

EVRAZ ANTI-CORRUPTION POLICY

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1. GENERAL PROVISIONS

1.1 Purpose and Objectives of the Policy

- 1.1.1. EVRAZ Anti-Corruption Policy (hereinafter – the “Policy”) is the underlying document establishing the key principles and requirements adopted by EVRAZ companies to prevent corruption and ensure compliance with the Applicable Anti-Corruption Laws.
- 1.1.2. Implementation of the Anti-Corruption Policy and anti-corruption procedures ensures legitimacy, transparency and openness of EVRAZ activities to all its stakeholders.
- 1.1.3. The policy is a public document available on EVRAZ official website in the Internet.
- 1.1.4. This Policy is designed to:
 - Ensure compliance with the Applicable Anti-Corruption Laws;
 - Summarize the main requirements of the Applicable Anti-Corruption Laws and establish the key principles and regulations for EVRAZ companies’ anti-corruption activities, as well as formulate the fundamental rules, standards and codes of conduct, which must be adhered to;
 - Keep all stakeholders informed about EVRAZ companies’ “zero tolerance” to any forms of corrupt practices.

1.2 Scope of Application

- 1.2.1. This Policy is mandatory for all Senior Officials and Employees of EVRAZ companies regardless of their positions upon execution of their work responsibilities and/or representation of EVRAZ companies’ interests in any part of the world.
- 1.2.2. Fundamental principles and requirements of the Policy equally apply to joint ventures, Contractors of EVRAZ companies, including suppliers, agents, intermediaries, consultants, representatives and other individuals and legal entities, to the extent such responsibilities are implied by agreements with them, stated in their internal documents, or expressly derived from the Applicable Anti-Corruption Laws.

1.3 Basic Terms, Definitions and Abbreviations

Applicable Anti-Corruption Laws:

- The United Kingdom Bribery Act, 2010;
- The United States Foreign Corrupt Practices Act, 1977;
- Any laws and regulations containing the provisions of OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted on November 21, 1997) or the United Nations Convention against Corruption (adopted by the General Assembly of the United Nations by Resolution 58/4 at the 51st plenary meeting held in New York on October 31, 2003);
- Any other anti-bribery and anti-corruption Applicable Laws.

Applicable Laws – legislative rules and requirements of the state, as well as rules and regulations of international legislative and regulatory acts and laws of foreign countries applicable to EVRAZ companies and/or their Employees due to certain circumstances (for example, carrying out business activities in the territory of a particular state, terms and conditions of an agreement with any foreign contractor, etc.)

Business entertainments – any expenditure of EVRAZ companies made on behalf of Third Parties or for their benefit or any expenditure of any Third Party made on behalf and for the benefit of representatives of EVRAZ, which are associated with the establishment and/or maintenance of business cooperation, conduct of business, including expenses for business meals, travel, accommodation, entertainment, etc.

Contractor – any legal entity, individual or other person established under the Applicable Law that enters into contractual (written or oral) relations, except for labor relations, with any of EVRAZ companies.

Employees – individuals employed by the EVRAZ companies according labor or civil law.

Gifts – any gifts given to Employees, Contractors and other Third Parties on behalf and at the expense of EVRAZ companies, as well as items received by EVRAZ companies or their Employees while executing their work responsibilities and/or representing EVRAZ interests from Contractors and other Third Parties.

Government Authorities – any state authorities and local self-government bodies, including legislative, executive (for example, government ministries, departments and agencies) and judicial agencies.

Politician – an individual professionally engaged in political activities, including any individual being a functionary in a political party.

Public Official

- 1) Any person performing organizational, executive and administrative functions in a temporary capacity, permanent capacity or by special authority within the following bodies and organizations:
 - any Government Authority or armed forces and military units;
 - any political party (other than rank and file members of a political party);
 - any international public organization (e.g., International Monetary Fund, United Nations, World Bank, etc.);
- 2) Any person acting as a representative of the above mentioned bodies, entities and organizations;
- 3) Any candidate for a position in the above mentioned bodies, entities and organizations.

Responsible Officer– a person responsible for ensuring compliance with the Applicable Anti-Corruption Laws, specified in EVRAZ internal regulations.

Senior Official – Chief Executive Officers/Directors, Vice-Presidents, Functional Managers of EVRAZ companies, as well as other persons performing managerial functions in EVRAZ.

