



CODE OF ETHICS

Pokrovsk 2020

DONETSKSTEEL



INTRODUCTION

INTRODUCTION

The Code of Ethics of the company¹ establishes the necessary ethical norms and standards of doing business, which employees of all levels² should be guided by in their daily activities.

These norms and standards are based on our values:

- Professionalism,
- Customer Orientation,
- Life,
- Health and Environment,
- Leadership,
- Teamwork.

Employees of all levels shall adhere to the Code of Ethics. In its turn, the company shall create safe working conditions and promote the development of employees, the improvement of their professional skills and abilities.

The company shall encourage contractors, suppliers, consultants, associates, as well as legal entities whose corporate rights belong to the company and persons authorised to represent the company in relations with third persons, to adhere to the principles of ethics and business conduct that to the maximum extent comply with the provisions set out in this Code of Ethics.

The Code of Ethics contains general recommendations on norms and standards of business conduct. Employees shall study the provisions of the Code of Ethics and act in accordance with the norms and standards specified herein. The Code of Ethics contains the most important issues of ethical conduct and does not provide answers to specific legal questions, does not establish rules of conduct in each specific situation.

The provisions of the Code of Ethics do not cover all laws, policies and procedures and do not grant rights, obligations or standards of business conduct which may be directed against the company. Each employee shall act honestly and decently in their everyday work.

In case there are differences between the Code of Ethics and local customs, norms or rules, stricter standards of conduct SHALL be followed. However, one should always remember that ignorance of law does not release him/her from the obligation to obey it. During the implementation of the Code of Ethics, certain requirements may be detailed by internal procedures of different levels. These procedures may set higher requirements, but may not be in conflict with the Code of Ethics.

In case an employee has doubts about the norms and standards of business conduct required by this Code of Ethics, he/she may refer to Section «Ways to Seek Advice and Reports on Violations».

(1) the company shall mean PJSC «DONETSKSTEEL» – IRON AND STEEL WORKS», partner companies listed in Annex 1 to Order of the Director General of PJSC «DONETSKSTEEL» – IRON AND STEEL WORKS» dated November 09, 2018 No. 95 «On the Regulations on Issue and Approval of Administrative Documents» (on the basis of orders of directors general / directors of introduction of the Code of Ethics at their companies).

(2) employees shall mean persons having labour relations with the companies

WHAT ARE THE DUTIES OF THE COMPANY'S EMPLOYEES?

It is important for each employee to understand and respect the principles of doing business at the company, to comply with the requirements of this Code of Ethics, the applicable procedures and regulations. All employees of the company shall perform their functional duties in accordance with the requirements of the Code of Ethics. The Company prefers to work with the contractors, agents, suppliers and other business partners that adhere to the principles of ethics and business conduct that to the maximum extent comply with the provisions set out in this Code of Ethics.

The professional activities of employees relates to the daily need to take decisions. If an employee is faced with a difficult situation, he/she should ask him/herself:

- Does this comply with the Code of Ethics and the company's principles of doing business?
- Does this correspond to his/her personal values?
- Is this legal?
- Does this correspond to the company's values?
- Is this safe? Can this threaten anyone or cause an injury?
- Can this negatively affect the company or the employee personally?
- Is the decision taken the best of alternative options?

If an employee has doubts when answering any of these questions, he/she can seek advice. For detailed information, an employee can use Section "Ways to Seek Advice and Reports on Violations". Employees shall report any potential or actual violations of the laws, the Code of Ethics, or policies and procedures as soon as possible and assist the company in investigating these violations. If an employee's question remains unanswered and the problem is not solved, he/she should insist on receiving an answer through other available means of reporting the violation, not being indifferent!

✓ IT IS NECESSARY:

- To study the Code of Ethics
- To ask questions in difficult situations
- To help make the Code of Ethics efficient by complying with its provisions
- To report any potential or actual violations of the laws, the Code of Ethics, policies and procedures

✗ IT IS UNACCEPTABLE:

- To be indifferent

WHAT ARE THE DUTIES OF THE MANAGEMENT?

The management of the companies shall be responsible to the Supervisory Board of the company (if any), as well as to the General Meeting of Shareholders (Members) for ethics and corporate culture issues. All managers shall provide support in ensuring high standards of business conduct. Managers shall take all necessary measures to familiarise their subordinates, counterparties and business partners with the Code of Ethics and to comply with its provisions. As far as possible, managers shall ensure that contractors, agents, consultants, suppliers and other business partners should adhere to the principles of ethics and business conduct that to the maximum extent comply with the provisions set out in this Code of Ethics.

