OUR SUSTAINABILITY APPROACH

EVRAZ awards in 2019
Sustainability ratings
Approach to sustainability management
Ethics and business conduct
Sustainability risk management
Stakeholder engagement
Memberships of associations and institutions
Direct economic value generated and distributed

DEVELOPING OUR EMPLOYEES

Management approach
Personnel structure
Recruitment and adaptation
Motivation and engagement
Social policy
Learning and development
Human rights
Goals for 2020 and the midterm period

EVOLVING HEALTH, SAFETY, AND ENVIRONMENT

Health, safety, and environmental governance
External Initiatives
Health and Safety management
Developing the safety culture
Occupational injury prevention
Transport safety
Treating occupational diseases
External OHS activities
Emergency prevention and response

SUPPORTING LOCAL COMMUNITIES

Management approach
Local community support projects
Volunteering
Goals for 2020 and the midterm period

RESPONSIBLE SUPPLY CHAIN

Management approach
Promoting sustainability throughout the supply chain
Contributing to the prosperity of regions of operation
Goals for 2020 and the midterm period

APPENDIX

Appendix 1 – GRI Content Index
Appendix 2 – Task Force on Climate-related Financial Disclosures
Appendix 3 – Scope of Environment indicators disclosure
Appendix 4 – Environmental performance
Appendix 5 – Independent Assurance Report on the Sustainability Report 2019
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.

The occupational health and safety of our employees and contractors is of the utmost importance to the Group. We strive to mitigate projects risks and to reduce occupational hazards by organisational 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 Raspayisky 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 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 rate and annually review it. In the reporting year the Group introduced the remuneration system at manufacturing enterprises.

The project also includes new “Quick wins programme” in the course of which teams learn on identifying risks and implementing relevant measures. Moreover, the Group developed new training programmes, new risk assessment matrix and elaborated risk training 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 Recipe. 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.

In 2019 EVRAZ pays great attention to the health and wellbeing 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.

The Group conducts 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 implementing various volunteering projects and initiatives, including supporting children and people in challenging life circumstances.

In 2019 the Group conducted our traditional corporate television project. “Family 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.
Our Sustainability approach

Who we are

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 specialization 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.

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).

What we produce

Main and ancillary products

<table>
<thead>
<tr>
<th>Type of products</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction products</td>
<td>EVRAZ steel is used to construct bridges, residential homes, office buildings, and stadiums.</td>
</tr>
<tr>
<td>Railway products</td>
<td>EVRAZ is one of the largest and most advanced manufacturers of railway products in the world. Our products include rail tracks for trains and metros, parts for carriages, and train wheels.</td>
</tr>
<tr>
<td>Tubular products</td>
<td>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 pipe used in construction, energy exploration, and production.</td>
</tr>
<tr>
<td>Industrial products</td>
<td>EVRAZ is a major player in the industrial market. Our product line serves the following sectors: Mining, Machine-building, Hardware</td>
</tr>
<tr>
<td>Vanadium products</td>
<td>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.</td>
</tr>
<tr>
<td>Raw materials</td>
<td>For main metallurgical production EVRAZ also extracts the raw materials such as iron ore, coking coal, and limestone.</td>
</tr>
</tbody>
</table>

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

APPRAOCH TO REPORTING

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/

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.

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:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Enterprise (referenced in the Report)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel segment</td>
<td>EVRAZ Consolidated West Siberian Metallurgical Plant (EVRAZ ZSMK) (including Evraznuta)</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Nizhny Tagil Metallurgical Plant (EVRAZ NTMK)</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Kachkanarsky Mining and Processing Integrated Works (EVRAZ KGOK)</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Caspian Steel</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Yamady Tula</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Nikom</td>
</tr>
<tr>
<td>Coal segment</td>
<td>Raspadskaya Coal Company (Mezhdurechensk and Novokuznetsk sites)</td>
</tr>
<tr>
<td></td>
<td>Mezhnevolynsk Coal Company</td>
</tr>
<tr>
<td>Steel, North America segment</td>
<td>EVRAZ Inc. Jr (including EVRAZ Portland, EVRAZ Pueblo)</td>
</tr>
<tr>
<td></td>
<td>EVRAZ Inc. NA Canada (including EVRAZ Commerce, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)</td>
</tr>
<tr>
<td>Other</td>
<td>Sales, services, and logistics companies</td>
</tr>
</tbody>
</table>

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

1. OPEN SOURCE ANALYSIS
   - Analysis of industry trends and risks
   - Analysis of public sources about the Company
   - Benchmarking material topics disclosed by peers
   - Aligning the preliminary list of material topics with the sustainability goals identified as being relevant for the Company and for investors

2. STAKEHOLDER FEEDBACK COLLECTION AND ANALYSIS
   - Interviews with members of the Working Group, comprising representatives from functional units engaged in managing sustainability-related issues
   - Analysis of internal/external stakeholder requests and survey results

3. COMPILING A LIST OF MATERIAL TOPICS
   - Preliminary list of material topics
   - Updated list of material topics
   - Agreed list of material topics to be included in the Report

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.
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).

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.

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.

**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.

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).

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.

**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.

See Independent Assurance Statement on p. 104

**CONTACT INFORMATION**

Please send any questions and suggestions you have to:

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

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**Matrix of material topics of the Report**

GRI 302-47

**Material topics**

<table>
<thead>
<tr>
<th>Category</th>
<th>№</th>
<th>Topic</th>
<th>Page number</th>
<th>Within the Group</th>
<th>Outside the Group</th>
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<tbody>
<tr>
<td>Economic</td>
<td>1</td>
<td>Economic performance</td>
<td>33, 68</td>
<td>V</td>
<td>Y</td>
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<td></td>
<td>2</td>
<td>Market presence</td>
<td>40-41</td>
<td>V</td>
<td>V</td>
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<tr>
<td></td>
<td>3</td>
<td>Indirect economic impacts</td>
<td>77-83</td>
<td>V</td>
<td>V</td>
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<tr>
<td></td>
<td>4</td>
<td>Anti-corruption</td>
<td>22-25</td>
<td>V</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Procurement impacts</td>
<td>88-91</td>
<td>V</td>
<td>V</td>
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<tr>
<td>Environmental</td>
<td>6</td>
<td>Energy</td>
<td>69-70</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Water</td>
<td>50, 71-72</td>
<td>V</td>
<td>Y</td>
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<tr>
<td></td>
<td>8</td>
<td>Biodiversity</td>
<td>50, 14</td>
<td>V</td>
<td>V</td>
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<tr>
<td></td>
<td>9</td>
<td>Emissions</td>
<td>50, 67-68</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Effluents and waste</td>
<td>50, 13</td>
<td>V</td>
<td>Y</td>
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<tr>
<td></td>
<td>11</td>
<td>Environmental compliance</td>
<td>50, 84</td>
<td>V</td>
<td>-</td>
</tr>
<tr>
<td>Social</td>
<td>12</td>
<td>Employment</td>
<td>38, 39, 40</td>
<td>V</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>Occupational health and safety</td>
<td>50, 64-65</td>
<td>V</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>Training and education</td>
<td>44-45</td>
<td>V</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>Diversity and equal opportunity</td>
<td>48</td>
<td>V</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Local communities</td>
<td>18-19</td>
<td>V</td>
<td>Y</td>
</tr>
</tbody>
</table>
Our Sustainability approach for a Better Future

2019 highlights

- $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 hours
- 1.97 tCO₂e per tonne of steel cast GHG intensity rate
- $28.8 million invested in improving environmental performance

Global Sustainable Development 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

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

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

EVRAZ awards in 2019

<table>
<thead>
<tr>
<th>Award/Contest</th>
<th>Project</th>
<th>Place</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannes Corporate Media and TV Awards</td>
<td>What choice would you make? Video series</td>
<td>Shortlist</td>
<td></td>
</tr>
<tr>
<td>Association of Directors for Communication and Corporate Media of Russia: Digital Communications Awards 2019</td>
<td>Power of Generations</td>
<td>1 place</td>
<td>Best content solution</td>
</tr>
<tr>
<td>Steel Dynasties</td>
<td>1 place</td>
<td>Employer &amp; Brand</td>
<td></td>
</tr>
<tr>
<td>IPRA Golden World Awards 2019</td>
<td>High Five! corporate race</td>
<td>1 place</td>
<td>Sport – Inhouse</td>
</tr>
<tr>
<td>Metal-Expo 2019: Metal-Vision 2019 competition</td>
<td>Short film “Stronger than Steel”</td>
<td>1 place</td>
<td>Best sound engineering</td>
</tr>
</tbody>
</table>

Sustainability ratings

EVRAZ sustainability ratings

<table>
<thead>
<tr>
<th>Key events</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI</td>
</tr>
<tr>
<td>With strong governance practices and reduced emissions intensity</td>
</tr>
<tr>
<td>ISS</td>
</tr>
<tr>
<td>With ambitions for improvement</td>
</tr>
<tr>
<td>ROBECOSAM</td>
</tr>
<tr>
<td>A more than two-fold rise in the economic and environmental dimensions score in 2019</td>
</tr>
<tr>
<td>SUSTAINALYTICS</td>
</tr>
<tr>
<td>With leading positions on environmental issues among industry peers</td>
</tr>
</tbody>
</table>
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.

