

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.

EVRAZ 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.

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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.