✓ IT IS NECESSARY:

- To conduct in accordance with the requirements of the Code of Ethics
- To create and maintain a culture where employees understand their responsibility, comply with the Code of Ethics, ask questions freely and are not afraid of persecution
- To explain the requirements of the Code of Ethics in an accessible and clear way
- To implement the requirements of the Code of Ethics into existing business processes (for example, recruitment, procurements etc.)
- To respond, in a timely and responsible manner, to questions from employees, counterparties and others about business conduct
- To ensure control over the transfer of information about all violations of business conduct in accordance with the Code of Ethics and internal procedures of the company
- To take or recommend measures to counteract inappropriate business conduct

✗ IT IS UNACCEPTABLE:

- To encourage the achievement of results through violations of legal requirements, ethical norms and safety requirements



PRINCIPLES OF BUSINESS ETHICS

OCCUPATIONAL SAFETY AND HEALTH

The company shall comply with the requirements of the current laws, policies and principles in the spheres of occupational safety and health that apply to the company's activities. All employees' workplaces shall be safe. Occupational diseases and injuries can be prevented. To do this, employees and contractors shall fully comply with occupational safety requirements during the performance of their work and contractual duties. The company's senior managers shall be responsible for ensuring occupational and industrial safety not only within the company, but also in relations with contractors. Every employee shall refuse to perform a work task if it is not possible to guarantee its safe performance in accordance with the company's occupational safety requirements. Employees shall promptly report accidents or dangerous situations to their supervisors and to occupational safety and health professionals. All events shall be studied in detail by authorised employees in order to identify their root causes and take measures to prevent them. All cases of deliberate concealment of such events will be considered as gross violations of labour discipline.

✓ IT IS NECESSARY:

- To unconditionally comply with the requirements of laws, bylaw regulatory legal acts and local administrative and regulatory documents in the sphere of occupational safety
- To stop work if its further performance becomes dangerous
- To immediately warn a violator of the rules and requirements of occupational and industrial safety about the threat and notify the immediate supervisor of the violation
- To begin only the work for which the employee is certified and admitted on medical grounds
- To use personal protective equipment, special clothes and footwear

✗ IT IS UNACCEPTABLE:

- To hide and distort facts and circumstances of accidents at work
- To begin work before being instructed in occupational and industrial safety

RESPECT FOR PEOPLE

Each of the employees, first of all, is an individual. Respect for human dignity and other people's rights is one of the basic principles of the companies, which is embodied in a polite and respectful attitude to an interlocutor and his/her opinion, building relationships between people on mutual trust. In relations between employees, rudeness, pressure, and aggressive behaviour are unacceptable. Respect for other cultures and traditions is important, and if local customs are in conflict with the provisions of the Code of Ethics, such inconsistencies SHALL be reported immediately to the immediate supervisor. Any type of communication within the company and with counterparties is based on mutual respect and courtesy. Decision-taking regarding other employees, customers, counterparties shall be based on objective data and facts and be carried out as correctly as possible.

Threats and physical violence are unacceptable by the company during the performance of functional duties or when communicating with colleagues and counterparties, for example:

- threats or acts of physical violence or aggressive behaviour towards another person;
- intentional spoilage, damage, as well as a threat of damage to the property of the company or the property of employees, other persons;
- threatening telephone calls or messages

The company shall promote a working atmosphere which eliminates sexual harassment or exerting other kinds of pressure on employees.

✓ IT IS NECESSARY:

- To respect colleagues and build your communication with them on the basis of the principles of politeness and mutual understanding
- To take into account cultural differences
- To take decisions on the basis of objective data and facts, not emotions

✗ IT IS UNACCEPTABLE:

- To use insulting, degrading, aggressive statements and jokes about physical, racial, national, gender, linguistic, religious, political and other differences and characteristics
- To allow hints, gestures, expressions of openly sexual or ambiguous content
- To distribute images, photos and other materials of humiliating or discriminatory nature that offend human honour and dignity
- Spread rumours and encourage any personal conversations which are provocative or discriminatory, lead to humiliation of personality and dignity

PROHIBITION OF ALCOHOL, SMOKING, DRUGS, WEAPONS AND GAMBLING

The use of alcohol, drugs and psychotropic substances is unacceptable at the workplace because they adversely affect safety, productivity, behaviour, reliability and decision-taking adequacy.

The following actions are contrary to the company's policy and prohibited during the performance of functional duties:

- performance of functional duties (including driving vehicles, operation of the company's equipment) in a state of alcohol or drug intoxication. If an employee consumes alcohol during pre-work hours, he/she shall be sure that during the work it will not endanger the employee's own life and the lives of others. Any violation of this rule entails disciplinary responsibility, up to the dismissal, as well as other responsibility under the current laws;
- entering the company's territory with any types of weapons (except for the employees authorised by the company);
- gambling (for money) within the company's territory;
- smoking at the workplace within the company's territory (except in specially designated places), in vehicles belonging to the company or used for official purposes.

✓ IT IS NECESSARY:

- Having noticed the use or distribution of drugs or alcohol, gambling within the company's territory, to inform the immediate supervisor about the violations
- To remember that the possession and use of drugs is not only prohibited by the company's policy, but is illegal and can lead to criminal responsibility

✗ IT IS UNACCEPTABLE:

- To stay within the company's territory in a state of drug or alcohol intoxication
- To bring or consume alcohol, narcotic, toxic, psychotropic or potent toxic substances at the workplace, within the company's territory and in vehicles belonging to the company or used for official purposes (except for medicinal products prescribed for health reasons, of which it is necessary to warn the immediate supervisor)
- To gamble (for money) within the company's territory
- To bring weapons into the company's territory (except for employees of security services and other employees authorised by the company)
- To smoke at the workplace within the company's territory (except in specially designated places), in vehicles belonging to the company or used for official purposes

EQUAL OPPORTUNITIES FOR EMPLOYEES AND DISCRIMINATION

The company advocates a non-discriminatory labour environment. Each employee of the company has the opportunity to realise their potential and contribute to the common cause.