See the section Ethics and business conduct, p 22; and Direct economic value generated and distributed, p 33

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

See the sections Developing our employees Employees, p 34, and Health and Safety management, p 54

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

See the section Environmental management, p 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.

See the section Supporting local communities, p. 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 see 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.

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 302-18
Sustainable development organisational structure

Corporate level

THE BOARD
Audit Committee
Nominations Committee
CEO
Health, Safety, and Environment Committee
MANAGEMENT
Remuneration Committee

Directorates of corresponding functional lines

Operational level

Management of segments and units in Group companies

Functional directions and units in Group companies
Our Sustainability approach

The United Nations General Assembly adopted the Sustainable Development Goals (SDGs) 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 SDGs. 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

**FOCUS FOR 2019**

Ensure healthy lives and promote well-being for all at all ages
- High medical insurance standards for our employees and their families
- Projects to promote healthy lifestyles among our employees, with particular attention to young specialists and communities in our regions of operation
- Investing in building sports facilities in our regions of operation

See the sections Developing our employees, p. 34; Evolving health, safety, and environment, p. 48; Supporting local communities, p. 76

**FOCUS FOR 2019**

Ensure the availability and sustainable management of water and sanitation for all
- Reducing fresh water consumption, including water from surface sources
- Increasing the quality and volume of recycled water

See the section Environmental management, p. 64

**FOCUS FOR 2019**

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all
- Meeting our tax liabilities
- Providing equal social guarantees and creating equal opportunities to facilitate high-performance work and professional growth among our employees
- Providing healthy and safe working conditions
- Employment creation in our regions of operation

See the sections Developing our employees, p. 34; Evolving health, safety, and environment, p. 48; Supporting local communities, p. 76; Responsible supply chain, p. 86

**FOCUS FOR 2019**

Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation
- Investing in infrastructure development projects in our regions of operation

See the section Supporting local communities, p. 76

**FOCUS FOR 2019**

Ensure sustainable consumption and production patterns
- Reducing the volume of waste generated during production activities
- Increasing the volume of waste recycled

See the section Environmental management, p. 64

**FOCUS FOR 2019**

Take urgent action to combat climate change and its impacts
- Reducing CO2 emissions by lowering the consumption of energy resources and through improving efficiency

See the section Environmental management, p. 64

**FOCUS FOR 2019**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Providing professional education opportunities for all our people
- Supporting social projects to facilitate education and to improve conditions in regional educational institutions

See the sections Developing our employees, p. 34; Supporting local communities, p. 76

**FOCUS FOR 2019**

Ensure access to affordable, reliable, sustainable, and modern energy for all
- Lowering electricity use in each segment of the Group
- Promoting initiatives to generate electricity in-house

See the section Environmental management, p. 64

**FOCUS FOR 2019**

Make cities inclusive, safe, resilient, and sustainable
- Investing in the development of social infrastructure in our regions of operation
- Agreements with local authorities to raise living standards
- Improving facilities in our regions of operation

See the section Supporting local communities, p. 76

**FOCUS FOR 2019**

Promote peaceful and inclusive societies for sustainable developments, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Compliance with applicable legislation, including human rights protection law
- Proactively implementing anti-corruption and bribery initiatives, discouraging conflicts of interest
- Working with the state authorities to meet the needs of local communities

See the sections Our Sustainability approach, p. 14; Developing our employees, p. 34

**FOCUS FOR 2019**

Strengthen the means of implementation and revitalise the global partnership for sustainable developments
- Implementing and supporting sustainability initiatives promoted by Russian and international sector associations and institutions

See the sections Environmental management, p. 64; Responsible supply chain, p. 86
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 EvrazHoldings. 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, see 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 EVRAZ business. 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 answers 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 charitable 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.

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 main documents regulating anti-corruption risk management are:

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

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 setting of business partners, and contract approvals.

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

RAISING AWARENESS OF ETHICAL BUSINESS CONDUCT

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.

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

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.

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/StaffPages/Hotline.aspx

- **The EVRAZ North America whistleblowing line:**
  - email: hotline@evraz.com
  - toll-free number: 866-334-1777

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 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 received in compliance with the above procedure. This is a tool that gains in popularity each year.

In 2019, 34 security and fraud and corruption-related complaints were submitted via the EVRAZ North America 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.

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 received in compliance with the above procedure. This is a tool that gains in popularity each year.

### Working process of the Corporate Whistleblowing line

#### 1. INDIVIDUAL MAKING A REPORT

**Communication through available channels:**
- email (vopros@evraz.com and hotline@evraz.com),
- the hotline phone number,
- and internal corporate portals

#### 2. CONTACT CENTRE

**Key role:** collecting and registering reports

**Corporate Whistleblowing line: reports are received and registered by an in-house contact centre**

**ENA Whistleblowing line: reports are received and registered by a third party, Navex Global**

#### 3. RESPONSIBLE EXECUTIVE

**Key role:** ensuring the transparency, swiftness, and independence of whistleblowing procedures

**Corporate Whistleblowing line:** Vice President of Corporate Communications, Internal Audit Director

**ENA Whistleblowing line:** General Counsel and Corporate Secretary, Internal Audit Director, Director of Corporate Security

#### 4. SERVICES RESPONSIBLE FOR HANDLING REPORTS

**Key role:** investigating issues and preparing appropriate responses/solutions

At the end of the investigation feedback is provided to the person that submitted the report (if the message is not anonymous)
Sustainability risk management

Organisational structure of sustainability risk management

Corporate level

**BOARD OF DIRECTORS**

Key functions:
The Board of Directors oversees the risk management process and approves the Group’s risk appetite.

**AUDIT COMMITTEE**

The Audit Committee supports the Board of Directors in monitoring risk exposure against risk appetite and reviews the effectiveness of the risk management system.

**CEO**

Key functions:
The CEO has ultimate responsibility for risk management and is tasked with ensuring that the risk management system is well organised.

**RISK MANAGEMENT GROUP**

The Risk Management Group plays a key role in identifying, assessing, and monitoring Group-wide risks and mitigation actions.

Operational level

**REGIONAL BUSINESS UNIT MANAGEMENT TEAMS**

Key functions:
Regional business unit management teams are responsible for adopting regional risk appetite and identifying, assessing, and managing risks at a regional level.

**SITE LEVELS**

Site levels identify, assess, and mitigate against sustainability risks at an operational level and play a key role in raising risk awareness and promoting a culture of safety.

