

APPROVED:

by the Resolution of the Board of
Directors of JSC “Ural Mining &
Metallurgical Company”
Minutes of the Meeting of the
Board of Directors w/o No.

dated 16/07/2021

CODE OF BUSINESS CONDUCT

OF

JOINT-STOCK COMPANY
“URAL MINING & METALLURGICAL COMPANY”

Sverdlovsk Region
Verkhnyaya Pyshma
2021

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1. Introduction

The Code of Business Conduct (hereinafter referred to as “the Code”) of JSC “Ural Mining & Metallurgical Company” defines the ethical operating principles of JSC “Ural Mining & Metallurgical Company” and other Organizations of the UMMC Group (hereinafter collectively referred to as “the UMMC” or “the Company”).

The following Organizations shall be considered incorporated into the UMMC Group:

- a) Organizations, where JSC “Ural Mining & Metallurgical Company” is a shareholder or a member;
- b) Organizations that delegated the powers of their sole executive body to JSC “Ural Mining & Metallurgical Company”.

The Code’s objectives:

- strengthening of the UMMC’s core values to be followed when making decisions;
- identification of the UMMC’s performance standards consistent with its values and standards of conduct;
- establishment of common business etiquette and ensuring that the UMMC’s employees conduct in accordance with the corporate standards.

The provisions of the Code apply to all Organizations of the UMMC and shall be followed by employees when interacting with internal and external contractors, customers, and other related parties.

The Code shall be advisory for all individuals employed by the UMMC under civil contracts, and for external contractors acting as agents executing orders or representing the UMMC towards third parties.

Despite their position, every UMMC’s employee is required to align with the Code’s provisions and promptly report the risks of the Code’s violation. Additionally, the UMMC’s management shall be committed to the Code and exemplify the ethical conduct, raise awareness of subordinate staff of the Code’s provisions and prevent any violations of the rules of conduct set out herein.

If certain provisions of the Code come in conflict with the applicable legislation, the provisions of the latter shall apply.

2. Corporate Values

The UMMC lays down the values that serve as a guidance to every employee of the Company in making right decisions whatever the circumstances are.

Health, safety and environment. The UMMC highly values the human life and health and thus ensures that the safety measures are in place and complied with. The Company endeavors to reduce the environmental impact and mitigate environmental risks.

Efficiency. The UMMC always strives to get the best results with optimum utilization of resources.

Customer focus. The UMMC meets the needs of internal and external customers through quality products and services.

Respect. The UMMC seeks constructive interaction among colleagues, supports objective feedback, and involvement in the Company activity.

Development. The UMMC is continuously improving its operations, looking for and implementing best practices, thus ensuring sustainable growth of the Company.

3. Environmental Protection

Preserving the environment is one of the strategic development objectives of the UMMC that reflects continuous pursuance of environmental policy, determination of the prospects for upgrading manufacturing units, assessment and mitigation of their environmental impact.

The Company pays attention to environmental factors at every stage of the value chain: from extraction and processing of minerals to finished products output. The UMMC annually implements environmental measures, mainly focusing on introduction of green and resource-saving technologies, the installation of advanced waste treatment facilities, and the development of sanitary protection zones.

Environmental compliance throughout the lifecycle of activities is one of the major requirements of the UMMC. The Company acts in accordance with the legislation of the Russian Federation and international standards of environmental management.

The Company aims to:

- systematically decrease industry-related impact on the environment;
- reclaim natural resources in the areas where the UMMC operates;
- reduce greenhouse gases from production of ferrous and non-ferrous metals;
- promote a zero carbon footprint on the environment.

4. Intellectual Property Protection

The UMMC protects its intellectual property (commercially classified information, copyrights, patent rights, licenses, rights in know-hows, samples, trademarks, and other intellectual products created inside the Company). Any intellectual property that has been produced or is being produced in the operational processes of the UMMC is exclusively owned by the UMMC. Employees have an excess to the nonpublic (confidential) information within the scope of their duties.

In this regard, each employee is required to comply with the principles of handling confidential information. Amongst the other things, the confidential information should be transferred through the secure channels only.

