of activities, investigation of accidents at work, etc.);
- necessity of monetary payments, transfer or receipt of other inventories within interaction.

Current monitoring may include, in particular:

- provision by the employee of a report and documentation on the status of interaction with government bodies (in writing) and their analysis by the compliance manager;
- prohibition by the Line Director to the responsible employee to perform certain categories of actions without prior approval;

In case of any facts of potential violation of the ethical business practices or provisions

of the Anti-corruption policy of the Company, any Company employee, whom such fact came to knowledge, shall immediately notify the Compliance Manager and other interested officers of the Company.

On the fact of violations identified, the Company shall conduct an internal investigation to identify guilty persons and in case of evidence of their guilt, bring them to liability in accordance with the procedure applicable in the Company.

Policy on the verification of candidates for work

The purpose of this Policy:

- conclusion of labor relations with individuals, who are able to perform their duties in good faith, in accordance with the requirements of the legislation of the Russian Federation and internal documents of the Company;
- verification of the information, provided by the candidate about himself/herself, professional, investment and other activities, kinship and commercial relations with other individuals, including public officials and legal entities;
- non-entry into labor relations with candidates, who are inclined to commit offenses, corrupt and/or other fraudulent actions, as well as those having traits of character and/or way of life that may have a negative impact on the business reputation of the Company.

The candidate is inspected in the interests of the Company acting as an employer, in accordance with the current laws of the Russian Federation, as well as internal documents regulating the procedure for selecting and hiring a new employee, that is objective and comprehensive.

In the course of the inspection, the candidate's professional, business and personal qualities are examined for their compliance with the requirements of the vacancy/position, recommendations from previous jobs are sought and studied. Check that there is no (1) involvement in administrative, criminal, disciplinary or other liability, (2) prohibition to occupy managerial positions, (3) negative and compromising information about the candidate or his/her close relatives, (4) signs of affiliation with Public officials. The issue of the presence / absence of a conflict of interest is carefully considered.

Counterparty verification policy

This policy determines the main principles, conditions, procedure, compliance officers, methodology and timing of the audit of legal entities and individuals entering into civil law (with the exception of labor) relations with EvrazHolding.

The verification of the reliability of potential and existing counterparties and their business reputation, determination of counterparties' intolerance to corruption is carried out – a manifestation of due diligence on the part of the Company. Such an inspection is necessary to ensure the economic security of the transactions concluded and to minimize the risk of corruption.

Entering into a contractual relationship or making transactions with a counterparty that is subject to verification is impossible without carrying out the specified verification and up to obtaining its results. The inspection is conducted in a reasonably short time at the stage of the transaction approval or on the basis of the appeal \ request of the initiator.

In this case, the main, but not the only areas of verification of the counterparty are:

- verification of title documents, as well as powers of persons representing the interests of the counterparty and having the right to sign;
- checking the history of the relationship with the counterparty;
- verification of the trustworthiness and business reputation of the counterparty, including the lack of information on participation in corrupt, fraudulent or other unlawful activities;
- verification of affiliation of the counterparty with authorities and / or public officials;
- revealing of signs of a conflict of interests between the Company's employees and owners, managers or other persons influencing the decision making of the counterparty.

All the sources of information used meet the requirements of legality and objectivity. It is allowed to send official requests to the authorities and other structures.

Policy on the procedure for conflict of interest settlement

In order to maximize the balance of the Company's business objectives and the private interests of its employees, the Company operates a procedure for informing about the conflict of interests and taking measures to resolve it.

A conflict of interests means a situation or circumstances, when private interests of an employee of the Company and/or his/her close relatives conflict or may conflict with the interests of the Company and when he/she and/or his/her close relatives are personally interested, which influences or may influence the proper performance by him/her of the official duties, including objective decision-making. At the same time, private interests include any personal, social, property, financial, political and other commercial or non-commercial interests. Close relatives are understood as spouses, parents, children, brothers and sisters, grandfathers and grandmothers, grandchildren.


Employees have the right to engage in legal financial, entrepreneurial, political and other commercial or non-commercial activities in their spare time, if such interests and activities do not affect their ability to perform official duties at the Company.

The Company identifies two types of conflict of interest:

- real conflict of interest – the employee's private interests directly or indirectly contradict the business interests of the Company and/or the operated enterprises;
- potential conflict of interests – the employee's private interests, under certain circumstances, may conflict with the business interests of the

Company and/or the operated enterprises.

When performing their job duties employees of the Company and the operated enterprises shall be guided by the principles of honesty and good faith and avoid situations that can lead to conflict of interests, including:

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- be guided only by the interests of the Company and/or the operated enterprises in making decisions on any business matters;
 - not use official position in personal interests;
 - avoid financial and other obligations that could lead to a conflict of interest;
 - not hold a management position and/or position related to decision making, at competitive companies, not be a part of their Board of Directors or other management bodies, and not have any other personal interest (including through investment) in results of activity of such companies;
 - do not hold a management position and/or decision-making position at the counterparty companies of the Company and/or the operated enterprises, with the exception of companies, belonging to the EVRAZ Group and joint ventures, and not be a member of the Board of Directors or other management bodies of such companies;
 - disclose information about their private interests, which may lead to a conflict with the business interests of the Company and/or a potential conflict of interests, etc.

In case of occurrence (real) or risk of occurrence (potential) of a conflict of interests, the employees of the Company and the operated enterprises shall inform the relevant compliance manager about this.

The policy determines the principles, measures and forms of resolving identified conflicts of interest, not contradicting the legislation, and also points to the importance of measures to prevent such situations. The document provides examples of typical situations, related to the conflict of interests, and proposes ways to address them.

Instruction on corporate training of employees to the main provisions of anti-corruption policies

The purpose of corporate training of the Company's employees on educational programs of anti-corruption topics is:

- the formation of an appropriate level of the Company's anti-corruption corporate culture and the construction of an effective anti-corruption system;
- informing employees about the requirements of the applicable anti-corruption legislation and internal documents of the Company, including the Anti-Corruption Policy of EVRAZ, on the anti-corruption procedures applied at the Company;
- familiarizing employees with the procedure for responding to identified corruption phenomena and intentions, both inside the Company and its counterparties;
- prevention of corruption violations.

The Company's compliance manager is responsible for the formation and, if necessary, modernization of the program, as well as for choosing the form of corporate training for employees.

The Instruction defines the main categories of personnel, whose training is mandatory. Direct decision on training is made by the compliance manager of the relevant enterprise. Newly hired employees are sent for training after passing the probation period on the basis of information on hiring and transfers, provided by the HR Department.

The Instruction defines the forms of corporate anti-corruption training (remote, full-time, meetings with compliance officers), and contains the main list of topics. Training within the remote course is considered to be completed only upon the achievement of the result, specified in the letter of invitation. For evasion and / or untimely passing of the appointed training the planned amount of the monthly bonus of the employee can be reduced upon the recommendation of the compliance manager.