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

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Risk management actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSE: environment</td>
<td>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.</td>
<td>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 factors. Implementation of air emissions and water use reduction programmes at plants. Waste management improvement programmes. Most of EVRAZ operations are certified under ISO 14001 and the Group continues to work towards bringing the remaining plants to ISO 14002 requirements. EVRAZ is currently compliant with REACH requirements. Participation in development of GHG emissions regulation in Russia. Reduction in GHG emissions as a positive side-effect of energy efficiency projects. While 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.</td>
</tr>
<tr>
<td>HSE: safety, health</td>
<td>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.</td>
<td>Management places significant emphasis on safety performance and the standardisation of critical safety programmes. Implementation of an energy isolation programme. Further development of a programme of behaviour safety observations which drives a more proactive approach to preventing injuries and incidents. A series of health and safety initiatives related to underground mining. Maintenance and repair modernisation programmes, downtime management system. Further development of occupational safety risk assessment methodologies. Analysis of effectiveness of corrective measures. In 2019, there were noted cases indicating risk realisation. However, the management focus on measures addressing the risk is especially high.</td>
</tr>
<tr>
<td>Business interruption</td>
<td>Protected outage 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 lost of customers and competitive advantage, as well as damage to the Group’s reputation.</td>
<td>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 de-gassing systems, timely mining equipment maintenance, and employee safety training. Detailed 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 causes.</td>
</tr>
<tr>
<td>Potential regulatory actions by governments, including trade, antimonopoly, antidumping regulation, sanctions regimes, and other laws and regulations</td>
<td>Potential regulatory actions by governments, including trade, antimonopoly, antidumping regulation, sanctions regimes, and other laws and regulations</td>
<td>EVRAZ and its executive teams are members of various national industry bodies. As a result, they contribute to the development of such bodies and, when appropriate, participate in relevant discussions with political and regulatory authorities. Procedures have been implemented and will be further developed to ensure that sanction requirements are complied with across the Group’s operations. Ongoing control over regulatory compliance, monitoring regulatory changes and developing necessary controls. While the Group’s internal compliance controls address the associated risks, the general uncertainty in the area increases the management’s focus on this risk.</td>
</tr>
<tr>
<td>Product competition</td>
<td>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 steel on the global market and intensified competition.</td>
<td>Expand product portfolio and penetrate new geographic and product markets. Develop and improve loyalty and customer focus programmes and initiatives. Quality improvement initiatives. Expand the share of value-added products.</td>
</tr>
</tbody>
</table>
Our Sustainability approach

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-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.
- Local communities
  - EVRAZ believes that conducting its business in a sustainable manner helps to promote regional prosperity where it operates and strives to create healthier, happier local communities by sponsoring social and economic development programmes.
- 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.
- 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.
- Industry organisations
  - EVRAZ cooperates and supports various industry organisations through joint initiatives and proactively participates in conferences and forums.

Sustainability report 2019
Our Sustainability approach

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 on our coal segment enterprises.

To ensure open communication for all stakeholders, EVRAZ has set up a whistleblowing hotline (8-800-555-86-88), as well as an e-mail address (response@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.

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.

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.

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.

During the ongoing process of engaging with stakeholders we implement a variety of instruments aimed at meeting their various expectations. During the research, experts analyse client service mechanisms and conduct qualitative and quantitative interviews with clients.

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, see 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 see Stakeholder engagement section of 2019 Annual report.
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

<table>
<thead>
<tr>
<th>Item</th>
<th>Stakeholder</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct economic value generated</td>
<td></td>
<td>11,935</td>
</tr>
<tr>
<td>Revenue from the sale of goods</td>
<td>A wide variety of stakeholders</td>
<td>11,569</td>
</tr>
<tr>
<td>Revenue from providing services</td>
<td></td>
<td>336</td>
</tr>
<tr>
<td>Revenue from financial investments</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>(11,306)</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>Suppliers and contractors</td>
<td>(7,707)</td>
</tr>
<tr>
<td>Wages and other payments to employees</td>
<td>Employees</td>
<td>(1,451)</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>Shareholders and investors</td>
<td>(1,422)</td>
</tr>
<tr>
<td>- payments to shareholders</td>
<td></td>
<td>(1,086)</td>
</tr>
<tr>
<td>- payments to creditors</td>
<td></td>
<td>(336)</td>
</tr>
<tr>
<td>Payments to the government</td>
<td>Government authorities</td>
<td>(532)</td>
</tr>
<tr>
<td>- including income tax expenses</td>
<td></td>
<td>(532)</td>
</tr>
<tr>
<td>Community investments</td>
<td>Local communities</td>
<td>(26)</td>
</tr>
<tr>
<td>Economic value retained</td>
<td></td>
<td>629</td>
</tr>
</tbody>
</table>

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.

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 2010, 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 (AMROSG)
- 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 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 for a Better Future

Global Sustainable Development Goals

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
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 global players in the mining industry and is one of the major global producers of steel products. We are 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 opines strictly with respect to 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.

The number of employees, as of 31 December, 2017-2019, people

<table>
<thead>
<tr>
<th>Year</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>71,215</td>
</tr>
<tr>
<td>2018</td>
<td>69,712</td>
</tr>
<tr>
<td>2017</td>
<td>68,489</td>
</tr>
</tbody>
</table>

Breakdown of employees and top-management by age, 31 December 2019,

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20</td>
<td>4.4%</td>
</tr>
<tr>
<td>20-29</td>
<td>14.1%</td>
</tr>
<tr>
<td>30-39</td>
<td>20.0%</td>
</tr>
<tr>
<td>40-49</td>
<td>20.9%</td>
</tr>
<tr>
<td>50-59</td>
<td>16.1%</td>
</tr>
<tr>
<td>&gt;60</td>
<td>23.7%</td>
</tr>
</tbody>
</table>

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

Overall and voluntary employee turnover broken down by segments, 2019,

<table>
<thead>
<tr>
<th>Segment</th>
<th>Voluntary</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel segment</td>
<td>10.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Coal segment</td>
<td>14.3</td>
<td>3.3%</td>
</tr>
<tr>
<td>Steel, North America segment</td>
<td>12.2</td>
<td>2.0%</td>
</tr>
<tr>
<td>Other</td>
<td>14.3</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total</td>
<td>10.4%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

* 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 2018.

** This group comprises the ESB, 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.

In November 2019 we paid special attention to improving our practices related to attracting new talent. Accordingly, our recruitment system was significantly upgraded in the reporting period.

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 Steel segment and in the Coal 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 in the Management Company and in the enterprises. 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 enterprises 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.

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.

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.

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

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

In 2018, the system was introduced for personnel at the Management Company, Trading Company, EVRAZ Metal Import, Urals region of Steel segment and Vanadium enterprises. In 2020, it was expanded to include the Siberia region of 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 enterprises. 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 harmonize 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 enterprises 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 HGOK, and six in 25MK and EVRAZ Vanady Tula. In total, more than 20% 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 Urals region of Steel segment enterprises, and complete the transition to the Target Remuneration System in Siberia region of Steel segment enterprises.

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We believe that it is essential to provide them with comfortable working and living conditions.

Case study

1. Cafeteria of Benefits

A system of flexible benefits, called Cafeteria of Benefits, was developed and introduced in 2019 for 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.

SOCIAL AND LABOUR CONDITIONS

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

Case study

1. 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, the 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
- Organization 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 antisepsics
- 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.

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.

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.

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**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 performances.

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’s 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 chairman 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 enterprises 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 Vanadzor. The document guarantees 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.
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.

Learning and development

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.

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.

Case study

**Top-300**

Top-300 is a 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. 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 and Kommersant**

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 in 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.

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 organizing internal training programmes, EVRAZ actively interacts with external bodies in our efforts to provide the highest possible quality of employee development.

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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.

**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.


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, 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 2020 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.

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.

**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.


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.

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.

**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-300 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 competencies 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 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 Steel, North America segment

**HUMAN RIGHTS AND DIVERSITY**

- Elaborating the Human Rights and Personnel Diversity policies
Evolving health, safety, and environment for a Better Future

Global Sustainable Development Goals

Material topics
- Occupational Health and Safety
- Emissions
- Biodiversity
- Water
- Energy
- Effluents and waste

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 tCO₂ per tonne of crude steel cast GHG intensity rate
Our Sustainability approach

We are committed to ensuring the safety and health of our employees and ensuring a stable and healthy living environment for future generations. Our approach to sustainable development is guided by the principles of governance, ensuring a unified reporting structure, and annual and quarterly reviews.