Third Parties – any individuals who are not Employees of EVRAZ companies as well as any legal entities not included in EVRAZ structure.

2. PROHIBITION OF CORRUPT PRACTICES

- 2.1. EVRAZ companies adhere to the principle of “zero tolerance” to any forms of corrupt practices within their business activities, while executing projects and interacting with Government Authorities, Public Officials, Politicians, investors, Contractors, partners and other persons.

“Zero tolerance” to corruption means that any person subject to this Policy is strictly prohibited from participating directly or indirectly, personally or through the Third Party in any corrupt practices in any country of the world regardless of local business practices existing in such country, including:

- Prohibition on bribing;
- Prohibition on being bribed;
- Prohibition on bribing Public Officials, including foreign ones;
- Prohibition of “facilitation payments” (administrative, bureaucratic, etc.) in favor of Government Authorities, Public Officials and other persons.

- 2.2. With regard to the “zero tolerance” principle and in compliance with provisions of the Applicable Anti-Corruption Laws, the Senior Officials and Employees of EVRAZ companies are strictly prohibited, directly or indirectly, personally or through any Third Party, from:

- promising, offering, or giving
- extorting, requesting, agreeing to receive or receiving

bribes in any form, including cash, other things of value, property, property rights and interests, other financial or other advantages, to or from any persons, including Public Officials, with the intention of influencing their actions or decisions, to reward them for improper performance, in order to gain any improper advantage, or for any other improper purpose.

EVRAZ companies and their Employees do not participate in any corrupt practices even if they are extorted with adverse actions. All cases of extortion should be reported to the Responsible Officer in order to avoid or minimize their consequences for EVRAZ companies and/or their Employees.

- 2.3. EVRAZ companies refrain from making “facilitation payments”, i.e. provision of funds, property, property rights and interest, services, and other financial or other advantages in order to ensure execution or to facilitate standard statutory procedures or actions, provided that such payments are not stipulated by the laws and other regulations of a particular country, but are commonly used as a part of its local business practices.

- 2.4. While adhering to the principle of “zero tolerance” to any forms of corruption, EVRAZ companies guarantee that no sanctions would be imposed (including

dismissal, demotion, deprivation of bonuses, etc.) on the Employees who refused to participate in corrupt activities even if such refusal resulted in EVRAZ companies' failure to gain commercial and/or competitive advantages and/or suffer losses that cannot be avoided without breach of the Applicable Anti-Corruption Laws and/or this Policy.

3. TOP LEVEL COMMITMENT

The Senior Officials of EVRAZ companies must in practice (through their words and actions) demonstrate their personal commitment to ethical behavior and compliance with the requirements of the Applicable Anti-Corruption Laws and EVRAZ internal regulations, including this Policy, in order to form a "zero tolerance" attitude towards any forms of corruption.

4. COMPANY'S PRINCIPLES AND REQUIREMENTS WITH RESPECT TO MOST RISKY AREAS

4.1 Gifts, Hospitality and Business Entertainment Expenses

4.1.1. Gifts, hospitality and Business entertainment expenses are an integral part of standard business practices and establishment of stable business relationships with Contractors. However, due to the fact that certain types of Gifts, hospitality and Business entertainment expenses may influence the decision-making process and/or contradict provisions of the Applicable Anti-Corruption Laws, EVRAZ companies set the mandatory requirements for legitimate and acceptable Gifts, hospitality and Business entertainment expenses. These requirements are specified in this Policy and other EVRAZ internal regulations.

4.1.2. The Senior Officials and Employees of EVRAZ companies are prohibited from requesting, demanding or inducing Third Parties to grant Gifts to them or their close relatives and/or to provide them with Business entertainments and hospitality.

4.1.3. It is prohibited to provide and accept Gifts, hospitality and Business entertainments if they may affect the outcome of any transaction and/or recipient's decisions in favor of the person granted such Gift, hospitality and/or Business entertainment.

4.1.4. EVRAZ companies refrain from providing Gifts to Public Officials, Politicians and their close relatives, as well as paying any expenses for or on behalf of such persons, including obtaining financial and/or other advantages by such persons at the expense of EVRAZ (for example, in the form of payment for transport, accommodation, meals, entertainment, etc.), except for the expenditures related to participation of these persons in official events organized and/or financed by EVRAZ companies.

