



SUSTAINABILITY REPORT 2019



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GRI 102-14

Message from the CEO



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In 2019, the Group launched the Risk Management project that is aimed on enhancing the safety culture and forming proper attitudes towards risks through engaging employees into health and safety management and risk-oriented approach implementation in everyday activities.

Dear stakeholders,

I am pleased to present you with the second EVRAZ sustainability report. Every year EVRAZ extends the range of projects and initiatives on improving the Group’s performance in the field of occupational health and safety, social responsibility, environmental protection and economic aspects. As we see positive impact of our activities on the prosperity of the Group and its stakeholders, we decided to share our experience and to make sustainability reporting an annual practice.

As one of the world’s leading steel and mining companies, EVRAZ has an impact on a wide range of stakeholders, from clients and employees to regions and local communities. Thus, the Group believes it is very important to operate in compliance with global sustainability best practices and principles and to contribute to achieving UN Sustainable Development Goals – by doing so, we can play a significant beneficial role, both for present and future generations.

The reporting period was a challenging year for the global metals and mining industry. However, despite volatility, EVRAZ generated EBITDA of US\$2,601 million, as a result of initiatives and projects to boost efficiency and reduce costs. However, we not only

endeavour to provide our clients with high-quality products and achieve ambitious financial and operational goals, but also make great efforts to protect the environment, support communities in our regions of operation, and provide safe working conditions and various opportunities for our employees. Sustainability management forms an integral part of our corporate culture.

Occupational health and safety

The occupational health and safety of our employees and contractors is of the utmost importance to the Group. We strive to mitigate operational risks and occupational hazards by organising safety related events and educational projects for our employees and contractors, improving working conditions, and developing the safety culture across the Group.

Some of the main goals of the Group in terms of occupational safety are achieving a zero fatality rate and reduction of lost time injury frequency rate (LTIFR). In 2019, the LTIFR was 2.04 per 1 million hours, excluding fatalities and data on contractors. I regret to report that in the reporting year there were 16 fatalities, of which eight fatalities were caused by a tragic car incident at the Raspadsky open pit mine. The Group conducted thorough investigations and elaborated comprehensive measures

to prevent such cases from reoccurring in the future.

In order to enhance the safety culture, in 2019, the Group implemented a wide range of safety related projects, such as the traditional EVRAZ Safety Week and the EVRAZ Safety First youth conference. The Group also updated the dust removal system and came up with creative cartoons to remind employees about safety rules.

In 2019, the Group launched the Risk Management project that is aimed on enhancing the safety culture and forming proper attitudes towards risks through engaging employees into health and safety management and risk-oriented approach implementation in everyday activities. Under the project the EVRAZ implements technical solutions and applies organisational controls to prevent incidents associated with the production risks. The project also includes new “Quick wins programme” in the course of which teams work on identifying risks and implementing relevant measures. Moreover, the Group developed new training programme, new risk assessment matrix and elaborated risk hunting that trains employees to identify potential hazards.

In the reporting period EVRAZ launched at Group enterprises and on social media

channels a remarkable challenge, entitled Zero is Also a Record. For each safety related photo and video posted under special hashtags, the Group made a donation to an orphanage. The project saw spectacular results: there were more than 3,000 participants, and two significant areas, safety and charity, were covered.

Human capital management

The well-being of EVRAZ employees is of great importance to the Group. And it is important for us that employees feel that they are actively contributing to their working conditions, salary levels, and the overall success of the Group.

EVRAZ aspires to create favourable conditions for the development and fulfilment of potential of our employees. Thus in 2019, the Group launched the Human Capital Development Strategy, which is aimed at ensuring that all employees have the necessary competencies and that the Group can fill target positions from our personnel reserve. In the reporting period the Group also conducted and participated in educational events, including the EVRAZ New Leaders programme, the Top-300 corporate training programme, and the WorldSkills Hi-Tech programme. The Group also brought in a new mentorship programme, according to which mentoring is considered to be a second profession. In addition, since 2019, new employees have been given their own “buddies”, who help with social and professional adaptation.

In 2019, EVRAZ continued work to enhance our remuneration system in order to connect more ambitious production targets for employees with better compensation. New system allows to determine salary levels and the bonus part depending on performance indicators and the market range and annually review it. In the reporting year the Group introduced the remuneration system at production facilities.

The Group encourages transparent relations with employees and open dialogue with management. In order to provide employees with regular performance feedback, a pilot programme entitled Real Time Feedback was launched. Since 2016, the Group has also been collecting regular feedback from employees by conducting the annual We Are Together engagement survey. In the reporting period

80% of employees invited to complete the survey took part in the survey.

EVRAZ pays great attention to the health and well-being of our people, by providing medical insurance and encouraging healthy lifestyles and participation in sports. The Group developed a pilot healthcare project for managers to raise employee awareness surrounding the importance of healthcare. These projects make EVRAZ one of the best employers to work for in our regions of operation.

Managing environmental impacts

The environmental aspects of a company’s operations are becoming increasingly important and pertinent in the modern world, and EVRAZ is playing a leading role among modern companies to minimise impacts on the environment. Each year the Group implements a wide range of projects and initiatives within the framework of the Environmental Management System (EMS) and EVRAZ three large-scale goals for 2018–2022, aimed at managing environmental risks and boosting resource efficiency. EVRAZ also upholds global initiatives, including UN Sustainable Development Goals and IPCC and international standards, in order to mitigate impacts on climate change.

In the reporting period the greenhouse gas intensity ratio declined by 2%. Consumption of fresh water was reduced by 9.3% compared to the previous year. In 2019, the Group signed an agreement to participate in the Clear Air project, which is part of the Ecology national project. The Group seeks to improve air quality by reducing air pollutants associated with mining and steel production. In 2019, EVRAZ recorded a 0.4% decline in key air pollutant emissions. The energy intensity per tonne of steel cast reached 24.49 GJ/tonne.

EVRAZ also carries out projects aimed at effective waste management. Thus in 2019, there were three tailing facilities (TSF) owned by EVRAZ ZSMK and EVRAZ KGOK that provide opportunities for safe storage of non-recyclable waste in compliance with legislative requirements and the dam safety management system, which covers all the lifecycle stages of dams. The project allows hazards to be mitigated, both for the environment and local communities.

Community relations

EVRAZ operates in a number of regions and our success depends to a great extent on the well-being of local communities and having effective communication channels with them. In this regard, the Group adheres to the principles of corporate social responsibility annually sets priorities and creates a budget for social investments and implements social and charity projects in the fields of education, culture, sports, and infrastructure.

The Group continued work on three general areas of social investment for 2019: EVRAZ for Kids, Cities, and Sports. In the reporting period we supported a school for orphans and educational institutions and assisted in setting up a robotics centre at Urals Federal University Technical Institute branch in Nizhny Tagil. EVRAZ employees adopt a proactive approach to implementing other volunteering projects and initiatives, including supporting children and people in challenging life circumstances.

In 2019, the Group conducted our traditional grant contest EVRAZ: City of Friends – City of Ideas, which is aimed at engaging local communities and other stakeholders in the process of improving urban spaces and protecting the environment. This year 346 projects were submitted in the contest, and 54 of these were awarded grants.

In 2019, EVRAZ also launched a number of digital projects. The Group developed groups on major social networks and updated the corporate portal with new services and functions and launched the EVRAZ TV corporate television project.

I am confident that all these comprehensive activities on our part in the areas of corporate social responsibility, shareholder and stakeholder relations, and adopting a responsible attitude towards the environment will help us ensure a sustainable future for the Group.

Alexander Frolov
CEO

About the Group

GRI 102-1, GRI 102-7

EVRAZ is a global steel and mining company and the leading producer of infrastructure steel products with operations in Russia, USA, Canada, Kazakhstan and Czech Republic. EVRAZ has three reporting segments – Steel, Coal and Steel, North America – which have their own areas of specialisation and specific competitive advantages. The Group is among the top 30 global steel producers and No. 1 in the Russian and American rail market. A significant share of the Group’s internal iron ore and coking coal consumption is covered by own mining operations. The Group is listed on the London Stock Exchange and is a constituent of the FTSE100 Index.

GRI 102-3

Corporate profile

THE GROUP NAME	EVRAZ plc
OFFICE IN UK	England, 2 Portman street, London W1H 6DU
OTHER MAJOR OFFICES	Russia, Moscow, Belovezhskaya st., 4, Block B

CEO	Alexander Frolov
BUSINESS CONTENT	Iron and steel making
ESTABLISHMENT	1992

Who we are

GRI 102-6

LEADING INDUSTRY POSITIONS

- A vertically integrated global steelmaker
- One of the lowest-cost global steel producers
- The market leader in construction steel products
- The leading global supplier of rails
- A global leader in the production of vanadium
- The largest coking coal producer in Russia
- A geographically diversified business

FINANCIALLY SUSTAINABLE COMPANY

- Consolidated revenue amounted to US\$11,905 million
- Consolidated EBITDA reached US\$2,601 million

DECENT EMPLOYMENT

- 71,215 people have stable employment
- EVRAZ wage ratio is 1.3–2.1 times higher than wages in the regions of presence¹

CLEAN ENVIRONMENT

- Fresh water consumption fell by 9.3% compared to 2018
- Key air emissions dropped 0.4% year-on-year
- The Group recycled or reused 105.2% of non-mining waste and byproducts in 2019
- US\$28.8 million investments to improve environmental performance in 2019

SAFE, HEALTHY, AND ENVIRONMENTALLY SOUND WORKSPACE

- 100% of EVRAZ employees are covered by the Health and Safety management system
- The number of severe injuries among contractors working at the Group facilities, decreased by almost 38% year-on-year
- The major metallurgical companies of the Group are certified under ISO 14001 and OHSAS 18001

AMONG RAIL SUPPLIERS IN RUSSIA

IN CONSTRUCTION STEEL MARKET IN RUSSIA

AMONG RAIL SUPPLIERS IN NORTH AMERICA

AMONG THE RUSSIAN COKING COAL PRODUCERS

WE ARE NO. 1

¹ This figure excludes data on JSC “EVRAZ Metall Inprom”, East Metals AG, EMNA, OOO “EvrazTekhnika”, OOO “EvrazHolding”, OOO “TC “EvrazHolding”, Evraz Group S. A., Evraz plc, EvrazService, Unicroft Limited.

What we produce

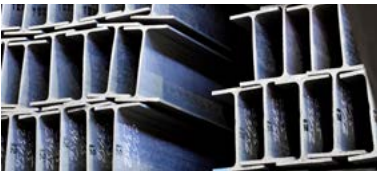





Our product line is very broad and changes depending on a range of criteria, including the customer’s geographical location, specific technical conditions, the purpose of the product, and how it will be used further.

We have customers in over 70 countries worldwide. EVRAZ is constantly improving products and services and hence strengthening our long-term relationships with partners and customers.

Our products are used in various industries and meet the highest quality standards. All our products are certified (a number of certificates can be viewed at the English version of the official EVRAZ website).

GRI 102-2

Main and ancillary products

Type of products	Description
Construction products	 EVRAZ steel is used to construct bridges, residential homes, office buildings, and stadiums.
Railway products	 EVRAZ is one of the largest and most advanced manufacturers of railway products in the world. Our products include rail tracks for trams and metros, parts for carriages, and train wheels.
Tubular products	 EVRAZ is a leading supplier of large diameter line pipes for oil and natural gas transportation and is the only supplier of large-diameter pipe that is fully made in Canada. We are also a leading producer of small diameter line pipes used in construction, energy exploration, and production.
Industrial products	 EVRAZ is a major player in the industrial market. Our product line serves the following sectors: <ul style="list-style-type: none">• Mining• Machine-building• Hardware
Vanadium products	 EVRAZ is the only full-cycle producer of vanadium in the world and offers a complete range of vanadium products. The Group produces around 20 high-purity, performance-based vanadium chemicals, and also offers an extensive line of vanadium alloys that can double the strength of mild steel.
Raw materials	 For main metallurgical production EVRAZ also extracts the raw materials such as iron ore, coking coal, and limestone. Our own iron ore and coal extraction activities to a large extent cover the Group’s internal needs in this area.

We greatly value our clients, and therefore strive to improve not only our products, but also the experience that clients have from interacting with us, and we provide a tailored approach to each.

We widely apply a range of modern technologies, and also develop and use mobile applications. Our employees can get access to information and HR services by downloading EVRAZ app. Clients and partners can find interesting EVRAZ Events application. For those

who are fond of virtual reality tours around production facilities we also developed two applications: EVRAZ Wheels and EVRAZ VR.

GET IT ON Google Play

Download on the App Store

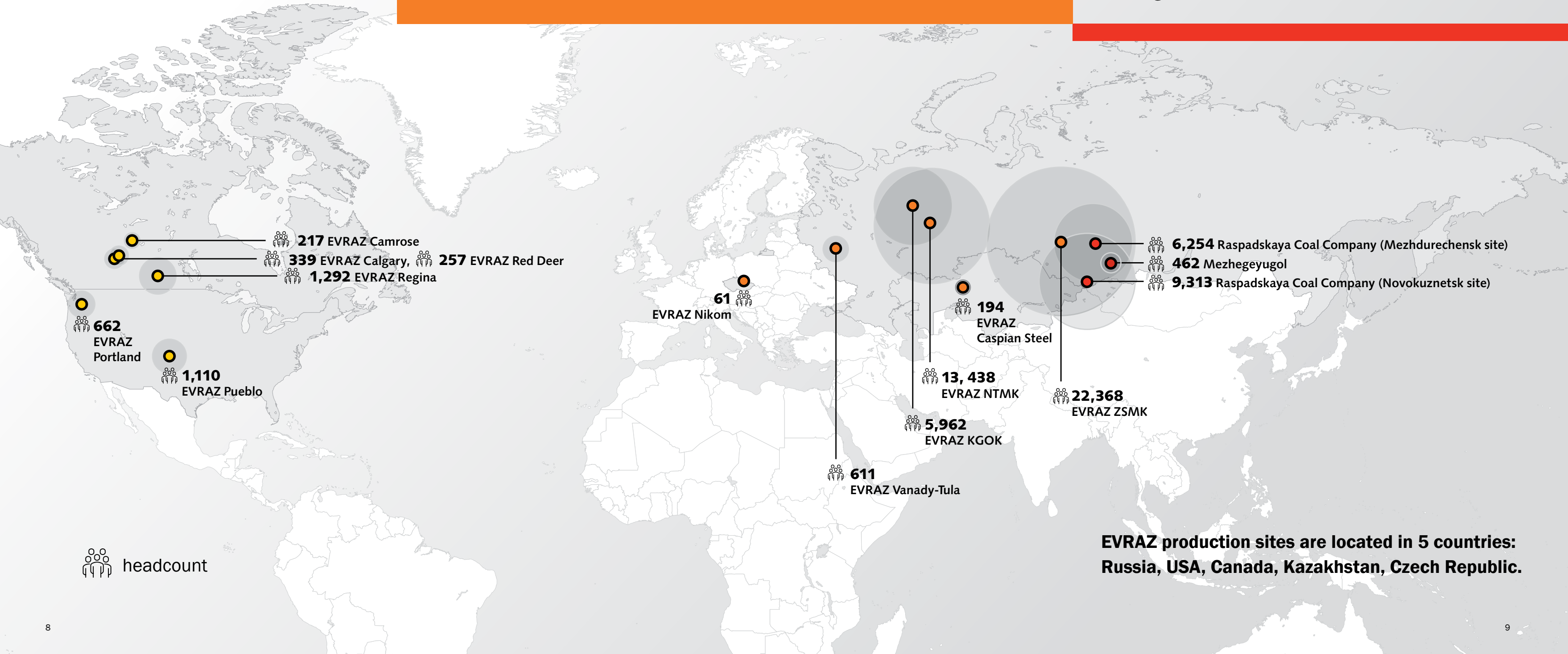
GRI 102-4, GRI 102-7

Where we operate

Steel,
North America segment

Steel
segment

Coal
segment



EVRAZ production sites are located in 5 countries:
Russia, USA, Canada, Kazakhstan, Czech Republic.



About this Report

GRI 102-46

APPROACH TO REPORTING

GRI 102-50

The 2019 Sustainability Report (“the Report”) covers the key results of EVRAZ’s sustainability performance between 1 January 2019 and 31 December 2019 and includes the Group’s plans for 2020 and the medium term.

EVRAZ began preparing annual reports in 2004, and these reports incorporated an extended chapter on Corporate Social Responsibility (CSR). Starting from 2018 EVRAZ took the decision to publish a separate report specifically dedicated to sustainability. The Group’s most recent reports, together with additional information about its sustainability performance, can be accessed on EVRAZ’s official website:



<https://www.evraz.com/ru/sustainability/>

GRI 102-54

This Report, covering the events that took place in 2019, was prepared in accordance with Global Reporting Initiative Sustainability Reporting Standards: Core option (“GRI Standards”). In order to ensure compliance with GRI Standards, the Group’s internal procedures relating to the Report’s preparation were reviewed.

The Report describes EVRAZ’s sustainable development management practices and was prepared in accordance with the interests of the investment community and other stakeholders. The Sustainability Report is published in both the English and Russian languages.

REPORT BOUNDARIES

The sustainability information contained in this Report covers the performance of the following EVRAZ assets, unless otherwise indicated in the text of the Report:

GRI 102-45

Assets included in the Report boundaries

Segment	Company (referenced in the Report)
Steel segment	EVRAZ Consolidated West-Siberian Metallurgical Plant (EVRAZ ZSMK) (including Evrazruda) EVRAZ Nizhny Tagil Metallurgical Plant (EVRAZ NTMK) EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK) EVRAZ Caspian Steel EVRAZ Vanady Tula EVRAZ Nikom
Coal segment	Raspadskaya Coal Company (Mezhdurechensk and Novokuznetsk sites) Mezhegeyugol Coal Company
Steel, North America segment	EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo) EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)
Other	Sales, services, and logistics companies

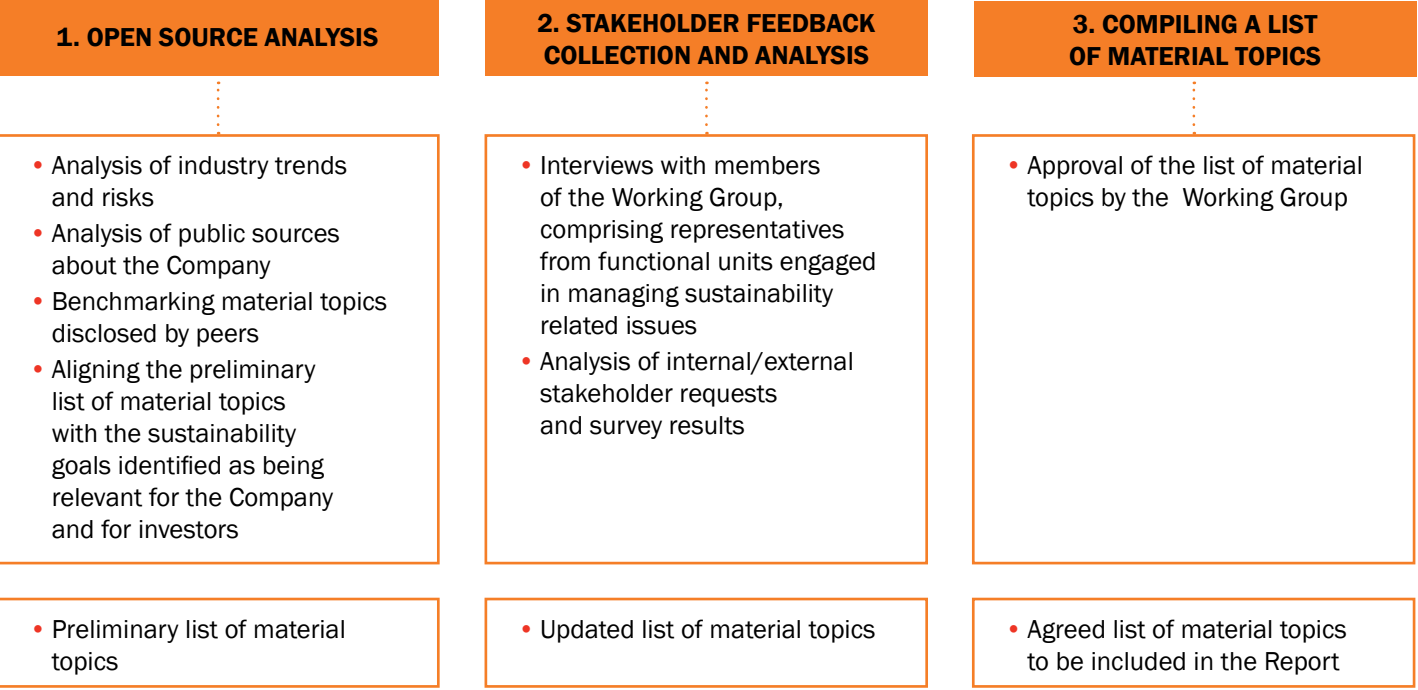
GRI 102-46

IDENTIFICATION OF MATERIAL TOPICS

We conducted a materiality assessment to select topics that mattered most to the business for inclusion in the Report. The assessment comprised three main stages: analysis of open sources, collecting stakeholder feedback and drawing up a list of material topics. The materiality assessment was performed in accordance with GRI Standards. When assessing whether a topic is material, two main criteria are used: the significance of economic, environmental, or social impacts and the influence on stakeholder assessments and decisions.

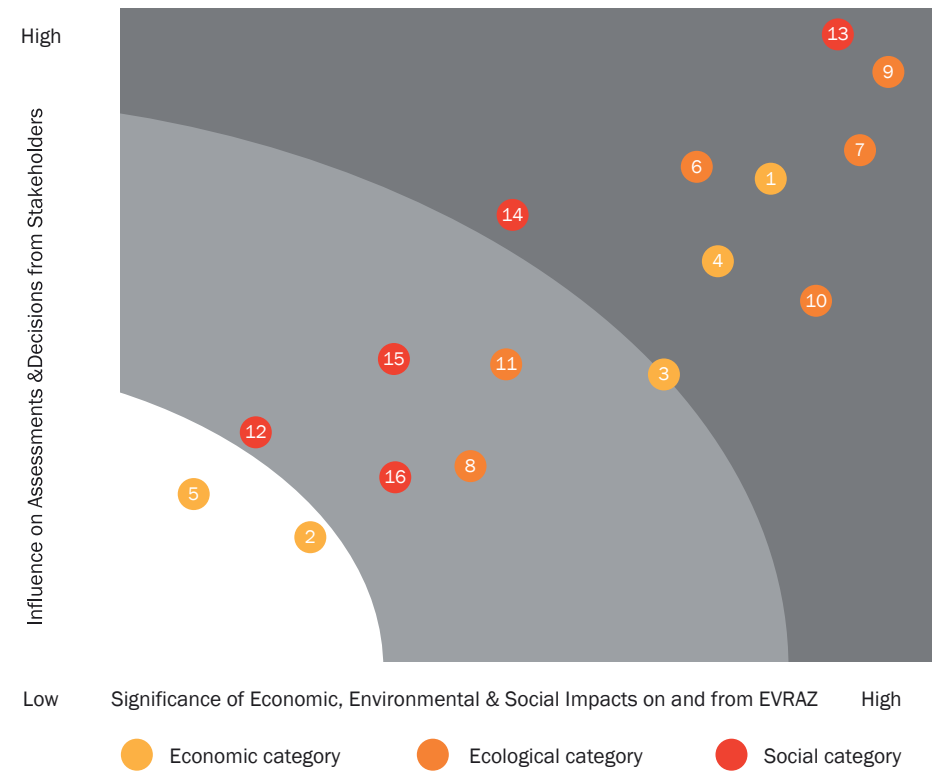


Approach to identification of material topics



In 2019, we drew up a list of 16 material topics, including two new topics: supplier environmental assessment, diversity and equal opportunity. These topics were also prioritised through a survey of members of the Working Group about the preparation of the Report, held in December 2019.

Matrix of material topics of the Report



GRI disclosure requirements were met equally for all topics, irrespective of the priority level. At the same time, topics with a high level of materiality were given special attention in terms of the level of additional detail provided in the Report.

GRI 102-47

Material topics

Category	№	Topic	Page number	Within the Group	Outside the Group
Economic	1	Economic performance	33, 68	V	V
	2	Market presence	40-41	V	V
	3	Indirect economic impacts	77-83	V	V
	4	Anti-corruption	22-25	V	V
	5	Procurement impacts	88-91	V	V
Environmental	6	Energy	69-70	V	V
	7	Water	50, 71-72	V	V
	8	Biodiversity	50, 74	V	V
	9	Emissions	50, 67-68	V	V
	10	Effluents and waste	50, 73	V	V
	11	Environmental compliance	50, 64	V	–
Social	12	Employment	36, 38, 40	V	V
	13	Occupational health and safety	50, 54-63	V	V
	14	Training and education	44-45	V	–
	15	Diversity and equal opportunity	46	V	V
	16	Local communities	78-79	V	V

DATA PREPARATION METHODOLOGY

The calculation, collection, and consolidation of economic, environmental, and social indicators presented in the Report were carried out in accordance with GRI Standard reporting principles and requirements and on the basis of the current procedures in place for collecting and preparing management information in the Group.

GRI 102-56

ASSURANCE

The Group engaged EY to provide independent assurance of the Sustainability Report in order to ensure the quality, accuracy, and completeness of the reported data.



Read Independent Assurance Statement on page 104

Financial information is presented in US dollars. If amounts were in Russian roubles, for conversion purposes the average US dollar exchange rate for 2019 adopted by the Central Bank of Russia was used.

Performance indicators, as well as data on sustainable development, are presented in units of the International System of Units (SI).

GRI 102-53

CONTACT INFORMATION

The Group considers and carefully analyses feedback from stakeholders on the completeness, objectivity, and materiality of information disclosed in its sustainability reports, which helps improve our sustainability performance and non-financial reporting processes. We always welcome your suggestions about the Report and our performance.

Sources of information related to personnel management, labour protection, industrial safety, and environmental protection are mandatory state statistical forms. On an annual basis relevant departments report via these forms to local governments and the Group's management.

In order to ensure the comparability of data, the most significant indicators related to the Group activities are presented for the previous three years.

Please send any questions and suggestions you have to:

IR Department
Moscow: +7 (495) 232-13-70
E-mail: ir@evraz.com



Our Sustainability approach

for a Better Future



GRI 102-7

2019 highlights

US **\$34** million
spent on social expenses
in 2019

9.3%
Fresh water consumption
reduction

71,215
employee headcount
at the end of the year

2.04
LTIFR per 1 million hours¹

1.97 tCO₂e
per tonne of steel cast GHG
intensity rate

US **\$28.8** million
invested in improving
environmental performance

Global Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 				

¹ The indicator excludes fatalities as well as data on contractors.

Key events

2019

January:

- Start of reorganising the HSE management approach, based on ISO 45001 and best practice
- Launching a pilot Real time feedback programme aimed at providing employees with regular feedback on their work

February:

- 346 projects applied for the contest EVRAZ City of Friends – City of Ideas

March:

- First corporate mentorship Forum

April:

- Publication of the first Sustainability report
- Independent assurance of non-financial information in the sustainability report

May:

- High Five sports event: a corporate charity run that has been held in Novokuznetsk, Nizhny Tagil, and Moscow for the past five years

June:

- Signing an agreement on participation in the federal Clean Air project, part of the Ecology National Project

August:

- The Annual Ride to Conquer Cancer was held in Alberta, Canada. The event in total has raised over US\$80.9 million since 2015. In 2019, EVRAZ raised US\$93,000

September:

- 80% of employees invited to complete the survey took part in the We are Together survey, which beat all previous periods
- Energy efficiency Growth points – a brainstorming session with internal and external experts to come up with ways to boost energy efficiency – conducted at EVRAZ ZSMK
- Elaborating and approving the human capital development strategy

October:

- Plans presented to use renewable energy in operating plants in North America
- Initiating the Risk Management Project to improve overall safety by enhancing the safety culture and altering attitudes towards risks
- Introducing a new Risk Management Training Programme in the field of operational health and safety, compulsory for all EVRAZ employees
- Tailings storage facilities (TSFs) disclosure

November:

- Winning 18 medals at WorldSkills Hi-Tech (National professional excellence competition for specialists of high-technology industries)

December:

- Decision taken on elaborating a corporate climate change

GRI 102-43

EVRAZ awards in 2019

EVRAZ awards in 2019

Award/Contest	Project	Place	Title
Cannes Corporate Media and TV Awards	What choice would you make? Video series	Shortlist	
Association of Directors for Communication and Corporate Media of Russia: Digital Communications Awards 2019	Power of Generations	I place	Best content solution
	Steel Dynasties	I place	Employer & Brand
IPRA Golden World Awards 2019	High Five! corporate race	I place	Sport – Inhouse
Metal-Expo 2019: Metal-Vision 2019 competition	Short film “Stronger than Steel”	I place	Best sound engineering
Metal Supply and Sales magazine: corporate media competition	EVRAZ News – COAL newspaper	I place	Best publication by a mining company

Sustainability ratings

EVRAZ sustainability ratings

MSCI

B in 2019
of which CCC is the lowest
and AAA is the highest rating

With strong governance practices and reduced emissions intensity

ISS

E - 5, S - 3, G - 5 in 2019
of which 1 is low risk, 10 is high risk

With ambitions for improvement

ROBECOSAM

We are Sustainability Investing.

52/100 points in 2019

A more than two-fold rise in the economic and environmental dimensions score in 2019

SUSTAINALYTICS

66/100 in 2019

With leading positions on environmental issues among industry peers


Approach to sustainability management

EVRAZ upholds the principles and values of sustainable development and integrates them into its business processes. We believe that sustainable development is a crucial part of our operating success and is a foundation for creating value for stakeholders.

The Group operates in four main areas of sustainable development.


Priority sustainable development areas of EVRAZ


PRIORITY SUSTAINABLE DEVELOPMENT AREAS



Economic stability


The Group aims to maintain solid economic growth and create long-term value for the Group.


 Read the section **Ethics and business conduct**, page 22; and **Direct economic value generated and distributed**, page 33



Employee well-being


We strive to ensure safe working conditions for employees, decent compensation packages, and professional development opportunities.


 Read the sections **Developing our employees**, page 34, and **Health and Safety management**, page 54



Environmental protection


The Group seeks to reduce adverse and maximise positive environmental impacts from our operations.

 Read the section **Environmental management**, page 64



Local community development

We focus efforts on fostering economic prosperity, as well as on promoting social and cultural development in our regions of operation.