Discrimination based on race, nationality, gender, language, religion and political affiliation, social and property status, profession, place of residence etc. is unacceptable in the company. The company creates a working atmosphere which allows each employee to feel protected and realise their professional and creative potential. The company provides equal opportunities to employees based on their professional qualities, regardless of age, gender, nationality, physical characteristics, religion and political views.

Each employee of the company shall have the right for:

- open and constructive discussion of the results of their work with their immediate supervisor;
- support in the development of competencies and skills;
- recognition and reward for achievements in the work;
- fair and respectful treatment by colleagues.

If an employee has questions about equality of opportunities or discrimination, he/she may contact the Human Resources and Social Affairs Department.

✓ IT IS NECESSARY:

- To strive that decisions on hiring, promotion, development, compensation, dismissal should be based solely on the professional qualities of people and business requirements
- To take into account applicable legislation and cultural traditions
- To avoid actions which could be considered as discrimination of any kind

✗ IT IS UNACCEPTABLE:

- To allow discrimination based on race, nationality, gender, language, religion and political affiliation, social and property status, profession, physical characteristics, place of residence etc.
- To violate human rights

MANAGERIAL ETHICS

The company has an organisational structure which reflects the composition of the structural subdivisions formed at the company with a unique functional specialisation. Regardless of the content of functional specialisation, number of employees, location, being production or service segments, all the company's structural subdivisions are equally important and necessary for the sustainable operation and development of the company. The company creates equal and favourable conditions for the effective performance of tasks assigned to each structural subdivision, as well as effective teamwork of different subdivisions during the performance of cross-functional tasks.

✓ IT IS NECESSARY:

- To coordinate with the heads of structural subdivisions, in accordance with the procedure prescribed by the regulatory documents in force at the company, drafts of all administrative documents before their submission for signature by the authorised manager
- In case of misunderstandings or discrepancies of positions between different structural subdivisions, to avoid their submission for consideration of the company's general manager before exhaustion of possibilities of their resolution at the level of heads of structural subdivisions subordinated to him/her

✗ IT IS UNACCEPTABLE:

- For the head of one structural subdivision to apply to the company's general manager with an initiative to perform tasks relating to the functional specialisation of another structural subdivision, without the prior approval of these tasks by the head of the profiled structural subdivision
- For the head of one structural subdivision to involve employees of another structural subdivision in the performance of the tasks initiated by him/her without the prior approval of this involvement by the head of the structural subdivision to which the employees belong
- For the head of one structural subdivision to notify the heads of other structural subdivisions "in his/her own words" about the decisions taken by the company's general manager, but not executed and approved in accordance with the procedure prescribed by the regulatory documents in force at the company

RESOLUTION OF A CONFLICT OF INTERESTS

The company respects the right of employees for their own interests and promotes their development, especially if it benefits the team and society. Employees shall avoid situations where their personal interests are in conflict with the interests of the company. For this purpose, employees shall promptly notify (declare in compliance with the regulations in force at the company) the company about a potential or actual conflict between their personal interests and the interests of the company.

A **conflict of interest shall** mean a situation in which the personal interests of an employee in the performance of his/her official and/or functional duties contradict or may contradict the interests of the company, affect or may affect decisions relating to the performance of official and/or functional duties, for example:

- admission to the direct subordination and promotion of his/her related parties;
- combination of employment with the company and employment with or participation in the activities of the management bodies of a legal entity which is not part of PJSC “DONETSKSTEEL” – IRON AND STEEL WORKS” and partner companies;

- participation of persons related to an employee in the activities of the management bodies of a legal entity which is a competitor or counterparty of the company;
- establishment of contractual relations or doing business by an employee on behalf of the company with a legal entity or another business entity where the employee or the related person:
 - are members of the management bodies;
 - directly or indirectly hold an over 25% share in the statutory capital;
 - have the right to receive any benefits or advantages;
- holding, independently or through related parties, or investing in competitors or counterparties of the company, as a result of which the employee or the related person is a member or a shareholder of a competitor / counterparty with a share or stake exceeding 25%;
- an employee is registered as an entrepreneur and is a competitor or counterparty of the company;
- another situation in which the personal interests of an employee in the performance of his/her functional duties contradict or may contradict the interests of the company, affect or may affect the objectivity of decisions relating to the performance of official and/or functional duties.

RESOLUTION OF A CONFLICT OF INTERESTS

The above situations will not be considered a violation of the provisions of the Code of Ethics, if the employee has notified about them and obtained the appropriate permission in accordance with the procedure prescribed by the regulations in force at the company. Upon receipt of the notification (declaration), the company's management shall decide whether or not the conflict of interest is acceptable in the sense of protecting the interests of the company. If the conflict is unacceptable, the employee may be suspended from taking a decision in a particular situation or required to choose between employment with the company and maintaining personal interests.

The company may hire family members of employees, provided that they have been evaluated and selected on equal conditions with other candidates. Their performance shall not lead to a conflict of interest or conspiracy. At the same time, the company pays special attention to hiring relatives for positions within the «supervisor-subordinate» scheme in order to avoid possible bias when evaluating the results of work and determining the level of remuneration. Employees of the company, whose list is determined by the company, shall submit declarations on the existence of any conflicts of interest in compliance with the procedure and deadlines prescribed by the regulatory documents in force at the company.