The UMMC expects the employees, changing their place of work, to maintain internal/nonpublic information of the UMMC confidential. In its turn, the Company shall not make it binding upon its new employees to disclose internal/nonpublic information of their previous employer.

5. Conflict of Interests and Anti-Corruption Measures

The UMMC is concerned about fair business conducting both inside the Company and with its business partners. Honest and ethical behavior of every employee strengthens the reputation of the UMMC and contributes to the image of the Company as a reliable partner. It is particularly required in the situation of Conflict of Interests that any employee might face.

A Conflict of Interests is a situation in which an employee of the Company has a personal interest (direct or indirect) that influences or can influence the proper exercise of his or her professional (official) duties, and in which the contradiction between personal interests of the employee and rights and legitimate interests of the Company may harm the interests of the Company.

The UMMC exerts all efforts to prevent any situations where personal interests of employees or members of managing bodies of the UMMC interfere with the interests of the Company. Any abuse of office to obtain improper personal benefits or improper benefits of third parties to the disadvantage of the UMMC should be excluded.

The UMMC shall not tolerate corruption or bribery. Any action that can be qualified as bribery, abuse of power, corrupt payment is unacceptable at the UMMC. The Company allows

the acceptance or transfer of gifts to business partners only if it does not mean interference with the ability to perform obligations impartially and unbiasedly.

If the UMMC's employees become aware of any breach, abuse or illegal actions, including actual or potential conflicts of interests, upcoming or accomplished facts of corruption, they must promptly report to the immediate superiors or by calling the trust line +7 (34368) 96-444, or by e-mailing at usb-ugmk@ugmk.com.

6. Relations with the Government and Community

The UMMC closely cooperates with governmental authorities and community.

Following the principle of corporate social responsibility, the Company enters into agreements on social and economic cooperation and partnership with the constituents of the Russian Federation, where the UMMC's Organizations operate.

While interacting with regional public authorities and in the course of its activity in relevant areas, the UMMC complies with applicable local laws and respects the interests of the locals.

The Company is involved in sponsor and charity activity targeted at implementing socially significant and infrastructure projects intended to improve the quality of people's life (support of culture, science and education, contributing to technical and scientific process, military and patriotic education, financial assistance to healthcare system and sport, revival of moral and spiritual values).

7. Relationships with Partners, Customers and Competitors

The Company relationships with the partners are based on principles of responsible partnership.

When choosing partners, the Company follows the procedures that comply with the requirements of law and mitigate risks that may arise in the course of cooperation with partners.

The UMMC builds relationships with the customers focusing on honesty and openness. The Company targets at customers' needs and guarantees the highest quality of its products and services, fairness of its advertising and reliability of information provided, and does its best to perform its obligations accurately.

The UMMC strictly complies with the competition law and follows the principles of fair competition. The Company does not apply unethical or unfair methods of influence on its

partners and competitors. In the event of any disagreement or dispute arising regarding the competition, amicable resolution of conflict and compromise shall be in priority.

The UMMC selects its suppliers and contractors mainly on a competitive basis.

Suppliers (contractors, executors) are chosen with a view to:

- providing fair and unprejudiced selection of suppliers (contractors, executors);
- achieving funds saving and wise spending;
- finding out and checking potential financial, commercial, production and technical opportunities of the UMMC's partners.

The UMMC commits not to using its relationships with business partners to gain unfair preferences for itself and for other persons.

The Company seeks to deal with the business partners who have impeccable reputation, comply with legislation and generally accepted rules of corporate and business conduct.

8. The Company-Employee Relationship

Human resources development is of great social and economic importance for the Company. Human resources perceived as the labor, intellectual and creative potential of people, have a direct and favourable effect on the production efficiency. The UMMC encourages self-fulfillment of the employees, and provides opportunities for their continuous professional development through the acquisition of the necessary knowledge, skills and competencies measuring up to up-to-date industrial standards and Quality Management System.

The UMMC strictly prohibits unlawful discrimination or any form of harassment by reason of national origin, gender identity, age, culture, religion or any other grounds.

