



CORPORATE SOCIAL RESPONSIBILITY AND CHARITY POLICY

1. BASIC CONCEPTS AND DEFINITIONS

1.1 Metalloinvest Group (the Company, Metalloinvest Company) includes Metalloinvest Management Company LLC (MC), organizations with which MC has concluded sole executive body agreements and their subsidiaries.

1.2 Corporate Social Responsibility (CSR) is the Company's responsibility for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that:

- contributes to sustainable development, including social health and welfare;
- considers expectations of stakeholders;
- conforms with the Russian legislation and is consistent with international standards of conducts;
- is integrated into the Company's operations and is applied to its relations.

1.3 Sustainable Company development is a comprehensive process aimed at achieving the Company's strategic goals while balancing the interests of all stakeholders.

Sustainable development involves decision making in the economic, social and environmental spheres that meets modern needs without jeopardizing the capabilities of future generations.

1.4 Stakeholders (SH) are the State and municipalities, legal entities and individuals, who may be materially affected by the Company's operations, as well as those who may affect the Company's ability to successfully implement its strategy and achieve its goals.

1.5 Interaction with Stakeholders comprises actions to be taken in order to create opportunities for dialogue between the Company and one or more of SHs in order to provide an information base for the Company's decisions.

1.6 Charity is one of the main forms of CSR, which implies voluntary activity for disinterested (gratuitous or on preferential terms) transfer of property to citizens or legal entities, including cash, disinterested conduction of work, provision of services and other support in order to help those in need, address social problems, improve social life conditions, support social projects and programs (of proprietary and external institutions).

1.7 Corporate Social Responsibility Report (Report) is a document that reveals information on the economic, environmental and social impact for the reporting year and is of free access.

1.8 Regions of the Company's Presence are the constituent territories of the Russian Federation and their constituent administrative and territorial units across which Metalloinvest Group's businesses and organizations are located in.

2. OBJECTIVE AND PURPOSE

2.1 The Corporate Social Responsibility and Charity Policy (hereinafter "the Policy") defines common principles and approaches of the Company in terms of CSR and contributes to the alignment and harmonization of these activities.

2.2 The Policy is a necessary component of the Company's activities in the field of sustainable development, describes the main priorities in terms of CSR, including charity and non-financial reporting requirements, and is aimed at achieving the strategic goals of the Company.

2.3 The Policy is a public document.

2.4 The Policy was developed in accordance with the current legislation of the Russian Federation and the international standard ISO26000: 2010 "Guidance on Social Responsibility".

3. KEY PRINCIPLES

3.1 The Company adheres to the following key principles of socially responsible business conduct in its activities:

3.1.1 Reference to the Company's development strategy.

The Company's CSR activities contribute to business strategy implementation and are aimed at improving business efficiency and long-term sustainability.

3.1.2 **Compliance.**

The Company strictly complies with legal requirements and regulations, industry and ethical standards and contractual and other obligations.

3.1.3 **Consistency and sustainability.**

The Company's CSR activities are carried out on a systematic and long-term basis, with involvement of SH.

3.1.4 **Regional approach.**

Charity projects are implemented mainly in the Regions of the Company's Presence and promote sustainable development of the Company and the regions.

3.1.5 **Targeted approach.**

The Company adheres to a targeted approach in its CSR activities which implies, in particular, efficiency assessment of projects and programs.

3.1.6 **Transparency.**

The company regularly interacts with its Stakeholders, takes into account their interests and expectations in its decision-making process.

4. PRIORITY AREAS FOR CSR

4.1. In its CSR activities the Company identifies the following key areas:

- 4.1.1. Developing a successful, economically sustainable and competitive business that ensures long-term growth of shareholder value and contributes to the economic well-being of local communities.
- 4.1.2. Creating safe, secure and healthy working conditions and caring of the welfare of workers and their families. Providing opportunities for personal development and career progress, as well as decent performance-based remuneration.
- 4.1.3. Reducing negative environmental impact through upgrade of equipment and introduction of modern resource-saving and more environmentally friendly technologies and engaging in the best environmental management practices.
- 4.1.4. Promoting social and economic development and well-being of the Regions of the Company's Presence in partnership with public authorities, local

communities and non-profit organizations, including through the implementation of charity programs.

- 4.1.5. Building legitimate and stable partnerships with all SHs on the basis of compliance with laws and regulations, industry standards, contractual and other obligations.

5. PRIORITY AREAS OF CHARITY ACTIVITIES

5.1. The Company defines the following priorities for charity activities:

5.1.1. Education.

Supporting initiatives and projects in the field of education, including projects aimed at supporting educational institutions: schools, universities, training centers and others, as well as targeted assistance to gifted children and students.

5.1.2. Culture.

Supporting initiatives and projects in the field of cultural and spiritual heritage, developing creativity in children, as well as supporting cultural institutions, including theaters, museums, historical and cultural monuments etc.

5.1.3. Healthcare.

Supporting initiatives and projects in the field of healthcare and disease prevention, including targeted support to severely ill children, as well as promotion of public health institutions.

5.1.4. Sports.

Supporting initiatives and projects in the field of sports and healthy lifestyle, promoting development of sports for children, as well as assisting physical training institutions, supporting sports teams and individual athletes.

5.1.5. Environment.

Supporting initiatives and projects in the field of environmental protection, including projects on environmental education and awareness.

5.1.6. **Socially disadvantaged people.**

Support for:

- socially disadvantaged groups of the population in the Regions of the Company's Presence, including provision of charity support, targeted assistance to the disabled, retired, veterans as well as orphanages and boarding schools and targeted assistance to orphans;
- initiatives and projects for motherhood and childhood protection;
- victims of natural disasters and man-made disasters.

5.2 In considering support for proposed charity projects and programs the Company gives preference to projects that meet the following requirements:

- 5.2.1 comply with charity priority areas, specified in p. 5.1 of this Policy;
- 5.2.2 are implemented in the Regions of the Company's Presence and contribute to the formation of resources for the regions' sustainable social and economic development;
- 5.2.3 are implemented in a systematic manner, have a long-term nature and are aimed at solving important social problems;
- 5.2.4 are timely implemented and in demand on behalf of all SHs and meet the strategic interests of the Company's business;
- 5.2.5 are designed in the form of targeted projects or programs and imply achievable goals and performance assessment indicators;
- 5.2.6 use the best practices and modern technologies in the social sphere.

6. INTERACTION WITH STAKEHOLDERS

6.1. When interacting with SHs the Company acts on the basis of the following basic principles:

6.1.1. Materiality.

The company knows its Stakeholders and which of its own interest and its SHs' interests are material (significant).

6.1.2. Comprehensiveness.

Through constant interaction, the company acknowledges the views, needs and concerns of SHs as well as their views on issues important to them.

6.1.3. Responsivity.

The company responds to issues of importance to SHs and to the Company proper.

6.2. The Company has identified the following key groups of SHs:

- a) Shareholders;
- b) Consumers;
- c) Suppliers, contractors and other market participants;
- d) Authorities, including:
 - federal executive bodies;
 - public authorities of the constituent territories of the Russian Federation and local governments;
- e) Investment community;
- f) Employees;
- g) Local communities (residents, non-profit organizations, local government agencies).

7. Reporting

7.1. The company regularly discloses information on Interaction with Stakeholders in the Report on Corporate Social Responsibility issued in accordance with the requirements of Russian legislation and international standards as well as posts information about the Company's CSR activities on the corporate website and makes such information available from other sources.