 Read the section **Supporting local communities**, page 76

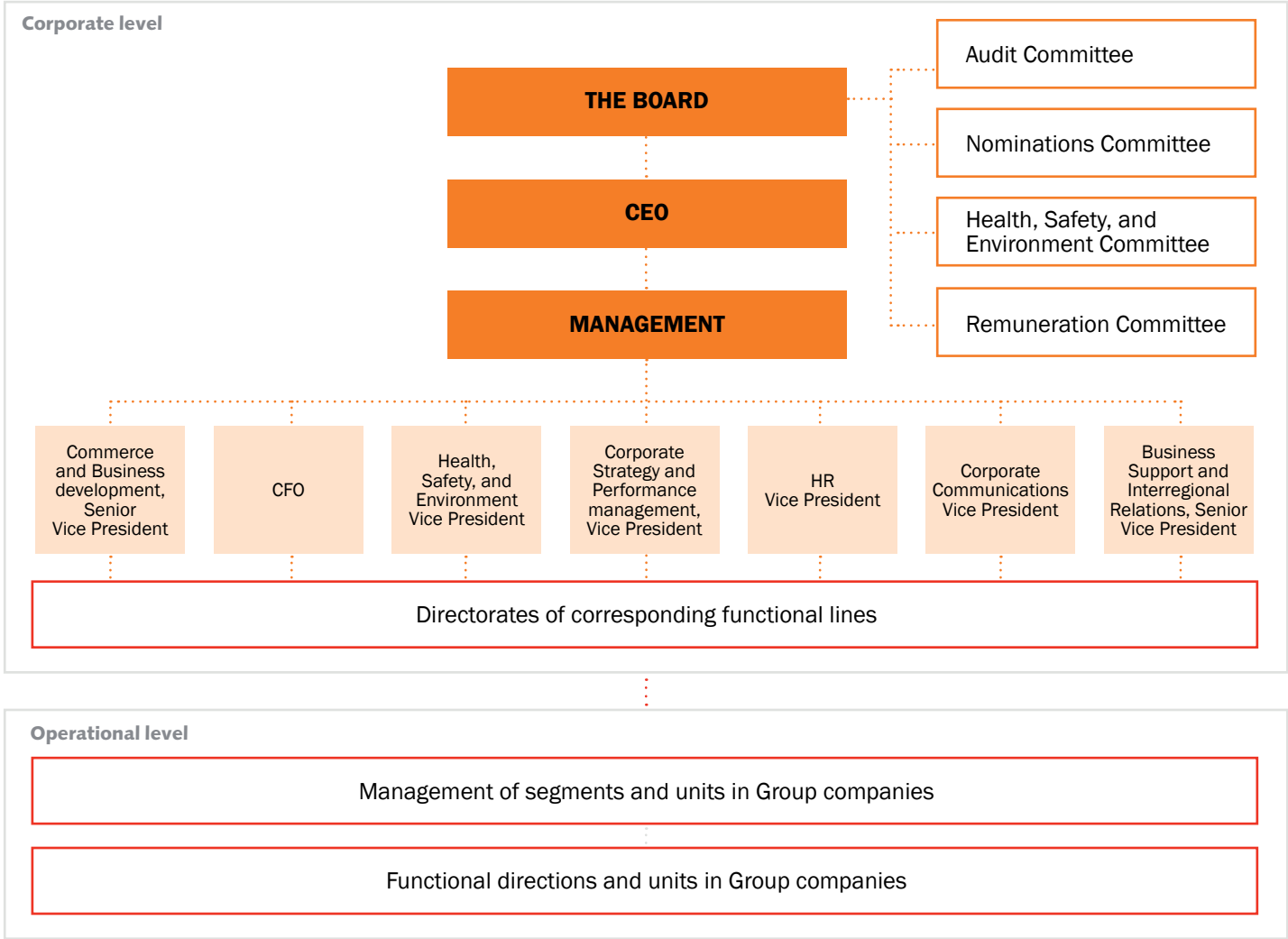


We need to work together with stakeholders in order to maintain an effective system of sustainable development. We endeavour to build and develop strong and transparent relations with all our stakeholders and we actively develop our stakeholder engagement mechanisms and make efforts to develop new ones (for more information read page 29 of the section Stakeholder engagement).

When implementing sustainable development activities we adhere to the OECD's Guidelines for Multinational Enterprises, follow best international standards and practices, and fully comply with the provisions of the United Nations Universal Declaration of Human Rights respecting the civil, political, economic, social, and cultural rights of individuals.

GRI 102-18

Sustainable development organisational structure



GRI 102-12

ATTAINING
SUSTAINABLE
DEVELOPMENT
GOALS – OUR INPUTS

The United Nations General Assembly adopted the Sustainable Development Goals (SDG) in 2015 to address significant economic, environmental, and social challenges. EVRAZ endeavours to contribute to attaining these goals by minimising impacts on the environment

and local communities from the Group’s operational activity, and maximising positive values.

In 2019, we performed serious work to boost our contribution to attaining the SDG. We understand the significance of sustainable development, both for society and for the Group, which is a part of society. Hence in the reporting period we prioritised goals in this area and divided SDG goals into

two groups. Focus group of SDG consists of those goals we can contribute the most to. The other group is formed from the goals that are important but our input cannot be as significant as to the focus ones due to our operational features. EVRAZ prioritised the SDG to concentrate on the goals in focus and maximise the efforts. Work to attain priority goals is expected to bring about major positive effects. Our input in the SDG achievement is described in the Report.

EVRAZ inputs to meet Sustainable Development Goals

SDG	Our inputs
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Ensure healthy lives and promote well-being for all at all ages</div><div><ul style="list-style-type: none">High medical insurance standards for our employees and their families as part of their compensation packagesProjects to promote healthy lifestyles among our employees, with particular attention to young specialists and communities in our regions of operationInvesting in building sports facilities in our regions of operation</div><div><div></div><div>Read the sections Developing our employees, page 34; Evolving health, safety, and environment, page 48; Supporting local communities, page 76</div></div></div>
<div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Ensure the availability and sustainable management of water and sanitation for all</div><div><ul style="list-style-type: none">Reducing fresh water consumption, including water from surface sourcesIncreasing the quality and volume of recycled water</div><div><div></div><div>Read the section Environmental management, page 64</div></div></div>
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all</div><div><ul style="list-style-type: none">Meeting our tax liabilitiesProviding equal social guarantees and creating equal opportunities to facilitate high-performance work and professional growth among our employeesProviding healthy and safe working conditionsEmployment creation in our regions of operation</div><div><div></div><div>Read the sections Developing our employees, page 34; Evolving health, safety, and environment, page 48; Supporting local communities, page 76; Responsible supply chain, page 86</div></div></div>
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation</div><div><ul style="list-style-type: none">Investing in infrastructure development projects in our regions of operation</div><div><div></div><div>Read the section Supporting local communities, page 76</div></div></div>



SDG	Our inputs
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Ensure sustainable consumption and production patterns</div><div><ul style="list-style-type: none">Reducing the volume of waste generated during production activitiesIncreasing the volume of waste recycled</div><div><div></div><div>Read the section Environmental management, page 64</div></div></div>
<div><div>13</div><div>CLIMATE ACTION</div><div></div><div>FOCUS FOR 2019</div></div>	<div><div>Take urgent action to combat climate change and its impacts</div><div><ul style="list-style-type: none">Reducing CO2 emissions by lowering the consumption of energy resources and through improving efficiency</div><div><div></div><div>Read the section Environmental management, page 64</div></div></div>
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	<div><div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div><div><ul style="list-style-type: none">Providing professional education opportunities for all our peopleSupporting social projects to facilitate education and to improve conditions in regional educational institutions</div><div><div></div><div>Read the sections Developing our employees, page 34; Supporting local communities, page 76</div></div></div>
<div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	<div><div>Ensure access to affordable, reliable, sustainable, and modern energy for all</div><div><ul style="list-style-type: none">Lowering electricity use in each segment of the GroupPromoting initiatives to generate electricity in-house</div><div><div></div><div>Read the section Environmental management, page 64</div></div></div>
<div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	<div><div>Make cities inclusive, safe, resilient, and sustainable</div><div><ul style="list-style-type: none">Investing in the development of social infrastructure in our regions of operationAgreements with local authorities to raise living standardsImproving facilities in our regions of operation</div><div><div></div><div>Read the section Supporting local communities, page 76</div></div></div>
<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div>	<div><div>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</div><div><ul style="list-style-type: none">Compliance with applicable legislation, including human rights protection lawProactively implementing anti-corruption and bribery initiatives, discouraging conflicts of interestWorking with the state authorities to meet the needs of local communities</div><div><div></div><div>Read the sections Our Sustainability approach, page 14; Developing our employees, page 34</div></div></div>
<div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div>	<div><div>Strengthen the means of implementation and revitalise the global partnership for sustainable developments</div><div><ul style="list-style-type: none">Implementing and supporting sustainability initiatives promoted by Russian and international sector associations and institutions</div><div><div></div><div>Read the sections Environmental management, page 64; Responsible supply chain, page 86</div></div></div>

Ethics and business conduct

APPROACH TO PROMOTING FAIR BUSINESS PRACTICES

EVRAZ strives to meet the highest standards of ethical business conduct and we adopt an attitude of zero tolerance towards corruption and bribery. The Group takes strict measures to prevent and effectively deal with the consequences of misconduct when it occurs.

EVRAZ seeks to ensure full compliance with all applicable laws and regulations, including the Russian Law “On Preventing Corruption”, the UK Bribery Act, and the US Foreign Corrupt Practices Act, and regularly monitors this area.

This approach allows the Group to maintain a reputation of being a fair, responsible, and transparent company.

We have elaborated a comprehensive set of internal documents to be used by the Group and EvrazHolding. These contain

norms of ethical and fair business conduct and is adhered to by all – Group-employees. Our main documents are:

- The Code of Business Conduct
- The Anti-Corruption Policy
- The Anti-Corruption Compliance System
- The Anti-Corruption Training Policy
- The Sponsorship and Charity Policy
- The Gifts and Business Entertainment Policy
- The Hotline Policy
- The Conflicts of Interest Policy

We conduct background and criminal record checks when considering candidates, as well as due diligence checks in case of contractors and suppliers.



For more information on the contents of these documents, read our corporate webpage <https://www.evraz.com/en/sustainability/anti-corruption/> and the Short summary of relevant anti-corruption policies section of the Annual report.

The vision, principles, and behavioural norms adopted in the Group are set forth in the Anti-corruption Policy and the Code of Business Conduct. These documents were updated in late 2019 to reflect the changes that EVRAZ has undergone since 2013, when the documents were first introduced. Accepted standards of behaviour and conduct include providing equal rights and opportunities, respect for people, rejecting all forms of discrimination and slave labour, zero tolerance towards corruption (including bribery), attention to potential conflicts of interests, and prohibiting insider trading.

In order to establish the EVRAZ sustainability approach at all levels, we have integrated aspects of sustainable development into the Code of Business Conduct. The code provides an overall direction and vision of the Group for conducting business, based on the following principles:

GRI 205-2

EVRAZ communicates documents and policies to our stakeholders, including our employees, through the Group’s corporate website and intranet. We expect all our employees and subsidiaries to fully comply with the provisions of documents at all times. Potential employees get acquainted with key Code of Business Conduct and Anti-Corruption Policy provisions when they attend job interviews. New joiners study these documents after they begin work for the Group, and, when documents are updated or new ones approved, employees read them and sign that they are familiar with their contents.

Ethical behaviour is especially important for EVRAZ, and the Group has a set of approval and notification procedures in place to ensure that business is conducted ethically. These procedures are implemented by the Audit Committee at headquarters level and by compliance managers at subsidiary level.

The responsibilities of the Audit Committee, which reports directly to the Board of Directors, include overall monitoring of the efficiency of the anti-corruption system, examining corruption-related issues, and monitoring compliance.

Each material subsidiary of the Group has appointed compliance managers. Their duties consist of monitoring employee compliance with internal regulations, investigating reported cases of misconduct and unethical behaviour, and monitoring charity payments and hospitality spending. Compliance managers vet potential and existing business partners and are involved in monitoring tender procedures, which are typically linked with higher risks of corruption.

Compliance managers work with reports on potential cases of corruption, bribery, and misconduct. They present the results of investigations and recommendations to the business unit’s senior management, the Group’s compliance manager, and the Senior Vice President for Business Support.

ANTI-CORRUPTION RISK MANAGEMENT

EVRAZ determines, evaluates, and manages corruption-related risks on a regular basis. At the end of each year compliance managers at all subsidiaries analyse risks related to fraud and corruption.

The Group considers its business processes and focuses on those that are particularly prone to corruption risk, and carefully assesses existing controls and procedures in these areas. The Division of Compliance and Asset Protection and compliance managers enact risk management procedures to stop corruption-related risks arising. Areas particularly prone to corruption risk typically include procurement, payments, sales, charity and sponsorship, business gifts and hospitality, interaction with government authorities, the vetting of business partners, and contract approvals.

The main documents regulating anti-corruption risk management are:

- The Anti-Corruption Policy
- The Anti-Corruption Compliance System

In the second part of 2019, the Group updated its main anti-corruption guidance documents by adding more information about company specific situations where corruption is likely to arise and how employees are expected to act should they encounter it.



For more information on the analysis and management of corruption risks, read the Anti-corruption and anti-bribery section of the Annual report.

RAISING AWARENESS OF ETHICAL BUSINESS CONDUCT

The Group believes that information is key in preventing misconduct; in particular, fraud, corruption, and bribery. Therefore, EVRAZ consistently informs stakeholders, including employees and business partners, about its principles of business conduct.

The Group posts anti-corruption policies and procedures on the official website and makes documents available for all stakeholders. At the same time, to ensure that employees are informed about corporate behaviour standards and the consequences of engaging in bribery and corruption, we provide business conduct trainings for management, specialists, and administrative staff. To keep personnel fully aware, the Group conducts online trainings every three years.

To satisfy this need, the Group administers an online anti-corruption course (created by Thomson Reuters), which covers such topics as gifts and hospitality, communications with suppliers, and charity. The course also emphasises the importance of alerting responsible managers and consulting with compliance specialists when in any doubt. The group runs a whistleblowing hotline in order to make it convenient for individuals to raise concerns.

Informing business partners about ethical business conduct is equally important. EVRAZ asks contractors and suppliers to get acquainted with corporate principles related to ethical behaviour, and incorporates special anti-corruption provisions in all contracts.

GRI 102-16

The EVRAZ principles for conducting business

OUR PRINCIPLES FOR CONDUCTING BUSINESS

Daily improvement

By constantly developing and introducing new ideas, we contribute to the sustainable growth of our company.

Attention to the consumer

By constantly improving products and services, we strengthen long-term relationships with our customers and clients.

Result and responsibility

We persistently strive to achieve the set goals and are responsible for the result.

Active team work

We succeed in the team of like-minded people.

Concern for people

Creation of safe working conditions, development of our employees and local communities are an important part of EVRAZ business.



For more details read the Code of Business Conduct, which is available on the Group’s official website: <https://www.evraz.com/en/sustainability/mission-and-principles/key-documents/index.php>

WHISTLEBLOWING LINE

EVRAZ upholds the principle of transparency and encourages stakeholders to adhere to it. For all to have convenient opportunities to raise concerns or to report an issue that a stakeholder may find disturbing, suspicious, or unethical, the Group has a whistleblowing line. This is a tool for fostering confidence and safety and to ensure ethical behaviour, and can be used by any stakeholder of the Group.

The Group operates two separate whistleblowing lines:

The Corporate Whistleblowing line in Russia and Kazakhstan:

- email: vopros@evraz.com
- toll-free number: 8-800-555-88-88 (Russia) 8-800-080-43-58 (Kazakhstan)
- internal corporate portal: <https://portal.evraz.com/hotline/SitePages/Hotline.aspx>

The EVRAZ North America whistleblowing line:

- email: hotline@evraz.com
- toll-free number: 866-334-1777
- internal corporate portal: <https://secure.ethicspoint.com/domain/media/en/gui/56482/index.html>

Both lines operate 24/7 and allow users to make reports anonymously which eliminates

any risks of possible retaliations. Incoming inquiries are registered in the IT system and are then allocated to relevant specialists (e.g. HR, HSE, Compliance), depending on the topic of the request. Specialists analyse requests, investigate concerns, prepare responses, and take actions to resolve issues. If the whistle-blower left his or her contact details, the Group informs this person about the status of the report as well as the taken actions.

The Hotline Committee (for the Corporate Whistleblowing line) and the Hotline Team (for the ENA whistleblowing line) comprise senior executives and handle complicated, controversial, or sensitive issues submitted via these channels. The Group uses these specialists to be confident that all appropriate measures are taken to address all signals.



Working process of the Corporate Whistleblowing line

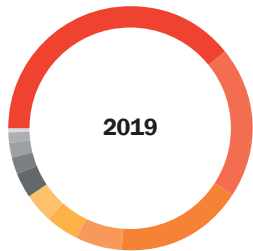


EVRAZ is pleased to report that, year-to-year, there is growing confidence in whistleblowing lines among our stakeholders: the number of inquiries is growing and all requests are resolved in compliance with the above procedure. This is a tool that gains in popularity each year.

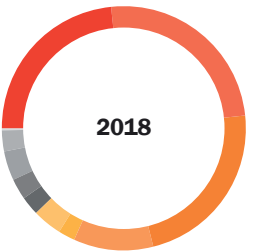
GRI 205-3

In 2019, 34 security and fraud and corruption-related complaints were submitted via the Corporate Whistleblowing line, and seven fraud and security inquiries were submitted via the ENA hotline. Out of these complaints, 11 related to fraudulent intent. The involved employees' contracts were duly terminated, where applicable, and all necessary measures were taken to improve controls and mitigate against related risks.

Topics and shares of popular issues raised via Corporate Whistleblowing line, 2018–2019

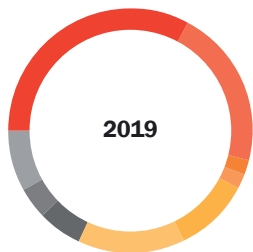


Labour relations	39.2%
Other	20.1%
Public services	17.1%
Labour compensation	6.1%
Hazardous conditions	4.4%
Corruption and fraud	3.7%
Violation of Cardinal Safety Rules	3.5%
Information	2.1%
Employees and managers relations	1.9%
Personal protective equipment (except quality)	1.6%
Prosecution of employees for using hotline	0.3%

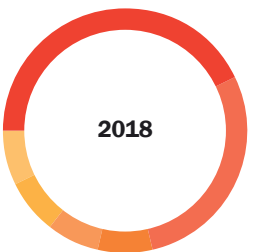


Labour relations	23.4%
Other	25.1%
Public services	22.7%
Labour compensation	10.5%
Hazardous conditions	2.3%
Corruption and fraud	3.8%
Violation of Cardinal Safety Rules	2.7%
Information	2.8%
Employees and managers relations	3.9%
Personal protective equipment (except quality)	2.7%
Prosecution of employees for using hotline	0.1%

Topics and shares of popular issues raised via the EVRAZ North America whistleblowing line, 2019



Discrimination or Harassment	33%
Other	21%
Environmental Protection, Health or Safety Law	2%
Inquiry	2%
Conflicts of Interest	10%
Safety	14%
Retaliation	6%
Gifts and Entertainment	4%
Violence or Threat	8%



Discrimination or Harassment	42.9%
Other	28.7%
Environmental Protection, Health or Safety Law	7.1%
Inquiry	7.1%
Conflicts of Interest	7.1%
Safety	7.1%

Sustainability risk management

APPROACH TO MANAGING SUSTAINABILITY RISKS

GRI 102-11

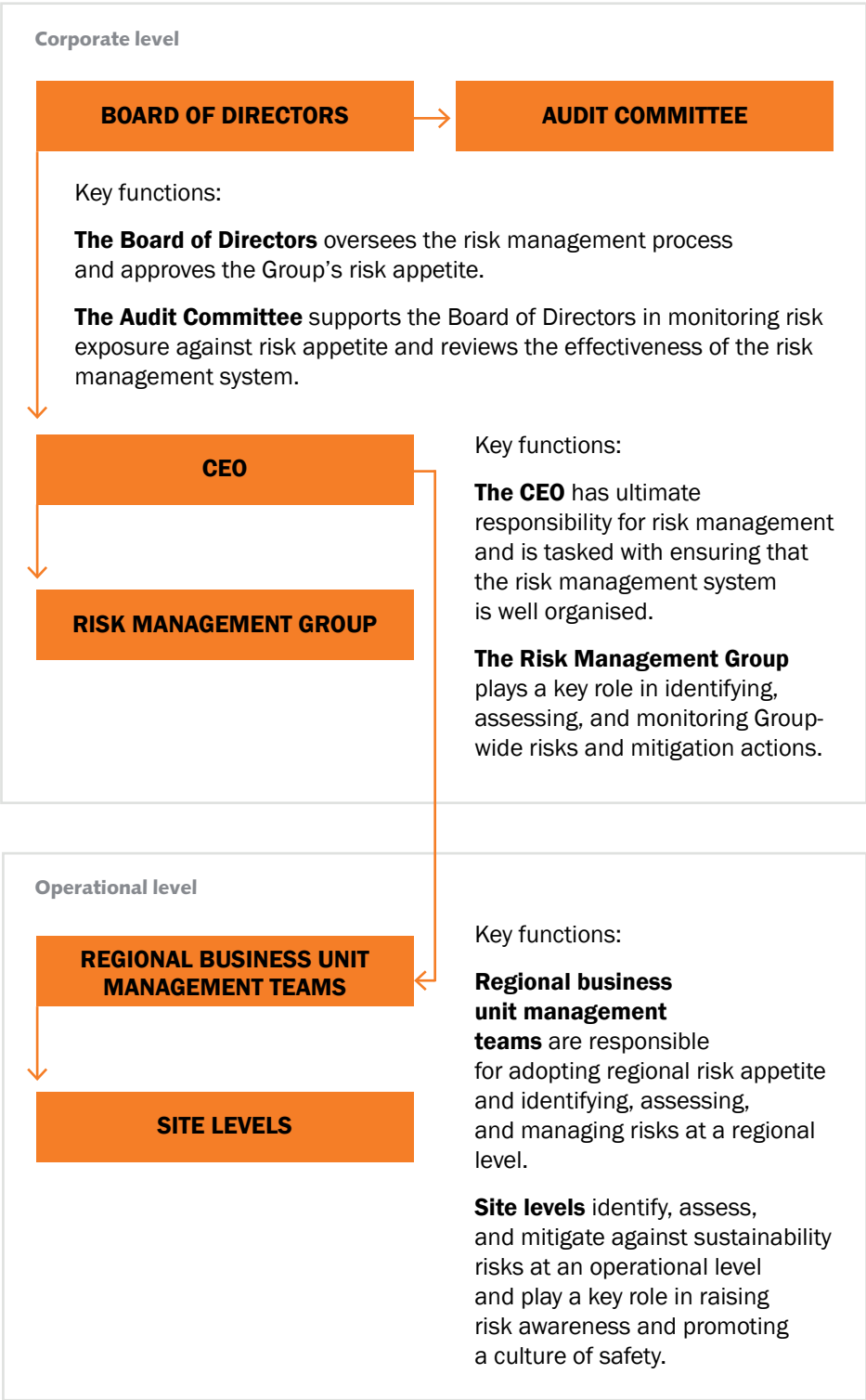
Risk management plays a crucial role in the process of EVRAZ achieving our strategic goals and objectives. Our risk management approach covers all business processes and is adopted in all daily operations. The Group has elaborated a single framework for identifying, assessing, and managing risks at both corporate and operational level. We also apply the same approach to managing financial and non-financial risks. Risk management consists of the timely identification, analysis, and assessment of risks and implementing appropriate measures. The Group takes actions to manage not only strategic and financial risks, but also risks related to sustainable development: environmental, social, and economic.

EVRAZ annually reassesses all risks in order to ensure that they are duly recorded and that appropriate risk management measures have been developed.

The Group identifies risks and divides them into two categories: principal and non-principal. Principal risks are characterised by having the highest speed of impact and volatility, while non-principal risks are considered those that do not seriously impact the Group's performance or prospects. EVRAZ closely monitors principal risks and also monitors non-principle ones.

For more detailed information about principal risks, their impact, and risk management actions read the Principal risks and uncertainties section of the 2019 Annual report.

Organisational structure of sustainability risk management



The table below describes the Group's sustainability related risks and provides an overview of the Group's measures to manage them.

The Group's sustainability risks

Risk	Description	Risk management actions
HSE: environment	Steel and mining production carry an inherent risk of environmental impact and incidents relating to issues as diverse as water usage, quality of water discharged, waste recycling, tailing management, air emissions (including greenhouse gases), and community satisfaction. Consequently, EVRAZ faces risks including regulatory fines, penalties, adverse reputational impact and, in the extreme, the withdrawal of plant environmental licences, which would curtail operations indefinitely. Globally, there is an increase in regulatory scrutiny and pressure, as well as investor and customer expectations.	<ul style="list-style-type: none">The environmental risk matrix is monitored on a regular basis. Respective mitigation activity is developed and performed in response to the risks. Increased focus of the top management on monthly monitoring of environmental risk trends and factorsImplementation of air emissions and water use reduction programmes at plants. Waste management improvement programmesMost of EVRAZ operations are certified under ISO 14001 and the Group continues to work towards bringing the remaining plants to ISO 14001 requirements. EVRAZ is currently compliant with REACH requirementsParticipation in development of GHG emissions regulation in RussiaReduction in GHG emissions as a positive side-effect of energy efficiency projectsWhile there was a noted increase in regulatory scrutiny and pressure resulting in a heightened risk impact in 2019, the management focus and mitigation activity keeps the risk level unchanged
HSE: health, safety	Potential danger of fire, explosions and electrocution, as well as risks specific to individual mines: methane levels, rock falls and other accidents could lead to loss of personnel, outage or production delays, loss of material, equipment or product, or extensive damage compensation. Breach of any HSE laws, regulations and standards may result in fines, penalties and adverse reputational impacts and, in the extreme, the withdrawal of mining operational licences, thereby curtailing operations for an indefinite period.	<ul style="list-style-type: none">Management KPIs place significant emphasis on safety performance and the standardisation of critical safety programmes. Implementation of an energy isolation programmeFurther development of a programme of behaviour safety observations which drives a more proactive approach to preventing injuries and incidentsA series of health and safety initiatives related to underground miningMaintenance and repair modernisation programmes, downtime management systemFurther development of occupational safety risk assessment methodologyAnalysis of effectiveness of corrective measuresIn 2019, there were noted cases indicating risk realisation. However, the management focus on measures addressing the risk is especially high
Business interruption	Prolonged outages or production delays, especially in coal mining, could have a material adverse effect on the Group's operating performance, production, financial condition and future prospects. In addition, any long-term business interruption may result in a loss of customers and competitive advantage, as well as damage to the Group's reputation.	<ul style="list-style-type: none">The Group has defined and established disaster recovery procedures that are subject to regular review. Business interruptions in mining mainly relate to production safety. Measures to mitigate these risks include methane monitoring and degassing systems, timely mining equipment maintenance, and employee safety trainingDetailed incident cause analysis is performed in order to develop and implement preventative actions. Records of minor interruptions are reviewed to identify any more significant underlying issues
Potential regulatory actions by governments, including trade, antimonopoly, antidumping regulation, sanctions regimes, and other laws and regulations	Potential regulatory actions by governments, incl. trade, antimonopoly, antidumping regulation, sanctions regimes, and other laws and regulations.	<ul style="list-style-type: none">EVRAZ and its executive teams are members of various national industry bodiesAs a result, they contribute to the development of such bodies and, when appropriate, participate in relevant discussions with political and regulatory authoritiesProcedures have been implemented and will be further developed to ensure that sanction requirements are complied with across the Group's operationsOngoing control over regulatory compliance, monitoring regulatory changes and developing necessary controlsWhile the Group's internal compliance controls address the associated risks, the general uncertainty in the area increases the management's focus on this risk
Product competition	Excessive supply on the global market and greater competition, mostly in the steel products market, primarily due to competitors' activity and introduction of new facilities. Low demand for construction products and increasing competition in this segment. Increasing competition in the rail product segment. Excessive supply of slabs on the global market and intensified competition.	<ul style="list-style-type: none">Expand product portfolio and penetrate new geographic and product marketsDevelop and improve loyalty and customer focus programmes and initiativesQuality improvement initiativesExpand the share of value-added products


Risk	Description	Risk management actions
HR and employee risks	Risks related to a lack of skills, a lack of succession planning, and reduced productivity due to labour unrest or low job satisfaction levels.	<ul style="list-style-type: none">Monitoring changes and compliance with applicable labour laws and regulationsImplementing staff training and development programmes and initiatives.Regular meetings with trade union representativesIntroducing a grading system and remuneration management principles.Implementing a human capital development programmeCollaborating with universities and colleges to enhance educational programmesAnalysing employee engagement levels and how they can be improved
Social and community risks	Risks related to socio-economic instability in the regions where the Group operates, deteriorations in relations with local communities and authorities, and loss of the Group's "social licence" to operate.	<ul style="list-style-type: none">Taking part in social projects in our regions of operationSupporting social, infrastructure, sport, educational, and cultural programmesStakeholder engagement and collaborations with cities and regional authoritiesLocal urban infrastructure improvement
Climate change risks	Risks related to climate change and extreme weather events that could lead to business disruptions, resource shortages, and damage to the supply chain, equipment, and reputation.	<ul style="list-style-type: none">Implementing energy efficiency projects and, as a result, lowering greenhouse gas emissionsSupporting global programmes to reduce greenhouse gas emissionsParticipating in drawing up greenhouse gas emission regulations in Russia
Human rights risks	Risks related to violations of human rights.	<ul style="list-style-type: none">Informing employees about the principles set forth in the Group's Code of Business ConductCompliance with all applicable laws and regulationsAnnual disclosure of a Modern Slavery Transparency StatementInserting a framework clause in contracts that obliges Group suppliers to comply with the Group's Code of Business Conduct and which allows the Group to unilaterally terminate a contract if a supplier engages in modern slaveryRunning whistleblowing hotlines
Quality	Risks related to product quality.	<ul style="list-style-type: none">Regular monitoring of customer satisfaction levelsMeetings and feedback sessions with clients/EVRAZ managementSite visits to production assetsProduction and quality improvement programmes

Stakeholder engagement

As a part of our business strategy we strive to create value for our stakeholders and we make great efforts to understand their needs and expectations. We encourage open dialogue with stakeholders and strive to maintain close and trusting relationships with all of them. To ensure a bespoke and appropriate approach for each of our stakeholders we identify groups of stakeholders and determine their needs and expectations.

GRI 102-40, 102-44

Stakeholders and value that we create

**Shareholders and investors**

EVRAZ strives to act in shareholders' best interest by building an experienced management team and implementing corporate governance best practices.

**Employees**


EVRAZ is among the most sought-after employers in its regions of operation partly due to its staff development programmes and best-in-class working conditions.

**Customers**


EVRAZ generates value for its global clientele by prioritising value-added products, offering better shipping terms and running a client oriented business model.

**Government and regulatory authorities**

EVRAZ is one of Russia's largest taxpayers and employers, and plays a valuable role for the state by providing construction and railway products for the development of infrastructure.

**Suppliers and contractors**

EVRAZ honours its position as a vital purchaser of auxiliary materials by fostering the advancement of its customers' industries and running fair, transparent tenders.

**Media**

EVRAZ proactive engagement with the media boosts the quality and transparency of information about the Group.

**Industry organisations**

EVRAZ cooperates and supports various industry organisations through joint initiatives and proactively participates in conferences and forums.