The Company respects human rights and recognizes their importance and generality. The UMMC is committed to the fundamental principles set out in the Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, the Declarations and Conventions of the International Labor Organization and any other international human rights regulations. The Company highly appreciates its employees and makes commitments to create and maintain respectful, friendly and inclusive working environment.

Each employee has the freedom to express and defend their professional opinions.

The Company adheres to the equal opportunity principle and:

- offers equal and fair opportunities for career advancement and development;

- makes new appointments and recruits new employees based on their professional skills, qualifications and job performance;
- prohibits patronage and promotion of selected individuals (also through nepotism).

In this regard, the UMMC shall:

- develop and improve training, incentive and potential estimation systems, empower initiative, self-actualization and proficiency enhancement of employees;
- ensure respectable salaries and wages;
- give assistance and other social protection within the programs implemented by the Company;
- prevent child labor;
- avoid forced labor.

9. Occupational Health and Safety

People are the core value of the Company. Therefore, protection of their health and well-being is the Company priority. The UMMC strives to create favorable and safe working conditions to prevent any accidents, industrial injuries and environmental incidents.

The Company recognizes Health & Safety Management System as a critical factor for effective production management and is committed to managing operational risks that may adversely affect employee's life and health as well as equipment and property. The Company aims to ensure such a level of industrial safety of hazardous production facilities and labor protection, at which the risk of industrial accidents and injuries would be minimum within the current technological horizon.

It is the Company responsibility to employees:

- to create safe workplaces;
- to develop Health& Safety performance monitoring system;
- to provide workers with personal protection equipment;

The Company expects shared commitment from its employees through:

- bona fide performance of job duties and personal responsibility for the consequences of their actions;
- strict compliance with Health& Safety standards and regulations;
- utilization of the personal protection equipment.

10. Personal Behavior

Employees shall undertake to maintain a positive corporate image. Employees do their utmost to prevent situations that could affect the Company goodwill.

All employees shall:

- treat others with respect;
- be aware of and comply with any UMMC's internal regulations;
- observe labor discipline and bear personal responsibility for the consequences of their actions;
- appraise colleagues in a fair manner and recognize their achievements;
- act professionally and ethically under all circumstances.

The UMMC's employees shall refrain from:

- public statements or posting materials that misrepresent the activities of or in the Company. Public statements and/or posting in connection with the Company (including the use of logos, trademarks and symbols of the UMMC) shall be made by employees in accordance with the established procedure and/or by the persons authorized thereby;
- using drugs;
- using alcohol while performing any professional works at their workplaces either within or beyond the territory of the Company;
- smoking outside of specially designated areas;
- taking aggressive, humiliating, degrading, hostile, intimidating acts, actions or behavior;
- distribution of offensive materials.

11. Compliance with the Code

The UMMC promotes the environment of trust within the team fostering discussion of any ethical issues. At any time, each of the Company employees may witness non-compliance violation or potential non-compliance of the Code, whether intentional or unintentional. If this happens, every effort must be made to prevent negative consequences for fellow employees, customers, partners, shareholders and the UMMC's goodwill. Everyone who became aware of the breach or potential breach must report to their employer through either their immediate

manager, or a phone call to a hotline +7 (34368) 96-444, or an e-mail to usb-ugmk@ugmk.com on the following events:

- situations, posing a threat to life and health of people, and safety of employer’s and third parties’ property;
- cases of fraud and corruption;
- cases of discrimination on any grounds;
- other actions, bearing significant goodwill or legal risks.

The Company guarantees to individuals who duly communicate about violations any protection against any adverse consequences associated with such communication.

The Company sets forth that any employee may be subject to disciplinary liability or other measures provided for by the applicable laws of the Russian Federation and internal regulations of the Company for violation or improper performance of the provisions of this Code.

12. Adopting and Amending the Code

This Code shall be approved by the Board of Directors of JSC “Ural Mining & Metallurgical Company”.

This Code shall be amended by resolution of the Board of Directors of JSC “Ural Mining & Metallurgical Company”.

After the Code is brought into effect, its provisions shall be binding upon all employees of the UMMC. Once employed, the employees shall get fully acquainted with the provisions of the Code.