**Health, safety, and environmental governance**

**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**

- **HSE COMMITTEE OF THE BOARD OF DIRECTORS**
  - EVRAZ plc Board of Directors
  - EVRAZ CEO
    - HSE Vice President
      - Health and Safety Directorate
      - Industrial Safety Directorate
      - Environmental Management Directorate
    - HSE function and safety representatives for all EVRAZ operations

Distribution of responsibilities in EVRAZ HSE governance structure

<table>
<thead>
<tr>
<th>Units</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSE Committee of the Board of Directors</td>
<td>- Assessing the effects of the Group’s HSE initiatives on key stakeholder groups and on EVRAZ reputation&lt;br&gt; - 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&lt;br&gt; - Reviewing HSE strategy, monitoring pertinent parts of any independent operational audits and making recommendations for action or improvement</td>
</tr>
<tr>
<td>EVRAZ CEO</td>
<td>- Overall supervision of HSE activity&lt;br&gt; - Approval of HSE targets</td>
</tr>
<tr>
<td>HSE Management Committee</td>
<td>- Setting HSE goals&lt;br&gt; - Approving and monitoring HSE programs and initiatives&lt;br&gt; - Incident investigation review&lt;br&gt; - Setting corrective measures to improve HSE management system</td>
</tr>
<tr>
<td>EVRAZ Investment Committee</td>
<td>- Monitoring of HSE capital investment projects implementation</td>
</tr>
<tr>
<td>HSE Vice President</td>
<td>- Strategic and detailed supervision of HSE activity&lt;br&gt; - Reporting to the HSE Management Committee</td>
</tr>
<tr>
<td>Health and Safety Directorate</td>
<td>- Delivery of the Group’s HSE strategy through developing and monitoring H&amp;S KPIs, initiatives and procedures&lt;br&gt; - Planning of H&amp;S performance and projects&lt;br&gt; - Developing corporate H&amp;S requirements</td>
</tr>
<tr>
<td>Industrial Safety Directorate</td>
<td>- Delivery of the Group’s HSE strategy through developing and monitoring industrial safety KPIs, initiatives and procedures&lt;br&gt; - Planning of industrial safety performance and projects&lt;br&gt; - Incidents investigation&lt;br&gt; - Developing corporate industrial safety requirements&lt;br&gt; - Implementation of internal process safety audits and risk assessment</td>
</tr>
<tr>
<td>Environmental Management Directorate</td>
<td>- Delivery of the Group’s HSE strategy through developing and monitoring environmental KPIs, initiatives and procedures&lt;br&gt; - Environmental risk assessment and mitigation measures development&lt;br&gt; - Developing corporate environmental requirements&lt;br&gt; - HSE-related data collection and consolidation&lt;br&gt; - Continuous monitoring and analysis of applicable legislation in order to ensure compliance</td>
</tr>
<tr>
<td>Internal Audit Directorate</td>
<td>- Performing an independent assessment of the Group’s HSE management procedures</td>
</tr>
<tr>
<td>HSE function at segment level</td>
<td>- Regular (monthly, quarterly, and annually) reporting HSE performance to the corporate HSE function&lt;br&gt; - Reporting on the implementation status of HSE projects</td>
</tr>
</tbody>
</table>
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 via 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

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

<table>
<thead>
<tr>
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<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Steel Association</td>
<td>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. EPRAZ 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.</td>
</tr>
<tr>
<td>Russian Steel</td>
<td>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.</td>
</tr>
<tr>
<td>Russian Union of Industrials and Entrepreneurs</td>
<td>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.</td>
</tr>
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Health and Safety management

Key events

- Initiation of the Risk Management project and implementing new Risk Management Training Programmes on occupational health and safety
- Preparing for certification under the ISO 45001 standard on occupational health and safety

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-oriented 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

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-oriented 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 OHS risk management tools across the Group.

Implementing additional safety requirements for crew vehicles

Automating pre-shift physical examinations

Updating the Standard on HSE Contractor Management

EVRAZ Cardinal Safety Rules

- It is forbidden to be in a state of alcoholic and/or narcotic intoxication.
- 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.
- 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 override equipment or security systems.
- It is forbidden to use explosive materials for purposes other than those specified in the Permit to Work, or to not return the remnants of explosive materials to the warehouse after blasting operations, or to change the design of a detonator.

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 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?”

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 techniques, and organizing events to improve the corporate safety culture.

**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 LTRF 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.

**Case study**

Behaviour safety conversations and safe work procedures

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.
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.

**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 recurrences, 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.

**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 signs, 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 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 Raspadoskiy 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 kilometers. 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 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.

Internal investigation process

Stage 1. The suspension of operations in the event of a fatality. The head of the Group’s facility makes a decision on the necessity and scope of the suspension.

Stage 2. Determining the severity level of an incident and applying a respective investigation procedure. Incident classification includes fatalities, serious injuries, light injuries, and micro injuries.

Stage 3. Reporting. The report into an incident report is signed by the EVRAZ HSE Vice President and is presented to the Management Committee by the managing director of an enterprise.

Safety monitoring is also conducted by applying various state-of-the-art technical solutions. In 2010 EVRAZ began installing an underground CCTV surveillance system. Prior to the system’s installation we conducted a study and identified areas with high incident rate; all the identified areas are equipped with video cameras that record both in infrared and in normal mode – this allows us to promptly recognize 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.

EVRAZ employs a corporate software system of health and safety performance and offers performance monitoring system.

MONITORING SAFETY PERFORMANCE

Keeping track and reporting on health and safety data provides EVRAZ with indicators of health and safety performance and offers insights 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 accidents and safety problems. The EVRAZ Hotline is an effective means of reporting information on work-related incidents and safety situations. Reporting of such cases is mandatory, and 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 biometric data, which allows us to timely detect any deterioration in health and take action to prevent occupational diseases. A person with a high temperature or blood pressure or intoxicated is not permitted to work. The results of examinations help identify risk factors and to evaluate whether an employee is fit to work.

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.

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 biometric data, which allows us to timely detect any deterioration in health and take action to prevent occupational diseases. A person with a high temperature or blood pressure or intoxicated is not permitted to work. The results of examinations help identify risk factors and to evaluate whether an employee is fit to work.

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

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

**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

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

**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 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.

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.
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 governance structure (see Health, safety, and environmental governance section, p. 7) allows for effective 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 Rosprirodnadzor and other regulatory environmental audits, and during one of these audits EVRAZ was fined for damaging a water body at Muchegueyugt. The total value of non-compliance-related levies and fines levied against the Group in 2019 was USD 0.6 million, compared to USD 2.2 million in 2018. As a mitigation measure Muchegueyugt implements a project for the construction of treatment facilities.

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

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.

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

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

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<tr>
<th>Year</th>
<th>2017</th>
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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.

Environmental projects

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 licenses and permits support

EVRAZ five-year environmental targets

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<th>Five-year target (2018–2022)</th>
<th>2019 results</th>
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**EVRAZ**

**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 Capexes 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 via-a-via 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 curb 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 staff/ Environmental team leaders. The event was organised in close cooperation with the scientific and research institute “Atmosphera” 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.

**Contributing to SDG 12: Responsible consumption and production**

**Project:** Implementation of best available technologies at EVRAZ NTMK

**Stakeholders:** Local communities

As part of the Ecology national project, each year the Public Council under the Ministry of Natural Resources of the Russian Federation conducts public audits of the implementation of best available technologies at the largest Russian industrial enterprises. The aim is to assess compliance between current technologies to curtail emissions and the solutions set out in BAT technical references.

EVRAZ NTMK was the second enterprise in Russia to undergo an audit. According to the report (publicly available, see: http://www.mnr.gov.ru/), the council praised the level of technological equipment on site: 102 BAT environmental elements out of a possible 145 are fully used, and 30 are partially applied.

**Value for stakeholders:** clean environment.

**Value for EVRAZ:** public trust, enhanced reputation, greater operational efficiency.

**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 (SOx), and volatile organic compounds (VOCs).**

**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 № 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.

**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 272.9 kt.
Climate change

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 GRI 305-5

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 70.00% 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.

EVRAZ GHG emissions per consolidated revenue, t CO2e/US$ in 2019, million tCO2e

<table>
<thead>
<tr>
<th>Year</th>
<th>Steel segment</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Direct emissions (Scope 1)</td>
<td>0.56</td>
<td>0.55</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>Indirect energy emissions (Scope 2)</td>
<td>4.00</td>
<td>4.40</td>
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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.

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 other 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 (>8 billion kWh), and the self-sufficiency of steam and hot water is over 90%.

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

In order to reduce its energy consumption the Group puts on a 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 international 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 discuss in detail climate strategy issues.

EVRAZ total energy consumption and production output, 2017–2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Coal</th>
<th>Steel</th>
<th>Total</th>
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For a number of years, the Group conducted international 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 discuss in detail climate strategy issues.