EVRAZ

For detailed information on the value that we create read <https://www.evraz.com/en/company/strategy/#steel>



COMMUNICATION CHANNELS AND MECHANISMS

During the process of elaborating communication approaches for different groups of stakeholders we try to ensure that we cover all stakeholders, initiate a two-way dialogue, and give stakeholders an opportunity to provide feedback.

We are constantly improving our channels of communication so that they are easier to use and more effective. Despite having a number of different channels, we promote the idea of having a unified information field, and strive to demonstrate our vision and values to a broad range of stakeholders.

We believe that open communication and information transparency are a fundamental aspect of having a constructive dialogue with our stakeholders, therefore, we strive to use the best and most convenient means of communication in place. For example, the Group actively participates in developing local communities and cooperates with local authorities and other industrial enterprises to improve the ecological situation in our regions of operation, through both combined and individual efforts.

In 2019, EVRAZ continued work to enhance existing communication channels, both for external and internal stakeholders. We focused on digital channels of communication and actively increased our presence in social media. Also, we worked on internal communication channels and launched the new corporate newspaper EVRAZ News – COAL, which is published weekly at our coal segment enterprises.

To ensure open communication for all stakeholders, EVRAZ has set up a whistleblowing hotline (8-800-555-88-88), as well as an e-mail address (vopros@EVRAZ.com), which is available on the Group's official website (https://www.evraz.com/en/hotline/). Using these channels, any stakeholder can leave a message or make a call to discuss an area of concern.

GRI 102-43

Types of communication channels



INTERNAL CHANNELS

- Corporate TV
- Corporate newspaper
- Internal portal for employees
- The EVRAZ Hotline
- Mobile app for employees
- Annual staff engagement surveys
- Interpersonal communication with employees
- Town hall meetings/other Group-wide events



EXTERNAL CHANNELS

- The media
- Social media
- Our official website
- The EVRAZ Hotline
- Annual reports
- Face-to-face communication with external stakeholders

Personal meetings with local authorities

EVRAZ ZSMK, under the guidance of the Novokuznetsk Government, participates in a project to improve the ecological situation in the city, and has implemented an initiative to upgrade equipment. In November 2019, EVRAZ ZSMK invited Social Ecological Council of Novokuznetsk representatives to demonstrate the progress made in upgrading electric filters at the EVRAZ ZSMK cogeneration plant.

Cooperation with industrial enterprises and municipal administrations

EVRAZ ZSMK cooperates with industrial enterprises located in Novokuznetsk, with a view to improving the ecological situation in the city. Regional industrial enterprises have committed to observing the requirements of Clear Air federal project. The aim of this project is to reduce emissions into the atmosphere by 22% by 2024 in comparison with the 2017 level.

The largest industrial enterprises in Novokuznetsk, including steel companies and power plants and the municipal administration of the city, met to discuss measures to effectively achieve the above goal.

Development of digital project

In 2019, EVRAZ launched an updated version of the corporate portal, which features new services and functionality for users as well as a new design. In 2019, 120,000 page views were registered on the new portal, from 9,000 unique users.

The EVRAZ social networking community is now active on Facebook, Instagram, Vkontakte, Odnoklassniki, and YouTube. It gained over 15,000 subscribers in only one year, and 1,054 posts were made, which received more than 65,000 positive reactions from users. EVRAZ TV launched on 1 December 2019. It is streamed directly on the Group's corporate web portal and is available via 70 broadcasting points across five cities. It has broadcast a total of 351 hours of coverage.



Information regarding concerns raised in 2019 is available in the section Ethics and business conduct, read page 22.

FEEDBACK COLLECTION

To continually improve our client services and boost the effectiveness of stakeholder engagement mechanisms, we collect feedback from internal and external stakeholders. Our approach to feedback collection is divided into three areas:

- An annual reputational survey of external stakeholders (reputational audit)
- Customer satisfaction surveys
- The We are Together employee engagement survey

Reputational audit

EVRAZ is subject to an annual reputational audit, which is conducted by a third-party and collates detailed feedback on various aspects of the Group's operations from main external stakeholders, including state authorities, clients, counterparties, and industry associations. The Group conducts annual evaluations in order to understand our image and to identify areas in need of improvement.

A level of importance has been determined for each criterion.

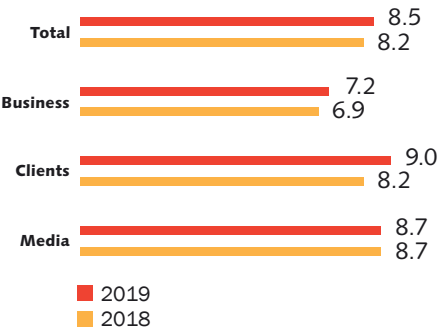
We use the evaluation results to enhance stakeholder engagement and to fulfil the needs and expectations of our stakeholders. Events and upcoming projects are planned taking into account the evaluation results. Such plans must be approved by the vice presidents and CEO of EVRAZ.

In 2019, our results of reputational audit were improved. Our total score reached the level of 8.5 for the first time. Clients contributed to this result the most, the score from clients (9.0) demonstrates significant growth of clients' satisfaction from cooperation with EVRAZ.

External evaluation criteria

Business development success	Financial efficiency	Management efficiency
Quality of products and services	Informational transparency	HR capacity
Ethical business conduct	Attractive employer	Social responsibility

Results of the reputational audit broken down by type of evaluator, 2018–2019



Client satisfaction survey

Each year EVRAZ conducts a client satisfaction survey in order to gauge client satisfaction levels with client services, ascertain the development dynamics of client services, and determine the key factors influencing client satisfaction levels. The survey is conducted with the aim of enhancing the quality of client services and to meet their various expectations.

The survey uses a number of research methods in order to obtain a deep understanding of various issues. During the research, experts analyse client service mechanisms and conduct qualitative and quantitative interviews with clients.

EVRAZ has recorded a high level of client satisfaction for three years, including 2019 – client services have received a score of 9 out of 10.

We are Together employee engagement survey

EVRAZ endeavours to provide high-quality working conditions and to create a comfortable working atmosphere. To assess employee satisfaction levels, the Group conducts the annual staff engagement survey We are Together. The survey is anonymous, so that the most objective and honest data can be obtained.

The survey helps the Group ascertain which areas are in need of development and which projects can be implemented.

In 2019, almost 53,000 employees (80% of the invited to complete the survey) participated in it. In general, the survey results indicated that the engagement level is climbing, and that the employee satisfaction level is rising



For more information, read page 34 of the Developing our employees section.

During the ongoing process of engaging with stakeholders we implement a variety of instruments aimed at meeting their expectations. We choose effective instruments in compliance with stakeholders' interests.



For more information about engagement instruments we use read Stakeholder engagement section of 2019 Annual report.



GRI 102-13

Memberships of associations and institutions

EVRAZ plays an active role in collaborating with prominent industry and business association and institutions. The Group supports initiatives and conferences and participates in various round tables and discussions. We consider our industrial and operational features as well as adopted sustainability principles when decide to participate in associations. In the reporting period we became a member of the Donor’s Forum, the largest association of grant-making organisations operating in Russia, with the aim of creating value for the residents of the country.

As of 2019, EVRAZ was a member of the following organisations:

- The Russian Managers Association (AMR)
- The Russian Union of Industrialists and Entrepreneurs (RSPP)
- The Association of Industrialists of the Mining and Metals Production Sector of Russia (AMROS)
- The World Steel Association (WSA)
- The Russian Steel Association,
- The Non-Commercial Partnership National Association for Subsoil Use Auditing (NP NAEN)
- The Association of Railway Equipment Manufacturers
- The Consumer Council on Operations of OJSC Russian Railways
- The Steel Construction Development Association (SCDA)
- The Russian Union of Metal and Steel Suppliers
- The Canadian Chamber of Commerce
- The Saskatchewan Chamber of Commerce

- Canadian Manufacturers & Exporters
- Canadian Steel Producers Association
- Canadian Chamber of Commerce
- Saskatchewan Chamber of Commerce
- The American Iron and Steel Institute
- The Donors’ Forum

And an associate member of the following organisations:

- The Association of American Railroads

In 2019, we had sponsor membership in the following associations:

- The Association for Iron and Steel Technology
- The Interstate Natural Gas Association of America Foundation

Developing our employees
Evolving health, safety, and environment
Supporting local communities
Responsible supply chain
Appendices

Direct economic value generated and distributed

Through our operations we create value for our stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. The direct economic value generated and distributed demonstrates the wealth that we create through our operations and the subsequent allocation of revenue by stakeholder group.

The difference between the value created and the value distributed is explained by some economic value being retained – we use this to further develop and bolster our business. We endeavour to boost the value generated and distributed, increase our contribution to society, maintain transparency, and act with integrity when it comes to information disclosure.

We used information from the audited IFRS Financial Statements of the Group to prepare Table 5 in accordance with GRI recommendations for Disclosure 201–1. In 2019, the value generated by EVRAZ amounted to US\$11,935 million, the value distributed US\$11,306 million, and the value retained US\$629 million.

GRI 201-1

EVRAZ’s direct economic value generated and distributed¹, \$ million

Item	Stakeholder	2019
Direct economic value generated		11,935
Revenue from the sale of goods	A wide variety of stakeholders	11,569
Revenue from providing services		336
Revenue from financial investments		8
Other operating income		22
Economic value distributed		(11,306)
Operating expenses	Suppliers and contractors	(7,875)
Wages and other payments to employees	Employees	(1,451)
Payments to providers of capital	Shareholders and investors	(1,422)
- payments to shareholders		(1,086)
- payments to creditors		(336)
Payments to the government	Government authorities	(532)
- including income tax expenses		(532)
Community investments	Local communities	(26)
Economic value retained		629



¹ Information from the audited IFRS Financial Statements of the Group was used to prepare Disclosure 201–1 in accordance with the GRI recommendation. Data are presented on an accrual basis.

Developing our employees

for a Better
Future



2019 highlights




71,215

employees at end of the year

7.3%

voluntary turnover rate

Material topics

-  Employment
-  Training and education
-  Diversity and equal opportunities

Global Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



Management approach

At EVRAZ we recognise that the achievements and success we take pride in would not be possible without the considerable efforts of our employees. For this reason, we work continuously on ensuring the effectiveness of our personnel management practices, including those relating to employee recruitment, retention, and education; increasing employee engagement; and developing internal social programmes. In addition, we take all possible measures to ensure respect and to provide equal rights and opportunities to all our employees.

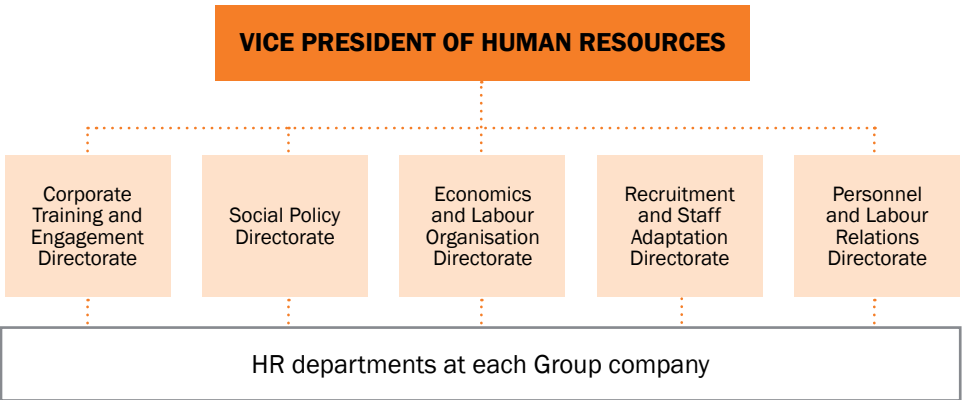
EVRAZ is a major metals and mining business, and has enterprises across the globe. The Group is one of the main employers in our regions of operation, and this entails additional responsibilities. EVRAZ is committed to creating favourable working conditions and to guaranteeing social security and safeguarding employee rights, and we adhere to the principles of equality and non-discrimination.

All types of modern slavery are strictly prohibited at all EVRAZ enterprises and also among their suppliers. We are committed to conducting business ethically and we require that our suppliers agree to the same ethical framework.

The Group complies strictly with respective legislation and all applicable international standards. Our activities in this area are regulated by the following key internal documents: the Code of Business Conduct, the Anti-Corruption Policy, and the Policy on Insurance.

We also have a document in place, A Programme for the Socially Responsible Release and Post-Admission of Personnel of Russian Group Enterprises and Their Subsidiaries, which ensures that employees released as part of our headcount reduction initiatives (aimed at improving efficiency at enterprises) are provided with financial support and receive help finding new employment.

Organisational structure of EVRAZ HR management

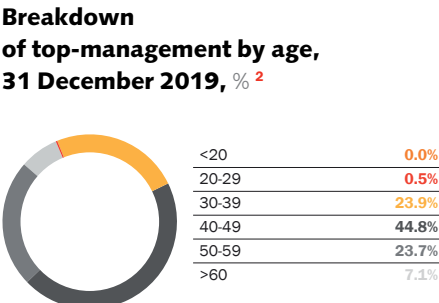
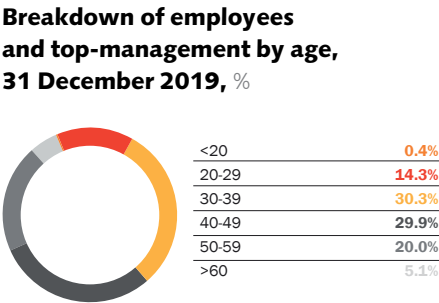
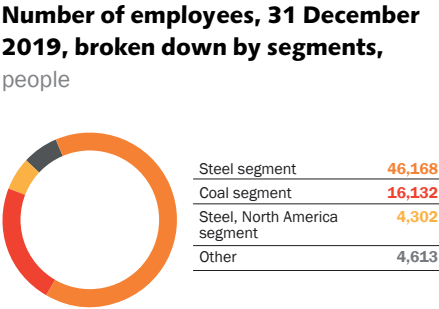
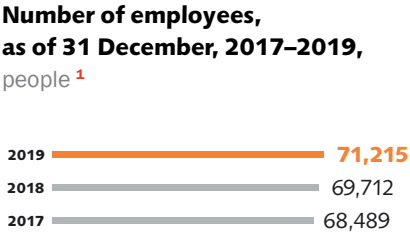


In 2019, EVRAZ elaborated a new HR management strategy, which comprises four general goals related to personnel management:

- Becoming the best employer in our regions of operation
- Ensuring that employees share EVRAZ principles, conduct work in accordance with EVRAZ business systems, and ensure a high level of employee engagement
- Ensuring that employees have all necessary competences and are ready to master new professions and to attend retraining programmes
- Ensuring that people work effectively

Personnel structure

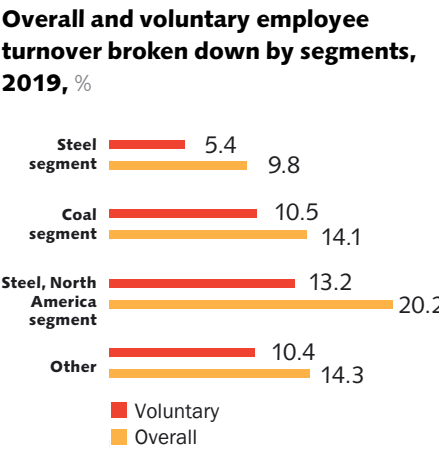
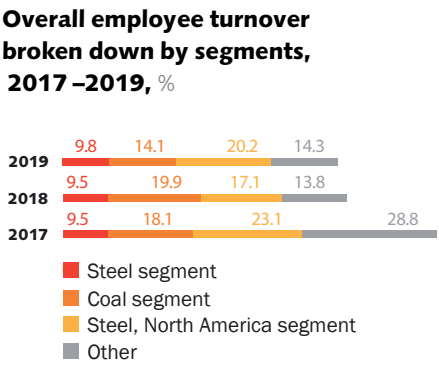
The number of EVRAZ employees reached 71,215 in 2019. Compared to 2018 the headcount of the Group rose by 2.2%. An increase in headcount was mainly caused by realisation of numerous corporate projects, which include EBS (EVRAZ Business System) Transformation, Procurement Transformation as well as due to the production increase.



GRI 401-1

EMPLOYEE TURNOVER

Employee turnover levels in the past three years are showing different trends in different segments.



¹ The numbers presented differ from those presented in Sustainability Report 2018 due to a change in the scope: data on several social-oriented assets was added in 2019. Moreover, in Sustainability Report 2018, the number of employees included those who worked civil-legal nature contracts. The numbers presented in Sustainability Report 2019 do not include this category. The numbers in this section are also differing from Annual Report 2019.

² This group comprises the CEO, vice presidents, directors of production functions, and directors of other departments.

Recruitment and adaptation

Effective recruitment provides companies with employees with the required level of qualifications. It is also important to ensure that new employees adapt successfully in a company, in order to help them realise their talent as early as possible.

RECRUITMENT

As part of our continuous development, in 2019, we paid particular attention to improving our practices related to attracting new talent. Accordingly, our recruitment system was significantly upgraded in the reporting period.

In December 2019, the recruitment process for some of the Group’s segments was automated using the Hunt-flow system (cloud solutions). This innovation was introduced in the Siberia and Urals regions of the Steel segment and in the Coal segment and enhanced the transparency of the process, both for recruiters and potential employees.

Also, a new recruitment centre was set up in the Siberia region, which took the quality and the efficiency of the hiring process to a new level. In addition to organisational and technical changes, we also worked with our HR specialists engaged in recruitment in order to ensure that their abilities are commensurate with the new standards.

Case study

Recruiters conference

In 2019, EVRAZ for the first time held an educational event for recruiters. On 25 and 26 July, in Novokuznetsk, recruitment specialists from the Siberia and the Urals regions of the Steel segment were brought together to study new practices, share experience, and participate in professional workshops.

Live communication was an important part of the conference.

Experts from our personnel selection centres discussed challenging and interesting cases from their career and looked at potential ways to address them under the guidance of an invited coach. Working with people often requires creative thinking: in order to develop creative potential, the employees drew comics, made collages, and acted out scenes devoted to recruitment-related activities.



WORKING WITH YOUNG SPECIALISTS

When it comes to staff selection and recruitment, working with young professionals is a particularly important issue. In EVRAZ, various activities are carried out devoted to attracting young talent to the Group, and familiarising them with the specifics of metals and mining industries.

We provide internship opportunities to university students, both at the Management

Company and at the production facilities. In the Steel segment in the Siberia region alone approximately 1,500 students annually undergo internships, and around 300 of these receive job offers. In our cities of operation EVRAZ companies are actively engaged in working not only with secondary specialised educational institutions and universities, but also with schools.

Furthermore, events devoted to interacting with educational institutions are regularly hosted, including recruitment days, career days, and excursions to production sites for students and teachers.

We work with young specialists and school students in the following areas:

- Career guidance for school and university students
- Internships for students and teachers
- Corporate scholarships
- Grants to develop educational institutions
- Our certified experts participating in examinations held by educational institutions

Contributing to SDG 4: Quality education

Project: Metal Cup Championship

Stakeholders: Local communities

EVRAZ is proud to be a general partner of Metal Cup, a competition held for higher education students aimed at developing the metallurgical industry, which has been held annually since 2015.

In 2019, students from 33 educational institutions around Russia took part in the competition and, in the international final, teams from 10 countries put forward strategies for developing the metallurgical industry in their respective countries.

Participation in the competition allows students to become acquainted with actual production tasks, gain teamwork experience, try out their strategies, and make management decisions.

4 QUALITY EDUCATION

Value for stakeholders: Education in metallurgy, developing leadership skills.

Value for EVRAZ: Development of the metallurgical industry, searching for potential future employees.

MENTORSHIP

Mentorship is one of the most effective ways of communicating knowledge and sharing experience within a company. In EVRAZ we have always been a strong advocate of mentorship programmes. In addition, we adopt a special approach to mentoring: mentoring is considered a second profession.

In 2019, the “Buddy” mentorship programme was elaborated and introduced in EVRAZ. Every new employee is assigned a “buddy”, who helps with social and professional adaptation for the first few months. To ensure the effectiveness of the mentorship process, training programmes are conducted for potential mentors. Mentorship activities are regulated by the Production Mentoring Statement, which was also elaborated in 2019. We hope to see the first results of the programme in 2020.

Motivation and engagement

We recognise that factors such as employee engagement, financial and non-financial motivation, and working conditions largely determine our operational efficiency. For this reason, we devote special attention to these issues as part of the EVRAZ HR strategy.

FINANCIAL MOTIVATION

EVRAZ endeavours to make the remuneration system at our enterprises transparent and comprehensible for employees, as well as consistent with internal regulations and external competitiveness.

A unified remuneration system, based on a grading system, was launched in 2017 at EvrazHolding, Management Company in Moscow. The system covers executive and administrative staff and uses uniform principles to manage the fixed and variable compensation of employees. Salary levels are determined based on the market range established for each grade, and are reviewed annually based on assessments of employee performance. The size of an employee's annual bonus is also determined according to the grade of the position.

Case study

Cafeteria of Benefits

A system of flexible benefits, called Cafeteria of Benefits, was developed and introduced in 2019 for the Steel segment employees of the Siberia and Urals regions.

Based on assessments of managers for previous work periods, the sizes of “wallet” benefits are determined, which the employees can spend on education, sports, or on holidays for themselves or their small children.

In 2018, the system was introduced for personnel at the Management Company, Trading Company, EVRAZ Metall Inprom, the Urals region of the Steel segment and Vanadium company. In 2019, it was expanded to include the Siberia region of the Steel segment. If new positions arise or existing positions' functions change, they are promptly appraised by evaluation committees in the Management Company in Moscow and in the regions.

In 2019, EVRAZ began implementing a new system at production facilities. Positions were assessed and compensation packages were determined for the heads of metallurgical enterprises and the directors of ore mines. In addition, the system was rolled out for employees in engineering departments.

At the same time, in 2019, EVRAZ initiated a project to develop a Target Remuneration System, based on a grading system

for employees at production assets below the level of foremen and mine directors.

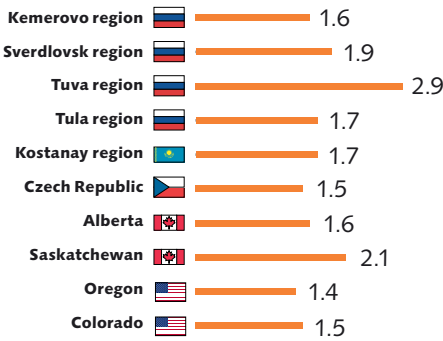
The key objective of the project is to develop and implement unified, fair, and transparent rules and principles for determining compensation at all EVRAZ enterprises. The project is also expected to help harmonise fixed and variable compensation, so that both the size and dynamics of compensation growth depend on the performance of an employee, team, or unit – this will ensure that there is a focus on constantly improving processes and attaining the ambitious goals facing production facilities and the Group in general. In 2019, the project was implemented in pilot shops of the EVRAZ Steel segment: in four shops in NTMK, two in KGOK, and six in ZSMK and EVRAZ Vanady Tula. In total, more than 20% percent of the total number of employees in the metallurgical segment are covered by the pilot project.



In 2020, EVRAZ will continue to roll out the new financial motivation system in the Group's production assets. We plan to introduce the grading system in the Coal segment, cover the main units of the Urals region of the Steel segment companies, and complete the transition to the Target Remuneration System in the Siberia region of the Steel segment companies.

GRI 202-1

Ratios of EVRAZ standard entry level wage compared to local minimum wage, 2019¹



NON-FINANCIAL MOTIVATION

As a socially responsible company, EVRAZ offers our employees a broad non-financial compensation package that exceeds minimal legislative requirements and forms part of total remuneration. The Group's employees receive voluntary health insurance, additional voluntary insurance against accidents at work, a government pension programme, a mortgage interest relief programme, and free wellness leave vouchers for employees and their families. These benefits cover both permanent and temporary employees, regardless of whether they work part- or full-time. The exceptions are interns and employees, whose fixed-term contracts last for less than three months. These groups of employees do not receive health insurance, food grants, or mortgage relief, and also do not participate in the Cafeteria of Bonuses programme.

GRI 401-2

EVRAZ also supports retired employees who worked for 10 or more years at our facilities.

The Group has special programmes in place to support young people and women, and cultural and sports events are held for employees and their families in the cities where EVRAZ operates. The children of employees receive gifts for the New Year holidays and when they first start school.

EVRAZ collective agreements also provide additional leave for births, weddings, and funerals of close relatives. A programme is also in place that provides financial assistance to employees in challenging life situations.

In 2019, for EVRAZ Moscow office employees, a corporate discount programme was set up jointly with the provider PrimeZone. The programme gives employees access to exclusive offers from a wide range of companies: goods, sports & fitness, restaurants, health & beauty, etc.

SOCIAL AND LABOUR CONDITIONS

At EVRAZ we care for our people's health and well-being. Therefore, we believe that it is essential to provide them with comfortable working and living conditions.

Case study

Ensuring health of employees during COVID-19 pandemic

Sustainability Report 2019 was issued in Spring 2020, when due to an unfortunate situation with COVID-19, EVRAZ took actions to counter the pandemic. Since the number one priority for EVRAZ is ensuring the health and well-being of its people, the Group took additional measures to protect its employees and ensure uninterrupted operations during the COVID-19 pandemic:

- Suspension of employees' foreign business trips
- Organisation of mandatory self-isolation at home for two weeks without loss of pay for those employees who return from foreign travel
- Limitation of the access of foreign specialists and contractors to EVRAZ facilities
- Holding business meetings remotely with the use of conference and video call systems
- Purchase of new equipment and installation of new software to allow efficient and safe remote work for office personnel
- Providing employees whose work cannot be performed remotely with additional personal protective equipment
- Supplying common areas with antiseptics
- Regular disinfection of vehicles and premises
- Installation of thermal imagers at all access points to check the temperature of employees and site visitors

The Group was monitoring the spread of the virus and working with healthcare institutions and insurance organisations to proactively protect its employees and their families in a way that has a minimal impact on operations.

We have unified requirements approved for EVRAZ companies in the area of non-production premises maintenance. Hence we regularly renovate washing offices, wardrobes, sanitary facilities, and rest rooms. There are also unified standards, which apply at all our enterprises, regarding employee catering. The requirements contained in these documents are aimed at ensuring the safety of catering and establishing general requirements for how it should be organised.

¹ This figure excludes data on JSC "EVRAZ Metall Inprom", East Metals AG, EMNA, OOO "EvrazTekhnika", OOO "EvrazHolding", OOO "TC "EvrazHolding", Evraz Group S.A., Evraz plc, EvrazService, Unicraft Limited.

EMPLOYEE ENGAGEMENT

At EVRAZ, we define engagement as being an emotional and intellectual state that motivates people to perform better. The employee engagement level determines the labour productivity level and, consequently, impacts overall performance. Hence we make every effort to ensure that there is an open and effective dialogue among management and employees, which includes implementing communication channels, such as polls and hotlines, and organising various related events.

In our efforts to maintain a high employee engagement level we place a special focus on improving the EVRAZ corporate culture. We recognise the importance of having a strong corporate culture and the influence it has on employee productivity and motivation. For us, a corporate culture is a complex system, comprising social events, meetings between employees and management, communication channels, and projects devoted to bringing our people closer together and helping them feel like a family.

We have conducted employee engagement surveys since 2016. Since then, we have been continuously working on increasing the level of this indicator. The process, which is performed annually, begins with an engagement study.

The study is followed by examining results and preparing a strategy to address identified issues of concern. This phase includes close work with focus groups, meetings between top-managers and employees, and workshops meetings, where shop managers bring their employees together to discuss ways to increase the engagement level. Then, after the developed strategy has been implemented, the next engagement study is conducted in order to monitor the results and to reveal areas in need of further improvement.

In 2019, two more enterprises, EvrazEnergTrans and Metallenergofinance, were included in the survey. Overall, almost 53,000 employees (80% of the invited to complete the survey) participated in it. In 2019, our employee engagement level reached 59%.

Half of questionnaires were electronic, and we plan to reduce further the number of printed questionnaires.

2019 saw a significant change in the nature of issues of concern communicated by employees during the survey. When we began work in this area, people were mostly concerned with domestic matters, such as facility renovations. Now they tend to comment more on how effectively production processes are organised, and the level of respect in internal relationships.

The surveys have revealed that our employees value the efforts we are making to foster a strong corporate culture, stability, and support from local communities. We are pleased to see that we have developed a working environment where people are genuinely proud of the job they are doing and the company that they work for.

As a result of the survey growth drivers were identified, as well as challenging issues. The positive factors identified include open and regular communication and feedback from managers, annual salary reviews, and effective education courses and employee development programmes. We also learned that we need to do further work in some areas, such as recognition and acceptance.

In 2019, our employee engagement response rose by 6 percentage points compared to 2018.

Dynamics of employee engagement survey response rate, 2017–2019, %



Social policy

At EVRAZ we genuinely care about the well-being of our people; therefore, we do our utmost to ensure that our social policy is effective and contributes to enhancing the working and living conditions of our employees.

ERVAZ employees can choose between two types of social benefit packages. The process of creating these packages can be regulated through collective agreements and internal documents, or the choice of benefits can be made by each individual employee and depend on individual performance.

We recognise that social policy is primarily intended to benefit employees. As we value their

opinion about the social benefits they receive, we regularly conduct related surveys in order to continually improve our performance in this area. For example, in 2019, we conducted a survey to ascertain the level of employee satisfaction with the quality of social living conditions and catering at one of our Coal segment enterprises. Also, our annual employee engagement survey consists of questions

relating to satisfaction levels with social packages. One of our key social policy goals is to help our employees understand the importance of healthcare and adopting a healthy lifestyle. We believe this issue can be addressed most effectively through corporate culture and social programmes.

Contributing to SDG 3: Good health and well-being

Project: Promoting healthy lifestyles and healthcare

Stakeholders: EVRAZ employees

In 2019, a pilot healthcare project was launched in the Urals Region (Steel segment). The project is unique, due to being developed by EVRAZ specialists to help our employees understand that healthcare and healthy lifestyles are increasingly important for ensuring a good quality of life and high work performance. The pilot project is aimed at production managers. Each foreman has a custody doctor who monitors their health and is responsible for ensuring that the employee adheres to the principles of maintaining a healthy lifestyle and takes any medicine that has been prescribed. If the project is successful it will be further rolled out to cover managerial employees at all EVRAZ enterprises.



Value for stakeholders: Improved health.
Value for EVRAZ: Healthy employees and greater productivity.

WORK WITH TRADE UNIONS

One of EVRAZ social policy objectives is to conclude long-term collective agreements with trade unions. We are proud of the effective social partnership tools we have developed in this area over time.

GRI 102-41

Our interaction with trade unions is performed as part of signing collective agreements. In 2019, 88% of employees were covered. Under the agreements, unique benefits are granted to EVRAZ employees. The majority of the Group's employees are members of trade unions. In addition, there is a Social Work Council set up at EVRAZ. The chairmen of trade union

committees participate in the council, and seek to ensure that communications are constructive and effective.

