



NOVOSTAL-M

METALLURGICAL
HOLDING COMPANY



AESW



SF BALAKOVO

**CODE OF BUSINESS ETHICS
OF COUNTERPARTIES NOVOSTAL-M**

(EDITION 1)

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The Code of Business Ethics of Novostal-M counterparties (hereinafter referred to as the Code) contains requirements for corporate liability of counterparties of Novostal-M and other organizations with which Novostal-M (hereinafter referred to as the Company) enters into business relations as part of the supply of goods, performance of work, rendering services to the Company

1. Terms and definitions

1.1. Employees are used in relation to employees employed both full-time and part-time, as well as persons performing work (providing services) on the basis of civil law contracts - for the entire duration of the contract.

1.2. Corruption is the abuse or illegal use of one's official position in order to obtain benefits for oneself or for third parties, or the illegal provision of such benefits to another person, including actions performed on behalf of or in the interests of a legal entity.

1.3. Counterparty - any legal or natural person, individual entrepreneur, supplying goods, performing work, rendering services to the Company.

1.4. Procurement procedure (purchase) - a set of actions of the Company aimed at concluding an agreement for the supply of goods, performance of work, provision of services to meet the needs of the Company.

1.5. Conflict of Interest - a situation where the personal interests of one or more Employees of the Company or members of their families conflict with the interests of the Company when establishing any business relationship with the Counterparty.

1.6. Confidential information - information that has real or potential commercial value due to its unknown to third parties, lack of access to it on a legal basis, and due to the fact that the owner of this information takes measures to protect its confidentiality.

1.7. Insider information - accurate and specific information that has not been disseminated or provided (including information constituting commercial, official and other secrets protected by law), the distribution or provision of which may have a significant impact on the value of financial instruments, goods.

2. General provisions

2.1. The Company seeks to work with Counterparties that have an impeccable reputation, comply with the law, as well as generally accepted standards of corporate and business ethics, respect human rights, and take care of labor protection and health of employees.

2.2. The Company maintains open and transparent business relations with all its Counterparties and seeks to develop them on a mutually beneficial basis. The Company expects Counterparties to follow high ethical standards and refrain from any activity that may be considered as violating these standards. It is expected that the Counterparty shares the Company's desire to work not only for the benefit of business, but also for the benefit of the local population in the regions where the Company and the Counterparty operate.

2.3. The contract concluded with the Counterparty may include the provisions of the considered areas of ethics. If any contract establishes more stringent requirements, the provisions of this Code do not cancel their validity.

2.4. The Standards of the Code are subject to compliance by all Counterparties in the course of their operations. Policies developed and implemented by Counterparties must comply with the provisions of this Code. It is expected that the Counterparty will implement similar standards at all stages of its activities, monitor compliance with the said Code by its subcontractors, informing the Counterparty of the

Company about the availability of conditions, prevailing in its activities or activities of its subcontractors, which are contrary to the Code.

2.5. The Company reserves the right to exercise control over compliance with this Code both independently and with the involvement of third parties in the audit. In order to ensure compliance by the Counterparties of this Code, the Company has the right to audit any site or facility of the Counterparty (production, office, logistics center, etc.), as well as any facility associated with the Counterparty (subcontractor, subsidiary, subsupplier and (or) branch) by their employees or with the involvement of an independent audit company.

2.6. If the Company becomes aware of any actions or circumstances that do not comply with the provisions of the Code, the Company reserves the right to demand an audit, the application of corrective measures, up to termination of contracts.

2.7. Society is aware that adherence to the principles and values set forth in the Code is a dynamic process. Each Counterparty is encouraged to continuously improve its operations and methods.

2.8. In order to keep the document up to date, it is allowed to regularly update and supplement it based on information from external and internal sources and interaction experience. The current version of the Code is posted on the official website of the Company and is available to an unlimited number of people for review.

3. Compliance with the requirements of the law and other rules in the course of business activities

3.1. The Company expects Counterparties to respect and comply with applicable laws, the requirements of international standards and documents (the Universal Declaration of Human Rights, the UN Global Compact, the International Labor Organization Declaration on Fundamental Principles and Rights at Work) and other rules in their professional activities.

3.2. If the provisions of laws and other regulations, instructions or rules, local, national or international, impose stricter rules regarding corporate liability than the provisions of this Code, they take precedence over the latter.

4. Ethical business conduct

4.1. The Company is firmly committed to the principles of fair competition and market openness, strives to provide equal opportunities to all potential Counterparties.

4.2. If there is an opportunity and a competitive environment, the Company selects Counterparties primarily on a competitive basis. The main principle in the selection of Counterparties is to ensure fair competition. Decisions on the choice of the Counterparty are based on such objective criteria as commercial and technical conditions, quality of goods, services, experience and qualifications of the Counterparty, compliance of goods, works, services with the requirements of the Company, as well as the reliability of the Counterparty.