EVRAZ total energy consumption and production output, 2017–2019

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Sustainability report 2019

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Sustainability report 2019

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<td>2017</td>
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<td>13,879</td>
<td>27,916</td>
</tr>
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</table>
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 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 measures were implemented with a total of Steel Segment (EVRAZ ZSMK), as part of gas turbine unit using blast-furnace gas. These hypotheses will be closely discussed by internal and external experts to generate a brainstorming session featuring discussion and implementation.

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

### 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 our enterprises in order to assess their applicability.

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

**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.

The Group has planned 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 sites to identify projects that are attractive both from an economic and environmental standpoint.

### Case study

**Balancing water supply**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.49</td>
<td>25.28</td>
<td>24.70</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>205.32</td>
<td>226.49</td>
<td>319.43</td>
</tr>
</tbody>
</table>

**Fresh water withdrawal intensity**, m³ per tonnes of crude steel cast

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11.92</td>
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<td>19.53</td>
</tr>
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**Water discharge intensity**, m³ per tonnes of crude steel cast

<table>
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<tr>
<th>Year</th>
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<th>2017</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>4.99</td>
<td>5.78</td>
<td>9.46</td>
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</table>

EVRAZ business operations require a significant volume of water on a daily basis. As water is an essential part of our production processes, we strive to develop efficient water management practices vis-à-vis water intake, its rational use via reusing/recycling, 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 less 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 withdrawal intensity, m³/US$ revenue**

<table>
<thead>
<tr>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td></td>
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**Water discharge intensity**, m³ per tonnes of crude steel cast

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</table>

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

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

**EVRAZ fresh water withdrawal intensity, m³/US$ revenue**

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Our key steel making integrated plants has been designed in the middle of 20th century with “open” water cycle systems: 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 to target to minimize our fresh water consumption by “closing” water recycling systems. Potentially we want to exclude all water discharges (68.9 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.

**Water discharge intensity**, m³ per tonnes of crude steel cast

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</tbody>
</table>
Our Sustainability approach

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.

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 baren 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:

- Minimizing 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.

Waste recycling rate, 2017–2019,*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>105.2</td>
</tr>
<tr>
<td>2018</td>
<td>111.3</td>
</tr>
<tr>
<td>2017</td>
<td>104.7</td>
</tr>
</tbody>
</table>

* Reused waste is not included in calculation of the EVRAZ waste recycling rate.

Value for stakeholders: clean and safe environment.
Value for EVRAZ: public trust, enhanced reputation, safe operations.
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.

Restoring Aquatic Biodiversity

Ensuring the quality of water ecosystems and providing suitable habitats for various species forms 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 enterprises 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.

EVRAZ NTMK continues to implement environmental projects in order to compensate for its mining and steel-making operations.

In 2019 the following results were achieved:

• At Evraznuy (EVRAZ ZSMK), over 64,000 sea buckthorn and pines were planted as part of a reclamation project for tailings storage facility № 2
• The reclamation of disturbed land at Block № 3 of Raspadskaya (mining stage) continued. 2,114 thousand tonnes of rock were reclaimed

Rehabilitating Disturbed Land and Landscaping

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

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• At Evraznuy (EVRAZ ZSMK), over 64,000
• sea buckthorn and pines were planted as part of a reclamation project for tailings storage facility № 2
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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 were transplanted into city parks from sites where mining operations will take place.

Other events include:

• Environmental clean-ups
• The “Clean Games” ecoquest
• 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 Raspadskaya Coal Company (Mchuzhurenschek 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, see the Supporting local communities section, p. 76.
Supporting local communities for a Better Future

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

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

Material topics

- Indirect economic impacts
- Local communities

Global Sustainable Development Goals

- [3] Peace and justice, and strong institutions
- [8] Decent work and economic growth
- [9] Industry, innovation and infrastructure
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.

Key documents

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<td>Code of Business Conduct</td>
<td>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.</td>
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<tr>
<td>Regulation for Interaction with state authorities</td>
<td>The principles and roles of engagement with federal and local authorities that we adhere to.</td>
</tr>
<tr>
<td>Social Investment Guidelines</td>
<td>Our local community engagement approach. Outlining the Group’s priorities and eligibility criteria for social investments.</td>
</tr>
<tr>
<td>Policy on Charitable Donation and Sponsorship Activity</td>
<td>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.</td>
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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.

EVRAZ operates two charity funds in Siberia and the Urals, which are managed by supervisory boards. The charity funds are responsible for: improving the local urban infrastructure, sponsoring medical, educational, and cultural institutions at both federal and local levels.

Local community support projects

Federal projects

National projects

In 2020, 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 Novokuznetsk entitled The Role of Women in Developing Industrial Regions, which has evolved into an international platform for discussing women leaders across various fields.

Culture

EVRAZ supported the Arkhangelskoye Estate Museum, the Veltin 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.

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.

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.

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

EVRAZ works with governments, and local communities and regions in which we operate, to identify and implement sustainable development projects. 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.

Case study

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-participants, participated in the project organised in Kachkanar, Nizhny Tagil, and Mezhdurechensk. They submitted over 30 socially significant projects, with 26 of these being launched. A number of socially significant projects were implemented in Kachkanar as part 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 Artel International Youth Campus.

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

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.
Our Sustainability approach

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.

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 contest was held in the Group’s enterprises in the Siberian and Urals regions (Steel segment).

Case study

**EVRAZ for Kids projects**

<table>
<thead>
<tr>
<th>Location</th>
<th>Institution/entity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nizhny Tagil</td>
<td>Ural Federal University</td>
<td>Assisted in creating a robotics centre.</td>
</tr>
<tr>
<td></td>
<td>Mining and Transportation College</td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td>Mining and Metallurgical College</td>
<td>Equipped a lab and welding shop so that it could perform installations, technical operations, and repairs to industrial equipment.</td>
</tr>
<tr>
<td>Kachkanar</td>
<td>“Joy” Municipal Autonomous Preschool Educational Institute</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continued funding of rehabilitation programmes for children suffering from cerebral palsy.</td>
</tr>
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<td>Sverdlovsk region</td>
<td>Gave presents to disadvantaged children.</td>
<td>Continued funding of rehabilitation programmes for children suffering from cerebral palsy.</td>
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<td>Kachkanar</td>
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</tr>
<tr>
<td>Novokuznetsk</td>
<td>Industrial College</td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td>Metallurgical College</td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td>Kalinka Folk Dance Studio</td>
<td>Helped arrange trips to Moscow and participate in the Folk of Dance television project.</td>
</tr>
<tr>
<td></td>
<td>Transport and Technical College</td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td>Ostrov Nadolysh Orthophane School No. 95, Childhood home and Novoxvit orphanages</td>
<td>Helped arrange trips to Moscow and participate in the Folk of Dance television project.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Made charitable donations. Purchased and installed sports facilities and playgrounds at the youth camp of the Childhood home’s orphanages.</td>
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<td>Mezhdurechensk</td>
<td>Continued funding of rehabilitation programmes for children suffering from cerebral palsy.</td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continued funding of rehabilitation programmes for children suffering from cerebral palsy.</td>
</tr>
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<td></td>
<td></td>
<td>Continued funding of rehabilitation programmes for children suffering from cerebral palsy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Helped improve its facilities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equipped a computer lab and an auditorium for special needs children.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gave presents to disadvantaged children.</td>
</tr>
</tbody>
</table>

Case study

**EVRAZ for Cities projects**

<table>
<thead>
<tr>
<th>Location</th>
<th>Institution/entity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nizhny Tagil</td>
<td>Children’s municipal hospital</td>
<td>Purchased furniture, including beds and sofas.</td>
</tr>
<tr>
<td></td>
<td>Nizhny Turinsky urban district</td>
<td>Continued to develop a park improvement project.</td>
</tr>
<tr>
<td></td>
<td>Raspadsky Cultural Centre</td>
<td>Purchased audio and video equipment.</td>
</tr>
<tr>
<td></td>
<td>Forum</td>
<td>Partnered the forum Rite of Women in Developing Industrial Regions.</td>
</tr>
<tr>
<td></td>
<td>Kaz Community</td>
<td>Helped purchase and install a children’s playground, build a multifunctional sport facility, and design a pump and filter station.</td>
</tr>
<tr>
<td>Tula region</td>
<td>School No. 9</td>
<td>Sponsored the purchase of a Thermo Scientific ICP 7,200 inductively coupled plasma optical spectrometer.</td>
</tr>
</tbody>
</table>

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 skating sessions and practices. There are plans in 2020 to build a ski lodge near the track.
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 Uza River, constructing staircases for residents with limited mobility, creating auto and bicycle parking areas, and building playgrounds and sports facilities.