✓ IT IS NECESSARY:

- To act and take decisions based on the market situation and in accordance with the principles of good business practice
- To avoid situations and actions which could lead to a conflict of interest
- In the event of a potential or actual conflict of interest:
 - to notify about (declare) it in compliance with the regulatory documents in force at the company;
 - to obtain permission to continue the conflict of interests in accordance with the procedure prescribed by the regulatory documents in force at the company;
 - refer the decision to a senior manager if no permission is obtained to continue the conflict of interest;
 - to refuse the activity which is a competition of business of the company, or to refuse employment with the company
- Before hiring part-time or acquiring corporate rights or joining the management bodies of entities which are not part of PJSC "DONETSKSTEEL" – IRON AND STEEL WORKS" and partner companies, to inform (declare) about it in compliance with the regulatory documents in force at the company

✗ IT IS UNACCEPTABLE:

- Work part-time or be a member of the management bodies of companies which are not part of PJSC "DONETSKSTEEL" – IRON AND STEEL WORKS" and partner companies without obtaining the appropriate permission
- Lobby your interests, the interests of your relatives or other related parties in order to enter into agreements or contracts with the company on the terms and conditions other than market ones
- Abuse official position in order to satisfy personal interests

REJECTION OF BRIBERY AND ANTI-CORRUPTION MEASURES

Anti-corruption laws have been passed in Ukraine, where the company operates, to prevent companies and individuals from gaining undeserved benefits. A violation of these laws can have serious consequences regardless of the jurisdiction in which it takes place. The company does not offer or take bribes and does not promote corruption. The company seeks to cooperate with counterparties and business partners whose reputation is not associated with corruption and bribery.

✓ IT IS NECESSARY:

- When working with state authorities and local self-government bodies, to apply to legal support subdivision for information about the rules of interaction with such bodies
- To choose business partners prudently in order to prevent negative impact on the company's reputation
- To inform counterparties, business partners, state and public organisations about the company's principles aimed at preventing corruption
- To report cases of bribery and corruption to your immediate supervisor or the Trust Line

✗ IT IS UNACCEPTABLE:

- To participate in activities aimed at illegal gain (within the meaning of the Law of Ukraine «On Prevention of Corruption»), receiving undeserved compensation, benefits and rewards
- To carry out actions aimed at providing civil servants and officials, other persons covered by the Law of Ukraine «On Prevention of Corruption» with money, gifts, benefits and offers which benefit these persons, for the purpose of obtaining benefits during economic activities
- To offer or take bribes, as well as to facilitate corruption
- To involve affiliates or third persons in carrying out illegal and unlawful activities

GIFTS AND HOSPITALITY IN THE WORK WITH THIRD PERSONS

Receiving and giving corporate gifts, in some cases, is the standard of business cooperation in relations with third persons. At the same time, each employee should always remember that gifts or business hospitality should not be excessive and aimed at achieving loyalty in settling any business issues (according to the definition of the term «gift» and the limits of its value given in the Law of Ukraine «On Prevention of Corruption»).

In general, it is allowed to offer or accept souvenirs, invitations to business lunches or dinners, provided that they do not exceed the value limits set out in the Law of Ukraine «On Prevention of Corruption» and may be reciprocal.

The same principles must be followed when paying entertainment expenses in respect of counterparties and business partners.

Given that the above principles do not cover all possible cases, it is necessary to properly assess each specific situation.

✓ IT IS NECESSARY:

- To refuse gifts and other benefits which are disproportionately high, contrary to normal business practices, or exceed the limits that may be set by relevant internal regulatory documents or applicable law
- To assess the likelihood of a conflict of interest in each case of receiving or giving gifts and paying for entertainment expenses

✗ IT IS UNACCEPTABLE:

- To accept gifts or other benefits from counterparties or business partners participating in tenders organised by the company, if such benefits are aimed at achieving loyalty in settling any business matters
- Accept gifts or other benefits which are disproportionately high, contrary to normal business practices, or exceed the limits that may be set by relevant internal regulatory documents or applicable law

INTEGRITY IN RELATIONS WITH COUNTERPARTIES AND BUSINESS PARTNERS

The company's success is based on lasting relations, in an atmosphere of mutual respect and trust, with customers, suppliers and other partners. In order to maintain stable relations, the company treats each partner as it wishes to be treated: fairly, honestly and with respect. When interacting with existing and potential customers, the company always provides accurate and reliable information about products and services.

The company seeks to work with counterparties and business partners who share the company's business standards in respect of:

- ensuring working conditions which meet the highest standards of health and industrial safety;
- the desire to minimise the negative impact on the environment;
- the respect for the rights of employees and other persons

✓ IT IS NECESSARY:

- To do business only with those counterparties and business partners who comply with the current laws
- To make efforts to obtain the most profitable commercial offers for the company
- To carefully analyse a potential counterparty's activities (experience, qualifications, reputation, compliance with the company's standards of conduct, the existing relations with the company)
- Starting to work with the counterparty, to enter into a confidentiality agreement with it to prevent the leakage of information important to the company in accordance with the procedure prescribed by the company's internal regulations
- To formalise contractual relations with the counterparty within the powers of the company's representative
- To show respect and restraint in relations with employees of the company's counterparties and business partners

✗ IT IS UNACCEPTABLE:

- To transfer confidential information about one counterparty to another one
- To offer or accept bribes or other improper rewards

FAIR COMPETITION

Competition laws have been passed in Ukraine, where the company operates, which establish norms of corporate and individual behaviour. The company fully complies with the requirements of the relevant antimonopoly laws. A violation of the requirements of the laws can lead to significant penalties for the company and individual employees. If an employee has questions or concerns about competition, he/she can seek advice from the legal support subdivision.