In exceptional cases, if provision of Gifts, hospitality and Business entertainments to Public Officials meets the requirements of the Applicable Anti-Corruption Laws, such provision is subject to prior approval by the Responsible Officer.

4.1.5. Granting and accepting Gifts, hospitality and Business entertainments are permitted only if the following requirements are met:

Legitimacy:

- Should comply with the Applicable Law, as well as principles and requirements of EVRAZ internal regulations, including this Policy;

Justification (reason, purpose):

- Should be directly connected with EVRAZ companies' business activities or official and professional holidays;
- Should not be made with the intention (direct or indirect) to influence decisions that have an impact on the business activities of EVRAZ companies or with other unethical and illegal purposes;
- Should not impose any obligation on the recipient;
- Should not constitute remuneration (including hidden remuneration) for services rendered or works performed.

Economic feasibility:

- Should be bone fide, reasonable and proportionate to a specific event (occasion);
- Should not be expensive or of luxury nature.

Types:

- Should not be in form of money, petty cash, securities, precious metals, gift certificates or other cash equivalents.

Transparency:

- The process of provision and acceptance shall be transparent;
- Should not create a reputational risk to EVRAZ companies, their Employees and/or other persons in case of disclosure of the information about such Gifts, hospitality and Business entertainments.

4.1.6. All above requirements shall apply to provision and acceptance of Gifts, hospitality and Business entertainments by/to Employees of EVRAZ companies both directly or via intermediaries or other persons.

4.1.7. When accepting Gifts, hospitality and/or Business entertainments in the course of execution of their work responsibilities and/or representation of EVRAZ companies' interests, the Senior Officials and Employees shall ensure that such Gifts, hospitality and/or Business entertainments comply with EVRAZ anti-corruption principles and requirements.

The cost of any Gift received or given by a Senior Official or Employee of EVRAZ companies shall not exceed USD 100 or equivalent amount, and the cost of provided or accepted hospitality or Business entertainments shall not exceed USD 500 or equivalent amount.

Granting or receiving Gifts, hospitality and Business entertainments in excess of the specified limit must be prior approved by the Responsible Officer. All such cases shall be recorded in a special register.

4.1.8. All Gifts granted on behalf and/or at the expense of EVRAZ companies, as well as provided hospitality and incurred Business entertainment expenses are recorded in the accounting.

4.2 Charitable Donations and Sponsorship

4.2.1. Charity and sponsorship activities of EVRAZ companies must meet the following main criteria:

- Should comply with the provisions of the Applicable Laws, as well as principles and requirements of EVRAZ internal regulations;
- Should be directly or indirectly associated with pursuing business interests and/or achieving statutory goals of EVRAZ companies;
- Should have a positive effect on reputation of EVRAZ companies and be effective in achievement of social and public purposes;
- Should not be intended to influence decisions of Government Authorities, Public Officials and other persons with respect to obtain, retain or expand business activities of EVRAZ companies or gain any commercial and/or competitive advantage and should not constitute remuneration (including hidden remuneration) of such persons.

4.2.2. EVRAZ companies do not make charitable donations for the benefit of Public Officials, Government Authorities, political parties, religious and commercial organizations. However, EVRAZ companies may provide direct charity support to those who are in need within projects proposed by the above mentioned persons, provided that such charity activities are in compliance with the established anti-corruption principles and requirements.

4.2.3. All charitable donations and sponsorships are subject to prior approval by correspondent EVRAZ officials pursuant to the procedures specified in EVRAZ internal regulations. All charitable donations and sponsorship shall be recorded in a special register.

4.2.4. EVRAZ companies ensure control over the proper use of funds granted within the framework of charitable and sponsorship activities.

4.2.5. Charitable donations and sponsorship operations are recorded in the accounting of EVRAZ companies.

In addition, key information about charitable and sponsorship activities shall be disclosed on EVRAZ official website in the Internet, in the Annual report or otherwise.

4.3 Political Contributions

4.3.1. EVRAZ companies do not finance political parties and political movements, as well as any representative thereof.

- 4.3.2. However, EVRAZ companies acknowledge the right of their Employees to be personally involved in political activities at their leisure time. Such participation:
- Should be carried at Employees' own expense;
 - Should not be associated with EVRAZ;
 - Should not be inconsistent with their rights and official duties in the course of their employment by EVRAZ companies.