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, Novy Tagil, and Moscow

The fifth annual High Five event took place this year in Novy 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 Novy Tagil and Kachkanar remedial school and to sponsor athletes at the Novokuznetsk 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 recognized IPA, 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

<table>
<thead>
<tr>
<th>Location</th>
<th>Institution/entity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novy Tagil</td>
<td>Uzachiha sports school</td>
<td>Helped set up a beach volleyball court on the shores of the Vysly river, and provided access to the Mettalurg Forum Sports complex arena.</td>
</tr>
<tr>
<td>Novy Tagil</td>
<td>Uzachiha Volleyball Team</td>
<td>Continued its sponsorship.</td>
</tr>
<tr>
<td>Sverdlovsk region</td>
<td>Regional Biathlon Federation</td>
<td>Helped hold trainings and purchase sports equipment.</td>
</tr>
<tr>
<td>Sverdlovsk region</td>
<td>Olymp Sports school</td>
<td>Helped hold a football and mini-handball competition.</td>
</tr>
<tr>
<td>Kachkanar</td>
<td>Municipal District Federation of Sambo and Judo</td>
<td>Continued its sponsorship of the event.</td>
</tr>
<tr>
<td>Kardzhali</td>
<td>Zweizuchka Kindergarten</td>
<td>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.</td>
</tr>
<tr>
<td>Kemerovo region</td>
<td>Shoria hockey team</td>
<td>Reimbursed the cost of equipment and participating in Night Hockey League qualifying competitions.</td>
</tr>
<tr>
<td></td>
<td>Dream Ski Project</td>
<td>For the third consecutive year the project was held for children with cerebral palsy whose parents are employees of the Group.</td>
</tr>
<tr>
<td>Novokuznetsk</td>
<td>Metallurg Hockey Team</td>
<td>Continued its sponsorship.</td>
</tr>
<tr>
<td></td>
<td>Kuznetsk Metallurgist Sport Centre</td>
<td>Organised the Raspadskaya 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.</td>
</tr>
<tr>
<td></td>
<td>Rural community of Tiansinai</td>
<td>Helped install a hockey rink.</td>
</tr>
<tr>
<td></td>
<td>Komanda foundation</td>
<td>Helped organise and held 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.</td>
</tr>
<tr>
<td>Mozdorechesk</td>
<td>Sports School of Hockey, and Figure Skating hockey team Olymp-2008</td>
<td>Helped the team travel by air to participate in the Russian National Finals of the Tarasov Golden Puck Club in Sochi.</td>
</tr>
<tr>
<td>Tashygor</td>
<td>Ski competition</td>
<td>Held the 15th annual Andrey Sevenyuk corporate alpine skiing and snowboarding competition.</td>
</tr>
<tr>
<td>Tula</td>
<td>Regional Thai Boxing Federation</td>
<td>Assisted in acquiring sports equipment and participation in the Russian Cup.</td>
</tr>
</tbody>
</table>

EVRAZ: City of Friends - City of Ideas

In 2019, across the cities of Novy Tagil, Kachkanar, Novokuznetsk, and Mozdorechesk, the annual grant contest EVRAZ: 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 Ural enterprises, with 54 projects receiving grants (from a total of 346 projects that applied) worth US$22,986. Programme websites displaying projects received a total of 139,555 views, and over 28,700 votes for projects were registered.
### Examples of winning projects

<table>
<thead>
<tr>
<th>Title of project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ural</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Live!</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Zwodochka</strong></td>
<td>The Zwodochka line 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.</td>
</tr>
<tr>
<td><strong>Children’s Traffic Park</strong></td>
<td>This is being built in Nizhny Tagil in order to inform and educate children about modern traffic safety. With assistance from local police and teachers, the children will be taught and benefit from knowledge of the rules of the road.</td>
</tr>
<tr>
<td><strong>Augmented Reality Classroom</strong></td>
<td>Kachkanar 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.</td>
</tr>
<tr>
<td><strong>Municipal Astronomical Centre</strong></td>
<td>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 astronomical 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.</td>
</tr>
<tr>
<td><strong>Siberia</strong></td>
<td><strong>Duck Lake</strong> 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.</td>
</tr>
<tr>
<td><strong>Heritage Every Day - for the Good of the World, in the Name of People</strong></td>
<td>The project, social and environmental in nature, aims to bring local residents together to solve issues currently being faced in Novokuznetsk.</td>
</tr>
<tr>
<td><strong>Art Helps Lives</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Road Safety</strong></td>
<td>The Tulp 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.</td>
</tr>
<tr>
<td><strong>Owl House</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>

### 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

**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 orphans.

### Case study

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:

- The Group will continue to expand its cooperative relationships with regional authorities.
- The Group will develop a Social Investment Programme at ENAThe Group yearly approves the Social Investment Programme: this sets the priorities and budget for social
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

- SDG 8: Decent Work and Economic Growth
- SDG 17: Partnership for the Goals
Management approach

The EVRAZ approach to attaining strategic procurement goals

ACHIEVING A LEADING POSITION IN THE MINING AND STEELMAKING INDUSTRY OF RUSSIA

• Focusing on category management and cross-functional interactions.
• The development of supply chain employees.
• Implementing procurement best practices and benchmarking against competitors.

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

Supply chain transformation results

- Standardisation
- Procurement function
- Automation
- Unification

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.

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).

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).

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.

Development areas of the EVRAZ procurement function

- Standardisation
- Procurement function
- Automation
- Unification

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.

The EVRAZ supply chain organisational structure update

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 Steel segment, transformed 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).

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.

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).
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 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. Causes 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, see p.<T> 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.

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 accelerations
- 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

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

<table>
<thead>
<tr>
<th>Region</th>
<th>% of total spending</th>
<th>% of local spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siberia region of Steel segment (ZSMK)</td>
<td>52.7%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Ural region of Steel segment (KGOK)</td>
<td>17.7%</td>
<td>31.4%</td>
</tr>
<tr>
<td>Kemerovo region of Steel segment (Raspadskaya Coal Company)</td>
<td>31.4%</td>
<td>43.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>29.5%</td>
</tr>
</tbody>
</table>

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

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 Coal segment (Raspadskaya Coal Company) and the Siberia region of 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$2,082 million²). In the reporting period the leading enterprise in terms of spending on local suppliers was EVRAZ ZSMK with 52.7%.