✓ IT IS NECESSARY:

- To compete and defend the interests of the company in a lawful manner
- To avoid participation and interrupt the already started participation in the meeting, where competitors or dealers begin to discuss prices, costs, restrictions on production, investment; division of buyers or territories; distortion of the results of biddings, auctions, competitions, tenders; elimination from the market or restriction of access to the market (exit from the market) of other business entities, buyers, sellers; application of different conditions to equivalent contracts; conclusion of agreements subject to acceptance of additional obligations by other business entities, which by their content or in accordance with trade and other fair business practices, do not relate to the subject of these agreements
- To cooperate with each client honestly and transparently

✗ IT IS UNACCEPTABLE:

- To discuss or pass on to competitors information about prices and discounts or benefits, costs, terms, profits, or pricing strategies
- To discuss with one buyer the business or market tactics of another buyer
- To underestimate the impact of your actions and decisions on the company's business

CONFIDENTIALITY AND DISCLOSURES OF INFORMATION

Any internal data, information and documentation about the company's activities are the property of the company. They shall only be used for the performance of functional duties and may be disclosed or transferred to third persons only to the extent necessary for the company to cooperate with them, as well as in cases where this information is publicly available. During the employment relations with the company and after their termination, employees shall keep confidentiality of internal information and take measures to prevent unauthorised disclosures. This internal information includes, but is not limited to: technologies used by the company, intellectual property, financial information relating to sales, profits, balance sheet items, business forecasts and business plans, and other internal information. Only authorised employees may make public statements on behalf of the company. Every request for the company's activities from the media shall

be forwarded to the public relations and regional development department of the company. The company keeps confidentiality of information received from third persons.

✓ IT IS NECESSARY:

- To take reasonable measures to preserve and protect the company's internal information
- To keep confidentiality of information received from third persons

✗ IT IS UNACCEPTABLE:

- To disclose internal information to persons not authorised to receive it

RELIABILITY OF REPORTING

The company's financial statements contain reliable and accurate information about the financial position, performance results and cash flows of the company, which can be used in solving business issues. Based on this, the company tries to keep records, to prepare timely reporting documentation reliably, correctly and in accordance with accounting procedures. The rules for maintaining accurate and reliable accounting and reporting also apply to all non-financial information. The company prepares financial and management reports that contain reliable and objective information about its business, using the relevant accounting principles and reporting procedures, which are based on sound judgments.

The company does not allow intentional distortion of its reporting

data, does not take any action to deceive, manipulate or mislead auditors who audit financial statements or evaluate the business processes of the company.

✓ IT IS NECESSARY:

- To prepare reports in a timely manner and using correct, reliable and accurate information

✗ IT IS UNACCEPTABLE:

- To be involved in concealment and/or distortion of information

INTERNAL CONTROL

The company maintains a stable system of internal control, which includes regular inspection of financial, operational and other controls, as well as risk management analysis. Managers shall be responsible for developing and maintaining an efficient internal control system to ensure that the objectives of the controls are achieved. Employees shall comply with the requirements of the internal control system.

Efficient internal controls shall provide assurance that:

- transactions shall be properly authorised and meet the established principles and decisions taken;
- inefficient use of resources shall be prevented;
- unauthorised access to assets and/or misuse of assets shall be excluded;
- decisions shall be taken and implemented by authorised employees within the powers granted;

- all transactions shall be properly accounted for and presented in the financial records;
- the amounts of the financial statements shall be presented correctly and the relevant disclosures shall be made in the notes to the financial statements

✓ IT IS NECESSARY:

- To act in accordance with the company's internal regulatory documents and the powers granted

✗ IT IS UNACCEPTABLE:

- To violate the company's internal regulatory documents
- To conduct transactions and/or take decisions for which employees do not have authority

PROTECTION OF THE COMPANY'S PROPERTY

The company's property shall mean the company's assets, money, information, intellectual property, and equipment owned by the company and used individually (for example, mobile phones and computers). Employees shall be responsible for the use of company's property in a cost-effective and efficient manner in the interests of business.

Employees shall refrain from using the company's property for personal purposes. Causing damage, theft or misuse of property is unacceptable. Each employee must remember personal responsibility for the prudent, efficient use and protection of the company's property. Intangible assets created or developed by employees during the performance of their duties shall belong to the company, to the extent not contrary to the applicable laws. Intangible assets shall include intellectual property, including licenses, patents, information, software and other exclusive intellectual property rights.