Interactions are also included within a joint interaction programme, where working group representatives discuss issues directly with the chairman of professional committees. Social maps are then created in which employee satisfaction in relation to various issues is displayed. Based on this information, union representatives quarterly identify issues, with a view to finding ways to effectively solve them. In addition, to facilitate effective cooperation, senior management meets with trade union representatives at all Group facilities at least once a week. In 2019, no conflicts or collective labour disputes were recorded at the Russian production facilities of the Group.

A three-year sectoral agreement on salary growth rates, signed in 2018, is in force at EVRAZ KGOK, EVRAZ NTMK, and EVRAZ Vanady Tula. The document covers guaranteed minimum salary growth, which does not depend on performance results, and has ensured the social stability of employees in these regions for the immediate period. We plan to sign similar agreements in other enterprises.

In order to preserve social benefits and to protect employees, during outsourcing a tripartite agreement is signed between the Group, the outsourcer, and the main trade union. Under this agreement, if a service or the result of outsourcing affects EVRAZ employees, the trade union becomes a full participant in the tender procedures.



GRI 404-2

Learning and development

Employee development is an essential part of a company’s growth. At EVRAZ we continuously seek to provide a full variety of high-quality training and development programmes.

In 2019, a new HR strategy was developed and approved in the Group. This strategy includes a general goal of ensuring that our employees have all necessary skills and competences. Our approach to achieving this goal includes endeavouring to fill our target positions with employees from the Group’s personnel reserve. In order to achieve this, we facilitate the development of our people and support them in their efforts to master second and third professions.

Vocational training programmes for EVRAZ employees are mostly provided by education centres. In certain cases, for example, if there are plans to promote an individual to a position requiring a higher education, employees can do professional learning courses in universities.

Corporate education focuses not only on professional development, but also on developing the managerial and leadership skills and competencies of employees that are

essential for ensuring effective work. To deliver this kind of education, EVRAZ implements various corporate training programmes, such as TOP-300 and EVRAZ New Leaders. When realising these programmes, we strive to develop our personnel reserve and to bring the managerial skills of managers to the same level.

We believe that cooperation means exchanging experience and consolidating talent and knowledge, and is often key to boosting the likelihood of success. Therefore, in addition to organising internal training programmes, EVRAZ actively interacts with external bodies in our efforts to provide the highest possible quality of employee development.

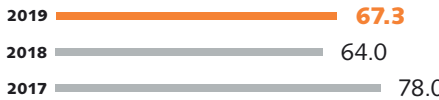
An example of such cooperation is EVRAZ New Leaders, one of the most popular corporate development programmes in the Group, which is implemented in cooperation with the Skolkovo Business School and has been run annually for over 10 years. Senior employees that have been working in EVRAZ for over two years as senior managers or above are eligible to participate.

Programmes such as EVRAZ New Leaders are popular among employees for a reason – they have proven to be highly effective: over half of EVRAZ New Leaders graduates secure higher positions in the first two years after training, and some are promoted even before they have completed the programme.

In addition, not only do we observe the positive results of our corporate training initiatives from inside the Group, but the results have also received appropriate recognition by business.

In 2019, the average number of training hours per year per employee was up almost 5% on 2018.

Average number of training hours per year per employee, 2017–2019¹



Case study

TOP-300

Top-300 is corporate training programme for EVRAZ production facility managers, launched in 2018. The programme is aimed at developing the managerial and leadership skills and competences of participating employees in order to support transformations taking place within the Group. Subjects covered include providing feedback, discussing and explaining goals, and delegating authority.

The programme is intended to cover 300 employees. In order to maintain operational performance at a high level and to ensure effective communication and learning, we created three groups comprising approximately 100 participants. The programme lasts for three years, when each group is taught individually for one year. In 2019, the first group successfully completed the education programme and the second group began it. As the programme is being implemented, the content is concurrently reviewed and updated. For example, in the reporting year more attention was paid to discussing health and safety matters.

Case study

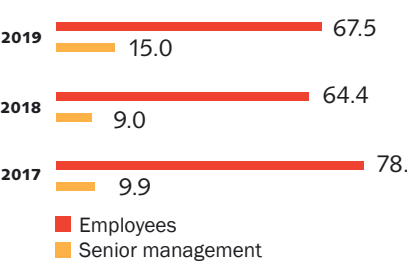
Top 1,000 of Managers of Russia 2019 Rating

The Association of Managers of Russia and Kommersant have for a long time published an annual rating of the top 1,000 managers in Russia, and 2019 marked the 20th anniversary of the rating. EVRAZ is proud to announce that nine of our employees are rated among the best in Russia.

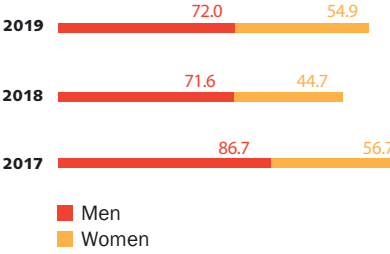
The rating identifies leaders by focusing on individuals irrespective of the companies where they work. Voting is conducted among peers in each respective industry. Managers who achieve the highest places are nominated for a Managers Association Award from the Association of Managers, and these are published annually by Kommersant.

GRI 404-1

Average number of training hours per year per employee by employee categories, 2017–2019²



Average number of training hours per year per employee by gender, 2017–2019³



¹ The scope is wider than the previous year. The figure excludes data on East Metals AG, EMNA, OOO "UK "Mezhegyugol", OOO "EvrazHolding", OOO "TC "EvrazHolding", EvrazService, AO "OUS", Unicraft Limited, Evraz Group S.A., Evraz plc and all enterprises from Steel, North America segment.

² The figure excludes data on AO "OUS", OOO "EvrazTekhnika", OOO "EvrazHolding", OOO "TC "EvrazHolding", EvrazService, Unicraft Limited, East Metals AG, EMNA, JSC "EVRAZ Vanady Tula", MC EVRAZ Mezhdurechensk LLC, Rospadskaya Coal Company LLC and all enterprises from Steel, North America segment.

³ The figure excludes data on East Metals AG, EMNA, OOO "UK "Mezhegyugol", OOO "EvrazHolding", OOO "TC "EvrazHolding", EvrazService, AO "OUS", Unicraft Limited, Evraz Group S.A., Evraz plc and all enterprises from Steel, North America segment.

Human rights

EVRAZ understands the importance of respecting human rights. Therefore, we do our utmost to prevent human rights violations, minimise the consequences if violations occur, and we devote special attention to ensuring a diversity of personnel.

We endeavour to act ethically and we require our suppliers to conduct their businesses within the same ethical framework. Our Code of Business Conduct includes a commitment to treating our employees in a way that ensures equal opportunities. We are also committed to operating in compliance with the principles of respect for human rights. Our employees are provided with freedom of association and collective bargaining. In 2020, we plan to develop and publish a Human Rights Policy. The Policy on a mandatory basis will go through the approval process by the Board of Directors and will be available on our official website in May 2020.

DIVERSITY

We appreciate how workforce diversity can ensure both business development and compliance with ethical standards. Hence we do our utmost to provide equal protection for all employees, irrespective of their race, nationality, gender, age, or sexual orientation. In 2020, EVRAZ will issue a Diversity Policy. This Policy as well as the Human Rights Policy will be approved by the Board of Directors and will be available on our official website in May 2020.

<https://www.evraz.com/en/company/governance/policies/#codes>

At EVRAZ we are committed to creating and supporting a work environment that is free from discrimination of any kind. All work-related decisions on current and potential employees are made based on only their professional skills and qualities, experience, and abilities. Decisions made on any grounds other than an employee’s performance (including race, ethnic origin, sex, religion, political views,

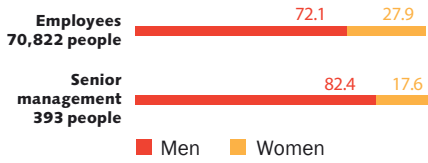
All types of modern slavery, including child labour, forced labour, and human trafficking, are violations of human rights and are strictly prohibited, both within EVRAZ and on the part of our suppliers. To address the issue of modern slavery more effectively, we conduct risk assessments to determine the aspects of our business and suppliers and subcontractors that are at risk in this area. We publish the Modern Slavery Transparency Statement annually, in accordance with the requirements of the UK Modern Slavery Act.

<https://www.evraz.com/en/company/governance/policies/#codes>

nationality, age, sexual orientation, citizenship status, marital status, disability etc.) are prohibited by law and contravene our internal non-discrimination principles. Furthermore, we have job positions allocated to people with disabilities to ensure that they are provided with job opportunities. In 2019, various positions were occupied by disabled people: from the heads of divisions to dispatchers and merchants.

The low percentage of women within the employee structure is due to legislative restrictions related to women working in hazardous industries.

Diversity of employees in 2019 by gender, broken down by senior management¹ and employees,²

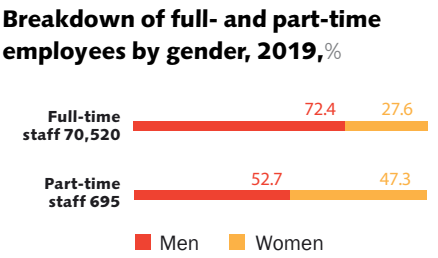
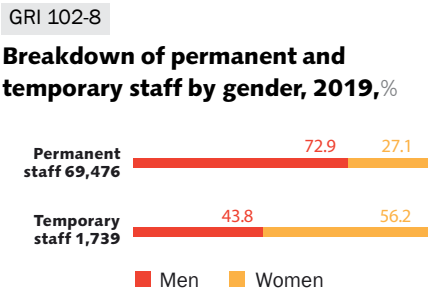


Based on the results of our risk assessments, we conduct due-diligences of our suppliers. We also seek to ensure that all high-risk suppliers are familiar with obligations to comply with legal requirements to eliminate modern slavery in their businesses and to self-report breaches to us.

In addition to ensuring respect of human rights within the Group, we are committed to adhering to the same policy in our potential communications with indigenous people. We make every effort to prevent the Group’s facilities having any negative impacts on indigenous communities.

Temporary employees are given preference if a permanent position becomes available which they are suitably qualified for.

The bulk of permanent employees (73%) are men, while the bulk of temporary employees are (56%) women – this is because while women are in parental leave their posts are occupied by other women working on temporary employment contract.



Goals for 2020 and the midterm period

In upcoming years we have a number of ambitious HR management plans. These can be divided into various categories:

EDUCATION

- Launching the TOP-1000 programme, which is similar to the Top-300 programme and is aimed at managing employees of lower positions
- Creating a remote learning system
- Creating a corporate programme aimed at improving the technical skills and competences of relevant employees
- Running a training programme for internal coaches to ensure the development of persuasive communication skills among the Group’s managerial employees
- Creating action plans around the first line supervisor training in the Steel, North America segment

MOTIVATION

- Continued implementation of the Target remuneration system
- Elaborating a Regulation on uniform remuneration at Group level

RECRUITMENT

- The digitalisation of recruitment in order to unify and automate the manual work of recruiters; creating personal candidate accounts, with options to fill in documents required for online employment
- Working on the external brand of the employer in order to attract more talent

SOCIAL POLICY

- Continued development of the pilot healthcare and healthy lifestyle project. Collating and assessing the first results and deciding on whether to extend it to other EVRAZ employees
- Organising events devoted to healthcare and well-being issues at EVRAZ enterprises
- Creating action plans around union negotiations at two major sites in the Steel, North America segment

HUMAN RIGHTS AND DIVERSITY

- Elaborating the Human Rights and Personnel Diversity policies

¹ This group comprises the CEO, vice presidents, directors of production division departments, and directors of all other functions.
² This figure excludes data on EVRAZ MATERIALS Recycling Inc, Unicroft Limited, Edmonton Coupling Machining and AO “OUS”.

Evolving health, safety, and environment

for a Better Future

GRI 403-8

2019 highlights


100%
of EVRAZ employees are covered by the Health and Safety management system

105.2%
The recycling of non-mining waste and by-products

9.3%
Fresh water consumption reduction

1.97 tCO₂e
per tonne of crude steel cast
GHG intensity rate

Material topics


 Occupational Health and Safety

 Emissions

 Biodiversity

 Water

 Energy

 Environmental compliance

 Effluents and waste

Global Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING




6 CLEAN WATER AND SANITATION




7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH




12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



GRI 403-3

Health, safety, and environmental governance

Safeguarding the life and health of our employees and ensuring a favourable living environment for future generations are key EVRAZ priorities. Health, safety, and environment (HSE) management forms an integral part of our business, from strategic decision-making to operational activities. EVRAZ applies a structured management approach, continuously improving processes, management approaches, and control systems as well as providing a unified reporting structure, principles, and policies.

In order to ensure that this approach is integrated into our operational performance, the Group elaborated **the EVRAZ HSE Policy**¹. This comprises five core HSE principles and applies to all our employees and contractors.

GRI 403-4

The HSE Committee of the Board of Directors and the HSE management committee regularly organise meetings on health and safety issues: once every six months and on a monthly basis, respectively. The EVRAZ CEO exercises overall control over HSE activity and approves respective targets in this area. At the executive level, HSE issues are regulated by the HSE Management Committee. The HSE Vice President is supervised by the EVRAZ CEO and reports to the HSE Management Committee. Each Group operation has its own HSE function and safety representatives, which report to general directors in each segment, with oversight from the HSE Vice President. In accordance with the EVRAZ HSE Policy, managers at all Group levels are responsible for HSE compliance. All EVRAZ enterprises report on their performance to the corporate HSE function on a monthly, quarterly, and annual basis.

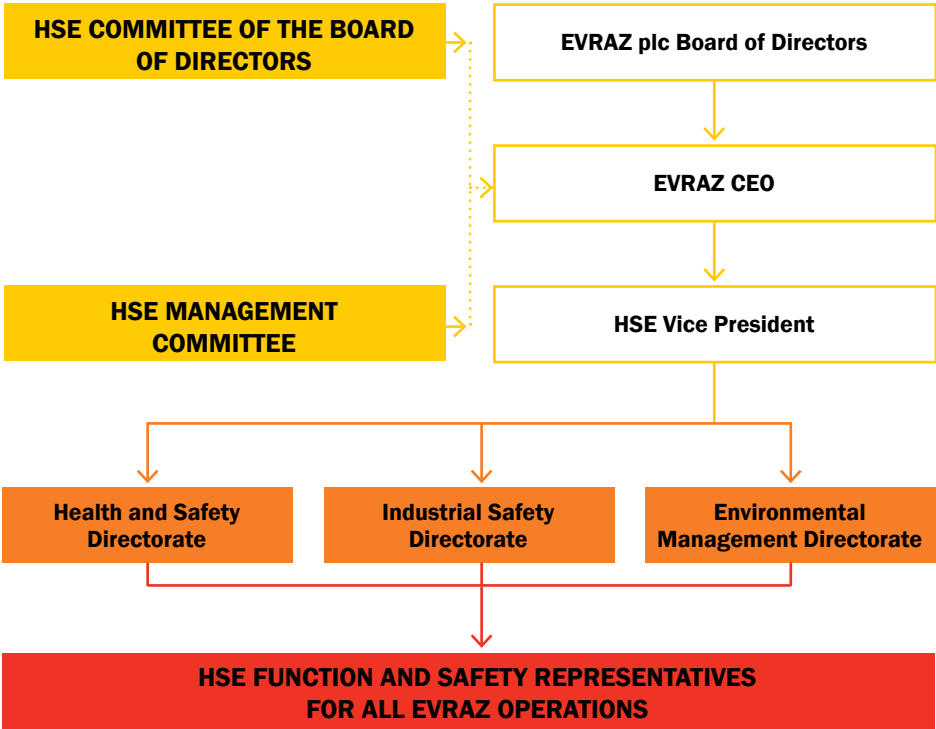
¹ <https://www.evraz.com/en/company/governance/policies/#codes>

HSE principles

EVRAZ HSE PRINCIPLES

- All incidents are preventable
- Work must not commence if it cannot be safely executed
- EVRAZ managers at all levels are directly responsible for providing the required level of HSE – not only to employees, but also to contractors and guests at the Group’s facilities
- EVRAZ managers at all levels should set an example of being compliant with HSE standards and rules
- All EVRAZ employees are directly responsible for complying with HSE standards and rules

HSE corporate management structure



Distribution of responsibilities in EVRAZ HSE governance structure

Units	Responsibilities
HSE Committee of the Board of Directors	<ul style="list-style-type: none">• Assessing the effects of the Group’s HSE initiatives on key stakeholder groups and on EVRAZ reputation• Liaising between the management and the Board when there have been fatalities or serious incidents in the workplace, including to ensure that remedial action is implemented effectively• Reviewing HSE strategy, monitoring pertinent parts of any independent operational audits and making recommendations for action or improvement
EVRAZ CEO	<ul style="list-style-type: none">• Overall supervision of HSE activity• Approval of HSE targets
HSE Management Committee	<ul style="list-style-type: none">• Setting HSE goals• Approving and monitoring HSE programmes and initiatives• Incident investigation review• Setting corrective measures to improve HSE management system
EVRAZ Investment Committee	<ul style="list-style-type: none">• Monitoring of HSE capital investment projects implementation
HSE Vice President	<ul style="list-style-type: none">• Strategic and detailed supervision of HSE activity• Reporting to the HSE Management Committee
Health and Safety Directorate	<ul style="list-style-type: none">• Delivery of the Group’s HSE strategy through developing and monitoring H&S KPIs, initiatives and procedures• Planning of H&S performance and projects• Developing corporate H&S requirements
Industrial Safety Directorate	<ul style="list-style-type: none">• Delivery of the Group’s HSE strategy through developing and monitoring Industrial Safety KPIs, initiatives and procedures• Planning of industrial safety performance and projects• Incidents investigation• Developing corporate industrial safety requirements• Implementation of internal process safety audits and risk assessment
Environmental Management Directorate	<ul style="list-style-type: none">• Delivery of the Group’s HSE strategy through developing and monitoring environmental KPIs, initiatives and procedures• Environmental risk assessment and mitigation measures development• Developing corporate environmental requirements• HSE-related data collection and consolidation• Continuous monitoring and analysis of applicable legislation in order to ensure compliance
Internal Audit Directorate	<ul style="list-style-type: none">• Performing an independent assessment of the Group’s HSE management procedures
HSE function at segment level	<ul style="list-style-type: none">• Regular (monthly, quarterly, and annually) reporting HSE performance to the corporate HSE function• Reporting on the implementation status of HSE projects

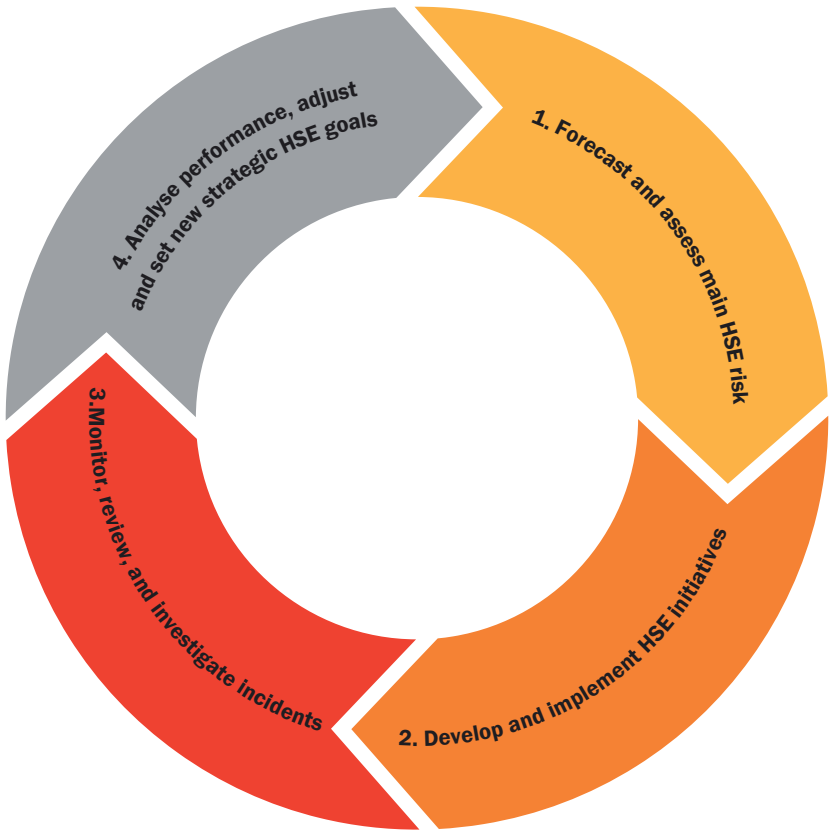


The Group executes a four-phase HSE management process consisting of forecasting, developing initiatives, monitoring, and analysis. In order to evaluate the effectiveness of the HSE management system, the Group conducts both internal and external audits.

To ensure that our HSE principles are implemented we perform the following actions, which are the core of the HSE management system:

- Rolling out initiatives to continually improve HSE metrics
- Applying the best HSE practices
- Taking into account stakeholder opinions, setting HSE standards for contractors, and promoting respective compliance
- Developing, measuring, and analysing HSE indicators and assessing how they comply with both external and internal regulations
- Provide transparent information to stakeholders vis-à-vis HSE incentives, goals, and results
- Striving to ensure a free and transparent flow of information at all corporate levels, as well as with contractors
- Applying industry best practices to mitigate against operational risks and to promote the rational use of resources
- Complying with all applicable legislation and other regulations

HSE management process



External Initiatives

The EVRAZ HSE principles stipulate that the Group is obliged to apply best practices in the industry in order to mitigate against operational risks, facilitate the rational use of resources, and share information on HSE practices. EVRAZ is an active member of a number of associations.

Membership of HSE-related associations

World Steel Association	EVRAZ is on the Technology Policy (TPCO) and Safety and Health (SHCO) and Environmental Policy (EPCO) committees of the World Steel Association. During committee meetings, companies exchange best industry practices and share materials related to health, safety, and the environment. EVRAZ is engaged in cooperation and knowledge-sharing with members of the World Steel Association. The Group integrates the best solutions identified into the HSE management system.
Russian Steel	EVRAZ participates in all major Russian Steel commissions, including the Commission for the Protection of Labour, Industrial, and Environmental Safety and the Commission for Production, Technology, Training, and Education.
Russian Union of Industrials and Entrepreneurs	EVRAZ is a member of the Mining Commission, the Metals Commission, the Digital Economy Committee, and the Committee on Corporate Social Responsibility and Demographic Policies. EVRAZ participates in various environmental and health and safety initiatives, including auditing the implementation of best available techniques at EVRAZ enterprises.

Health and Safety management

Key events

- 

Initiation of the Risk Management project and implementing new Risk Management Training Programmes on occupational health and safety
- 

Implementing additional safety requirements for crew vehicles
- 

Preparing for certification under the ISO 45001 standard on occupational health and safety
- 

Automating pre-shift physical examinations
- 

Updating the Standard on HSE Contractor Management

GRI 403-1

APPROACH

EVRAZ endeavours to create a safe and favourable working environment. Occupational health and safety (OHS) forms a core part of EVRAZ’s sustainability activities and long-term success, and focuses on preventing work-related injuries, illnesses, and fatalities. Our approach incorporates a number of elements, including compliance with OHS legislation, monitoring key risk factors, and promoting safe behaviour among employees and contractors. We are constantly introducing improvements to the health and safety management system.

In 2019, we evaluated the OHS management system and identified two major drivers for improvement – developing the safety culture and implementing a risk-orientated approach.

Based on ISO 45001 provisions and best practices, six core occupational health and safety management elements were identified, including:

- Goal setting
- Training
- Leadership
- Risk management
- Monitoring the management system
- Improvements across all areas

GRI 403-7


Within this framework, in 2019, EVRAZ initiated the Risk Management project. The goal is to improve overall safety through enhancing the safety culture and changing attitudes towards risks. This can be achieved through involving workers in health and safety management and implementing a risk-orientated approach

in everyday operations. In line with this new and proactive approach, we have established a number of risk management teams, whose objective is to support the implementation of new OHS risk management tools across the Group.


GRI 403-2, 403-7

As part of implementing the Risk Management project, in 2019, EVRAZ elaborated a new risk assessment matrix. In 2020, we plan to describe the key risks facing all EVRAZ enterprises by applying the new matrix. As a result, each facility will have its own list of hazards that potentially could lead to fatalities. Critical risks will be identified and described using risk passports, which primarily set out the effects of these risks to safety.


EVRAZ Cardinal Safety Rules




It is forbidden to be on the territory of production sites in a state of alcoholic and/or narcotic intoxication.




It is forbidden to not use a seat belt in personal transport on the territory of production sites and in motor vehicles of the employer.




It is forbidden to override protective interlock equipment or security systems without prior authorisation.




It is forbidden to smoke and/or use open fires in coal mines or other areas where explosive hazards are present.




It is forbidden to conceal or distort the circumstances of an HSE incident.



It is prohibited to use machines and equipment not intended for such purposes to transport people.



When working at heights, it is forbidden not to use safety systems for work at height included in the work permit, as well as personal protective equipment against falls.



It is forbidden to use explosive materials for purposes other than those specified in the Permit-to-Work, or not to return the remnants of explosive materials to the warehouse after blasting operations, or to change the design of a detonator.

GRI 403-8

EVRAZ holds a certificate of compliance with international occupational health and safety standards: the Group’s facilities are certified under OHSAS18001:2007 and EVRAZ enterprises will also be certified under ISO 45001. In 2019, all necessary preparation procedures under ISO 45001 were completed by EVRAZ ZSMK and EVRAZ NTMK. These enterprises are planned to be certified in 2020. The rest of the Group will be certified under ISO 45001 before the OHSAS18001:2007 certificate expires.

In everyday operations the Group applies a simple and strict set of safety rules – the Cardinal Safety Rules of EVRAZ. These are mandatory for all individuals working at or visiting the Group’s operations.

Contributing to SDG 8: Decent work and economic growth

The idea of the project is that health and safety risks should be regularly identified, evaluated, and minimised, and all employees should be engaged in this process.

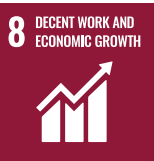
The Risk Management project uses various tools and technologies, and provides in-class and walkthrough training exercises for top and middle management, as well as other tools such as risk hunting and a dynamic risk assessment checklist.

Risk hunting applies a very simple methodology and trains employees to identify potential dangers.

During exercises a facility is divided into sectors, and in each of these the hunt participants are required to identify and record all potential risks. An effective technique is to continually question the safety of the environment by asking the question “What could go wrong?”

GRI 403-7

All risks identified during exercises are recorded and further analysed and ranked. Based on the risk prioritisation, managers elaborate mitigation plans and actions for safety improvements.



Value for stakeholders: a safer working environment, risk identification know-how, being engaged in the risk management process.

Value for EVRAZ: an improved safety culture, mitigation measures developed and implemented based on risk prioritisation, ongoing risk assessment, involving all employees in developing a safer working environment.



Developing the safety culture

A strong safety culture is an effective tool for improving the Group's overall safety performance, and is also a key component within OHS management. When developing the corporate safety culture we focus on fostering appropriate attitudes towards safety among all employees, the environments in which people work, and systems and processes related to occupational health and safety. In 2019, we implemented a number of corporate initiatives focusing on employee engagement and empowerment, establishing robust feedback mechanisms, building an integrated training system, further developing the occupational safety risk assessment methodology by introducing new tools and technics, and organising events to improve the corporate safety culture.

GRI 403-2

Case study

Social media challenge
"Zero is also a record!"

In 2019, as part of efforts to raise safety awareness, we initiated the social media challenge "Zero is also a record!" The challenge consisted of attaining an LTIFR score of zero, and thereby symbolise an aspiration to achieve a work environment without injuries.

Around 3,000 people joined the campaign and posted photos on social networks using the hashtag #Iworksafely. During the eight-day campaign a video about the challenge was viewed 622,000 times.

As part of the challenge EVRAZ also funded several operations for critically ill children.

OCCUPATIONAL HEALTH AND SAFETY PROMOTION

For a number of years EVRAZ has carried out effective health promotion activities which assist the Group in adapting appropriate administrative procedures, raising awareness, and helping workers apply safe working practices.

We annually hold the EVRAZ Safety Week, which encompasses various health and safety activities. Employees have an opportunity to get tested for HIV and participate in a quiz on safety practices and procedures. During this week

we also hold special corporate conferences and meetings devoted to health and safety.

Other promotional tools include EVRAZ TV, the corporate web portal, and the EVRAZ News newspaper, containing dedicated information blocks on occupational health and safety. In 2019, we also filmed and posted on social media three related videos, which went viral and were nominated in the Cannes Corporate Media & TV Awards. EVRAZ also adopted another popular promotional tool, a social media campaign.



OCCUPATIONAL HEALTH AND SAFETY TRAININGS

GRI 403-5

The aim of our regular and comprehensive OHS education courses and trainings is to provide employees with the knowledge and skills that they need to perform their work safely. EVRAZ delivers a variety of training programmes and courses in training centres at its business segments. In line with legal requirements, EVRAZ provides one-week health and safety training sessions for employees twice a year. We also regularly monitor and evaluate the skills and knowledge of our personnel in this area. All employees must pass an examination on safety rules and a working instruction. Engineering and technical specialists are certified by special commissions on OHS rules and emergency responses. In addition, all employees must complete a test on emergency procedures after extended periods of leave.

In addition to legally required trainings, EVRAZ provides a variety of programmes, including initiatives on developing of training centres and security systems, working at height and crane work trainings, electrical safety, and a safe driving course.

In 2019, EVRAZ initiated new risk management training programmes as part of the Risk Management project. In addition to newly developed courses, these programmes also include updated trainings aligned with our risk

management approach. All EVRAZ employees will undergo the trainings. The Group plans to raise the number of occupational health and safety training hours by 150%, and workers will participate in four-hour in-person and four-hour online training sessions, while line managers will undergo three-to-four-day trainings. In 2019, 300 employees, including from top management, participated in the new training initiative.

EVRAZ completed the lockout-tagout safety awareness training and incorporated the LOTO system. The system is designed to protect personnel from unauthorised equipment activations during repairs. By the end of 2019, the LOTO system had been integrated into 10 facilities in the Siberia region (Steel segment) and at 12 facilities in the Urals region (Steel segment), which gave a 70% integration level.

BEHAVIOUR SAFETY CONVERSATIONS AND SAFE WORK PROCEDURES

GRI 403-7

Measures related to improving the safety culture and further engaging employees in OHS management are among the key success stories of the Risk Management project. A critical role in improving safety performance is played by efficient interactions between a worker and a line-manager, including further developing the behaviour safety conversations tool.

In 2019, the working relationship between an employee and their line-manager was boosted by a new efficient procedure. This is a six-step procedure that helps determine safety risks and streamlines communication channels.

- An employee comes to the workplace
- The employee observes the surrounding environment
- The employee identifies risks to their life and health and to the safety of other workers
- In case of a threat to life or health the employee refuses to perform their work
- The employee reports the identified risks
- The identified risks are properly mitigated

The procedure has also been incorporated into behaviour safety conversations, and facilitates dialogue between employees and line-managers, helps strengthen safety attitudes among employees, and involves employees in the process of improving their working environments.