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

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<th>Disclosure</th>
<th>Page number (or link)</th>
<th>Comments/ Omissions</th>
</tr>
</thead>
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<td>GRI 102–1</td>
<td>Name of the organization</td>
<td>About the Report, p. 10</td>
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<tr>
<td>GRI 102–2</td>
<td>Activities, brands, products, and services</td>
<td>What we produce, p. 7</td>
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<tr>
<td>GRI 102–3</td>
<td>Location of headquarters</td>
<td>About the Group, p. 6</td>
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<tr>
<td>GRI 102–4</td>
<td>Location of operations</td>
<td>Where we operate, p. 8-9</td>
<td></td>
</tr>
<tr>
<td>GRI 102–5</td>
<td>Ownership and legal form</td>
<td>EVRAZ plc</td>
<td></td>
</tr>
<tr>
<td>GRI 102–6</td>
<td>Markets served</td>
<td>Where we are, p. 6</td>
<td>Annual report, p. 44</td>
</tr>
<tr>
<td>GRI 102–7</td>
<td>Scale of the organization</td>
<td>Where we operate, p. 6</td>
<td>What we produce, p. 7</td>
</tr>
<tr>
<td>GRI 102–8</td>
<td>Information on employees and other workers</td>
<td>Human rights, p. 47</td>
<td>Total number of employees to employment contract (permanent and temporary) is disclosed by gender only.</td>
</tr>
<tr>
<td>GRI 102–9</td>
<td>Supply chain</td>
<td>Management approach, p. 88</td>
<td></td>
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<tr>
<td>GRI 102–10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>Contributing to the prosperity of the regions of our operations, p. 91</td>
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<td>GRI 102–11</td>
<td>Precautionary Principle or approach</td>
<td>Sustainability risk management, p. 26</td>
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<td>GRI 102–12</td>
<td>External initiatives</td>
<td>Approach to sustainability management, p. 20</td>
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<td>GRI 102–13</td>
<td>Membership of associations</td>
<td>Memberships of associations and institutions, p. 52</td>
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<tr>
<td>GRI 102–14</td>
<td>Statement from senior decision maker</td>
<td>Message from the CEO, p. 4</td>
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<td>GRI 102–16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>Approach to sustainability management, p. 29</td>
<td>Ethics and business conduct, p. 22</td>
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<tr>
<td>GRI 102–18</td>
<td>Governance structure</td>
<td>Approach to sustainability management, p. 29</td>
<td>Ethics and business conduct, p. 22</td>
</tr>
<tr>
<td>GRI 102–40</td>
<td>List of stakeholder groups</td>
<td>Stakeholder engagement, p. 29</td>
<td></td>
</tr>
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<td>GRI 102–41</td>
<td>Collective bargaining agreements</td>
<td>Social policy, p. 43</td>
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<td>GRI 102–43</td>
<td>Identifying and selecting stakeholders</td>
<td>Stakeholder engagement, p. 29</td>
<td></td>
</tr>
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<td>GRI 102–44</td>
<td>Key topics and concerns raised</td>
<td>Stakeholder engagement, p. 29</td>
<td></td>
</tr>
<tr>
<td>GRI 102–45</td>
<td>Entities included in the consolidated financial statements</td>
<td>Report boundaries, p. 50</td>
<td>Annual report, p. 222</td>
</tr>
<tr>
<td>GRI 102–46</td>
<td>Defining report content and topic boundaries</td>
<td>Identification of material topics, p. 11</td>
<td>Identification of material topics, p. 12</td>
</tr>
<tr>
<td>GRI 102–47</td>
<td>List of material topics</td>
<td>Identification of material topics, p. 12</td>
<td></td>
</tr>
<tr>
<td>GRI 102–48</td>
<td>Restatements of information</td>
<td>No significant restatements of information were made.</td>
<td></td>
</tr>
<tr>
<td>GRI 102–49</td>
<td>Changes in reporting</td>
<td>No significant changes from previous reporting periods in the list of material topics and topic boundaries were made.</td>
<td></td>
</tr>
<tr>
<td>GRI 102–50</td>
<td>Reporting period</td>
<td>Annually</td>
<td></td>
</tr>
<tr>
<td>GRI 102–51</td>
<td>Date of most recent report</td>
<td>April, 2019</td>
<td></td>
</tr>
<tr>
<td>GRI 102–52</td>
<td>Reporting cycle</td>
<td>Approach to reporting, p. 10</td>
<td></td>
</tr>
<tr>
<td>GRI 102–53</td>
<td>Contact point for questions regarding the report</td>
<td>Contact information, p. 13</td>
<td></td>
</tr>
<tr>
<td>GRI 102–54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>Approach to reporting, p. 10</td>
<td></td>
</tr>
</tbody>
</table>
Our Sustainability approach

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 306–5 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions Reducing air emissions, p. 67
Sickness of the Group are certified for compliance with the OHSAS18001, all employees are covered by an occupational health and safety management system.

GRI 401–5 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 403–7 Prevention and mitigation of occupational health and safety impacts directly linked to 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. 50
Health and Safety management, p. 54

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
Health, safety, and environmental governance, p. 50

GRI 401–2 Employment and development programs Training and education, p. 44
Developing the safety culture, p. 57

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 401–1 Management Approach Employees, Management approach, p. 38

GRI 403 Occupational health and safety

GRI 403–3 Occupational health services Health, safety, and environmental governance, p. 50
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 404–2 Programs for upgrading employee skills Learning and development, p. 45
Learning and development, p. 45

GRI 404–1 Average hours of training per year per employee Learning and development, p. 45
Learning and development, p. 45

GRI 404 Diversity and equal opportunity

GRI 405–1 Diversity of governance bodies and employees Human rights, p. 46
Human rights, p. 46

GRI 403–10 Work-related ill health Treating occupational diseases, p. 61
Health, safety, and environmental governance, p. 50

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 403–8 Workers covered by an occupational health and safety management system Health, safety, and environmental governance, p. 50
Health and Safety management, p. 54

GRI 403–7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships Health and Safety management, p. 54, 55
Developing the safety culture, p. 57

Appendices

GRI Indicator Disclosure Page number (or link) Comments/ Omissions
GRI 306 Emissions

GRI 103 Management Approach Health, safety, and environmental governance, p. 50

GRI 306–4 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 (tCO2e per tonne of steel cast).

GRI 306–5 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 306–7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions Reducing air emissions, p. 67
Key air emissions of EVRAZ include SOX, NOX, VOS, PM10, PM2.5, and other.

GRI 305 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 306–1 Non-compliance with environmental laws and regulations 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 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

GRI 305–3 Water discharge Balancing water supply, p. 71
The indicator disclosed in part, without breakdown by type of destination.

GRI 304–3 Habitats protected or restored Protecting biodiversity, p. 72
Information concerning habitats protected or restored is disclosed as the size of areas rehabilitated.

GRI 304–2 Management Approach Health, safety, and environmental governance, p. 50

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. 72
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 304–0 Management Approach Health, safety, and environmental governance, p. 50

GRI 401–3 Operations with local community Local community support projects, p. 79
Community relations, Management approach, p. 78

GRI 401–2 Operations with local community engagement, impact assessments, and development programs Community relations, Management approach, p. 78
Local community support projects, p. 79

GRI 401–1 New employee hires and employee turnover Personnel structure, p. 37
Employee turnover is disclosed by reporting segments only.

GRI 401–0 Management Approach Health, safety, and environmental governance, p. 50

Sustainability report 2019

GRI 403 Management Approach Health, safety, and environmental governance, p. 50

Appendices

Our Sustainability approach

Developing our employees

Evaluating health, safety, and environmental risks

Protecting biodiversity

Developing the safety culture

Sustainability report 2019

EVRAZ provides the same benefits both to full-time and part-time employees.

Appendices

GRI Indicator Disclosure Page number (or link) Comments/ Omissions
GRI 304 Biodiversity

GRI 303 Management Approach Health, safety, and environmental governance, p. 50

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 305–2 Energy indirect (Scope 2): GHG emissions Climate change, p. 68

GRI 305–4 GHG emissions intensity Climate change, p. 68

GRI 305–3 Water discharge Balancing water supply, p. 71
The indicator disclosed in part, without breakdown by type of destination.

GRI 304–3 Habitats protected or restored Protecting biodiversity, p. 72
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GRI 304–0 Management Approach Health, safety, and environmental governance, p. 50

GRI 304–0 Management Approach Health, safety, and environmental governance, p. 50

GRI 305–2 Energy indirect (Scope 2): GHG emissions Climate change, p. 68

GRI 305–4 GHG emissions intensity Climate change, p. 68

GRI 305–3 Water discharge Balancing water supply, p. 71
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GRI 304–0 Management Approach Health, safety, and environmental governance, p. 50

GRI 304–0 Management Approach Health, safety, and environmental governance, p. 50

GRI 305–2 Energy indirect (Scope 2): GHG emissions Climate change, p. 68

GRI 305–4 GHG emissions intensity Climate change, p. 68

GRI 305–3 Water discharge Balancing water supply, p. 71
The indicator disclosed in part, without breakdown by type of destination.
Appendix 2 – Task Force on Climate-related Financial Disclosures

<table>
<thead>
<tr>
<th>№</th>
<th>Recommendations</th>
<th>Covered in the Report</th>
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<td>1</td>
<td>Governance</td>
<td>Disclose the organization’s governance around climate-related risks and opportunities. Section “Sustainability risk management”, Figure “Organisational structure of sustainability risk management”</td>
</tr>
<tr>
<td>2</td>
<td>Strategy</td>
<td>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material. Section “Sustainability risk management”, Table “The Group’s sustainability risks”</td>
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<tr>
<td>3</td>
<td>Risk management</td>
<td>Disclose how the organization identifies, assesses, and manages climate related risks. Section “Sustainability risk management”, Table “The Group’s sustainability risks”</td>
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<tr>
<td>4</td>
<td>Metrics and Targets</td>
<td>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. 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$”</td>
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</table>