✓ IT IS NECESSARY:

- To prevent the loss, damage, premature wear or theft of the company's assets
- To comply with the requirements of the company's internal regulations and the current laws on the use and transfer of assets

✗ IT IS UNACCEPTABLE:

- To use the company's property for activities which do not relate to the employee's responsibilities relating to the employment with the company

INSIDER AGREEMENTS

In Ukraine, where the company operates, it is a criminal offense to disclose, transfer or provide access to insider information (undisclosed information about the issuer, its securities and derivatives traded on the stock exchange, or deeds involving them, if disclosures of this information may significantly affect the value of securities and derivatives, and which is subject to disclosure in accordance with the requirements established by law), the provision, by using such information, of recommendations on the acquisition or disposal of securities or derivatives, the execution, by using insider information, of deeds or alienation of securities or derivatives. The company shall not only fully comply with the requirements of the applicable laws, but also avoid any manifestations of insider trading, insider agreements or consultations on securities transactions by using confidential information. Employees shall keep confidentiality of information about the company

that they received while working with it. The use of inside information for personal gain, as well as trading in the company's securities with the use of confidential information is prohibited.

Within the company, it is allowed to disclose confidential information only to those employees who need it for the performance of their functional duties, as well as with the prior permission obtained in compliance with the requirements of the company's internal regulatory documents.

An employee who discloses confidential information to any person who uses it to conduct securities transactions, both such an employee and a third person, may be charged with an offence.

INSIDER AGREEMENTS

Insider information shall include, in particular:

- information about the receipt by the company of a loan exceeding 25% of the value of the company's assets
- information about the company's reorganisation;
- unpublished reports and financial documents of the company;
- information about the appointment or dismissal of members of the supervisory or controlling bodies of the company;
- information about any decision in respect of securities, the total par value of which exceeds 25% of the company's registered statutory capital or the decision to repurchase issued securities;
- information about the change of the owner of 10% or more of the company's corporate rights;
- information about the decision to establish, liquidate a branch or a representative office;
- information about the decision to reduce the company's statutory capital

✓ IT IS NECESSARY:

- To take all necessary measures to preserve insider information

✗ IT IS UNACCEPTABLE:

- Having insider information, to buy or sell the company's corporate rights or participate in other transactions involving shares or public securities (for example, bonds) of the company, including directly or through family members, or entrusting the agreement to third persons
- To disclose insider information outside the company, including to family members

COMPUTER SYSTEMS AND COMMUNICATION SYSTEMS

Information technology systems (IT systems), including e-mail and Internet access systems used by an employee, are the property of the company. They shall be used only for official purposes. The use of IT systems for any illegal or unethical purpose is unacceptable. To ensure the confidentiality and protection of resources from unauthorised access, the company may monitor the operation of IT systems. The company respects intellectual property rights. All software and hardware used by the company are licensed and purchased in compliance with copyrights. In order to comply with the copyrights of software developers and the requirements of the laws of Ukraine, the IT department of the company or the IT service provider acting on behalf of the company shall establish the standards of the used software, which shall be binding on the users.

✓ IT IS NECESSARY:

- To notify the security risk analysis and management department about any unauthorised use, copying or sale of the company's software
- To use caution when opening e-mails from unknown senders or when running programs and applications received from unknown or unverified sources
- To protect access to IT systems with a reliable password

✗ IT IS UNACCEPTABLE:

- To install unlicensed software and hardware
- To be involved in viewing, storing, downloading or publishing materials prohibited by law or unethical in nature
- To transfer the work computer for the use to third persons
- To pass on your password information to anyone

ENVIRONMENTAL PROTECTION

The company is aware of its responsibility for the significant impact on the environment of the territory of its presence. The company has a proactive position in the field of ecology and environmental protection, thrifty attitude to natural resources. Therefore, the company develops environmental management systems and implements long-term investment programmes on reduction of pollution and environmental rehabilitation. The company's production activity is subject to a number of regulations of the laws on environmental protection, standards, requirements and policies, which compliance the company responsibly treats.

✓ IT IS NECESSARY:

- To comply with the requirements of the laws and the company's standards on environmental protection
- To perform functional duties in accordance with environmental principles
- To take care of natural resources

✗ IT IS UNACCEPTABLE:

- To ignore violations of environmental laws
- To conceal events which harm the environment
- To waste natural resources, raw materials and energy resources

SOCIALLY RESPONSIBLE BUSINESS

The company is a socially responsible legal entity realising that achieving success in business is inextricably linked with increasing the welfare of the society and improving the quality of life of each individual. The company's actions fully reflect the respect for human rights, the respect for decent working conditions, and promote the sustainable development of local and regional communities. The company is aware of the importance

of these issues and interacts properly with all stakeholders. The company promotes the development of individual social responsibility of employees and encourages their active involvement in the life of local communities and the society. Understanding the importance of the ethical and socially responsible approach, the company, by its own example, promotes its development among counterparties, business partners and all members of the global community.



WAYS TO SEEK ADVICE AND REPORTS ON VIOLATIONS

The Code of Ethics cannot answer all questions.

If you have questions about the interpretation or application of the provisions of the Code of Ethics, if you need advice, notification of violations or expressions of doubt, you can contact (in order of priority):

- to the immediate supervisor (decisions are taken in accordance with the powers specified in the Annex to the Code of Ethics),
- to the relevant services of the company: the subdivision for analysis and management of security risks, the legal support subdivision, the personnel and social issues subdivision, the subdivision for public relations and regional development, the subdivision for occupational safety, health and environment, or by e-mail dovira@donetsksteel.com.ua, depending on the essence of the question,

- to the Trust Line:



by e-mail

dovira@donetsksteel.com.ua,

or through the website

donetsksteel.com.ua

The Trust Line allows you to ask questions anonymously. The company guarantees confidentiality. At the same time, employees who give deliberately misleading information are subject to measures provided by the current laws.