In line with the Risk Management project another tool, a dynamic risk assessment checklist, has been elaborated and incorporated into daily operations. This tool gives employees brief and clear instructions on when and how risk identification should take place, and also lists respective actions to be taken.

Occupational injury prevention

The health and safety of employees is one of our most important measures of performance. EVRAZ continues to monitor occupational health and safety issues, alongside other parameters, including the lost time injury frequency rate and number of fatalities, in order to ascertain and implement required mitigation strategies and responses.

LTIFR

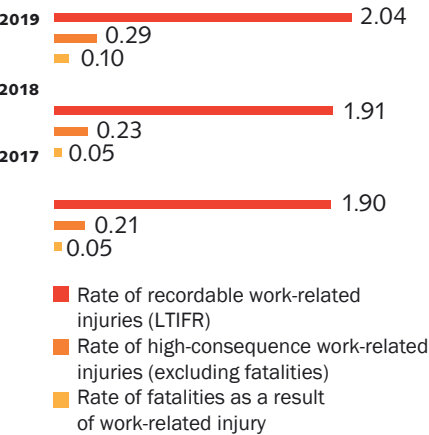
EVRAZ uses a number of different tools to assess safety performance. One of the most important KPIs in this regard is the lost time injury frequency rate (LTIFR). Target KPIs are cascaded down throughout the Group in individual management performance scorecards. In 2019, the LTIFR stood at 2.04 per 1 million hours. And although the Group implemented various initiatives to improve workplace safety and the safety culture in general, some fatalities were recorded, including a tragic car accident at the Raspadskiy Open Pit.

However, EVRAZ made significant progress in reducing injuries caused by dropped objects, rockslides, and trips and falls. We managed to save the absence of exposure to smoke, fire, flame and harmful substances. We expect to improve future LTIFR rates by enhancing our focus on learning from previous incidents, integrating associated best practices across the Group, and implementing HSE initiatives and programmes.

EVRAZ strives continuously to improve our reporting system and in this regard implements new standard operating procedures, improves the corporate safety behaviour of employees and contractors, and constantly develops the occupational safety risk assessment methodology. In 2019, we were successful in getting employees to report injuries (including minor ones) using the EVRAZ Hotline and other communication channels. This was also why a higher number of injuries was recorded in 2019 than in 2018.

GRI 403-9

Injury rates, per 1 million hours (excl. contractors), 2017–2019



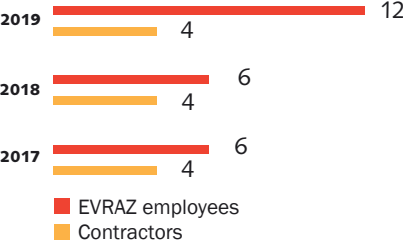
FATALITIES

Although much was done in 2019 to ensure the safety of our employees, there were a number of tragic incidents at different EVRAZ entities. We are deeply saddened to report that 16 fatalities were recorded – 12 among EVRAZ employees and four among contractors. To ensure that we learned everything we could from these incidents, and to help prevent reoccurrences, the Management investigated each incident and appropriate measures were taken. EVRAZ also provided all necessary assistance to the families of the victims.

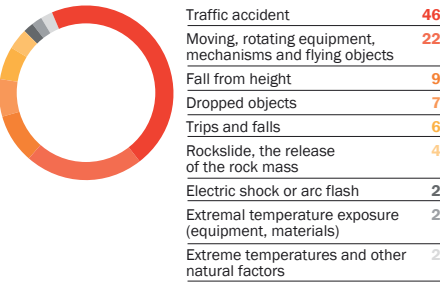
In 2019, the main identified risk categories were working at heights, electrical safety, car accidents, dropped objects, and fallen roof rock. For each risk category EVRAZ organised and implemented a number of HSE initiatives.

GRI 403-9

Number of fatalities among employees and contractors, 2017–2019



Main types of high-consequence work-related injuries and fatalities, 2019 (incl. contractors), %



Case study

Investigation results into Group fatal incident at Raspadskaya Coal Company

In 2019, Raspadskaya Coal Company completed an investigation into a tragic fatal incident that occurred at the Raspadskiy Open Pit on 8 February 2019.

When transporting employees a crew bus driver, after mistakenly driving to a worksite for drilling boreholes, realised his error, turned around, and, as he did so, the vehicle he was driving fell from a height of approximately 11 metres. This resulted in six fatalities and 18 people being injured to varying degrees. These 18 individuals were taken to Regional Miner's Healthcare Centre, where within four months two died in the intensive care unit.

Following the tragedy investigators identified the main causes of the accident: the site was not properly fenced off or carrying warning sings, the crew were not given proper instructions on specific safety precautions, driver was not familiar with the layout of the roads, and no information was available about the actual conditions and safety levels of the site.

In order to prevent such an accident from occurring again in the future, a set of measures was elaborated, including banning crew vehicle routes to open-pit sites prepared for drilling, additional measures to isolate and designate open-pit sites prepared for drilling, technical and organisational measures to improve driver awareness surrounding travel routes and vehicle controls, improvements to the safety of crew vehicles, additional control measures related to working arrangements, and enhanced medical examinations.

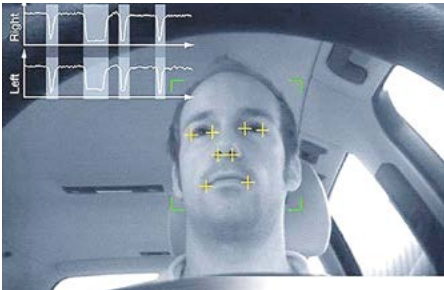
Transport safety

EVRAZ operations require various modes of transport, including trains, tracks, and crew buses. Transport vehicles are used extensively in production processes and when transporting employees to Group facilities. EVRAZ pays significant attention to improving transport safety among employees, and has implemented various transport safety initiatives at all enterprises. One of the measures implemented after the tragic fatal

incident at the Rapsadskiy Open Pit was to implement additional safety requirements for crew buses. These limit the maximum service life of a vehicle to five years, and their maximum mileage to 500,000 kilometres. Crew buses also now require reinforced cabin, additional fog lights and signal lightning, and must be equipped with three-point seatbelts in order to ensure passenger safety in the event of an accident.

EVRAZ also initiated an upgrade to the transport dispatch system; the improved system will help monitor the movement of crew buses. A particular route will be assigned to a vehicle, and in case of any deviation an alarm will sound and the dispatch service will be duly informed.

In 2019, we also rolled out a safe driving campaign for all passenger transport drivers, which includes the Defensive Driving training. The goals of this advanced training are to motivate drivers to hold their own lives in high esteem, reduce the likelihood of accidents, and alter general driver attitudes towards road traffic safety. The training was developed with support from The Royal Society for the Prevention of Accidents.



Case study

Driver Fatigue Detection Control System

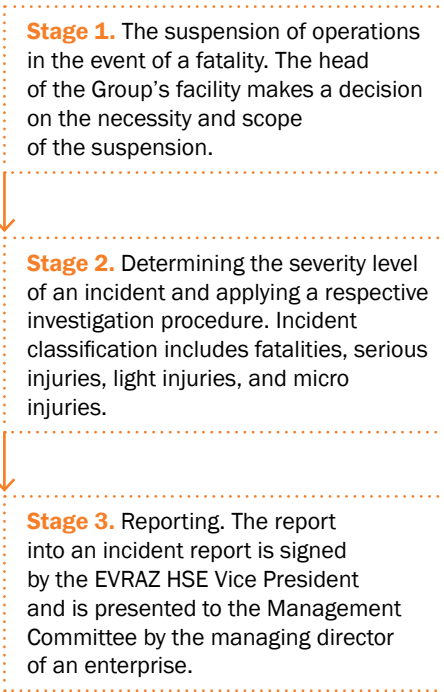
EVRAZ began testing and installing the Driver Fatigue Control System for crew buses.

Using a video camera the system monitors the position of a driver's head, eyes, and body. When signs of fatigue are detected, the system alerts the driver through a sound or vibration signal, which helps avoid emergency situations.

MONITORING SAFETY PERFORMANCE

Keeping track of and reporting on health and safety data provides EVRAZ with indicators of health and safety performance and offers insights into where improvements can be made. EVRAZ employs a corporate software system to record and classify OHS-related incidents, including work-related injuries and illnesses. In order to prevent potential misrepresentations of data related to incidents, and to ensure reporting accuracy, each reported incident is double-checked. All EVRAZ employees are involved in the monitoring process by reporting information on work-related incidents and safety, applying the EVRAZ Hotline, as well through dialogues with line-mangers and HSE managers. In 2019, 144 Health and Safety cases were reported by EVRAZ employees. The incident investigation process is set out in the **EVRAZ Instruction on Emergency Procedures**, which was updated in the reporting period.

Internal investigation process



Safety monitoring is also conducted by applying various state-of-the-art technical solutions. In 2019, EVRAZ began installing an underground CCTV surveillance system. Prior to the system's installation we conducted a study and identified areas with high incident rates; all the identified areas are equipped with video cameras that record both in infrared and in normal mode – this allows us to promptly recognise and react to dangerous situations.

The safety performance monitoring system enables EVRAZ to keep employees informed about incidents and hence to raise awareness as well as personal engagement levels. EVRAZ monthly distributes to all personnel HSE reports, containing data on any injuries and incidents that occurred in the past month, and also publishes related articles in the corporate EVRAZ News newspaper.

GRI 403-6

Treating occupational diseases

EVRAZ implements a number of measures to prevent occupational diseases, and seeks to run a healthy and safe working environment for all employees. In accordance with OHS-related regulations the Group insures all EVRAZ employees against work-related accidents and occupational diseases; this insurance covers expenses related to the treatment of all occupational illnesses. EVRAZ constantly monitors the health condition of its employees. All facilities have their own medical posts to perform pre-shift checks and provide necessary medical assistance to employees. EVRAZ also provides financial assistance to employees if needed. Employees requiring extended medical treatment are eligible for additional compensation.

GRI 403-10

NUMBER OF REGISTERED OCCUPATIONAL ILLNESSES

In the reporting period cases of occupational diseases recorded at EVRAZ enterprises worldwide dropped to 237 – down 7% from 2018; musculoskeletal and hearing disorders remained at the same level and accounted for 84% of cases recorded in 2019. EVRAZ constantly monitors the working conditions of workplaces that see the highest health risks, and the Group continues to improve risk-based controls in order to prevent occupational diseases. All employees have to undergo annual medical examinations and health checks before commencing employment. A person with a high temperature or blood pressure or intoxicated is not permitted to work. The results of examinations help identify risk groups and to evaluate whether an employee is fit to work.

Contributing to SDG 3: Good health and well-being

Project: Automation of pre-shift physical examinations

Stakeholders: employees, contractors

The medical examination procedure for workers became faster and more accurate: it now takes less than two-and-a-half minutes to undergo an automated health check-up. All information in real time is displayed at medical attendant workstations. If needed, the medic on duty invites an employee for further examination.

A successful medical examination enables an employee to access workplaces. If an employee has not undergone the procedure, an automated turnstile blocks their access to workplaces. New equipment also tracks the health status of employees through dynamics that determine unfavourable health conditions; this allows urgent medical treatments to be performed sooner.

Rapsadskaya Coal Company has already equipped all its medical posts with new automated electronic health check-up systems, and has also initiated a pilot project to automate pre-shift physical examinations for contractors. Six of these stations have already been installed.



Value for stakeholders: safer work, tracking health conditions, reduced workloads for medical staff.

Value for EVRAZ: reduced health-related incidents, better quality medical examinations.



External OHS activities

The overall safety performance of the Group also depends on the active engagement of our contractors and other parties in developing a comprehensive HSE management system. We work constantly to promote safety and to implement best practices through the active involvement of contractors and taking part in external associations and conferences.

CONTRACTOR ENGAGEMENT

Collaboration with contractors remains a priority area for ensuring workplace safety and improving contractor management. Our contractors are integrated into the EVRAZ HSE management system and we continue to make efforts to boost their engagement level. Work with contractors is regulated by the **Standard on HSE Contractor Management** and consists of a four-stage procedure. In 2019, this standard was updated.

To ensure safety performance, EVRAZ provides additional, practical job-related trainings to contractors' employees. Also, in accordance with national regulations, contractors must undergo occupational safety trainings. In this regard EVRAZ monitors whether contractors are ready to perform work by evaluating their safety training protocols.

EVRAZ entities also conduct trainings among contractors using specialised simulators

Standard on HSE Contractor Management



and tests. Training methods are based on identified risks, task-specific safe work practices, and established safety and health regulations.

In 2019, the EVRAZ Ural Staff Training Centre was equipped with a new virtual reality work-at-height simulator. The simulator is used to train EVRAZ employees and to train and test contractors in order to confirm their skills and safety performance. EVRAZ training centres

play a significant role in a new contractors rating system – contractors that have trained at these centres receive additional scores during tender procedures.

EVRAZ and its contractors collaborate together to ensure workplace safety. In 2019, the Group organised the first safety round table, and invited contractors to discuss health and safety requirements that are essential to EVRAZ.



Emergency prevention and response

The Group pays great attention to maintaining emergency preparedness. The identification of hazards and emergency risk evaluation procedures are regulated by the **Provision on the EVRAZ Industrial Safety Management System**. This is a proactive system that incorporates a set of procedures and documents that are used to prevent an emergency. EVRAZ facilities are also ranked according to emergency related criteria, such as hazardous substances used

in production processes, previous emergencies at facilities, and the emergency-prevention system performance. Based on the respective evaluation, each enterprise is assigned a hazard class. In addition, potential emergency scenarios are developed, and estimations made of how likely it is that they will occur and which zones are the most hazardous.

EVRAZ rescue teams, ambulance, and other specialised services are always on duty. They

conduct drills on a regular basis, including joint exercises with the Ministry of Emergency Services.

If an emergency arises, an emergency warning system is activated by the emergency rescue services, such as the Miner Rescue Centre, to inform local residents and authorities. First aid, transfer services, and respective treatments are provided to all injured persons.

Goals for 2020 and the midterm period

EMERGENCY PREVENTION AND RESPONSE

- Further improvements in emergency response and prevention

CONTRACTOR SAFETY

- Involving contractors in the process of developing a safer working environment
- Implementing occupational health and safety requirements


DIGITALISATION


- Implementing personnel positioning systems at metallurgical plants (tracking a person's condition and actions, as well as how close they are to hazardous areas)
- Installing CCTV surveillance systems


RISK MANAGEMENT PROJECT


- Implementing the project across the Group, training in the use of project tools, and risk reassessments


Key events

- 

Contribution of EVRAZ ZSMK and EVRAZ NTMK to the “Clear air” national project
- 

EVRAZ NTMK received the winner’s diploma in the “Best environmentally responsible enterprise in the iron and steel industry” nomination”
- 

Energy efficiency “Growth points” conducted at EVRAZ ZSMK
- 

EVRAZ ZSMK won in the annual regional contest “Ecoleader”
- 

The doubling of wastewater treatment facilities at Rapsadskaya mine

Environmental management

As a global mining and steel-making company, EVRAZ recognises that continuous growth in its production creates significant environmental obligations. In order to manage business operations responsibly, the Group has declared a reduction in adverse environmental impacts to be one of its priority goals. We set long-term environmental performance indicators to reduce the potential negative effects of our day-to-day activities, so as to provide a safe environment in our regions of operation. We strive to comply with all applicable environmental regulations and to meet the expectations of our stakeholders. The Group’s versatile approach to environmental issues is reflected both in our business strategy and HSE governance structure (see Health and Safety management section, page 54).

In line with our HSE Policy, we strive to use the best available technologies and adopt the most reliable management practices.

To uniform management of environmental issues at all EVRAZ enterprises, we have implemented an environmental management system (EMS) model in our corporate management structure. All Group enterprises, therefore, are obliged to carry out environmental procedures under the EVRAZ EMS, which is based on the plan-do-check-act (PDCA) model. Also, all our major steel mills have ISO 14001 certification.

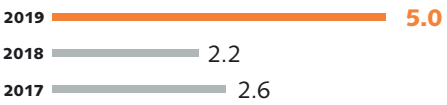
Adhering to applicable legal environmental requirements set by the authorities is a priority goal for EVRAZ. Since the absence of environmental fines and penalties during the year is a performance indicator for the HSE directors of EVRAZ enterprises, environmental compliance monitoring is conducted on a daily basis.

During the reporting period our facilities passed external Rospirodnadzor and other regulatory environmental audits, and during one

of these audits EVRAZ was fined for damaging a water body at Mezhegeyugol. The total value of non-compliance-related levies and fines levied against the Group in 2019 was US\$5.0 million, compared to US\$2.2 million in 2018. As a mitigation measure Mezhegeyugol implements a project for the construction of treatment facilities.

GRI 307-1

Total amount of environmental non-compliance-related levies and fines, 2017–2019, US\$ million



To raise staff awareness of environmental issues and to reduce the number of onsite incidents, EVRAZ established Fundamental Environmental Requirements.

Non-compliance with these requirements may result in disciplinary action or a fine.

EVRAZ Fundamental Environmental Requirements

- It is forbidden to shut down environmental control systems without proper authorisation and notification.
- It is forbidden to discharge any chemical products (oil, acids, alkali, and other liquid products, which are prohibited to be discharged under our technological requirements), both into sewage systems and on the ground.
- It is forbidden to burn or dump production and consumption waste outside designated areas.



Environmental strategy

An active approach towards environmental protection is a core element of the EVRAZ corporate strategy. We work diligently to develop sustainable business practices and to implement environmental principles into each stage of the value chain, and use all available tools to deliver our environmental strategy.

In 2017, the HSE Committee adopted the five-year environmental targets in three areas, which have major environmental impacts in mining and steel casting processes: water, waste, and GHG emissions.

Previously, EVRAZ set the target of reducing water consumption to 10% from the 2016 baseline – this goal was achieved ahead of schedule. In 2019, the Group revised the metric and set a new absolute target value for 2022: 207 million m³ of water consumed per year.

As at the end of 2019, EVRAZ had made substantial progress on the water consumption target, which was down 9.3% on the 2018 level. Overall 105.2% of non-mining waste was recycled, which was less than the 2018 rate (111.3%), due to a reduction in accumulated waste volumes. Through consistently implementing energy efficient measures, we lowered the greenhouse gas intensity per tonne of crude steel cast by 2.0%, thereby successfully achieving our long-term goal.

Key tools of the EVRAZ environmental strategy

Environmental projects
Projects aimed at enhancing environmental performance
Operational support to ensure compliance
Environmental risk assessment
Waste management
Air pollution and wastewater discharge control
Environmental equipment maintenance
Operational improvements
Industrial environmental monitoring
Legal environmental compliance assurance
Environmental licences and permits support

EVRAZ five-year environmental targets

Area	Five-year target (2018–2022)	2019 results
Fresh water consumption reduction	reach 207 million m³ of water consumption	205.32 million m³
Recycling of non-mining waste and by-products	95% per year	105.2% per year
Not exceeding the greenhouse gas (GHG) intensity ratio	maintain an intensity ratio of less than two tonnes of carbon dioxide equivalent (tCO₂e) per tonne of crude steel cast	1.97 tCO₂e per tonne of crude steel cast

DEVELOPING
LARGE-SCALE
ENVIRONMENTAL
PROJECTS

We are constantly enhancing our practices and implement projects aimed at reducing impacts from our operations, in addition to upgrading our production sites. Environmental considerations are always taken into account during the entire lifecycle of an asset: design, construction, operation, and decommissioning. To improve environmental performance, the Group makes relevant investments, which amounted to US\$28.8 million in 2019 (compared to US\$29.8 million in 2018).

Major environmental projects requiring significant Capex are reviewed by the Investment Committee. Based on an established procedure, projects go through four stages:

- Initiation: preparing a project concept
- Options: examining different project implementation options vis-à-vis costs/ expected effects
- Define: design and engineering activities
- Execute: implementation, after funding has been determined and approved

Project implementation is monitored regularly in order to assess a project’s current business metrics and to make adjustments where necessary. After the execution phase,

a post-project review is conducted to evaluate overall project efficiency.

The Board of Directors reviews the approved list of projects and discusses environmental issues that are of strategic importance. HSE managers have been assigned an environmental performance indicator (absence of fines) in order to enhance their involvement. Project managers also have specific environmental performance indicators to attain, depending on the potential effects of a project.

In order to curtail adverse impacts from EVRAZ operations, we endeavour to implement best available technologies (BAT). The results of an external audit, held at EVRAZ NTMK in 2019, demonstrated that we are on the right track in this regard.

TRAININGS

As part of ongoing efforts to raise awareness of environmental issues among EVRAZ personnel, we consider various training options, and make significant efforts to ensure continuous staff development. In 2019, EVRAZ held:

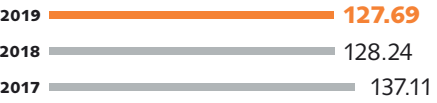
- The Annual environmental session for the sites’ Environmental team-leaders. The event was organised in close cooperation with the scientific and research institute “Atmosfera” in St Petersburg. Air emissions were the main topic of discussion
- Environmental training at the EVRAZ corporate learning centre for employees, on various environmental management issues

We pay attention to not only raising awareness of environmental issues among our employees, but also among our contractors. Prior to entering production sites, all contractors must pass induction trainings on HSE practices and procedures.

Lowering air emissions

EVRAZ’s growing production levels are inevitably accompanied by air emissions, which potentially can impact the environment and human health. To minimise this, we apply innovative technological solutions when upgrading gas treatment systems and replacing obsolete equipment with modern systems. In order to ensure that our emissions stay within acceptable limits, we carry out regular monitoring activities. Typical air pollutants associated with mining and steel-making processes include particulate matter (dust), nitrogen oxide (NOx), sulphur oxide (SO_x), and volatile organic compounds (VOCs). In 2019, these emissions of key air pollutants saw a year-to-year decline of 0.4%.

EVRAZ key air emissions, 2017–2019, kt



Case study

“Clear Air” project implemented at EVRAZ NTMK

In 2019, EVRAZ NTMK launched the “Shifting direct coke gas to by-product recovery plant No. 3” project. The project completion will result in reduction in environmental impacts on the atmosphere and in cutting annual repair costs.

The project entails closing the final gas cooling cycle alongside upgrading the machine room and installing new cooling towers. The upgrade of recovery plant No. 3 comprises:

- Building additional gas pipelines
- Installing a new ammonia and benzene absorber
- Renovating the crude benzene distillation section

During the reporting year design works were successfully completed, key equipment suppliers were selected, and competitive procedures to select a general contractor were conducted.

Case study

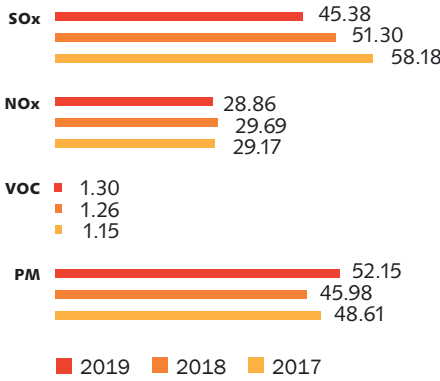
“Clean Air” project implemented at EVRAZ ZSMK

At the end of 2019, EVRAZ ZSMK presented the results of an upgrade to the ZapSib power station’s electric precipitators: the refurbishment at boiler unit No. 8 was completed. The new equipment increased the treatment of flue gases to 98.5%, and lowered emissions of coal ash and soot by over 2.9 thousand tonnes per year.

Furthermore, as part of the Ecology national project, EVRAZ ZSMK plans to build sulphur and gas purification in a sinter plant, introduce final coke oven gas cooling technology, and carry out other environmental measures. The Group’s investments in this regard will amount to over US\$46 million.

GRI 305-7

EVRAZ key air emissions breakdown, 2017–2019, kt



Contributing to SDG 12: Responsible consumption and production

Project: On the way to “Clear air”
Stakeholders: Local communities

In 2019, we continued to implement the “Clear air” project at EVRAZ ZSMK and EVRAZ NTMK. The Group signed treaties with regional governments, committing to support a reduction of emissions at these facilities and to set emission quotas. The target value of reducing total air emissions by 2024 is:

- 21% for ZSMK (compared with 2017)
- 10% for NTMK (compared with 2017)

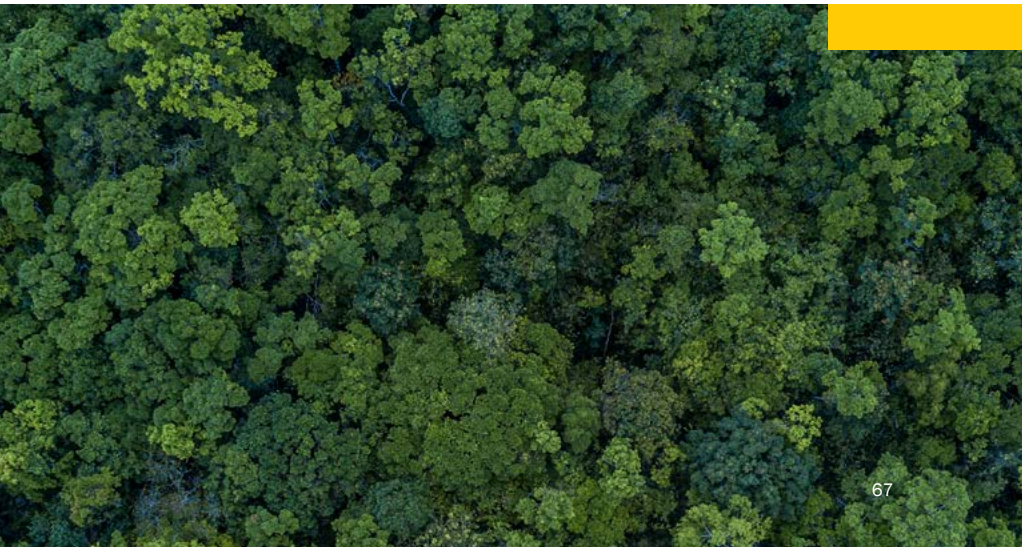
If the emission quotas established for our enterprises do not meet our targets, we will revise our emission reduction targets and undertake additional obligations to lower emissions. If there is no way to reduce air emissions by the end of 2024, we will take on additional social obligations.



Value for stakeholders: clean environment.

Value for EVRAZ: enhanced reputation, sound relationships with authorities and local communities.

EVRAZ also strives to reduce carbon monoxide (CO) emissions as part of sustainable transition efforts, by boosting the efficiency of the fuel combustion process at its facilities. In 2019, CO emissions within the Group stood at 272.91 kt.



Climate change

GRI 201-2

In view of the severity of the consequences of climate change, responding appropriately to this issue is a priority strategic area for global industrial society. Since EVRAZ production facilities require significant amounts of energy, managing the GHG emissions of our operations is of paramount importance.

In order to reduce impacts on the climate and to lessen related risks, the Group supports global programmes to reduce greenhouse gas emissions. In accordance with the Companies Act 2006, (Strategic Report and Directors' Report – Regulations 2013), EVRAZ conducts full assessments of GHG emissions at all enterprises, and has participated in the Climate Change Adaptation Programme since 2011. Focusing on energy efficiency is a vital strategic area for EVRAZ, which will help reduce GHG emissions from the Group's operations.

EVRAZ adheres to the requirements of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006) and the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard, and applies the following approach to GHG emissions accounting:

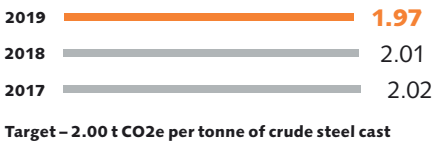
- Evaluating direct emissions of all seven GHGs stated in the Kyoto Protocol (Scope 1)
- Assessing indirect emissions linked to the purchased electricity and heat (Scope 2)

We report GHG emissions for both segments expressed in tCO2e, calculated using the IPCC 2006 global warming potentials.

The Group proved its commitment to managing climate change by introducing a five-year target for its steel and steel-product-making operations (Steel and Steel, North America segments accounted for 70.90% of total GHG emissions in 2019) to maintain a specific GHG intensity ratio of below two tCO2e per tonne of crude steel cast. In 2019, this ratio reached 1.97 tCO2e, compared with 2.01 in 2018.

¹ The figure comprises data on EVRAZ Steel segment and Steel, North America
² Data on GHG emissions disclosed in this Report may vary from the data disclosed in EVRAZ Annual Report 2019 due to corrections made.
³ The figure comprises data on the following greenhouse gases: CO₂, CH₄, N₂O, SF₆, HFC+PFC, NF₃ for Scope 1 emissions.
⁴ Other GHG are excluded, due to their insignificance in the total volume of emissions.

Specific Scope 1 and 2 GHG emissions from the Steel segment, t CO₂e per tonne of crude steel cast¹



Coal segment operations made up 29.10% of total GHG emissions in 2019, vs. 23.85% in 2018, due to greater fuel consumption and increased coal production.

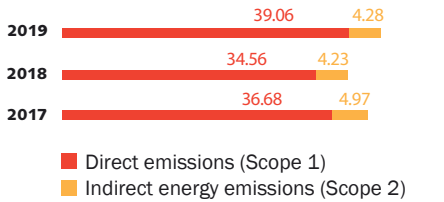
GRI 305-5

Overall the Group's total GHG emissions rose almost 12% year-on-year, due to:

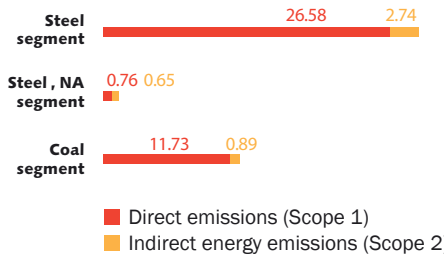
- Higher steel production at main steelmaking mills in Russia (Steel segment)
- Greater underground mining volumes, factors which are beyond the Group's control such as increase of methane content in deeper coal seams being developed, and an intensification of preliminary methane drainage in order to improve safety conditions for employees at some mines (Coal segment). With this in mind, we are developing a project on utilisation of methane emitted from mines after drainage to decrease our full carbon emissions in 2020 and further

Direct operational emissions (Scope 1) in 2019 amounted to 39.06 million of tCO₂e, while Scope 2 emissions totalled 4.28 million of tCO₂e².

EVRAZ Scope 1 and 2 emissions, million tCO₂e³

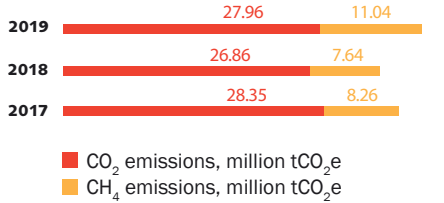


EVRAZ GHG emissions by segment, 2019, million tCO₂e



GRI 305-1, 305-2

EVRAZ Main Scope 1 emissions, million tCO₂e⁴

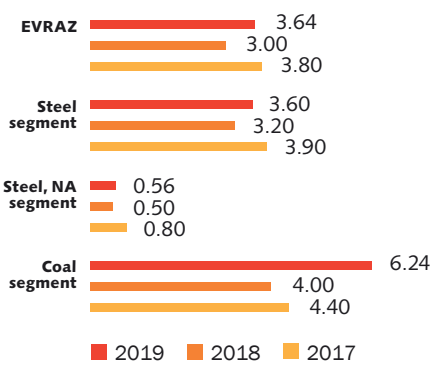


EVRAZ reports a specific GHG intensity ratio per consolidated revenue, broken down by the reporting segments.