4.4 Public Relations

- 4.4.1. All public relations activities carried out by EVRAZ companies shall be aimed solely at promoting the image and business reputation of EVRAZ.
- 4.4.2. EVRAZ companies do not pay for any publications in the press and/or broadcasts in mass media aimed to promote the personal image of any Third Party intended to induce such person to make any decision in favor of any EVRAZ company.
- 4.4.3. All public relations events and activities carried out by EVRAZ companies shall meet the following key requirements:
- Be in compliance with the Applicable Laws and EVRAZ corporate documents;
 - Be directly connected with the business activities of EVRAZ companies;
 - Be reasonable and proportionate to their importance (including, the format of the event);
 - Should not constitute remuneration (including hidden remuneration) and/or should not influence any decision-making process in favor of any company of EVRAZ companies;
 - Should not create reputational risk to EVRAZ companies, their Employees and/or other persons in case of disclosure of information about events being held and/or funded.

5. ANTI-CORRUPTION SYSTEM

5.1 Identification of Corruption Risk

- 5.1.1. Within anti-corruption activities, EVRAZ companies identify and assess on a regular basis (at least once a year) the corruption risk they face in each country where they operate.
- 5.1.2. EVRAZ companies acknowledge the necessity of corruption risk management irrespective of its probability and impact. Corruption risk management is performed taking into account specifics of all business lines and areas of EVRAZ companies' activities.

5.2 Anti-Corruption Function and Proportionate Procedures

- 5.2.1. EVRAZ companies have a special function in place to ensure compliance with the Applicable Anti-Corruption Laws and adherence to EVRAZ anti-corruption principles and requirements, established in EVRAZ internal regulations, including this Policy.

- 5.2.2. Within this function, EVRAZ companies appointed the Responsible Officer to give prior approval for the highest-risk operations and transactions, to ensure implementation and effective functioning of anti-corruption procedures and activities provided for in this Policy and other EVRAZ internal regulations, as well as to ensure monitoring and control over compliance with established policies and procedures, reporting and to perform other anti-corruption activities stated by EVRAZ internal regulations.
- 5.2.3. In addition to anti-corruption procedures set forth in this Policy, EVRAZ companies have other control procedures within its functional and business areas of activity in place that are aimed to ensure establishment of appropriate and sufficient control environment in EVRAZ companies as well as procedures enabling to mitigate the corruption risk.
- 5.2.4. EVRAZ companies ensure control over compliance of their new business lines, types of activities and/or operations with the provisions of the Applicable Anti-Corruption Laws, anti-corruption principles and requirements of this Policy by the means of conducting special anti-corruption expertise or analysis.

5.3 *Record-Keeping and Accounting*

- 5.3.1. Accounting and records of EVRAZ companies are maintained in full compliance with the requirements of the Applicable Laws and EVRAZ internal regulations.
- 5.3.2. All business transactions and operations are accurately, correctly and with appropriate level of detail reflected in the accounting records, supported with appropriate documentation and are available for review in accordance with requirements of the Applicable Laws.
- 5.3.3. Misrepresentation and falsification of bookkeeping, tax and management accounting and reporting data is strictly prohibited and constitutes a breach of the Applicable Laws and EVRAZ internal regulations.

5.4 *Communication with Employees and their Consultation*

- 5.4.1. EVRAZ companies build up an appropriate anti-corruption culture and promote ethical conduct of business by providing regular trainings for all newly hired and existing Employees on anti-corruption principles adopted by EVRAZ companies, as well as rules and requirements of the Applicable Anti-Corruption Laws.
- 5.4.2. EVRAZ Employees must be familiar with this Policy and regularly confirm their adherence to anti-corruption principles and requirements specified herein.
- 5.4.3. EVRAZ Employees who doubt that their actions comply with the provisions of the Applicable Anti-Corruption Laws and/or anti-corruption principles and requirements of this Policy may apply to the Responsible Officer for the consultation within the established internal procedure.

5.5 Relationships with Contractors

- 5.5.1. EVRAZ companies do not engage any agents, consultants, representatives and other intermediaries to make any payments and/or take any actions contradicting the provisions of the Applicable Anti-Corruption Laws and requirements of EVRAZ internal regulations and/or posing any risk to EVRAZ business reputation and/or business reputation of EVRAZ Employees when performing their official duties.
- 5.5.2. EVRAZ companies ensure the objective and transparent contractor selection process enabling to mitigate the corruption risk.
- 5.5.3. To minimize the risk associated with business relations with Contractors, EVRAZ companies:
- Analyze information about due diligence, business reputation and tolerance to corruption of its Contractors (Due Diligence procedure), as well as ensure no conflict of interest exists;
 - Include into agreements with Contractors special anti-corruption provisions requiring compliance with the Applicable Anti-Corruption Laws and notification of one party by the other of any facts of corrupt behavior of its Employees or affiliates.