All questions regarding the interpretation, application of and compliance with the provisions of the Code of Ethics will be addressed in a timely and appropriate manner.

PROTECTION OF EMPLOYEES WHO REPORTED VIOLATIONS

The company does not allow persecution of employees who ask questions or make good faith reports of possible violations of the laws, the provisions of the Code of Ethics, other policies and procedures of the company. Such persecution of employees is punishable by disciplinary measures provided by the applicable laws. Those employees who, in their opinion, have been persecuted should report it to the Trust Line.

RESPONSIBILITY FOR A FAILURE TO COMPLY WITH THE PROVISIONS OF THE CODE OF ETHICS

A failure to comply with the norms and standards of conduct contained in this Code of Ethics is considered a serious violation. Such a violation shall be considered by the company's management and can lead to disciplinary action, up to the dismissal. Managers of all levels shall not only be responsible for their actions, but also for their subordinates' compliance with the Code of Ethics. Accordingly, they shall require compliance with the policies, procedures of the company and the applicable laws, as well as prevent, detect and promptly respond to violations of norms and standards of business conduct by their subordinates.

Responsibility also occurs in the following cases:

- appealing to other employees to violate the company's policies and procedures, the provisions of the Code of Ethics or the applicable laws;
- concealment or untimely notification of known violations of the provisions of the Code of Ethics and other internal regulatory documents of the company, the applicable laws;

- slanders and providing deliberately misleading information about violations;
- persecution of persons who reported violations;
- refusal to cooperate during internal investigations

In the cases stipulated by the applicable laws, the company may notify law enforcement agencies of all known violations that may lead to criminal liability. In all other situations, the company acts at its own discretion and may exercise the right to initiate bringing the offender to administrative or material responsibility.

The company's Corporate Governance, Control and Ethics Committee supports and ensures ethical behaviour and commitment to the company's values, compliance with the company's policies and procedures, the applicable laws, as well as conducts independent examination of reports on violations.

The image shows a large industrial facility, possibly a steel mill or refinery, with a complex network of pipes, walkways, and structural beams. A worker is visible on a high platform in the background. The scene is lit with a strong blue light, creating a dramatic atmosphere. A large graphic element on the left side consists of a red arrow pointing down and a grey arrow pointing up, meeting at a central point. The text "TRUST LINE" is overlaid on the image, flanked by two horizontal red lines.

TRUST LINE

TRUST LINE OPERATING PRINCIPLES

The Trust Line operates on a 24-hour basis. When a message is received on the Trust Line, personal data will not be collected unless they are specified by the Applicant directly in the message. The Applicant is not required to provide his/her full name or place of work. The Trust Line is built on the principles of anonymity.

HOW DOES THE TRUST LINE OPERATES?

The Trust Line accepts information from all possible channels: by e-mail, using text forms on the website. If necessary, this mechanism allows concerns to be expressed anonymously. The Trust Line is equipped with methods to protect the confidentiality of conversations and the transmission of information in the Internet.

After registration, a message to the Trust Line is subject to processing by sending the relevant requests only to those persons who are authorised to respond to them. If the information in the report concerns the heads of structural subdivisions or companies, an investigation will be conducted at the highest level in compliance with the confidentiality conditions.

MAINTAINING ANONYMITY

If desired, a message can be sent on anonymity conditions. Anonymous messages registered by the Trust Line are processed by analogy with other messages if there is sufficient information to respond to the signal.

To ensure anonymity when contacting the Trust Line, applicants are encouraged to observe the following rules:

- Do not send messages from the company's computer;
- Do not sign a message;
- Do not specify details which can help to identify a person

TRUST LINE CONTACT INFORMATION

In case of a violation of the rules of business conduct and corporate ethics, each employee of the company shall have the right to send a request for an internal functional audit, using all possible means.

To send messages to the Trust Line, it is proposed to use the definition of violations according to the following list, which is not exhaustive:

- violations in the spheres of occupational safety, health and environment;
- conflicts of interests;
- use of insider information;
- distortion of financial statements;
- thefts or use of the company's property for personal purposes;
- bribes, kickbacks and anti-corruption measures;
- gifts and hospitality when working with third persons;

- integrity in relations with counterparties and business partners;
- respect for people, inadmissibility of harassment, violence and persecution;
- equal opportunities for employees and discrimination;
- prohibition of alcohol, smoking, drugs, weapons and gambling;
- fair competition;
- computer systems and communication systems;
- internal control;
- confidentiality and disclosures of information.