At the end of 2019, the Group began an active process of working on EVRAZ climate strategy. We recognise the importance of these issues, and therefore, in the next reporting period, the Group has already planned to carry out scenario analysis and mapping of risks and opportunities. In early 2020, it is scheduled to hold a managerial session with the EVRAZ management, in order to discuss in detail climate strategy issues.

GRI 305-4

EVRAZ GHG emissions per consolidated revenue, kg CO₂e/US\$



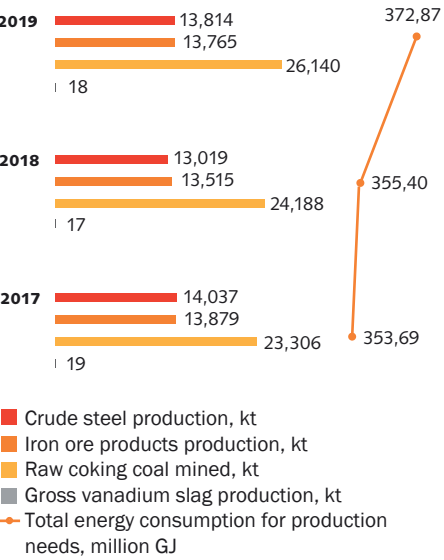
Boosting energy efficiency

Consistently reducing energy consumption is one way that companies can lower their environmental impacts. For many years now EVRAZ has been working hard to improve energy efficiency at its facilities.

EVRAZ energy consumption, like any major production facility, rises with the increase in production output or the release of energy intensive metal products. In addition, the scope of the Group includes power generation facilities for own needs. Thus, in the Steel segment, more than half of the electricity consumed is provided by own power generation (≈4 billion kWh), and the self-sufficiency of steam and hot water is over 90%.

On the one hand, own processing of one type of energy resource into another reduces the cost of energy resources consumed, but, on the other hand, increases the overall EVRAZ energy consumption, especially during cold periods.

EVRAZ total energy consumption and production output¹, 2017–2019



Energy intensity level of the Group's enterprises is one of the key drivers for our energy efficiency programmes. Measures taken to boost energy efficiency include:

- Minimising energy losses at current production sites, by introducing advanced technologies and global best mining and steel industry practices
- Using renewable energy resources

In 2017, EVRAZ NTMK became the first EVRAZ enterprise to adopt the Energy Policy, which sets forth basic energy conservation principles and areas for improving energy efficiency.

GRI 302-1

Besides, EVRAZ NTMK received certification under the ISO 50001 standard, and applied Energy Management System Guidelines (RENM 102–31–2017).

In 2019, the senior management of the Group put the focus on strengthening the energy management system at EVRAZ. Specially invited professional consultants worked at the Group enterprises, and then presented an objective report and the necessary steps to reduce energy consumption on an ongoing basis. We decided to allocate and strengthen the vertical management of the energy management system at production facilities in Russia. Special checklists were introduced in EVRAZ segments to assess the implementation of tasks to improve the energy efficiency of facilities, based on five elements of the EVRAZ business system.

For a number of years, the Group conducted external benchmarking in cooperation with other industry leaders for two most energy intensive production facilities – EVRAZ ZSMK and EVRAZ NTMK, energy consumption at which is more than 85% of the Group's total. The accumulated information allows to set ambitious goals and identify opportunities for future improvements. EVRAZ will continue to analyse the best available technologies and plans to create individual goals for each production chain. The Group also actively works on integrating energy efficiency criteria into procurement processes and investment activities.

¹ In the figure, production output is presented by key operational indicators (crude steel, iron ore products and raw coking coal) and vanadium slag. In this Report, to calculate the total energy consumption, all energy resources consumed by EVRAZ entities were accounted, including for the production of coke, coke chemistry products, energy and heat. The figure comprises data on EVRAZ ZSMK (incl. Evrazruda), EVRAZ NTMK, EVRAZ KGOK, EVRAZ Vanady Tula, Raspadskaya Coal Company (Novokuznetsk and Mezhdurechensk sites), and Mezhegeyugol Coal Company, EVRAZ Caspian Steel, EVRAZ Nikom, and EVRAZ Steel, North America segment.

The goal of reducing the energy intensity of production at EVRAZ enterprises is achieved by implementing Energy Efficiency Improvement Programmes, which include initiatives to be implemented over the next five years. The Group encourages its employees to come up with new initiatives and ideas. Special boxes are installed at EVRAZ entities to collect suggestions, the best offers are then tested and implemented at our facilities. Each EVRAZ facility has its own organisational structure to review potential projects (scientific and technical councils). Each year initiatives and projects are specified for budget financing and monitoring of their successful implementation.

During the reporting period EVRAZ enterprises did a great job to enhance their energy efficiency. For example, at the Siberia Region of the Steel Segment (EVRAZ ZSMK), as part of its operational activities energy efficiency measures were implemented with a total spending of US\$6.3 million, growth points were identified, and two energy-related investment projects were completed.

^{1.} The figure comprises data on Steel segment (EVRAZ ZSMK, EVRAZ NTMK), Steel, North America segment (EVRAZ Portland, EVRAZ Pueblo, EVRAZ Regina, EVRAZ Camrose, EVRAZ Calgary, and EVRAZ Red Deer).

Case study

Identifying the “Growth points”

In September 2019, EVRAZ ZSMK held the “Growth Points” event, a brainstorming session featuring internal and external experts to generate hypotheses for enhancing energy efficiency. During the event specialists discussed such issues as converter gas utilisation, construction of top-pressure recovery turbines, and construction of a gas turbine unit using blast-furnace gas. These hypotheses will be closely studied by working groups at enterprises in order to assess their applicability.

The Group has plans to organise this event at EVRAZ NTMK in 2020.

EVRAZ is also carrying out studies to ascertain which renewable energy sources are most suitable for its operations and strives to identify projects that are attractive both from an economic and environmental standpoint.

Case study

Using renewable energy to produce the greenest steel

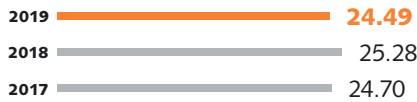
In 2019, EVRAZ North America, Xcel Energy, and Lightsource BP announced that they had agreed to develop a new 240-megawatt solar facility in Pueblo. This long-term agreement is key to our investment in Colorado’s new sustainable economy.

The project will be located at the EVRAZ Rocky Mountain Steel property in Pueblo, and the launch is scheduled for the end of 2021.

At the end of 2019, EVRAZ achieved an energy intensity level per tonne of steel cast of 24.49 GJ/tonne. The decline was due to the set of organisational and technical changes implemented during the year at all EVRAZ enterprises.

GRI 302-3

EVRAZ energy intensity, 2017–2019, GJ/tonne of steel cast¹



Balancing water supply

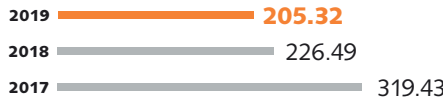
GRI 303-1

EVRAZ business operations require a significant volume of water on a daily basis. As water is an essential part of our production processes, we seek to develop efficient water management practices vis-à-vis water intake, its rational use via recirculating, and the treatment of wastewater.

Freshwater resources are having significant environmental and economic importance for the world. The Group consumes fresh water from surface water sources, ground water wells and public water networks for production processes, equipment cooling needs, fire safety as well as for drinking and household purposes.

Based on our environmental targets we need to achieve a fresh water consumption level of 207 million m³ by 2022. In 2019, the total volume of fresh water consumed for production needs stood at 205.32 million m³, which was 21.17 million m³ lower than in 2018. This reduction happened largely as a result of asset exclusion and successful completion of a number of modernisation initiatives.

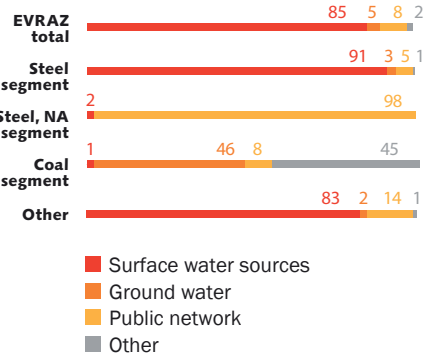
EVRAZ fresh water consumption for production needs, 2017–2019, million m³



Our key steel making integrated plants has been designed in the middle of 20th century with “open” water cycle system; they contain electric power plants that provide heat and power for production needs and to the local cities. They consume the biggest share of fresh water. The major part of this volume is used for cooling needs. We have target to minimise our fresh water consumption by “closing” water recycling systems. Potentially we want to exclude all water discharges (68.9 mln m³ in 2019), but it will take time. For example, EVRAZ ZSMK is implementing the long-term “Water” programme over 2018–2022, to bring about a 12 million m3 decline in total discharges by 2022.

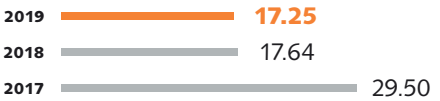
GRI 303-3

Water consumption by sources, EVRAZ total and by segments¹, %

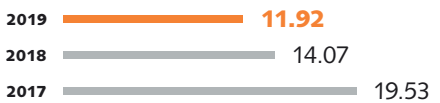


The water intensity rate (m³ of water used per tonne of steel cast) dropped 15.3% in 2019 and stood at 11.92 m³². Also, the figure for fresh water withdrawal intensity (m³ of water used per consolidated revenue) also fell by 2.2%, and reached 17.25, compared with 17.64 in 2018.

EVRAZ fresh water withdrawal intensity, 2017–2019, m³/US\$ revenue

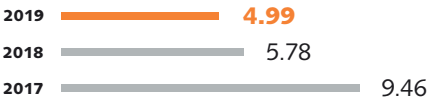


Fresh water withdrawal intensity³, 2017–2019, m³ per tonne of crude steel cast



GRI 303-4

Water discharge intensity, 2017–2019, m³ per tonne of crude steel cast



Over 93.6% of total fresh water is used by EVRAZ NTMK, EVRAZ KGOK, and EVRAZ ZSMK (including Evrazruda). Over 86.1% of their needs are covered by surface water, including water from rivers, lakes, and reservoirs.

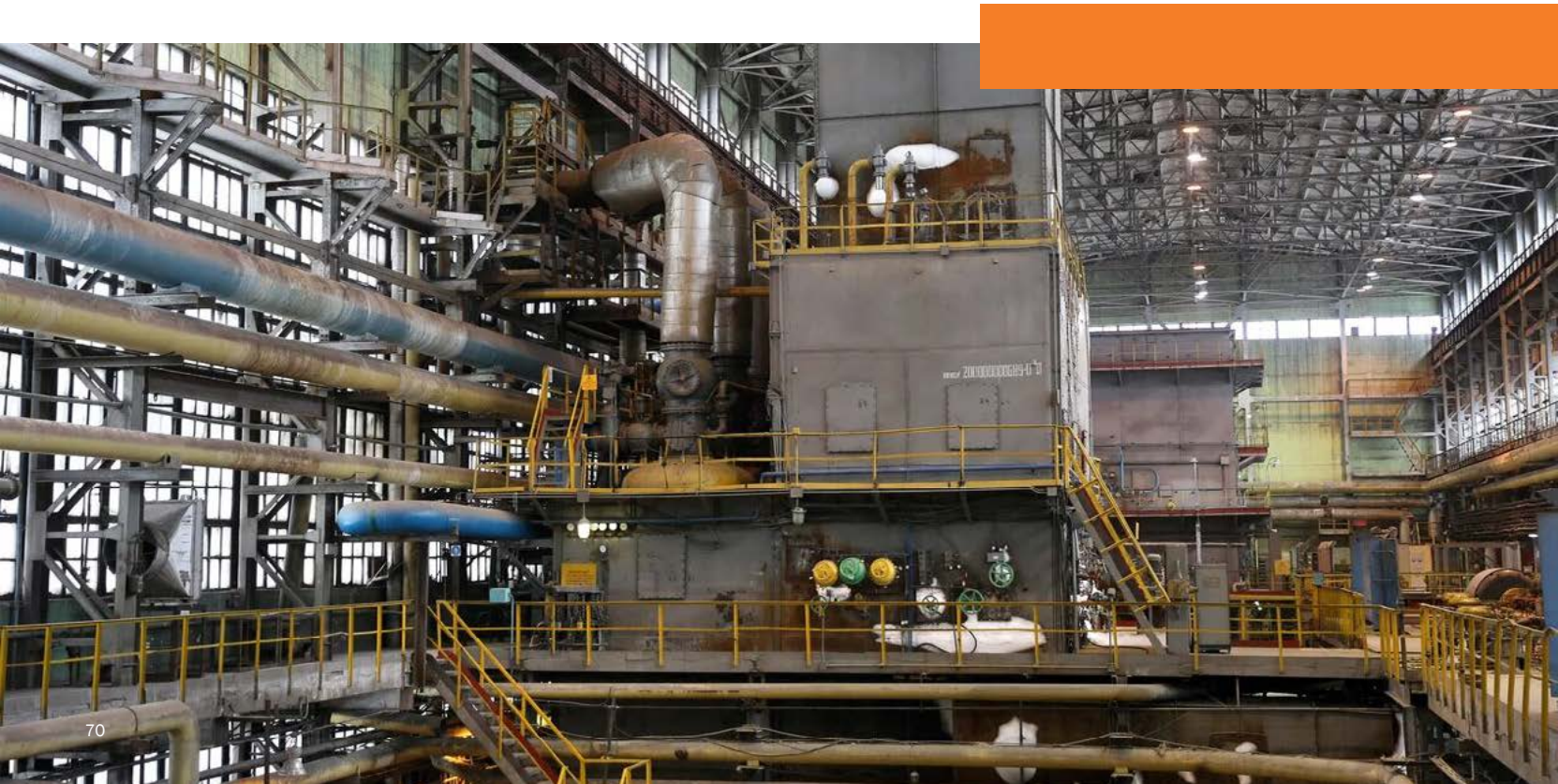
GRI 303-5

Total water consumption at these sites stood at 201.01 million m³, with fresh water making up over 95.6% of this demand.

Promoting and developing water recirculation is an essential part of reducing fresh water consumption. At our assets, 93.3% of water used in production is recirculated, and EVRAZ tries to raise this amount by supporting upgrade projects for treatment units, which boost water use efficiency.

The Coal and Ore mining sites of the Group have to pump mine (or quarry water) out of mines and open pits for safety reason. Mine water is produced when subterranean waters of various horizons mix and interact with the mine atmosphere and the rocks uncovered by mining excavations. Unfortunately, we cannot 100% control or forecast the volume of such water because it depends on the natural reasons. We always look for opportunity to use mine water for production needs instead of fresh water, but the volume of such water is higher than our mining assets can consume and majority of our mines are situated in remote places and cannot share its excess of water with other water consumers. In 2019, only 21.2 mln m³ (or 27%) of mine water was used for production needs instead of fresh water, the rest of pumped out value 57 mln m³ (73%) was treated and discharged into the water bodies.

^{1.} Data presented without mine and quarry water. For the purpose of disclosing fresh water consumption the Steel segment is represented by EVRAZ ZSMK and EVRAZ NTMK only, while the Other section includes EVRAZ KGOK, Evrazruda, EVRAZ Vanady Tula, EVRAZ Stratcoor, Inc., EVRAZ Nikom, a.s., EVRAZ Caspian the Steel, EVRAZ Palini e Bertoli. Mining assets are not included in Steel segment as they produce effluents of quarry and mine water, that EVRAZ cannot manage due to their natural origin factors.
^{2.} The figure comprises data pertaining to EVRAZ ZSMK (excl. Evrazruda), EVRAZ NTMK, EVRAZ DMZ, EVRAZ Inc. NA, and EVRAZ Inc. NA Canada.
^{3.} Intensity rates of water withdrawal and water discharge per iron ore and per raw coking coal see in Appendix 4.



Contributing to SDG 6: Clean water and sanitation

Project: Reduction of discharges at EVRAZ ZSMK

Stakeholders: local communities

One of the “Water” programme’s objectives is to reduce fresh water consumption at the pump and filter station of the rail and beam shop. Previously, warm wastewater from the rolling mill was replaced with cold river water. However, after evaluating the efficiency of coolers and the costs involved, it was decided to build an open-type fan cooling tower. This reduced the river water intake and halted discharges from the factory shop.

Thanks to the water protection programme, EVRAZ ZSMK in 2019, reduced discharges into the Konobenikha River by 900 thousand m³ compared with 2018.



Value for stakeholders: a clean river.

Value for EVRAZ: public trust, enhanced reputation, absence of fines.

GRI 303-2

We work in close cooperation with regulatory bodies to obtain discharge permits. During the preparation of the supporting documents required to obtain a permit, we scrutinise the initial characteristics of the water body, the chemical composition of wastewater, available capacities and the technical equipment at treatment facilities, in order to calculate the volume of effluent that will have no harmful impacts on the quality of the water in the basin.

Contributing to SDG 6: Clean water and sanitation

Project: A doubling in the size of treatment facilities at the Raspadskaya mine

Stakeholders: local communities

The upgrade of mine treatment units at Raspadskaya has been a landmark project for the Group. A large-scale renovation, with full technical re-equipment, was completed in the middle of 2019. The total project investment was US\$2.5 million. The grand opening of the new units took place as part of the “Green Living Room” regional environmental education event. The treatment facilities previously processed 800 m³ of water per hour; after the renovation their capacity grew significantly, to 1,800 m³, a 225% rise. The discharge of suspended solids dropped by 62%, and oil products – by 65%.

The project enables us to reuse most of the treated water for the needs of both the Raspadskaya mine and the preparation plant, and discharge the remainder into an open source, as the quality of the wastewater meets the highest standards.



Value for stakeholders: clean rivers.

Value for EVRAZ: public trust, enhanced reputation, absence of fines.



Waste stewardship

During mining and steel-making operations EVRAZ generates significant waste, such as barren rock, spent ore, and tailings, which are a by-product of processing ore and concentrates. Our aim is to reduce the volume of waste we produce and to manage it in an efficient way. Our waste management activities correspond to key industry trends:

- Minimising waste generation at source by improving technological processes
- Increasing the share of reused and recycled waste
- Safe disposal or incineration at special facilities

Under no circumstances do we incinerate or store waste outside special facilities, in line with applicable legislation and EVRAZ Fundamental Environmental Requirements. We actively promote separate waste collection systems at our enterprises, in order to facilitate its further recycling.

Total non-mining waste and by-products generated by EVRAZ enterprises stood at 8.45 million tonnes in 2019.

GRI 306-2

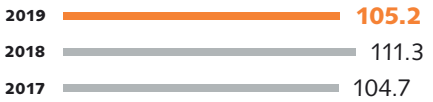
EVRAZ waste generated and received, 2019, %



The Group strives to reclaim or reuse waste for various purposes. In 2019, 84.35 million tonnes of waste (including mining waste) was reused. The Group uses non-hazardous mining waste for the purposes of land rehabilitation and to build dams and roads, where possible. In 2019, 75.5 million tonnes of this waste were reused, which corresponds to 38% of total waste.

Under our established five-year environmental goal, we are required to recycle 95% of non-mining waste and by-products each year. In 2019, this rate stood at 105.2%, due to the recycling of previously disposed of metallurgical slag and materials.

Waste recycling rate, 2017–2019,%¹



¹ Received waste is not included in calculation of the EVRAZ waste recycling rate.



Contributing to SDG 6: Responsible consumption and production

Project: Non-recyclable waste handling.

Stakeholders: local communities.

For non-recyclable waste such as tailings, EVRAZ creates facilities that provide reliable long-term storage. In 2019, the Group had three tailings storage facilities (TSF) in operation with upstream dams owned by EVRAZ ZSMK and EVRAZ KGOK.

To ensure the security of TSF, EVRAZ has a dam safety management system in place that complies with all relevant legislative requirements. The system covers all stages of a dam life cycle: design, construction, operation, and closure, and is subject to close safety and environmental monitoring. TSF processes and procedures are regularly examined by EVRAZ operational units and audited by HSE personnel at sites, inspectors from regulatory bodies, and EVRAZ’s internal industrial safety auditors. All dams have safety zones where no residences or civilian infrastructure are allowed, and EVRAZ focuses on trying to mitigate any danger as far as possible.

In October 2019, in response to a request from the Church of England Pensions Board, EVRAZ released a report with detailed information on Tailings Storage Facilities, in order to provide transparency and build greater trust with stakeholders.

The report, as well as other information relating to TSF, is in the public domain and can be accessed by all stakeholders on our official website (<https://www.evraz.com/ru/sustainability/tailings-storage-facilities/>).



Value for stakeholders: clean and safe environment.

Value for EVRAZ: public trust, enhanced reputation, safe operations.

GRI 304-1

PROTECTING BIODIVERSITY

Protecting biodiversity is an essential aspect of global sustainability. Mining and steel-producing companies can have a number of impacts on biodiversity. Although EVRAZ enterprises are situated far from protected natural areas or territories with high biodiversity value, and the activities of the Group have no direct significant impacts on biodiversity, we still consider biodiversity as a significant challenge requiring action to be taken. We aspire to cultivating a culture where a proper attitude is fostered towards nature and biodiversity among our employees, and establishing effective communication channels with local communities. We place a special emphasis on encouraging local initiatives from our enterprises.

We are engaged in biodiversity preservation activities in the following areas:

- The rehabilitation of disturbed land and landscaping activities
- The restoration of aquatic biodiversity
- Socio-ecological campaigns managed jointly by municipal administrations

REHABILITATING DISTURBED LAND AND LANDSCAPING

EVRAZ is committed to implementing environmental projects in order to compensate for its mining and steel-making operations.

GRI 304-3

- In 2019, the following results were achieved:
- At Evrazruda (EVRAZ ZSMK), over 64,000 of sea buckthorn and pines were planted as part of a reclamation project for tailings storage facility No. 2

- The reclamation of disturbed land at Block No. 3 of Rapsadskaya (mining stage) continued: 2,114 thousand tonnes of rock were reclaimed

RESTORING AQUATIC BIODIVERSITY

Ensuring the quality of water ecosystems and providing suitable habitats for various species form an integral part of EVRAZ’s biodiversity preservation actions. We regularly, with preliminary scientific studies, release various species of fish into water bodies to support and enrich existing biodiversity. In 2019, EVRAZ enterprises¹ released over 379,000 fingerlings.

EVRAZ NTMK runs a comprehensive rehabilitation programme for water bodies, which includes treatments using chlorella, and the introduction of air-aquatic plants pistia and eichhoria and herbivorous types of fish.

SOCIO-ECOLOGICAL CAMPAIGNS

EVRAZ enterprises continue to organise joint environmental and social campaigns with municipalities, inviting volunteers that are eager to contribute to improving the environment. Such events are aimed at uniting EVRAZ employees and members of the local community that care about the environment.

As part of our environmental campaigns in 2019, 920 trees were planted in parks and squares. One of the liveliest events was “The Second Life to Trees” initiative, during which young trees are transplanted into city parks from sites where mining operations will take place.

Other events include:

- Environmental clean-ups
- The “Clean Games” eco-quest
- The Clean Shores for the Rivers campaign
- The Save the Spring campaign

In 2019, EVRAZ continued to support its employees in their aspirations to organise environmental events, which include voluntary clean-ups, tree planting, and building and setting



up birdhouses to enhance the environment. During the reporting period environmental experts from Rapsadskaya Coal Company (Mezhdurechensk site) also ran environmental courses at educational institutions.

These activities were often conducted in cooperation with local communities – administrations, schools, and kindergartens – in order to raise awareness surrounding environmental issues, with an emphasis on specially protected natural zones.



For details, read the Supporting local communities section, page 76.

Case study

Protecting the inhabitants of forests

If inserted into the soil, one battery can pollute around 20 m² of the surrounding ground with heavy metals. This can affect trees, moles, hedgehogs, and thousands of earthworms at just one site. In 2019, COF Abashevskaya employees for the first time organised a campaign to collect batteries, inspired by colleagues at the Mezhdurechensk site. The collected batteries were handed over for recycling. The campaign is still being run at the factory.

Contributing to SDG 6: Clean water and sanitation

Project: Enriching aquatic fauna

Stakeholders: local communities

EVRAZ NTMK continues to implement measures as part of a rehabilitation programme for water bodies: the federal body Gosrybtsentr has conducted research and recommended several breeds that will consume harmful algae and prevent reservoirs, ponds, and rivers near Nizhny Tagil from overgrowing.

In 2019, the plant’s environmental specialists released into the Lenevsky Reservoir and Nizhny Tagil pond 5,000 grass carp fingerlings and 32,000 silver carp fingerlings.

Silver carp helps keep water bodies clean by filtering flower-filled, green, and muddy water. They can also be fished, as they can grow up to 100 centimetres in length.



Value for stakeholders: clean water bodies.

Value for EVRAZ: public trust, enhanced reputation.



¹ The figure comprises data on EVRAZ ZSMK (incl. Evrazruda), EVRAZ NTMK, and Rapsadskaya Coal Company (Novokuznetsk and Mezhdurechensk sites).

Goals for 2020 and the midterm period

In 2020, we will continue making efforts to contribute to sustainability development globally. As the key priority the Group set implementation of its commitments within the National Project “Clean Air” and achieving the National Environmental Targets for air emission reduction in Novokuznetsk and Nizhny Tagil. EVRAZ Air Emission reduction programme includes:

EVRAZ ZSMK:

- Coke gas cooling system upgrade. 2020 task – to start construction works
- Off Gas Desulfurisation Installation. 2020 task – to complete design stage
- Electric precipitator restoration (HPS). 2020 task – to upgrade the filters on boiler No. 10

EVRAZ NTMK:

- Coke gas direction to by-product recovery plant No. 3. 2020 task – to start construction works
- Off-gas cleaning units efficiency upgrade. 2020 task – to complete upgrade of gas cleaning units at oxygen converter shop
- New off-gas cleaning installation at blast furnace No.6. 2020 task – to complete construction

EVRAZ VANADY-TULA:

- Kiln off gas system upgrade. 2020 task – to complete commissioning of the new off gas cleaning unit

EVRAZ NORTH AMERICA:

- Regina Reheat Furnace NOx Reduction & Upgrade. 2020 task – to complete installation of low NOx burners.

Water management programmes launched in the previous year will be continued at EVRAZ operations: EVRAZ ZSMK, EVRAZ NTMK, Rapsadskaya and EVRAZ Vanady-Tula. Construction of treatment facilities at Mezhegeyugol Coal Company will also start in 2020

Supporting local communities



2019 highlights

US\$ **34** million
spent on social expenses
in 2019



Grants totalling
US\$ **224** thousand
were issued to 54 projects
under the EVRAZ City
of Friends – City of Ideas
annual contest

for a Better Future


Material topics

-  Indirect economic impacts
-  Local communities


Key events

-  346 projects applied for the contest EVRAZ City of Friends – City of Ideas
-  In 2019, EVRAZ presented the Annual ride to Conquer Cancer in Alberta, Canada, and raised over US\$93,000

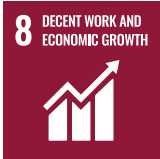
Global Sustainable Development Goals




3 GOOD HEALTH AND WELL-BEING




4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES

Management approach

EVRAZ aims to build positive and sustainable partnerships with local communities wherever we operate, by adhering to the best international standards of sustainable development and actively engaging with local communities. EVRAZ has developed an effective approach towards engaging with these communities, which includes developing local infrastructure, supporting and financing programmes for children, sponsoring sports teams, and protecting the environment. All current programmes have long-term planning implemented from the start. The aim of these activities is to foster and develop a sustainable and positive partnership between local stakeholders and EVRAZ.

GRI 413-1

All the Group’s social investments are made on a voluntary basis. The Group’s headquarters are responsible for engaging with and executing projects with stakeholders at a national level, in addition to developing and implementing strategic priorities and guidelines. Key engagement responsibilities within our regions of operation are upheld by government relations and the public relations departments of EVRAZ. Local stakeholder engagement and on-site community relations are dealt with at enterprise level.





Implemented within our **Corporate Strategy**¹ is the creation of value for the local communities and regions in which we operate. We believe our business prosperity is ultimately

linked to the success of these regions and the satisfaction of local communities in the areas where we operate. Hence transparent and constructive cooperation is a fundamental value upheld in all EVRAZ activities and developments.

Strategic goal for local communities

EVRAZ sees that business sustainability is ultimately linked to the success of communities in the regions where we operate, and we support these through social and improvement programmes.

Key documents

Key Documents	Description
Code of Business Conduct	The EVRAZ way upholds the principles of creating shared values and respecting the human rights, views, and traditions of the inhabitants of our regions of operation.  https://www.evraz.com/upload/iblock/776/776f18d872a78ced85ece81b0fa94f24.pdf
Regulation for Interaction with state authorities	The principles and rules of engagement with federal and local authorities that we adhere to.  <a "="" href="https://www.evraz.com/en/sustainability/anti-corruption/">https://www.evraz.com/en/sustainability/anti-corruption/ “Anti-Corruption Policy”
Social Investment Guidelines	Our local community engagement approach. Outlining the Group’s priorities and eligibility criteria for social investments.  https://www.evraz.com/upload/iblock/a59/a597f125f653ce45705f88afbd08a375.pdf
Policy on Charitable Donation and Sponsorship Activity	An underlying regulatory document setting out the key principles and requirements adopted by the Group to prevent corruption, and ensure ethical business conduct and compliance with applicable anti-corruption laws.  https://www.evraz.com/upload/iblock/072/072f06b81d75afbe8843176e4954ac4e.pdf

The Group yearly approves the **Social Investment Programme**: this sets the priorities and budget for social investment for the year ahead. EVRAZ seeks to establish an active dialogue with local community representatives, which allows us to identify the most pertinent and important projects that we can then incorporate into our Social Investment Guidelines and EVRAZ priorities. The report on implementing the Social Investment Programme is published at the end of each year by EVRAZ.

adhere to the EVRAZ Charity policy and Social Investment Guidelines and set target investment objectives.

At EVRAZ North America (ENA), the Group’s community relations are monitored by the Director of Communications and Government Affairs, with supervision from the Senior Vice President of Human Resources.

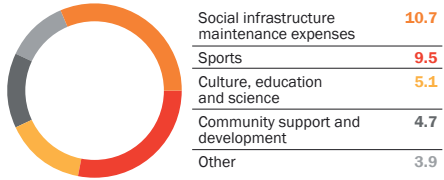
Under the Social Investment Guidelines, EVRAZ does not support the following:

- Organisations and programmes that influence legislation or elect candidates to state or local public offices

- Political, military, religious, and national or local governmental organisations and projects

In 2019, EVRAZ allocated US\$33.9 million for social expenses, including support for sports, culture, education, science and local communities.

Social expenses (incl. charity), US\$ million



¹ <https://www.evraz.com/en/company/strategy/#steel>

Local community support projects

GRI 203-1

EVRAZ organises and supports a wide range of federal and regional level initiatives across the countries where we operate. The Group supports and invests in a myriad of local community projects and programmes in its territories of operation, in addition to joining nationwide and federal level initiatives. The investment focus is environmental protection, supporting and developing sport, the social and cultural development of cities, and charitable support for children and helping with their education.