4.3. The counterparty, in turn, undertakes to comply with the rules for participation in the procurement of goods, works, services and adhere to ethical standards during the procurement procedures. Counterparties participating in procurement procedures are prohibited from exchanging information on prices and other conditions that may affect the choice of the winner, to take actions that restrict competition, including collusion and price agreements, industrial espionage.

4.4. The Counterparty is expected to provide the Company and publish in public sources only reliable information. Information on economic activity, structure, financial position and performance indicators must be disclosed in accordance with applicable regulatory legal acts. Falsification of indicators or distor-

tion of information about the position and activities of the Counterparty is not allowed.

4.5. It is expected that the Counterparty will avoid the Conflict of Interest and inform the Company about such precedents.

5. Anti-corruption

5.1. The Company has created and maintains an atmosphere of intolerance towards all manifestations of corruption. The Company seeks to create comprehensive measures to verify information about possible facts of corruption offenses, and if they are confirmed, to eliminate (minimize) their consequences and causes that contribute to them.

5.2. The Counterparty is expected to comply with all applicable laws and regulations on combating corruption, combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

5.3. The Company strives to maintain and develop relations with Counterparties that operate in accordance with high ethical standards and implement measures to combat corruption offenses in accordance with the current legislation of the Russian Federation, as well as applicable international standards in the field of combating corruption.

5.4. The Counterparty undertakes not to carry out actions qualified by applicable law as giving/receiving a bribe (mediation in bribery), commercial bribery (provocation of a bribe or commercial bribery), abuse of authority, as well as actions that violate the requirements of applicable law and international acts on combating legalization (laundering) proceeds of crime and financing of terrorism.

6. Rights and freedoms

6.1. Contractors should strive to maintain a fair human resources policy and ensure that working conditions comply with applicable laws and industry standards.

6.2. Counterparties respect and support the protection of generally recognized human rights and freedoms and guarantee that they are not involved in their violation. The attitude towards all employees of the Counterparty must be respectful and dignified.

6.3. Counterparties exclude discrimination in any form.

6.4. The Contractor undertakes not to employ persons under the age of 16, except as otherwise provided by applicable law.

6.5. The Counterparty complies with applicable laws governing working hours for Employees.

6.6. The Counterparty must pay wages and overtime pay to Employees at least at the level required by applicable law. For each pay period, the Contracting Party must provide employees with a clear payroll stating the number of hours or days worked, the current wage or piece rate, and the reasons for the deductions made.

6.7. The counterparty is not entitled to use corporal punishment, threaten violence or allow other forms of mental or physical coercion against its employees.

6.8. Within the limits established by law, the Counterparty is obliged to recognize and respect the right of employees to form trade unions and conclude collective agreements. Under any circumstances, Employees must be able to openly express complaints to management without fear of retaliation and punishment.

7. Environmental and labor protection

7.1. The Company seeks to work with Counterparties who share the Company's commitment to environ-

mental protection. The counterparty must strictly comply with the legislation in the field of ecology and environmental protection, strive to improve the environmental component of its production by controlling and monitoring the main environmental parameters of environmental pollution, reducing the negative impact on the environment.

7.2. The Company expects the Counterparty to comply with health and safety standards and create a healthy working environment and safe working conditions for all its employees.

7.3. The Counterparty at the facility or on the territory of the Company undertakes to comply with the labor protection and safety standards established by the Company.

8. Confidential and insider information

8.1. The Counterparty is expected to respect the intellectual property of the Company, its commercial secrets and any other Confidential, Insider or other information, the dissemination of which may affect the reputation or financial position of the Company and the Counterparty. Any information or data on the Company's operations shall, under any circumstances, be treated by the Counterparty as confidential. The Counterparty undertakes to protect the confidentiality of information by refusing to transfer, publish, use or disclose it outside of its normal activities or without instructions or permission from the Company.

8.2. The counterparty undertakes to comply with applicable data protection standards. Materials containing confidential and insider information or requiring protection in accordance with data protection standards must be stored in a safe place, without the possibility of access to it by third parties, and provided to the Counterparty's employees only on a need-to-know basis.

9. Reporting violations

9.1. The Counterparty has the right to report its suspicion of non-compliance with the provisions of the Code or other concerns regarding finances, accounting, auditing, corruption or fraud in the Company, or other serious situations affecting the significant interests of the Company, to the e-mail address hotline@novostal-m.ru.

9.2. In the event of an actual or potential violation of the requirements of this Code, the Counterparty is expected to assist, including in conducting a survey of its owners, officers, employees and agents.