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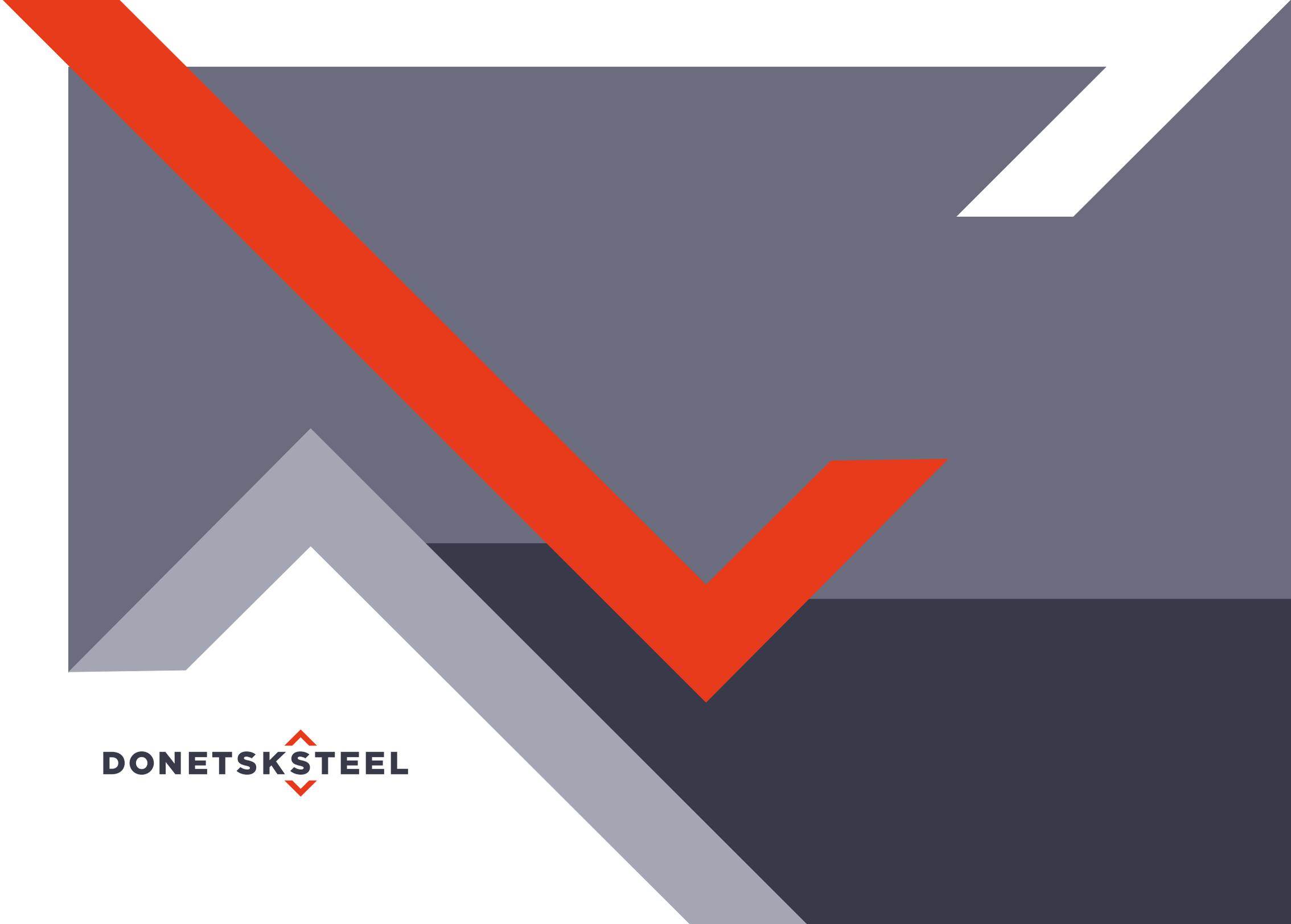
ANNEX TO THE CODE OF ETHICS

DECISION-TAKING POWERS BASED ON THE CONSEQUENCES OF DETECTING VIOLATIONS

Sphere in which a violation is detected	Persons authorised to take prompt decisions on violations		
	Head of the subdivision to whom the employee is subordinate or where a violation is detected	Responsible subdivision / body of the company	Director General / Director of the company
Violations in the spheres of occupational safety, health and environment	I	P Subdivision for occupational safety, health and environment	D
Conflicts of interests	P	D Subdivision for legal support, Corporate Governance, Control and Ethics Committee	P
Use of insider information	I	P Subdivision for legal support, Corporate Governance, Control and Ethics Committee	D
Distortion of financial statements	I	P Finance subdivision	D
Thefts or use of the company's property for personal purposes	—	P Subdivision for analysis and management of security risks	D
Bribes, kickbacks and anti-corruption measures	—	P Subdivision for analysis and management of security risks, Corporate Governance, Control and Ethics Committee	D
Gifts and hospitality when working with third persons	D	P Subdivision for legal support, Subdivision for analysis and management of security risks	I
Integrity in relations with counterparties and business partners	P	—	D
Respect for people, inadmissibility of harassment, violence and persecution	D	P Personnel and social issues subdivision	—
Equal opportunities for employees and discrimination	D	P Personnel and social issues subdivision	—
Prohibition of alcohol, smoking, drugs, weapons and gambling	P	D Subdivision for analysis and management of security risks	I
Fair competition	I	P Subdivision for legal support, Corporate Governance, Control and Ethics Committee	D
Socially responsible business	I	P Subdivision for public relations and regional development	D
Computer systems and communication systems	D	—	—
Internal control	P	—	D
Confidentiality and disclosures of information	I	P Subdivision for legal support, Subdivision for public relations and regional development	D

D — authorisation to take a decision; P — participation in decision development and its approval; I — mandatory provision of information.





DONETSKSTEEL