Federal level initiatives

The group pays great attention to significant new projects being developed at a federal level; projects that coincide with our strategy and policy are supported by EVRAZ when possible.

GRI 413-1

REGIONAL PROJECTS

EVRAZ has formulated three key areas of social investment in the local communities where we operate.

EVRAZ’s three areas of social investment

GRI 203-2

EVRAZ for kids

- Sponsoring educational programmes for children and young people, providing scholarships
- Financing the purchase of necessary school supplies, sports equipment, and developing territories around schools, youth centres, kindergartens, and orphanages
- Supporting children in orphanages
- Supporting families with children with special needs

GRI 203-2

EVRAZ for cities

- Improving the local urban infrastructure
- Sponsoring building and renovating public recreational areas

Federal projects



National projects

In 2019, at the International Economic Forum in St Petersburg, the Group signed an agreement to participate in the federal Clean Air project, which is part of the Ecology National project.



Forums and events

The Group was a general partner in a forum held in Novokuznetsh entitled The Role of Women in Developing Industrial Regions, which has evolved into an international platform for discussing women leaders across various fields. EVRAZ was a strategic partner of the INNOPROM international Industrial Fair. EVRAZ participated in the WorldSkills Hi-Tech national championship of working professionals.



Culture

EVRAZ supported the Arkhangelskoye Estate Museum, the Yeltsin Centre in Ekaterinburg, the Novokuznetsk Drama Theatre, and the Garage Museum of Modern Art in Moscow, and also supports the Connection foundation for the deaf and blind.

Case study

Children’s Foresight in Kachkanar

The project Children’s foresight is an all-Russian social project aimed at involving schoolchildren in the future design of their cities, together with implementing their own socially significant projects. The Children’s Foresight programme is carried out jointly with the Social Investment Fund. Also, classes on social technology and personal effectiveness are taught to the children who attend.

In 2019, over 200 schoolchildren, along with 60 teacher-mentors, participated in the project organised in Kachkanar, Nizhny Tagil, and Mezhdurechensk. They submitted over 30 social projects, with 26 of these being launched. A number of socially significant projects were implemented in Kachkanar as result of the Children’s Foresight programme, including improving Great Patriotic War memorials and creating a pottery studio.

The winners of the programme attended a social leadership camp at the Artek International Youth Campus

- Supporting infrastructure projects, including building roads, streets, and embankments
- Sponsoring medical, educational, and cultural institutions at both federal and local levels

GRI 203-2

EVRAZ for sports

- Supporting amateur and professional sports teams
- Sponsoring individual athletes, by sponsoring them in training and competitions
- Financing the purchase of necessary sport equipment and developing sports facilities and territories around schools
- Supporting corporate sport as an important part of corporate social activities and corporate culture

EVRAZ for Kids

EVRAZ participates in numerous federal youth programmes and works closely with academic institutions, in efforts to finance and support children and young people. The aim is to help and support the youngest generations and help develop local communities by placing a significant educational emphasis on fostering academic and athletic development.

Case study

EVRAZ Stars

The ninth-annual EVRAZ Stars contest was held in the Group’s enterprises in the Siberian and Urals regions (Steel segment). The contest brings together talented young artists from the children and grandchildren of EVRAZ employees.

The finalists in the vocal nomination were Katya Biryukova from Novokuznetsk and Katya Dornina from Kachkanar. Both girls performed a concert on the square near the Novokuznetsk Drama Theatre. The girls also visited Moscow, where they studied music with a teacher, and where a master class by popular video bloggers was taught. Also, the winners visited the YERALASH newsreel studio and appeared on RADIOKIDS. FM, a podcast for children. The pair finalised their trip by performing on stage at the Vegas complex in front of over 2,000 spectators, with the concert watched by more than 10,000 viewers on the Zhara channel.

EVRAZ for Kids projects

Location	Institution/entity	Description
Nizhny Tagil	Ural Federal University	Assisted in creating a robotics centre.
	Mining and Transportation College	Helped improve its facilities.
	Mining and Metallurgical College	Equipped a lab and welding shop so that it could perform installations, technical operations, and repairs to industrial equipment.
	“Joy” Municipal Autonomous Pre-school Educational Institution	Assisted in improving youth sports facilities at the institution’s pre-school network.
		Organised the educational film “City without Danger” to be filmed, about safe behaviour for young people. Alongside professional actors, the film featured students from theatrical schools and studios from Nizhny Tagil and Kachkanar.
		Continued funding of rehabilitation programmes for children suffering from cerebral palsy.
Sverdlovsk region		Gave presents to disadvantaged children.
Kachkanar		Continued funding of rehabilitation programmes for children suffering from cerebral palsy.
Kemerovo region		Gave presents to disadvantaged children.
Novokuznetsk	Industrial College	Helped improve its facilities.
	Metallurgical College	
	Kalinka Folk Dance Studio	Helped arrange trips to Moscow and participate in the Folk of Dance television project.
	Transport and Technical College	Helped improve its facilities.
	Ostrov Nadezhdy Orphanage School No. 95, Childhood home and Rovesnik orphanages	Made charitable donations. Purchased and installed sports facilities and playgrounds at the youth camp of the Childhood Home’s orphanage.
		Continued funding of rehabilitation programmes for children suffering from cerebral palsy.
Mezhdurechensk		Continued funding of rehabilitation programmes for children suffering from cerebral palsy.
Tashtogol	College of Mining Technologies and Services	Helped improve its facilities.
Tula region	School No. 4	Equipped a computer lab and an auditorium for special needs children.
		Gave presents to disadvantaged children.



EVRAZ for Cities

The Group invests in developing urban infrastructure in the towns, cities, and regions in which we operate. We sponsor, finance, and support a number of medical, educational, and cultural projects.

Case study

EVRAZ Olymp Arena in Kachkanar

EVRAZ donated around US\$5.4 million towards building the EVRAZ Olymp Arena and Skiing track (over 2 kilometres in length) in Kachkanar. The newly constructed complex is outfitted for football, basketball, and volleyball. Also, two football fields were laid in the vicinity of the arena. The newly built facilities are capable of hosting competitions and public skiing sessions and practices. There are plans in 2020 to build a ski lodge near the track.

Evraz for Cities projects

Location	Institution/entity	Description
Nizhny Tagil	Children’s municipal hospital	Purchased furniture, including beds and sofas.
	Nycomed medical infirmary	Purchased defibrillators, electrocardiographs, and medical training equipment.
	Gornozavod Ural open-air Museum	Donated a GAZelle cargo-and-passenger vehicle, which allows employees to transport exhibits between museum buildings spread across the city, and also enables ethnographical trips to be made.
Sverdlovsk region	Nizhny Turinsky urban district	Contributed to developing a park improvement project.
Guryvesk	Kindergarten No. 1 Lastochka and Secondary school No. 16	In celebration of Miner’s Day, the Group helped restore the facades and roofs of buildings.
Kachkanar		Donated materials and crushed gravel for the construction and restoration of roads.
Mezhdurechensk	Raspadsky Cultural Centre	Purchased audio and video equipment.
Novokuznetsk	Forum	Partnered the forum Role of Women in Developing Industrial Regions.
Tashtogol	Kaz Community	Helped purchase and install a children’s playground, build a multifunctional sport facility, and design a pump and filter station.
Tula	Village of Dubna, Mosolov Estate	Helped create a metallurgical history museum.
Moscow	MISiS National University of Science and Technology	Sponsored the purchase of a Thermo Scientific iCAP 7,200 inductively coupled plasma optical spectrometer.

Contributing to SDG 11: Sustainable Cities and Communities

Project: Dam Renovation
Stakeholders: The city of Mezhdurechesk and EVRAZ

Project Description: in Mezhdurechesk’s Western district we provided financial support for a major renovation of a dam. Also, improvements were made to the waterfront area and its vicinity, including building viewing platforms on the Usa River, constructing staircases for residents with limited mobility, creating auto and bicycle parking areas, and building playgrounds and sports facilities.

11

SUSTAINABLE CITIES AND COMMUNITIES

Value for stakeholders: Improvements to the city of Mezhdurechesk.

Value for EVRAZ: Improvements to a city where EVRAZ operates.



EVRAZ for Sports

The Group sponsors sports teams as well as professional and amateur athletes from our regions of operation. In addition, we help local and regional federations and institutions organise and hold events, build and renovate sports infrastructure, and purchase required equipment. The overall aim is to popularise a healthy lifestyle among employees and their family members through sport.

Case study

High Five in Novokuznetsk, Nizhny Tagil, and Moscow

The fifth annual High Five event took place this year in Nizhny Tagil, Novokuznetsk, and Moscow. The event featured the participation of children with special needs and their parents. The Group’s employees, together with family members, local residents, and people with disabilities all participated in the competition, raising funds to purchase sports equipment for Kindergarten No. 105 in Nizhny Tagil and Kachkanar remedial school and to sponsor athletes at the Novokuznestck Olympic reserve track and field school.

With thousands of runners and spectators, the event was recognised by the Golden World Awards (GWA) 2019. This is considered one of the most prestigious international awards in communication and PR, and is recognised IPRA, an international PR organisation.

Case study

Ride to Conquer Cancer

In 2019, ENA organised the Annual Ride to Conquer Cancer in Alberta, Canada. The race features thousands of cyclists, who ride over 200 kilometres in two days. In 2019, ENA raised US\$93,000. ENA is a longstanding sponsor of the ride, which directly benefits the Alberta Cancer foundation, raising funds for cancer research and care.



Evraz for Sport Projects

Location	Institution/entity	Description
Nizhny Tagil	Uralochka sports school	Helped set up a beach volleyball court on the shores of the Vyisky lake, and provide access to the Mettallurg-Forum Sports complex arena.
	Uralochka Volleyball Team	Continued its sponsorship.
Sverdlovsk region	Regional Biathlon Federation	Helped hold trainings and purchase sports equipment.
	Olymp Sports school	Helped hold a football and mini-football competition.
Kachkanar	Municipal District Federation of Sambo and Judo	Continued its sponsorship of the event.
	Zvezdochka Kindergarten	Funded the creation of a sensory garden as part of the City of Friends – City of Ideas programme. To develop the children’s senses, a territory is divided into three zones: contemplative, research, and gaming.
Kemerovo region	Shoria hockey team	Reimbursed the cost of equipment and participating in Night Hockey League qualifying competitions.
	Dream Ski project	For the third consecutive year the project was held for children with cerebral palsy whose parents are employees of the Group.
Novokuznetsk	Mettallurg Hockey Team	Continued its sponsorship.
	Kuznetsk Metallurgist Sport Centre.	Organised the Raspadskata Gunter Cup 2019 event, which attracted 3,000 spectators. In the event the 12 best basketball teams in Siberia competed in a street ball competition. During the event, Russian basketball stars held master classes for students of basketball schools as well as any local children who wished to attend.
	Rural community of Tersinsky	Helped install a hockey rink.
	Komanda Foundation	Helped organise and hold the national orienteering event Russian Azimuth-2019, as well as the 84th traditional athletic relay race, with prizes from the newspapers Kuznetsk Worker and EVRAZ News. The Komanda Foundation supports the development of sports teams. The events were dedicated to Victory Day.
Mezdurechensk	Sports School of Hockey, and Figure Skating hockey team Vympel-2008	Helped the team travel by air to participate in the Russian National Finals of the Tarasov Golden Puck Club of in Sochi.
	Tomusinets United Sports and Health Club	Assisted in rebuilding a mini-football pitch.
Tashtogol	Ski competition	Held the 16th annual Andrey Sevenyuk corporate alpine skiing and snowboarding competition.
Tula	Regional Thai Boxing Federation	Assisted in acquiring sports equipment and participation in the Russian Cup.

EVRAZ: City of Friends – City of Ideas

In 2019, across the cities of Nizhny Tagil, Kachkanar, Novokuznetsk, and Mezhdurechensk, the annual grant contest EVRAZ: City of Friends – City of Ideas was held. The project seeks to engage the public in improving their cities and surrounding environments, and is held in the form of a grant competition,

where contestants are able to submit ideas on improving urban spaces, landscaping, environmental protection, and developing social initiatives.

The contest received 211 project applications from the Group’s Siberian enterprises

and 135 from the Group’s Urals enterprises, with 54 projects receiving grants (from a total of 346 projects that applied) worth US\$223,986. Programme websites displaying projects received a total of 139,555 views, and over 28,700 votes for projects were registered.

Examples of winning projects

Title of project	Description
Urals	
Health Path	A project in Nizhny Tagil creates outdoor activity paths in a forest area. This project is aimed at improving the health of local residents and visitors, and encouraging visitors to walk and engage in recreational activities, including Nordic walking and skiing.
Live!	Nizhny Tagil's Little Theatre project: an independent association of professional artists taking part in a series of events to raise funds to help cancer patients and their relatives.
Zvezdochka	The Zvezdochka kindergarten in Kachkanar is being equipped with a 100-metre wooden railway, along with a variety of trains and wagons. Train stations, tunnels, petrol stations, bridges, junctions, and buildings are also being added for the children to play in.
Children's Traffic Park	This is being built in Nizhny Tagil in order to inform and educate children about modern traffic safety. With assistance from the local police and teachers, the children will be taught and benefit from knowledge of the rules of the road.
Augmented Reality Classroom	Kachkanar's Secondary School No. 2 is being equipped with augmented reality classroom technology. The children will be able to view and study subjects in three dimensions, thereby allowing them to visualise information taught in the school curriculum.
Municipal Astronomical Centre	A municipal astronomical centre is being created in the Youth Creative Centre in Nizhny Tagil. Children can familiarise themselves with modern ideas about astronomy, study the structure of the universe, and perform astro-nomical observations. The astronomical centre can be employed for educational research, project activities, practical studies of the night sky, as well as holding thematic events, tours, seminars, and lectures.
Siberia	
Duck Lake	A project in Novokuznetsk's Abagursky junction, involving cleaning the lake and its surrounding vicinity. Creating a recreational area with trails, benches, and a viewing area for local residents.
Heritage: Every Day – for the Good of the World, in the Name of People	The project, social and environmental in nature, aims to bring local residents together to solve issues currently being faced in Novokuznetsk.
Art Helps Lives	The projects involves holding an art therapy festival in Novokuznetsk for children with disabilities and their parents. On a monthly basis, the project will invite children and their parents to attend master classes on various types of art therapy.
Road Safety	The Tulip Kindergarten in Mezhdurechensk will be equipped with a children's traffic park, to teach kids practical lessons in road safety, as well as safety basics to pre-schoolers.
Owl House	A specialised medical sensory room will be set up at the Centre for Social Assistance to the Families and Children of Mezhdurechensk, which will be equipped with all necessary equipment to assist with the sensory development of children and adolescents with particular disabilities.

Volunteering

Volunteering initiatives have for a long time been popular in the regions where we operate. The Group's employees have a strong labour union movement presence, and our staff are highly organised; as a direct result of this, volunteering exists independently as an activity from the Group's headquarters, and because of this the Group does not have any official policy on volunteering, or a centralised volunteering programme. That said, for many years our employees have been helping and volunteering in various causes. EVRAZ employees have supported helping people in challenging life situations, children's

institutions, and organised social and sports events to raise funds and increase awareness.

Over the years of these activities there has been a series of annual events, including, for the third consecutive year, EVRAZ NTMK employees holding the Relay of Good Deeds project to help educational institutions in the Sverdlovsk Region. In addition, volunteering events are often unique, including when the employees from the Group's Moscow office volunteered to paint the corridors of the Children's Rehabilitation Centre in Moscow, in partnership with the Fun Corridor fund.

Case study

EVRAZ KGOK Spring City Day clean-ups

In Kachkanar volunteers from the local EVRAZ plant cleared rubbish that had accumulated over the winter in the city, including the forest park zone and the 10th micro district. It took only 90 minutes to collect enough rubbish from the area behind the local church to fill an entire Kamaz truck. The event took place on 27 May, which is the City Day of Kachkanar.

Case study

Orphanage No. 95 and Island of Hope

For over 70 years EVRAZ ZSMK employees have been sponsoring orphanage No. 95 and the orphanage Island of Hope. This year the women's public organisation of EVRAZ ZSMK, together with the primary labour union and management, continued in this regard work on the social adaptation of orphans and children left without parental care. The children attend classes where they are taught cooking, cutting, and sewing skills, independent housekeeping, and play sport and take part in competitions, visit cultural events, and attend vocational guidance classes. Also, financial aid is provided to orphanages.



Goals for 2020 and the midterm period

EVRAZ believes local communities, and the dialogue that we have developed with them over the years, to be of the utmost importance to us. This dialogue allows us to provide socio-economic support and assistance to the best of our abilities. We plan to continue developing sustainable

partnerships with local communities in the regions where we operate:

- In 2020, EVRAZ plans to continue to provide key socio-economic support to the cities and regions in which we operate: for Kids, for the City, and for Sports

- The Group will continue to expand its cooperative relationships with regional authorities
- The Group will develop a Social Investment Programme at ENA

Responsible supply chain



for a Better Future

2019 highlights

52.7%

total spending on local suppliers in EVRAZ ZSMK

Key events

-  Continued transformation of the supply chain organisational structure
-  Implementation of key performance indicators for the procurement function

Material topics

-  Procurement Practices

Global Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



GRI 102-9

Management approach

Through responsible and efficient supply chain management EVRAZ endeavours to ensure business continuity and to support sustainable operations throughout the entire value chain. In our business practices it is very important for us that we adhere to all applicable laws and our procurement principles.

Our strategic goal is to become the leader in the mining and steelmaking industry in Russia in terms of:

- The quality of services in production facilities
- Managing procurement costs
- Procurement function maintenance costs

In order to achieve this goal we have identified the main development areas for the supply chain function graph (see graph below).

The EVRAZ supply chain is headed by the Supply Directorate at the Management Company, whose functions include incorporating strategic goals into daily activities and ensuring that the Group’s segments operate smoothly. Supply chain functions in Coal segment, as well as the Ural and Siberia regions of Steel segment together create a uniform supply chain system led by the Management Company. Vanadium Operations are also supported by the Management Company regarding supply chain procedures. In the longer term, EVRAZ intends to include the integration of all enterprises into the Group’s supply chain system.

The **Policy on main procurement principles**, introduced in 2013, is the main regulatory document, which sets out the general procurement approach for all Group enterprises.

The EVRAZ approach to attaining strategic procurement goals



 **The document is in the public domain and can be accessed by all stakeholders on our official website (<https://www.evraz.com/ru/sustainability/supply-chain/#approach-and-policies>).**

During the reporting year EVRAZ updated the key functional document – Procurement Regulation – with a view to establishing a clear framework of rules for procurement procedures. It is planned that the document will be approved in 2020, and will be implemented in all business units, so that procurement processes are uniform across all segments.

In 2019, the Group expanded the range of specific regulatory documents governing supply chain management:

- The procurement decision authorisation matrix, which contains an algorithm for decision-making, was approved in October 2019
- A formal approach to savings for the Group, including setting goals based on benchmarking results

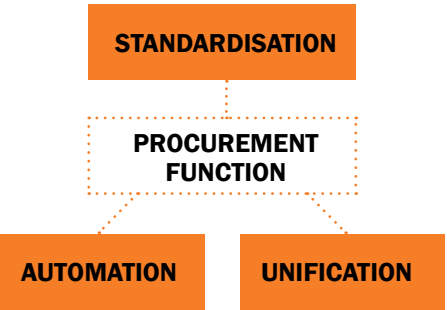
Establishing a system of integrated regulatory documents with clear requirements is an important step in enhancing the transparency of procurement processes.

EVRAZ also strives to create favourable conditions to facilitate the professional development of employees working in the procurement sphere. In the reporting period EVRAZ conducted staff assessments, and the results were used to prepare Staff Development Programmes for 2020.

SUPPLY CHAIN TRANSFORMATION RESULTS

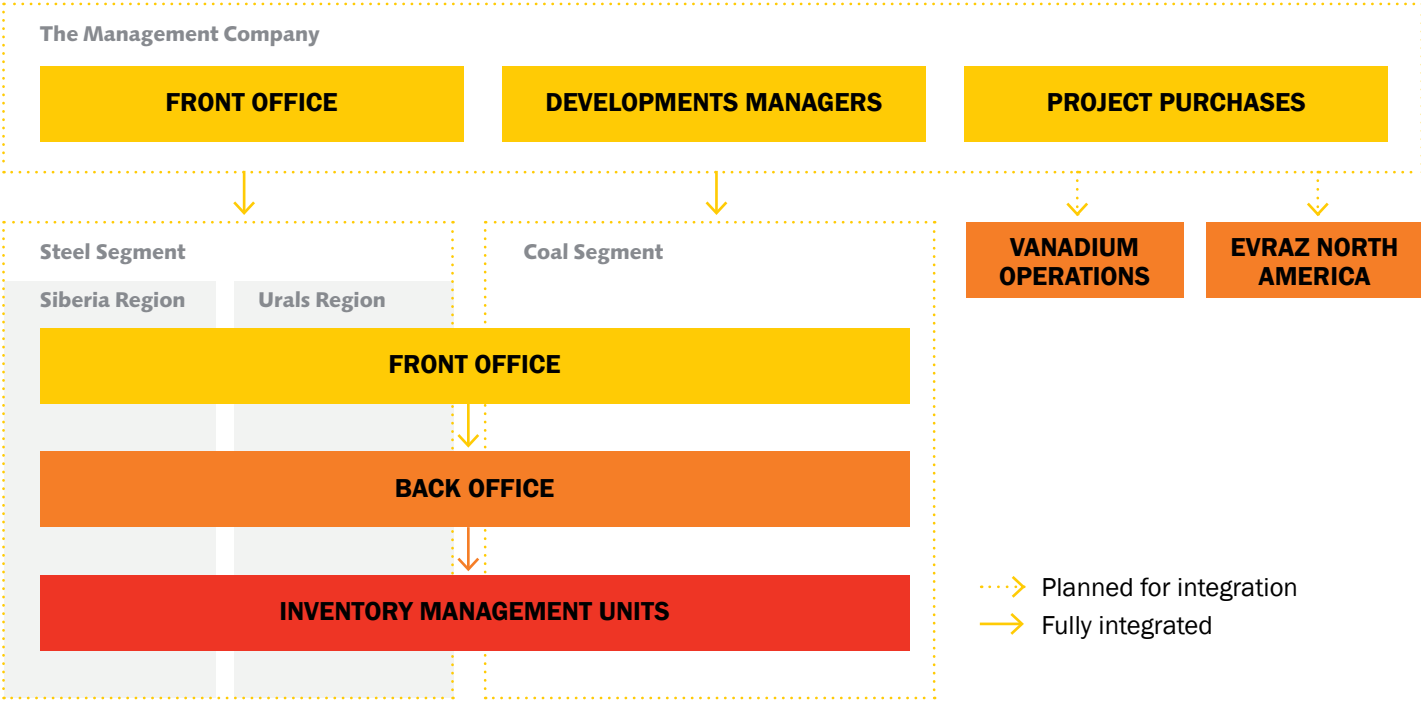
The EVRAZ supply chain transformation is based on three main pillars: standardisation, unification, and automation.

Development areas of the EVRAZ procurement function



In the reporting year, as the Group continued with the Transformation project, the vertically integrated structure of supply chain management underwent a number of changes. The new organisational model of the supply function comprises only front and back offices; the functions of previous middle offices are transferred to front offices. In 2020, we plan to continue transferring standard operation functions to back offices.

EVRAZ supply chain organisational structure update¹



In addition, the Group continued to update the allocation of responsibilities in the Group’s supply chain structure: in 2019, the Coal segment, as well as the Siberia region of the Steel segment, transferred their functionality of purchasing services to the Management Company.

The Group aims to maximise the automation of procurement stages in order to ensure a high level of transparency and efficiency. In 2019, up to 80% of purchases were conducted through electronic trading platforms (ETP):

- Internal ETP, based on the SAP SRM (supplier relationship management), covering interactions with suppliers of materials and commodities, equipment, and other inventory items
- External ETP, covering interactions with suppliers of services, and overall contractor market expansion

Another important step made by the Group to establish a centralised procurement function was introducing a set of key performance indicators (KPIs) to measure the efficiency of business processes. The performance of the Group’s supply departments is now calculated based on proposed indicators,

on a monthly basis for internal benchmarking purposes. Hence a competitive environment is created, and employees are encouraged to improve their own performance as well as boost the overall efficiency of functions in their respective segments.

In 2019, an external independent assessment of the Group’s supply function was performed to identify areas in need of development. Based on benchmarking against the largest companies in Russia and across the globe, the maturity level of the EVRAZ procurement function was determined. Following this process a target supply function state was developed, as well as a three-year roadmap for achieving it.


¹ In the figure the position of Development managers corresponds to the position of Efficiency managers, as disclosed in Sustainability Report 2018.

Promoting sustainability throughout the supply chain

As a global steel and mining company we recognise that our operations can potentially lead to social and environmental impacts. Not only does EVRAZ take responsibility for performing our operations in a sustainable way, but we also set high standards for our suppliers to ensure that a responsible value chain is in place. The Group seeks to work with suppliers that are committed to the principles of sustainable development.

During the selection stage potential suppliers are assessed based on their competencies vis-à-vis delivering a particular product or service. To demonstrate this, EVRAZ organises field inspections and supplier audits, checks the financial standing of a supplier, and assesses feedback.

EVRAZ also sets requirements for suppliers related to basic responsible business practice. These are set forth in the EVRAZ Code of Business Conduct. Clauses relating to business ethics and social liability for the supply chain, specifically adopting a policy of zero tolerance towards child labour, all forms of slavery, and anti-corruption requirements, are essential when signing contracts with suppliers.

 **For more information about our anti-corruption efforts, read page 22 of the section Ethics and business conduct.**

We also pay close attention to a supplier's approach to managing HSE issues. During pre-qualification procedures we carefully review assessment forms completed by potential suppliers in terms of safety and environmental protection issues. HSE experts from the Procurement Commission assess counterparties for compliance with the Group's HSE regulatory documents.



GRI 102-10

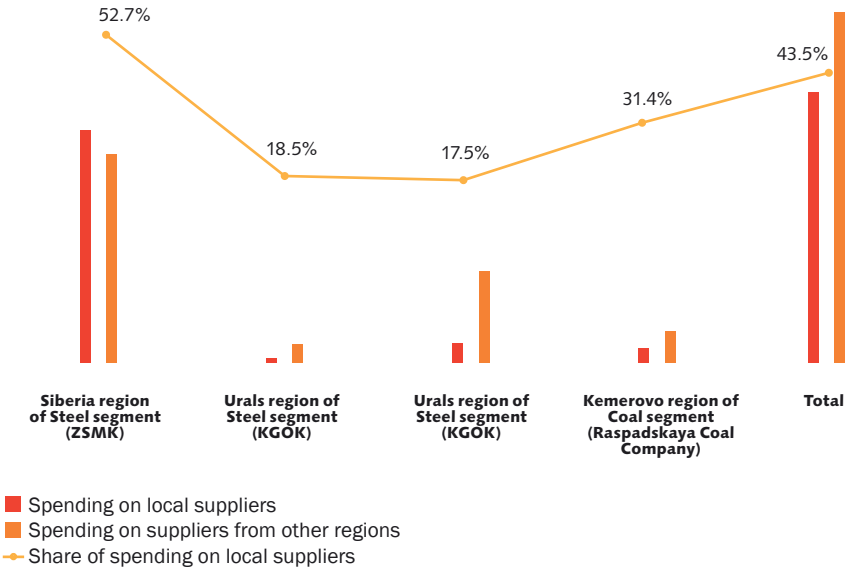
Contributing to the prosperity of regions of operation

Fruitful cooperation between EVRAZ enterprises and their local partners contributes to the socio-economic development of our regions of operation. The Group prioritises the procurement of goods and services from local suppliers that meet our requirements.

In 2019, no significant changes in our supply chain structure were recorded vis-à-vis the location of our suppliers. In the Coal segment (Raspadskaya Coal Company) and the Siberia region of the Steel segment procurement of personal protective equipment was outsourced (including the warehouse store). The total number of suppliers of the Group is 6,558, with total spending of US\$4,647 million¹, while the share of local suppliers in Group procurement was 43.5% (US\$1,298 million²). In the reporting period the leading enterprise in terms of spending on local suppliers was EVRAZ ZSMK with 52.7%.

GRI 204-1

Spending on local suppliers in EVRAZ supply chain and the share of total spending on local suppliers, 2019



Goals for 2020 and the midterm period

EVRAZ will continue to make efforts to enhance the quality and efficiency of procurement processes, as part of our major goal of integrating sustainability aspects into supply chain management.

For 2020 and the medium term actions to facilitate improving the supply chain were developed, in line with the supply chain strategy, the roadmap for developing the procurement function, and the results of external evaluations. The main tasks are as follows:

- Automating monthly KPI calculations and introducing management dashboards to display them
- Reviewing the business functions of back offices and transferring repetitive operations to them, while front offices focus on negotiations with suppliers and market analysis
- Developing automated supplier accreditations
- Optimising the process of tail spend items purchasing
- Making warehouse distribution optimisation initiatives
- Organising sessions with suppliers at production sites to come up with innovative collaboration ideas
- Implementing uniform web-portals for external suppliers and internal customers
- Developing category management and cross-functional interaction
- Developing employees' competencies in procurement
- Conducting benchmark analysis in procurement practices of competitors and implementing best practices

¹ The figure comprises data on EVRAZ ZSMK, EVRAZ KGOK, EVRAZ NTMK and Raspadskaya Coal Company (Novokuznetsk and Mezhdurechensk sites).
² The figure comprises data on EVRAZ ZSMK, EVRAZ KGOK, EVRAZ NTMK and Raspadskaya Coal Company.

