

Compliance

Compliance and antibribery policy

Severstal requires professional honesty and absolute compliance with laws and regulations from every one of its employees. The Company is committed to conducting business in accordance with generally recognized ethical standards and has a zero-tolerance policy on bribery or corruption on the part of its employees. To this end, Severstal employees are expected to follow the Company's Employee Code of Conduct and Code of Business Conduct.

In 2012 Severstal expanded its anti-corruption programme with the adoption of the "Anticorruption Policy of OAO Severstal and related legal entities" aimed at systematically connecting the anticorruption standards and procedures already applied by the Company to ensure compliance with Russian and international anticorruption laws.

The "Anticorruption policy of OAO Severstal and related legal entities" was developed based on and in line with existing anticorruption legislation and international conventions (including the UN Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the UK Bribery Act, the US Foreign Corrupt Practices Act and Russian anticorruption laws). The anticorruption procedures set out in Severstal policy were developed with due consideration for international practices (including the Guidelines of Transparency International), as well as compliance programs adopted by leading companies around the world.

See current version [The "Anticorruption policy of PAO Severstal and related legal entities"](#).

Code of business conduct

Principles of our work

Trust, Quality, Honesty and Service are embedded in everything we do.

We conduct ourselves in a professional manner with the highest standards of honesty and integrity.

We act ethically and cooperate openly with our partners, suppliers and customers.

We treat our partners, suppliers and customers with respect.

We conduct all of our work to the highest standards of health & safety and environmental sustainability.

We provide our partners, suppliers and customers with honest and accurate information about our products, services and prices and those of our competitors, unless prohibited by law.

We maintain the strictest levels of confidentiality with our partners, suppliers and customers.

We always honour our agreements to the best of our ability. If we are unable to deliver on time, we will inform our partners, suppliers and customers accordingly and offer alternative solutions.

We do not tolerate abuse or humiliation of employees and partners in any way, use incorrect and offensive statements, crude jokes that humiliate personal dignity, or use psychological pressure.

We do not tolerate corruption. If you become aware of any case of corruption in relation to our Company, please let us know immediately.

We do not 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 that 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 as may be given or accepted by Company employees 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 avoid situations that may lead to a conflict of interest, inter alia, where our employee conducts any paid activity in favour of customers, suppliers or competitors.

Our commitment

To work effectively and successfully with our partners, we will:

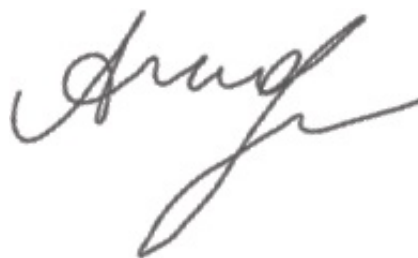
1. Work honestly and transparently.
2. Avoid any cases of corruption.
3. Honour our agreements to the best of our abilities.
4. Conduct ourselves in a professional manner, with the highest levels of integrity.
5. Inform all our employees of the rules and principles of this Code.

What we expect from our partners

To work effectively and successfully we expect that our partners will:

1. Share our efforts to prevent corruption and report any suspected corrupt behaviour.
2. Respect the highest standards of health & safety and environmental sustainability in their work with our Company:
 - respect all rules of industrial safety and labour protection;
 - avoid accidents and injuries of employees;
 - not allow employees under the influence of alcohol or other intoxicating substances to be on our Company's premises;
 - not allow polluting of the environment by their acts or omissions.
3. Honour all obligations and agreements to the best of their abilities.
4. Work openly and professionally in all dealings with our Company.
5. Inform their employees who work with our Company of the rules and principles of this Code.

If you suspect any behaviour to be in breach of this Code, please email komitet@severstal.com. We guarantee your confidentiality and the analysis of your query to the highest quality standard.



Alexey Mordashov

