

## EVRAZ Modern Slavery Act Transparency Statement

EVRAZ plc, on its behalf and on behalf of its subsidiaries - full list of EVRAZ plc subsidiaries is published on its website - (collectively, "EVRAZ", "the Group", "the Company"), makes the following statement on modern slavery and human trafficking.

### BUSINESS AND ORGANISATIONAL STRUCTURE

EVRAZ is a large steel, mining and vanadium business with production facilities in the Russian Federation, the USA, Canada, the Czech Republic and Kazakhstan. There are three main sectors of our operations, as follows:

- 1) steel segment represented in Russia, the Czech Republic and Kazakhstan,
- 2) coal segment in Russia, and
- 3) steel North America segment in the USA and Canada.

The Group has customers in more than 70 countries, among them steel rolling facilities, wholesale companies and traders, railways and rail carriers, industrial and construction companies, steelmaking facilities, and energy transmission operators.

We primarily engage our suppliers for the following goods and services:

- geological exploration, appraisal, mining and mineral extraction services and equipment, transportation of minerals, and manufacturing and sale of our products; and
- security and facilities management at our offices and the provision of agency and temporary staff.


EVRAZ has more than 70,000 employees worldwide, 93.8% are based in Russia and CIS, 6% in North America and 0.2% in Europe. According to the Global Slavery Index, these regions are of low and moderate risk. Our extensive customer and supplier base is, however, more geographically diverse and we acknowledge the positive impact EVRAZ can have on creating transparent business procedures and partnership relations, and we strive to do so.

Additional information to this section can be found on our website at <https://www.evraz.com/en/>.

### OUR COMMITMENT

EVRAZ does not tolerate any form of slavery, servitude, forced or compulsory labour, human trafficking and other forms of slavery which are strictly prohibited at all EVRAZ subsidiaries and by their suppliers.

We are committed to acting ethically and require that our suppliers carry out their business within the same ethical framework. We conduct risk assessments to determine which parts of our business and which of our suppliers and subcontractors are at risk of committing modern slavery acts. We engage with our suppliers regarding modern slavery issues to understand better the steps they have taken to prevent any occurrence of modern slavery in

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their businesses. We will also perform due diligence throughout the lifecycle of our own operations to determine whether a remedial action is required.

EVRAZ commitments are based on the best international standards and practices. We adhere to the principles of the UN Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and OECD's Guidelines for Multinational Enterprises in all of our sustainable development activities.

To show our commitment to the principles set out in the above mentioned documents, in addition to our Code of Business Conduct and Anticorruption policy, we developed two additional formal policies in 2019 (adopted in 2020): a Human rights policy and a Diversity and inclusion policy, which among articulate our commitment towards human rights, prohibition of all forms of slavery, diversity prosperity and other ethical issues.

Previously, we drafted and started to use a model clause in contracts that we enter into. The clause on combating modern forms of slavery obliges the other party to comply with and to ensure the compliance of any subcontractors involved by such a party with all applicable laws and regulations related to modern slavery. In 2019, this clause was reviewed and updated by EVRAZ to reflect amendments to international or local regulations and current best practice.

During the reporting year, EVRAZ amended the key functional document – Procurement Regulation (updated version adopted in 2020) – to establish a clear framework of rules for procurement procedures. The updated Procurement Regulation has been implemented in all business units, so that procurement processes are now uniform across all segments. In 2019, we also expanded the range of specific regulatory documents governing supply chain management.


As a global company, we have employees and partners from countries where laws and regulations differ from our policies. In this case we apply any higher standard in place respecting human rights and mitigating the risk of modern slavery occurrence.

## **RECRUITMENT**

As an employer, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking and ensure that no job applicant or employee receives unfavourable treatment. We have a robust and transparent recruitment and selection process. The Group adheres to all applicable laws and industry standards on employee wages, benefits, working hours and minimum age in all countries of our operation.

Where we engage suppliers to source candidates, we ensure strict compliance checks are carried for all candidates that are introduced. We have in place a process to undertake due diligence on our supply chain network and verify the identity of each worker and their right to work before supply commences.

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

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significantly upgraded in the reporting period. In December 2019, the recruitment process for some of the Group's segments was automated using the Huntflow system (cloud solutions). This innovation was introduced in Russia and enhanced the transparency of the process, both for recruiters and potential employees. In addition, a new recruitment centre was established, 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.

