

## 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



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

With strong governance practices and reduced emissions intensity



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

With ambitions for improvement



**52/100 points in 2019**

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



**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.

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**Sustainable development organisational structure**

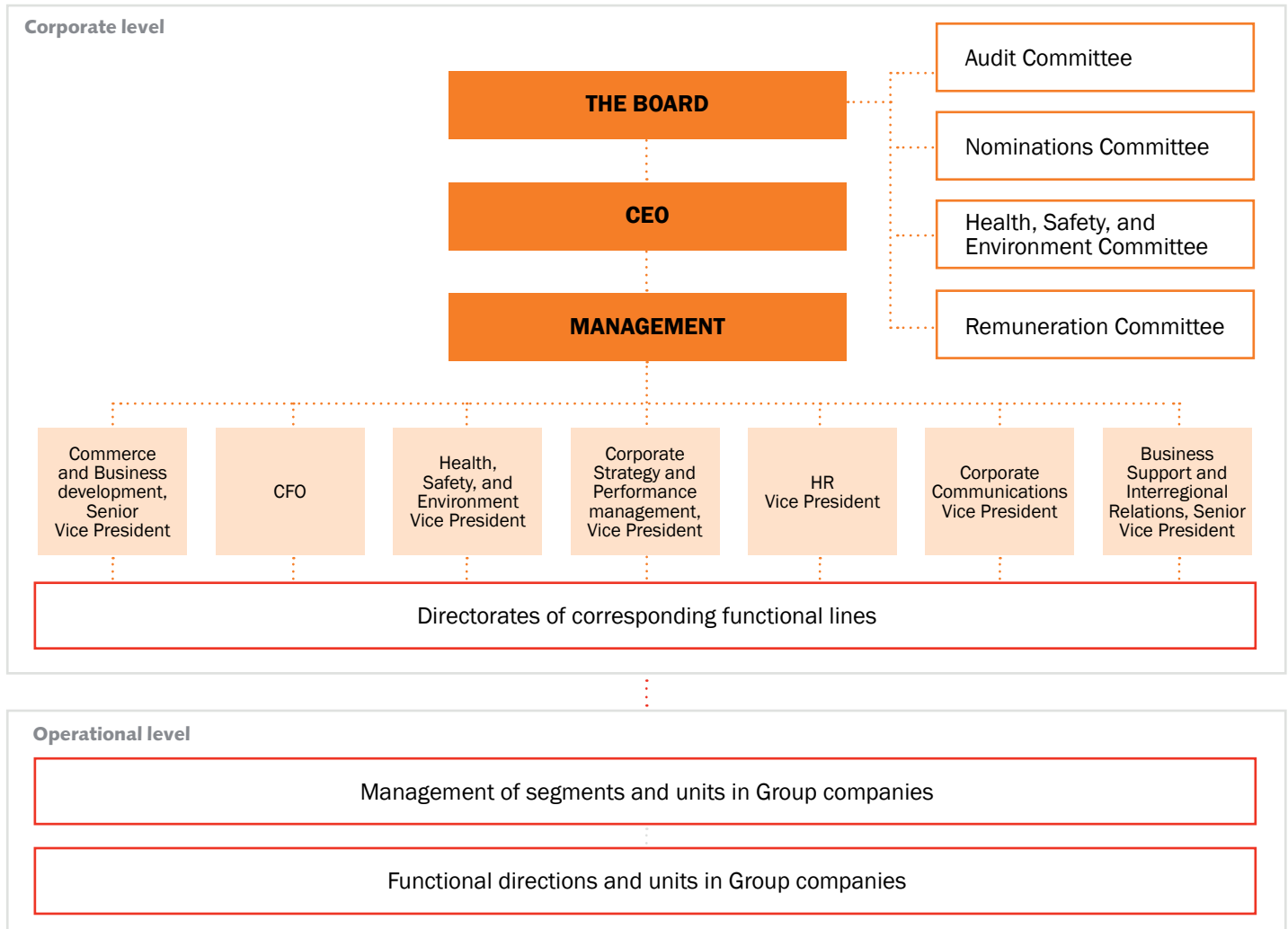
**KEY DOCUMENTS**

During the process of developing our sustainability approach, we elaborate and update internal documents regulating the area of sustainable development. The main documents developed for the Group and EvrazHolding are the following:

- The Code of Business Conduct
- The Health, Safety, and Environmental Policy
- Social Investments Guidelines
- The Anti-Corruption Policy
- The Hotline Policy
- The Policy on Main Procurement Principles

**ORGANISATIONAL STRUCTURE**

Sustainable development is managed at all organisational levels of the Group. The Group’s Board of Directors and committees determine the general course for the EVRAZ sustainable development, while the CEO and Management Board supervise and monitor activities related to sustainability. Directorates are accountable to vice presidents, and their duties include goal-setting and performing specific tasks corresponding to their functions. The managers of business segments implement sustainability initiatives in accordance with their business functions.



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



**SDG**

**Our inputs**

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