

by the Board of Directors  
of Public Joint Stock Company "Severstal" on 18 October 2018  
(MINUTES № 15/2018 dated 18 October 2018)

## **Human Rights Policy Of the Severstal Group of Companies**

### **General**

Meeting the highest international standards of compliance with, support for and development of human rights in all operations is an important matter for PAO Severstal and its subsidiaries whose financial statements are included in the IFRS consolidated financial statements of PAO Severstal.

This policy ("Policy") defines Severstal's approaches and principles in ensuring its compliance with, support for and development of human rights, as well as managing risks associated with potential violations of human rights in its operations.

### **Scope**

In all its activities, Severstal is committed to identifying, evaluating and mitigating human rights risks, as prescribed by this Policy, in its relations with:

- Employees
- Local communities
- Business partners

### **Reporting Violations**

Severstal maintains confidential channels for the lodging of any complaints regarding any human rights violations by Severstal:

- Severstal's Hotline:
  - Email: [vopros@severstal.com](mailto:vopros@severstal.com)
  - Confidential phone line: +7 800 700 72 77
- Severstal Ethics Committee:
  - Email: [komitet@severstal.com](mailto:komitet@severstal.com)
  - Regular mail: 127200, Moscow, Clara Tsetkin 2, PAO Severstal, Ethics Committee

There shall be no retaliation against any individuals reporting any human rights violations or other concerns related to this Policy.

If any human rights violations are confirmed, Severstal will take the required and sufficient steps to eliminate the consequences of these violations, pursue individuals responsible for violations and prevent similar incidents from occurring in the future.

## **Legal Framework**

In applying this Policy, Severstal follows the principles of compliance with, support for and development of human rights established in the following:

- Laws of the Russian Federation
- Laws of other countries where Severstal works
- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Principles of UN Global Compact
- UN Guiding Principles on Business and Human Rights

## **Our Commitments**

In addition to compliance with the requirements of the aforementioned legal framework, Severstal commits to the following:

### **Towards Employees**

Severstal will ensure that its employees are familiar with the principles of this Policy and share Severstal's commitment to compliance with, support for and development of human rights.

Severstal will ensure its compliance with human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, and the provision of safe and comfortable workplaces for its employees, employees of its contractors and subcontractors, and agents.

Severstal shall provide equal employment opportunity to all candidates and employees according to clearly defined and conventional rules of hiring and quota setting, eliminate all forms of discrimination, including but not limited to discrimination based on gender, race, skin colour, ethnicity, language, origin, property, family status, social status or rank, age, place of residence, religion, beliefs, membership or non-membership of any social communities or group, or other characteristics unrelated to the employee's professional expertise.

Severstal will develop and comply with labour regulations in all labour relations, including recruitment, selection, hiring, evaluation, promotion and training of its employees, as well as supporting discipline, payment of compensation, and termination of employment agreements.

Severstal will comply with applicable laws in all countries where it operates.

Severstal will pay special attention to the process of reviewing employee complaints and requests, and will do everything possible to maintain transparent communications with employees and protect their rights. The review of employee complaints will consider the following key aspects: compliance with established rules and procedures, violation of employees' legal rights, violation of employment agreements, and other matters of concern related to violation of labour rights or personal rights of employees during their employment with Severstal. Severstal will take measures to identify and eliminate negative consequences of its operations.

In employee relations, Severstal will comply with this Policy and Severstal's Code of Employee Conduct.

Any violations of human rights in respect of Severstal's employees need to be reported using the channels specified in this Policy.

### **Towards Local Communities**

Severstal recognises that business operations play a key role in the protection of human rights. Through its business, Severstal contributes to the economic development of its regions and improves the quality of life of local communities.

Severstal warrants that its operations will not cause violations of human rights against local communities.

Severstal recognises the importance of the protection of rights of indigenous people who live on their ancestral lands, self-identify as a separate ethnicity and maintain their traditional lifestyle, homesteading and trades. Severstal pays special attention to culture, traditions and practices of indigenous people, their attachment to their ancestral land, participation in economic development and lifestyle relying on the use of natural resources.

Severstal respects the rights of all stakeholders to receive information about its operations and warrants transparent and clear communications with local communities.

Any violations of human rights against local communities associated with Severstal's operations need to be reported using channels specified in this Policy.

### **Towards Business Partners**

Severstal will take steps to ensure that its business partners are familiar with the principles of this Policy and share Severstal's commitment to compliance with, support for and development of human rights.

Severstal informs its business partners of the principles and contents of this Policy, and strives to prevent being connected with violations of human rights or indirectly responsible for any human rights violations committed by its business partners.

In relations with its business partners, Severstal will comply with this Policy and Severstal Code of Employee Conduct.

Any violations of human rights by Severstal representatives need to be reported using the channels specified in this Policy.