In 2019, EVRAZ for the first time held an educational event for recruiters. Recruitment specialists were brought together to study new practices, share experience, and participate in professional workshops. Special attention was paid to violation of fundamental human rights.

#### **TRAINING AND AWARENESS**

As a part of onboarding process every employee completes our training on labour protection, which covers such topics as human rights and diversity, prohibition of any form of child labour, bonded labour, human trafficking and other forms of slavery, conflicts of interest and other ethical issues.

Every meeting which assembles more than 15 people, starts with a "five-minute-safety-alert", where the speaker reminds the colleagues about EVRAZ safety rules and principles, including strict observance of labour conditions and prohibition of any form of slavery.

#### **MONITORING**


There are several functional teams in EVRAZ, who are responsible for ensuring our compliance with laws and regulations, including all those aiming to prevent modern slavery, and that our business processes are transparent. These include the Legal, Compliance, HR and Internal Audit teams, all of whom monitor compliance with our processes and continuously review and extend our policies to reflect international best practice.

Our policies and internal procedures are reviewed on a regular basis.

Based on the results of our risk assessments, we conduct due-diligence 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.

#### **REPORTING**

To prevent and minimize the risks of any form of slavery occurring, we have created two separate confidential and round-the-clock hotlines through which anyone can report their concerns about any kind of breaches in EVRAZ or our suppliers. We protect employees who raise their concerns in good faith, even if they turn out to be mistaken. We are committed to ensuring no employee suffers any adverse treatment as a result of reporting in good faith their concerns or suspicions of discrimination or harassment taking place in our business or

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in any of our supply chains. Any claims or allegations made which are found to be malicious or vexatious will result in disciplinary action being taken against the employee.

There are also EVRAZ's Hotline Committee and the Hotline Team, which comprise senior executives which handle complicated, controversial, or sensitive issues submitted via these channels. The Group uses these specialists to be confident that serious and appropriate measures are taken to address all reports. In 2019, 41 complaints were submitted via these lines. None of them were reports raising modern slavery issues.

### **IMPACT OF COVID-19**

Our main priority is the life and health of our employees, as well as safety and tranquility in the cities where EVRAZ enterprises are located. We are monitoring the spread of the virus together with health care authorities and insurance companies to make timely decisions to ensure the safety of our employees and their families. Since March 2020, in response to the coronavirus pandemic EVRAZ has introduced additional safety measures to protect its people and ensure continued operations. These include, among other things:

- Significant reduction of domestic and cancellation of overseas business travel;
- Two-week isolation, with full salary, for all employees returning from trips abroad, either personal or work-related;
- Enabling remote working, provision of additional personal protection equipment for employees who must come to work, including eye protectors, respirators and gloves;
- Installation of thermal imaging devices and pyrometers at the entrances to our facilities to monitor people's temperatures;
- Elimination to the extent possible of large gatherings (with social distancing when they must take place), and cancellation of all major corporate, sporting and entertainment events; and
- Increase of supplies of antiseptic and disinfectant products in communal areas, regular sanitation of facilities and transport.


EVRAZ periodically publishes measures and newsletters related to Covid-19 on its website to keep our employees and suppliers aware of behavioral features, social distancing and personal protection.

We are also strengthening the resilience of our supply networks and our procurement teams are looking into supporting small suppliers and vulnerable workers. EVRAZ is a responsible business, interested in all our suppliers, no matter of their profile and size, honoring their contracts as well as our orders.

Despite Covid-19 related challenges and market downturns, EVRAZ remains committed to the highest standards of ethical business conduct.

### **OUR PLANS FOR THE FUTURE**

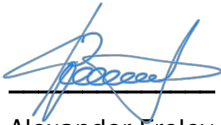
In the context of a rapidly changing landscape, EVRAZ is alert to the heightened modern slavery risks and it will remain a key focus. We will keep our Board of Directors updated on emerging or heightened risks in our operations and supply chains. We will continue to map our supply chains of impacted contracts, identifying areas for further investigation, support,

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monitoring and awareness. We also plan to enhance references to modern slavery in training for our employees who are purchasing or liaising with suppliers.

This statement has been made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes EVRAZ slavery and human trafficking statement for the financial year ended December 31, 2019.

**This statement has been approved by the Board of Evraz plc on June 16, 2020.**

A handwritten signature in blue ink, appearing to read "Alexander Frolov", written over a horizontal line.

Alexander Frolov

Chief Executive Officer

June 16, 2020