Appendix 1 – GRI Content Index

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 102 General disclosures			
1. Organisational profile			
GRI 102–1	Name of the organisation	About the Report, p. 10	
GRI 102–2	Activities, brands, products, and services	What we produce, p. 7	
GRI 102–3	Location of headquarters	About the Group, p. 6	
GRI 102–4	Location of operations	Where we operate, p. 8-9	
GRI 102–5	Ownership and legal form		EVRAZ plc
GRI 102–6	Markets served	Who we are, p. 6 Annual report, p. 44	
GRI 102–7	Scale of the organisation	Where we operate, p. 6 What we produce, p. 7 Sustainability approach, p. 15	
GRI 102–8	Information on employees and other workers	Human rights, p. 47	Total number of employees by employment contract (permanent and temporary) is disclosed by gender only.
GRI 102–9	Supply chain	Management approach, p. 88	
GRI 102–10	Significant changes to the organisation and its supply chain	Contributing to the prosperity of the regions of our operations, p. 91	
GRI 102–11	Precautionary Principle or approach	Sustainability risk management, p. 26	
GRI 102–12	External initiatives	Approach to sustainability management, p. 20	
GRI 102–13	Membership of associations	Memberships of associations and institutions, p. 32	
2. Strategy			
GRI 102–14	Statement from senior decision-maker	Message from the CEO, p. 4	
3. Ethics and integrity			
GRI 102–16	Values, principles, standards, and norms of behavior	Approach to sustainability management, p. 22 Ethics and business conduct, p. 22	
4. Governance			
GRI 102–18	Governance structure	Approach to sustainability management, p. 19	
5. Stakeholder engagement			
GRI 102–40	List of stakeholder groups	Stakeholder engagement, p. 29	
GRI 102–41	Collective bargaining agreements	Social policy, p. 43	
GRI 102–42	Identifying and selecting stakeholders	Stakeholder engagement, p. 29	
GRI 102–43	Approach to stakeholder engagement	Identification of material topics, p. 17 Stakeholder engagement, p. 30	
GRI 102–44	Key topics and concerns raised	Stakeholder engagement, p. 29	
6. Reporting practice			
GRI 102–45	Entities included in the consolidated financial statements	Report boundaries, p. 10 Annual report, p. 232	
GRI 102–46	Defining report content and topic boundaries	Identification of material topics, p. 11	
GRI 102–47	List of material topics	Identification of material topics, p. 12	
GRI 102–48	Restatements of information		No significant restatements of information were made.
GRI 102–49	Changes in reporting		No significant changes from previous reporting periods in the list of material topics and topic Boundaries were made.
GRI 102–50	Reporting period	Annually	
GRI 102–51	Date of most recent report		April, 2019
GRI 102–52	Reporting cycle	Approach to reporting, p. 10	
GRI 102–53	Contact point for questions regarding the report	Contact Information, p. 13	
GRI 102–54	Claims of reporting in accordance with the GRI Standards	Approach to reporting, p. 10	

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 102–55	GRI content index	Appendix 1 – GRI Content Index, p. 92	
GRI 102–56	External assurance	Appendix 5 – Independent assurance report, p. 104	
Material topics			
GRI 200 Economic			
GRI 201 Economic performance			
GRI 103	Management Approach	Direct economic value generated and distributed, p. 33	
GRI 201–1	Direct economic value generated and distributed	Direct economic value generated and distributed, p. 33	
GRI 201–2	Financial implications and other risks and opportunities due to climate change	Climate change, p. 68	
GRI 202 Market presence			
GRI 103	Management Approach	Motivation and engagement, p. 40	
GRI 202–1	Ratios of standard entry level wage by gender compared to local minimum wage	Motivation and engagement, p. 41	The data without breakdown by gender.
GRI 203 Indirect economic impacts			
GRI 103	Management Approach	Local communities support projects, p. 78	
GRI 203–1	Infrastructure investments and services supported	Local communities support projects, p. 77	
GRI 203–2	Significant indirect economic impacts	Local communities support projects, p. 79-83	
GRI 204 Procurement practices			
GRI 103	Management Approach	Management approach, p. 88	
GRI 204–1	Proportion of spending on local suppliers	Contributing to the prosperity of the regions of our operations, p. 91	The information concerning the share of local suppliers is disclosed only for ZSMK, KGOK and Raspadskaya Coal Company due to data collection unavailability in other segments.
GRI 205 Anti-corruption			
GRI 103	Management Approach	Ethics and business conduct, p. 22	
GRI 205–2	Communication and training about anti-corruption policies and procedures	Ethics and business conduct, p. 23	
GRI 205–3	Confirmed incidents of corruption and actions taken	Ethics and business conduct, p. 24	
GRI 300 Environmental			
GRI 302 Eenergy			
GRI 103	Management Approach	Boosting energy efficiency, p. 69	
GRI 302–1	Energy consumption within the organisation	Boosting energy efficiency, p. 69	Energy consumption is disclosed for a limited number of enterprises that are stated in the text of relevant section.
GRI 302-3	Energy intensity	Boosting energy efficiency, p. 70	
GRI 303 Water			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Balancing water supply, p. 71	
GRI 303–1	Interactions with water as a shared resource	Balancing water supply, p. 71	
GRI 303–2	Management of water discharge-related impacts	Balancing water supply, p. 72	
GRI 303–3	Water withdrawal	Balancing water supply, p. 71	Water withdrawal is disclosed as a specific indicator per US\$ revenue.

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 303–4	Water discharge	Balancing water supply, p. 71	The indicator disclosed in part, without breakdown by type of destination.
GRI 303–5	Water consumption	Balancing water supply, p. 71	Total water consumption is disclosed for EVRAZ. The breakdown of water consumption by sources is disclosed for EVRAZ overall, as well as for each reporting segment.
GRI 304 Biodiversity			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Protecting biodiversity, p. 74	
GRI 304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting biodiversity, p. 74	Though EVRAZ’s enterprises are located far from protected natural areas or territories with high biodiversity value, and the activities of the Group do not have a direct significant impact on biodiversity, we still consider biodiversity issues one of the challenges to take action.
GRI 304–3	Habitats protected or restored	Protecting biodiversity, p. 74	Information concerning habitats protected or restored is disclosed as the size of areas rehabilitated.
GRI 305 Emissions			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Reducing air emissions, p. 67 Climate change, p. 68	
GRI 305–1	Direct (Scope 1) GHG emissions	Climate change, p. 68	
GRI 305–2	Energy indirect (Scope 2) GHG emissions	Climate change, p. 68	
GRI 305–4	GHG emissions intensity	Climate change, p. 68	Intensity of GHG emissions is calculated as GHG emissions (kg CO2) divided by consolidated revenue, broken down by the reporting segments. GHG emissions intensity is also disclosed as a specific metric per tonne of steel cast (t CO2e per tonne of steel cast).
GRI 305–5	Reduction of GHG emissions	Climate change, p. 68	In 2019, EVRAZ operations demonstrated an increase in GHG emissions both in Scope 1 and Scope 2 due to higher steel production and higher volumes of underground mining in Coal segment.
GRI 305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Reducing air emissions, p. 67	Key air emissions of EVRAZ include SOx, NOx, VOC, PM.
GRI 306 Effluents and waste			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Waste stewardship, p. 73	
GRI 306–2	Waste by type and disposal method	Waste stewardship, p. 73	The information is disclosed for the following: — total non-mining waste and by-product generated by EVRAZ enterprises, — shares of waste generated and received.
GRI 306–3	Significant spills		During the reporting period no significant environmental accidents occurred at the Group’s enterprises. Significant environmental accidents (first and second category incidents) comprise massive discharges into natural zones, hazardous emissions, the destruction of reservoirs, and fires at facilities.
GRI 307 Environmental compliance			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Environmental management, Management approach, p. 64	We make efforts to be compliant with all applicable environmental regulation and consistent with the expectations of our stakeholders.
GRI 307–1	Non-compliance with environmental laws and regulations	Environmental management, Management approach, p. 64	Total amount of environmental fines and penalties is disclosed for 2017–2019.

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 400 Social			
GRI 401 Employment			
GRI 103	Management Approach	Employees, Management approach, p. 36	
GRI 401–1	New employee hires and employee turnover	Personnel structure, p. 37	Employee turnover is disclosed by reporting segments only.
GRI 401–2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Motivation and engagement, p. 41	EVRAZ provides the same benefits both to full-time and part-time employees.
GRI 403 Occupational health and safety			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 50 Health and Safety management, p. 54	
GRI 403–1	Occupational health and safety management system	Health and Safety management, p. 54	
GRI 403–2	Hazard identification, risk assessment, and incident investigation	Health and Safety management, p. 54 Developing the safety culture, p. 56	
GRI 403–3	Occupational health services	Health, safety, and environmental governance, p. 50	
GRI 403–4	Worker participation, consultation, and communication on occupational health and safety	Health, safety, and environmental governance, p. 50	
GRI 403–5	Worker training on occupational health and safety	Developing the safety culture, p. 57	
GRI 403–6	Promotion of worker health	Treating occupational diseases, p. 61	
GRI 403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety management, p. 54, 55 Developing the safety culture, p. 57	
GRI 403–8	Workers covered by an occupational health and safety management system	Health, safety, and environmental governance, p. 49 Health and Safety management, p. 54	Despite the fact that only the main enterprises of the Group are certified for compliance with the OHSAS18001, all employees are covered by an occupational health and safety management system.
GRI 403–9	Work-related injuries	Occupational injury prevention p. 58	Injury rates are not included data on contractors as the number of hours worked is not recorded.
GRI 403–10	Work-related ill health	Treating occupational diseases, p. 61	There are no available statistics on the number of fatalities as a result of work-related ill health. The Group doesn’t collect data on contractors.
GRI 404 Training and education			
GRI 103	Management Approach	Learning and development, p. 44	
GRI 404–1	Average hours of training per year per employee	Learning and development, p. 45	
GRI 404–2	Programmes for upgrading employee skills and transition assistance programmes	Learning and development, p. 44-45	
GRI 405 Diversity and equal opportunity			
GRI 405	Management Approach	Human rights, p. 46	
GRI 405–1	Diversity of governance bodies and employees	Human rights, p. 46	
GRI 413 Local communities			
GRI 103	Management Approach	Community relations, Management approach, p. 78	
GRI 413–1	Operations with local community engagement, impact assessments, and development programmes	Community relations, Management approach, p. 78 Local community support projects, p. 79	

Appendix 2 – Task Force on Climate-related Financial Disclosures

№	Recommendations	Covered in the Report
1	Governance Disclose the organisation’s governance around climate-related risks and opportunities	Section “Sustainability risk management”, Figure “Organisational structure of sustainability risk management” The Group employs the same approach to identifying, evaluating, monitoring, and managing financial and non-financial risks. On a yearly basis the Group reassesses all risks in order to ensure that all of them are accounted for, and that effective risk management measures are developed.
2	Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material	Section “Sustainability risk management”, Table “The Group’s sustainability risks”
3	Risk management Disclose how the organisation identifies, assesses, and manages climate related risks	Section “Sustainability risk management”, Table “The Group’s sustainability risks” Management of climate change risks involves: participation in developing greenhouse gas emission regulations in Russia assessment of GHG emissions at all enterprises and setting reduction targets implementation of energy efficiency projects aimed at reducing energy intensity assessment of the applicability of using renewable sources
4	Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Section “Environmental strategy”, Figure “EVRAZ five-year environmental targets” Section “Climate change”, Figures “EVRAZ Scope 1 and 2 emissions, million tCO2e”, “EVRAZ Main Scope 1 emissions, million tCO2e” and “EVRAZ GHG emissions per consolidated revenue, kg CO2e/ US\$”

Appendix 3 – Scope of Environment indicators disclosure

WATER INDICATORS

1. EVRAZ NTMK

2. EVRAZ KGOK

3. EVRAZ ZSMK (including Evrazruda)

4. Raspadskaya Coal Company, including:

– Novokuznetsk site

– Mezhdurechensk site (Raspadskaya-Koksovaya mine, Obogatitelnaya Fabrika Raspadskaya, Razrez Rapsadskiy, TPTU, PAO Raspadskaya)
5. Mezhegeyugol Coal Company

6. Evraz Caspian Steel

7. Evraz Palini e Bertoli

8. EVRAZ Vanady Tula

9. Evraz Stratcor, Inc.

10. EVRAZ Nikom, a.s.

11. Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)

12. EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo)

13. EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)

14. EVRAZ DMZ (included in the figures for both 2017 and 2018, however, was sold in 2018)

15. EVRAZ Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017)

16. Yuzhkoks

AIR EMISSIONS INDICATORS

1. EVRAZ NTMK

2. EVRAZ KGOK

3. EVRAZ ZSMK (including Evrazruda)

4. Raspadskaya Coal Company, including:

– Novokuznetsk site (Tagaryshskaya mine, Centralnaya Obogatitelnaya Fabrika Abashevskaya, Centralnaya Obogatitelnaya Fabrika Kuznetskaya, Mine Uskovskaya, Mine Abashevskaya, Mine Alardinskaya, Mine Esaulskaya, Mine Osinnikovskaya, Yuzhkuzbassugol (including Mine Erunakovskaya 8, Mine Kusheyakovskaya, Mine Tomskaya)

– Mezhdurechensk site (TPTU, Raspadskaya-Koksovaya mine, PAO Raspadskaya, Razrez Rapsadskiy, OShPU, Obogatitelnaya Fabrika Raspadskaya, Montazhnik Rapsadskoy)
5. Mezhegeyugol Coal Company

6. Evraz Caspian Steel

7. Evraz Palini e Bertoli

8. EVRAZ Vanady Tula

9. Evraz Stratcor, Inc.

10. EVRAZ Nikom, a.s.

11. Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)

12. EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo)

13. EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)

14. EVRAZ DMZ (included in the figures for both 2017 and 2018, however, was sold in 2018)

15. EVRAZ Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017)

16. Yuzhkoks

WASTE INDICATORS

- 1. EVRAZ NTMK
- 2. EVRAZ KGOK
- 3. EVRAZ ZSMK (including Evrazruda)
- 4. Raspadskaya Coal Company, including:
 - Novokuznetsk site
 - Mezhdurechensk site
- 5. Mezhegeyugol Coal Company
- 6. Evraz Caspian Steel
- 7. Evraz Palini e Bertoli
- 8. EVRAZ Vanady Tula
- 9. Evraz Stratcor, Inc.
- 10. EVRAZ Nikom, a.s.
- 11. Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)
- 12. EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo)
- 13. EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)

GHG INDICATORS

- 1. EVRAZ Vanady Tula
- 2. EVRAZ ZSMK (including Evrazruda and Gurievsky rudnik)
- 3. EVRAZ KGOK
- 4. AVT-Ural
- 5. Mezhegeyugol Coal Company
- 6. Nakhodka Trade Sea Port (included only in the figure for 2017 due to asset disposition in 2017)
- 7. EVRAZ NTMK
- 8. EVRAZ Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017)
- 9. EVRAZ DMZ (included in the figures for both 2017 and 2018, however, was sold in 2018)
- 10. Yuzhkoks
- 11. Raspadskaya Coal Company, including:
 - Novokuznetsk site (ATP Yuzhkuzbassugol, Kuznetskpogruztrans, Centralnaya Obogatitelnaya Fabrika Abashevskaya, Centralnaya Obogatitelnaya Fabrika Kuznetskaya, Mine Abashevskaya, Mine Alardinskaya, Mine Esaulskaya, Mine Kusheyakovskaya, Mine Osinnikovskaya, Mine Uskovskaya, Mine Erunakovskaya 8)
 - Mezhdurechensk site (Raspadskaya mine, TPTU, Montazhnik Raspadskoy, Obogatitelnaya Fabrika Raspadskaya, Raspadskaya-Koksovaya mine, MUK-96, Razrez Raspadskiy)
- 12. Evraz Caspian Steel
- 13. EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo)
- 14. EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)
- 15. Evraz Palini e Bertoli
- 16. Evraz Stratcor, Inc.
- 17. Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)
- 18. EVRAZ Nikom, a.s.

Appendix 4 – Environmental performance

Indicator	Unit	2017	2018	2019	2019 vs. 2018		Definition	Comments
					Δ	%		
Air Emissions								
Key Air emissions	thousand tonnes	137.11	128.24	127.69	-0.55	-0.4		
SO _x	thousand tonne	58.18	51.30	45.38	-5.92	-11.5	Sulfur dioxide (SO ₂)	
NO _x	thousand tonnes	29.17	29.69	28.86	-0.83	-2.8	Sum of Nitric oxides (NO _x) as nitrogen dioxide (NO ₂)	
Dust	thousand tonnes	48.61	45.98	52.15	6.17	13.4	Sum of PM10 and PM25	
VOC	thousand tonnes	1.15	1.26	1.30	0.04	3.2	Volatile organic compounds	
CO	thousand tonnes	311.09	285.94	272.91	-13.03	-4.6	Carbon Monoxide (CO)	
Other	thousand tonnes	3.29	3.32	3.24	-0.08	-2.4	excl. CH ₄ , see “Greenhouse Gases “	
Greenhouse Gases								
GHG Scope 1	million tonnes CO ₂ e	36.68	34.56	39.06	4.50	13.0	Direct GHG emissions; sum of CO ₂ equivalent of CO ₂ , CH ₄ , N ₂ O, PFC, HFC, SF ₆ and NF ₃	Direct GHG emissions are emissions from sources that are owned or controlled by EVRAZ
CO ₂	million tonnes CO ₂ e	28.35	26.86	27.96	1.10	4.1	Carbon dioxide (CO ₂)	Direct CO ₂ emissions from operations were calculated using the carbon balance method for carbon flows within production facilities, including fuel use. Emissions of other GHGs were calculated based on measured volumes, inventory changes or IPCC2006 factors and models (including for post-mining coal methane emissions) where direct measurement data were not available.
CH ₄	million tonnes CO ₂ e	8.26	7.64	11.04	3.40	44.5	CO ₂ equivalent of methane (CH ₄) emission	
N ₂ O	million tonnes CO ₂ e	0.06	0.06	0.06	0.0	0.0	CO ₂ equivalent of nitrous oxide (N ₂ O) emission	
PFC and HFC	million tonnes CO ₂ e	0.00003	0.00009	0.00002	-0.00007	-77.8	CO ₂ equivalent of hydrofluorocarbons & perfluorocarbons emissions	
SF ₆	million tonnes CO ₂ e	-	-	-	-	-	CO ₂ equivalent of sulphur hexafluoride (SF ₆) emissions	
NF ₃	million tonnes CO ₂ e	-	-	-	-	-	CO ₂ equivalent of nitrogen trifluoride (NF ₃) emissions	
GHG Scope 2	million tonnes CO ₂ e	4.97	4.23	4.28	0.05	1.2	Indirect GHG emissions from consumption of purchased electricity, heat or steam	Scope 2 emissions are emissions associated with the generation of electricity, heating/ cooling, or steam purchased by EVRAZ assets for own consumption. Scope 2 emissions were estimated using emission factors specifically developed for the country or region, if available, or otherwise factors provided by UK Defra or given in National Inventory Reports.

Indicator	Unit	2017	2018	2019	2019 vs. 2018		Definition	Comments
Total GHG	million tonnes CO ₂ e	41.65	38.79	43.35	4.56	11.8	Calculation perimeter includes the following subsidiaries:	
GHG Steel Segment	million tonnes CO ₂ e	30.44	28.15	29.32	1.17	4.2	EVRAZ NTMK, EVRAZ KGOK, EVRAZ ZSMK,	
Scope 1	million tonnes CO ₂ e	27.02	25.47	26.58	1.11	4.4	Evrazruda, EVRAZ DMZ, EVRAZ, Vanady Tula, EVRAZ	
Scope 2	million tonnes CO ₂ e	3.42	2.68	2.74	0.06	2.2	Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom	
GHG Steel NA Segment	million tonnes CO ₂ e	1.45	1.39	1.41	0.02	1.4	EVRAZ Stratcor, EVRAZ Calgary, EVRAZ Camrose,	
Scope 1	million tonnes CO ₂ e	0.83	0.75	0.76	0.01	1.3	EVRAZ Portland, EVRAZ Pueblo, EVRAZ Red Deer, EVRAZ Regina,	
Scope 2	million tonnes CO ₂ e	0.62	0.64	0.65	0.01	1.6		
GHG Coal Segment	million tonnes CO ₂ e	9.76	9.25	12.61	3.36	36.3	Raspadskaya Coal Company, Mezhegeyugol	
Scope 1	million tonnes CO ₂ e	8.82	8.34	11.73	3.39	40.6		
Scope 2	million tonnes CO ₂ e	0.94	0.91	0.89	-0.02	-2.2		
GHG per t of steel cast	tCO ₂ e per tonne of steel cast	2.02	2.01	1.97	-0.04	-2.0		
GHG per net revenue	kg CO ₂ e / US\$	3.80	3.00	3.64	0.64	21.3		
GHG Steel Segment	kg CO ₂ e / US\$	3.90	3.20	3.60	0.40	12.5		
GHG Steel NA Segment	kg CO ₂ e / US\$	0.80	0.50	0.56	0.06	12.0		
GHG Coal Segment	kg CO ₂ e / US\$	4.40	4.00	6.24	2.24	56.0		
Water Management								
Total fresh water intake for production needs	million m ³	319.43	226.49	205.32	-21.17	-9.3		
surface water sources	million m ³	288.55	196.74	175.03	-21.71	-11.0		
ground water	million m ³	9.09	8.64	9.20	0.56	6.5		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	17.30	15.34	16.19	0.85	5.5		
other sources	million m ³	4.49	5.77	4.90	-0.87	-15.1		
Mine and quarry water usage for production needs	million m ³	21.15	17.36	21.22	3.86	22.2		
mine water	million m ³	11.78	11.01	13.70	2.69	24.4		
quarry water	million m ³	9.37	6.35	7.52	1.17	18.5		

Indicator	Unit	2017	2018	2019	2019 vs. 2018		Definition	Comments
Steel segment: fresh water intake for production needs	million m ³	274.08	183.18	164.66	-18.52	-10.1	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ (included in the figures for both 2017 and 2018, however, was sold in 2018), EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom, EVRAZ Stratcor, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo), EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)	
surface water sources	million m ³	255.88	166.67	148.05	-18.62	-11.2		
ground water	million m ³	4.88	4.69	4.74	0.05	1.1		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	12.40	11.18	10.78	-0.40	-3.6		
other sources	million m ³	0.92	0.64	1.09	0.45	71.0		
Iron Ore: fresh water intake for production needs	million m ³	37.90	34.21	32.13	-2.08	-6.1	EVRAZ KGOK, Evrazruda, EVRAZ Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017), Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)	
surface water sources	million m ³	32.51	30.03	26.86	-3.17	-10.6		
ground water	million m ³	0.61	0.58	0.54	-0.04	-7.0		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	4.35	3.39	4.72	1.33	39.1		
other sources	million m ³	0.43	0.21	0.01	-0.20	-94.1		
Mine and quarry water usage for production needs		11.56	7.66	8.84	1.17	15.3		
mine water	million m ³	2.19	1.88	1.88	0.00	0.0		
quarry water	million m ³	9.37	5.78	6.95	1.17	20.3		
Coal segment: fresh water intake for production needs	million m ³	7.45	9.10	8.52	-0.58	-6.3	Raspadskaya Coal Company, Mezhegeyugol	
surface water sources	million m ³	0.17	0.04	0.13	0.9	189.5		
ground water	million m ³	3.60	3.36	3.91	0.55	16.4		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	0.55	0.76	0.69	-0.08	-10.3		
other sources	million m ³	3.13	4.93	3.79	-1.14	-23.0		
Mine and quarry water usage for production needs		9.60	9.70	12.39	2.69	27.7		

Indicator	Unit	2017	2018	2019	2019 vs. 2018		Definition	Comments
mine water	million m³	9.60	9.13	11.82	2.69	29.4		
quarry water	million m³	0.00	0.57	0.57	0.00	0.0		
Fresh water withdrawal intensity	m³/tonne of steel cast	19.53	14.07	11.92	-2.15	-15.3		
Water discharge intensity	m³/tonne of steel cast	9.46	5.78	4.99	-0.79	-13.7		
Fresh water withdrawal intensity	m³/tonne of iron ore	2.61	2.54	2.34	-0.2	-7.9		
Water discharge intensity	m³/tonne of iron ore	0.97	0.89	0.93	0.04	4.5		
Fresh water withdrawal intensity	m³/tonne of raw coking coal	0.33	0.38	0.33	-0.05	-13.2		
Water discharge intensity	m³/tonne of raw coking coal	1.73	1.85	1.72	-0.13	-7.0		
Fresh water withdrawal intensity	m³/US\$ revenue	29.50	17.64	17.25	-0.39	-2.2		
Water recycled for use in own operations	%	90.4	92.8	93.3	0.50	0.5		
Total water discharge into water bodies	million m³	185.68	131.85	125.91	-5.93	-4.5		
Steel segment	million m³	132.75	75.27	68.90	-6.37	-8.5	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ (included in the figures for both 2017 and 2018, however, was sold in 2018), EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom, EVRAZ Stratcor, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo), EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)	
Iron Ore	million m³	14.01	12.03	12.86	0.83	6.9	EVRAZ KGOK, Evrazruda, EVRAZ Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017), Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)	
Coal segment	million m³	38.92	44.55	44.15	-0.40	-0.9	Raspadskaya Coal Company, Mezhegeyugol, EVRAZ NMTP (was sold in 2017)	
Waste & By-product Management								
Non-mining waste & by-product generation	kt	9,233.5	7,947.8	8,445.4	497.6	6.3		

Indicator	Unit	2017	2018	2019	2019 vs. 2018		Definition	Comments
Metallurgical by-product generation	kt	7,629.5	6,401.7	6,829.6	427.9	6.7		
General waste	kt	1,603.9	1,546.1	1,615.7	69.6	4.5		
non-hazardous waste generation	kt	1,533.5	1,471.9	1,547.4	75.5	5.1		
hazardous waste generation	kt	70.5	74.2	68.3	-5.9	-7.9		
Non-mining waste & by-product recycled	kt	9,666.7	8,846.8	8,881.2	34.4	0.4		
Non-mining waste & by-product non-recycled	kt	538.7	591.2	661.6	70.4	11.9		
Non-mining waste recycling or re-use rate	%	104.7	111.3	105.2	-6.1	-5.5		
Mining waste	kt	169,569.5	232,004.5	198,827.7	-33,176.8	-14.3		
Mining waste used	kt	50,353.5	62,049.0	75,467.9	13,418.9	21.6		
Mining waste recycling or re-use rate	%	29.7	26.7	38.0	11.3	42.3		
Environmental Management								
Environmental commitments	US\$ million	102	121	198.6	77.60	64.1	a documented and approved by regulator liability to perform corrective actions to be in compliance with environmental requirements applicable to a specific facility	Exchange rate as of 31 December report year
Environmental Liabilities (Site Restoration Provisions)	US\$ million	289	244	342	98.00	40.2	Site Restoration Provision – is a legal obligation associated with the retirement of a tangible long-lived asset (i.e. remediation work such as, land rehabilitation, removing underground fuel storage tanks, cleanup, etc.).	The amount of Environmental Liabilities is calculated using discounted amounts of future cash flows and disclosed in the Financial Statements as Site restoration provision. Exchange rate as of 31 December report year
Environmental levies and fines for non-compliance	US\$ million	2.6	2.2	5.0	2.80	127.3		
Cost of environmental compliance	US\$ million	30.7	30.1	30.3	0.20	0.7		
Investments to improve environmental performance	US\$ million	28	29.8	28.8	-1.00	-3.4		
Material environmental incidents	cases	0	0	0	0.00	-		
Public complaints	cases	29	36	31	-5.00	-13.9		
Compliance with REACH requirements	cases of non-compliance	0	0	0	0.00	-		

Appendix 5 – Independent Assurance Report on the Sustainability Report 2019



Ernst & Young LLC
Sadovnicheskaya Nab., 77, bld. 1
Moscow, 115035, Russia
Tel: +7 (495) 705 9700
+7 (495) 755 9700
Fax: +7 (495) 755 9701
www.ey.com/ru

ООО «Эрнст энд Янг»
Россия, 115035, Москва
Садовническая наб., 77, стр. 1
Тел.: +7 (495) 705 9700
+7 (495) 755 9700
Факс: +7 (495) 755 9701
ОКПО: 59002827
ОГРН: 1027739707203
ИНН: 7709383532



Independent Assurance Report on the Sustainability Report 2019

To the Board of Directors and Stakeholders of EVRAZ plc

Subject matter

At the request of EVRAZ plc (hereinafter ‘the Company’) we have obtained a limited level assurance on the qualitative and quantitative information disclosed in the Sustainability Report 2019 of EVRAZ plc (hereinafter ‘the Report’) except for the following matters:

- ▶ Forward-looking statements on performance, events or planned activities;
- ▶ Correspondence between the Report and the Task Force on Climate-related Financial Disclosures; and
- ▶ Statements of third parties on performance in the Report.

Applicable criteria

The criteria of our engagement were the Global Reporting Initiative’s Sustainability Reporting Standards (hereinafter ‘the GRI Standards’) and the sustainability reporting principles of the Company as set out in section ‘About this report’ of the Report. We believe that these criteria are appropriate given the purpose of our assurance engagement.

Management’s responsibilities

The management of the Company is responsible for the preparation of the Report and for the information therein to present fairly in all material respects sustainability policies, activities, events and performance of the Company for the year ended 31 December 2019 in compliance with the GRI Standards and the sustainability reporting principles of the Company that are described in section ‘About this report’ of the Report. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of a sustainability report that is free of material misstatements, selecting and applying appropriate reporting principles and using measurement methods and estimates that are reasonable in the circumstances.

Our responsibilities

Our responsibility is to independently express conclusions that:

- ▶ The information in the Report is, in all material respects, a fair representation of sustainability policies, activities, events and performance of the Company for the year ended 31 December 2019;
- ▶ The Report is prepared ‘in accordance’ with the GRI Standards using the Core option.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

Our engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by IFAC, and accordingly included the following procedures:

- ▶ Interviews with representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting;
- ▶ Analysis of key documents related to Company sustainability policies, activities, performance and relevant reporting;
- ▶ Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company and other engagement circumstances by reviewing the reporting process used for preparation of sustainability reports;
- ▶ Analysis of the Company stakeholder engagement activities via reviewing public hearings materials conducted by the Company;
- ▶ Benchmarking of the Report against sustainability reports of selected international and Russian peers of the Company and lists of sector-specific sustainability issues raised by stakeholders;
- ▶ Review of selection of corporate and external media publications with respect to the Company sustainability policies, activities, events, and performance in 2019;
- ▶ Analysis of material issues in field of sustainable development identified by the Company;
- ▶ Identification of sustainability issues material for the Company based on the procedures described above and analysis of their reflection in the Report;

- ▶ Review of data samples regarding key human resources, energy use, environmental protection, process safety and health and safety activities indicators for the year ended 31 December 2019 to assess whether these data have been collected, prepared, collated and reported appropriately at the central office level;
- ▶ Visit to EVRAZ ZSMK in order to interview executives responsible for human resources, environmental protection and health and safety and gather evidence supporting the assertions on the Company’s sustainability policies, activities, events, and performance made in the Report;
- ▶ Collection on a sample basis of evidence substantiating the qualitative and quantitative information included in the Report at the central office level;
- ▶ Assessment of compliance of the Report and its preparation process with Evraz plc sustainability reporting principles; and
- ▶ Assessment of compliance of information and data disclosures in the Report with the requirements of the Core option of reporting ‘in accordance’ with the GRI Standards.

Our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

E.V. Khramova
Partner
Ernst & Young LLC

27 April 2020

Details of the subject of the independent assurance

Name: EVRAZ plc
Entered in the Registrar of Companies for England and Wales 13 October 2011 and assigned registration number 7784342.
Registered address and location: 5th Floor, 6ST Andrew Street, London, EC4A 3AE.

Details of the assurance provider

Name: Ernst & Young LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
Ernst & Young LLC is a member of Self-regulatory organization of auditors Association “Sodruzhestvo”. Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information in the Report does not represent fairly, in all material respects, the sustainability policies, activities, events and performance of the Company for the year ended 31 December 2019 in accordance with the GRI Standards and sustainability reporting principles of the Company.

Nothing has come to our attention that causes us to believe that the Report is not prepared ‘in accordance’ with the GRI Standards using the Core option.