5.6 EVRAZ Hot-line

- 5.6.1. EVRAZ companies encourage their Employees and Contractors to report to EVRAZ Hot-line the facts of its Employees' involvement in corrupt practices when performing their official duties as soon as they become aware of such cases using the established communication channels (Hot-line).
- 5.6.2. Principles of EVRAZ Hot-line functioning:
- *The right to remain anonymous when reporting corrupt behavior.* In case of anonymous submission of issues to the Hot-line, the applicant shall realize difficulties associated with further information's analysis and review, conducting internal investigations where necessary, and taking appropriate measures, as there is no opportunity to clarify received information and interact with the applicant afterwards;
 - *The guarantee of personal confidentiality:* EVRAZ companies, within their powers and capacities, ensure confidentiality of information about the person who has reported the essential and reliable information concerning violation to the Hot-line, except as otherwise required by the Applicable Laws;
 - *Non-prosecution of persons who have applied to the Hot-line:* EVRAZ companies guarantee that Employees who in good faith reported facts of corruption practices performed by other EVRAZ Employees will not be subject to any sanctions, including dismissal, demotion, deprivation of bonuses, material or other advantages and benefits, etc.;
 - *Unbiased and timely consideration of received messages.* EVRAZ companies reserve the right not to consider the information provided on the Hot-line containing obscene words and/or provided with the purpose of:
 - spreading information which is known to be false, slanderous, etc.;

- settling personal scores, achieving personal goals that are in conflict with the EVRAZ companies' interests;
- harassment, expression of threats to life and health of EVRAZ Employees and their family members and close relatives;
- distributing promotional information, providing data not directly related to the business of EVRAZ companies;
- other similar purposes that are contrary to the scope of the Hotline.

5.6.3. Providing knowingly false information by EVRAZ Employees or other persons to the Hot-line shall constitute a breach of this Policy and the relevant provisions of the Applicable Laws. The breaching person may be liable to prosecution in accordance with the Applicable Laws and EVRAZ internal regulations.

6. MONITORING, REVIEW AND REPORTING

6.1. EVRAZ companies shall regularly monitor and review the effectiveness and efficiency of implemented control procedures and anti-corruption actions, assess their adequacy, proportionality and relevance, as well as improve them due to identified control environment deficiencies and/or changes in the Applicable Anti-Corruption Laws and/or international best practices.

6.2. In addition, EVRAZ companies regularly conduct internal and external audits of business activities, reviews of internal control systems and of compliance with the Applicable Anti-Corruption Laws and associated EVRAZ internal regulations, including this Policy.

6.3. The results of monitoring and review procedures with respect to EVRAZ companies' compliance with the Applicable Anti-Corruption Laws and corporate anti-corruption procedures, as well as analysis of their effectiveness, efficiency and adequacy are included in the report which is considered by the Risk Committee, Audit Committee and other responsible EVRAZ corporate bodies on an annual basis.

The results of above monitoring and review activities shall be published on the official website of EVRAZ, disclosed in the Annual report or otherwise.

7. RESPONSIBILITY FOR NON-COMPLIANCE

7.1. Senior Officials and Employees of EVRAZ companies, regardless of their positions, shall be personally liable for non-compliance with anti-corruption principles and requirements of this Policy.

7.2. Adherence of EVRAZ Employees to anti-corruption principles and requirements established hereby shall be taken into account when nominating to senior positions and promoting.

7.3. Since EVRAZ companies adhere to a principle of "zero-tolerance" to any form of corrupt practices, they would initiate internal investigations with respect to each reasonable suspicion or identified fact of corrupt behavior in accordance with the requirements of the Applicable Laws and EVRAZ internal regulations.

7.4. Employees who violate anti-corruption principles and requirements of this Policy, irrespective of the scale and form of violation, shall bear responsibility to the extent and on the grounds provided for by the Applicable Laws and EVRAZ internal regulations.