Appendix 3 – Scope of Environment indicators disclosure

WATER INDICATORS

1. EVRAZ NTMK
2. EVRAZ KGOK
3. EVRAZ ZSMK (including Evrazruda)
4. Raspetskaya Coal Company, including:
   - Novokuznetsk site (Tagaryshskaya mine, Centralnaya Obogatitelnaya Fabrika Abashevskaya, Centralnaya Obogatitelnaya Fabrika Kuznetskaya, Mine Usolovskaya, Mine Abashevoskaya, Miine Airdinskaya, Mine Eustakina, Mine Osnovkowskaya, Yuzhukbasasugul (including Mine Eranakovskaya 8, Mine Kusheynovskaya, Mine Tomskaya))
   - Mezhdurechensk site (TPTU, Raspetskaya-Koksovaya mine, PAO Raspetskaya, Razrez Raspadskiy, TPTU, PAO Raspetskaya)
5. Maslakayugol Coal Company
6. Evraz Cappelen Steel
7. Evraz Palini e Bertini
8. EVRAZ Vanady Tula
9. Evraz Strattor, 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 Susha Basha (included only in the figure for 2017 due to asset disposition in 2017)
16. Yuzhka

AIR EMISSIONS INDICATORS

1. EVRAZ NTMK
2. EVRAZ KGOK
3. EVRAZ ZSMK (including Evrazruda)
4. Raspetskaya Coal Company, including:
   - Novokuznetsk site (Tagaryshskaya mine, Centralnaya Obogatitelnaya Fabrika Abashevskaya, Centralnaya Obogatitelnaya Fabrika Kuznetskaya, Mine Usolovskaya, Mine Abashevoskaya, Miine Airdinskaya, Mine Eustakina, Mine Osnovkowskaya, Yuzhukbasasugul (including Mine Eranakovskaya 8, Mine Kusheynovskaya, Mine Tomskaya))
   - Mezhdurechensk site (TPTU, Raspetskaya-Koksovaya mine, PAO Raspetskaya, Razrez Raspadskiy, TPTU, PAO Raspetskaya)
5. Maslakayugol Coal Company
6. Evraz Cappelen Steel
7. Evraz Palini e Bertini
8. EVRAZ Vanady Tula
9. Evraz Strattor, 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 Susha Basha (included only in the figure for 2017 due to asset disposition in 2017)
16. Yuzhka
GHG INDICATORS

1. EVRAZ NLMK
2. EVRAZ ZSMK (including Evrazruda)
3. EVRAZ NTMK
4. EVRAZ KZOK
5. Mezhegeyugol Coal Company
6. Evraz Caspian Steel
7. Evraz Palini e Bertoli
8. Evraz Sukha Balka (included only in the figure for 2017 due to asset disposition in 2017)
9. Evraz Stratcor, Inc.
10. Evraz Vanady Tula
11. Raspadskaya Coal Company, including:
   - Mezhdurechensk site
   - Fabrika Kuznetskaya
   - Mine Abashevskaya
   - Mine Alardinskaya
   - Mine Esaulskaya
   - Mine Kusheyakovskaya
   - Mine Osinnikovskaya
   - Mine Usoinovskaya
   - Mezhdurechensk site (Raspadskaya mine, TPTU, Montazhnik Raspadskoy, Obogatitelnaya Fabrika Raspadskaya, Raspadskaya-Koksovaya mine, MK-96, Razrez Raspadskiy)
12. Evraz Caspian Steel
13. Evraz Inc. NA (including EVRAZ Portland, EVRAZ Pueblo)
14. EVRAZ Inc. NA Canada (including EVRAZ Carman, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)
15. Evraz Palini e Bertoli
16. Evraz Stratcor, Inc.
17. Evraz Vanady (included only for the figure for 2017 due to asset disposition in 2017)
18. EVRAZ Nikom, a.s.

Appendix 4 – Environmental performance

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<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2019 vs. 2018</th>
<th>Definition</th>
<th>Comments</th>
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<tr>
<td>Air Emissions</td>
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<tr>
<td>Key Air emissions</td>
<td>thousand tonnes</td>
<td>137.11</td>
<td>126.24</td>
<td>127.09</td>
<td>-0.55</td>
<td>-0.4</td>
<td>Direct GHG emissions; sum of CO₂, CH₄, N₂O, PFC, HFC, SF₆, and F₂</td>
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<td>SO₂</td>
<td>thousand tonnes</td>
<td>58.18</td>
<td>51.30</td>
<td>45.38</td>
<td>-5.92</td>
<td>-11.5</td>
<td>Sulphur dioxide (SO₂) emissions</td>
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<tr>
<td>NOₓ</td>
<td>thousand tonnes</td>
<td>29.17</td>
<td>29.69</td>
<td>28.46</td>
<td>0.83</td>
<td>2.8</td>
<td>Sum of Nitric oxides (NOₓ) as nitrogen dioxide (NO₂) emissions</td>
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<td>Dust</td>
<td>thousand tonnes</td>
<td>48.61</td>
<td>45.99</td>
<td>52.15</td>
<td>6.17</td>
<td>13.4</td>
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<tr>
<td>VOC</td>
<td>thousand tonnes</td>
<td>1.15</td>
<td>1.26</td>
<td>1.30</td>
<td>0.04</td>
<td>3.2</td>
<td>Volatile organic compounds</td>
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<td>CO</td>
<td>thousand tonnes</td>
<td>311.09</td>
<td>285.94</td>
<td>272.91</td>
<td>-13.03</td>
<td>-4.6</td>
<td>Carbon Monoxide (CO) emissions</td>
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<td>Other</td>
<td>thousand tonnes</td>
<td>3.29</td>
<td>3.32</td>
<td>3.24</td>
<td>-0.08</td>
<td>-2.4</td>
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</table>

Greenhouse Gases

- **GHS Scope 1**
  - Million tonnes CO₂eq: 34.68, 34.56, 39.08, 45.70, 15.0%
  - Direct GHG emissions: sum of CO₂, CH₄, N₂O, PFC, HFC, SF₆, and F₂

- **GHS Scope 2**
  - Million tonnes CO₂eq: 4.97, 4.23, 4.28, 0.05, 1.2
  - Indirect GHG emissions from consumption of purchased electricity, heat or steam

Comments:

- Key Air emissions are emissions from sources that are owned or controlled by EVRAZ.
- Direct GHG emissions were calculated using the carbon balance method for carbon flows within production facilities, including fuel use. Emissions of other GHSs were calculated based on measured volumes, inventory changes or IPCC2006 factors provided by UK Government or given in National Inventory Reports.

 declared in the report.

Direct GHG 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.
### Total GHG

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<th>2019 vs. 2018</th>
<th>Definition</th>
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<td>Total GHG</td>
<td>Million tonnes CO₂eq</td>
<td>46.43</td>
<td>38.79</td>
<td>43.35</td>
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<td>11.8 Calculation parameter includes the following subsidiaries:</td>
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<td>Million tonnes CO₂eq</td>
<td>30.44</td>
<td>28.15</td>
<td>29.32</td>
<td>1.17</td>
<td>4.2 EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ, EVRAZ Vanady Tula, EVRAZ Caspiian Steel, EVRAZ Palen&lt;br e=1.2&gt;, EVRAZ Nikom</td>
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<tr>
<td>Scope 1</td>
<td>Million tonnes CO₂eq</td>
<td>27.02</td>
<td>25.47</td>
<td>26.58</td>
<td>1.11</td>
<td>4.4 EVRAZ Stratov, EVRAZ Calgary, EVRAZ Commerce, EVRAZ Portland, EVRAZ Puerto, EVRAZ Red Deer, EVRAZ Regina</td>
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<td>GHS Steel NA Segment</td>
<td>Million tonnes CO₂eq</td>
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<td>1.39</td>
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<td>Scope 1</td>
<td>Million tonnes CO₂eq</td>
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<td>GHS Coal Segment</td>
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<td>0.25</td>
<td>12.81</td>
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<td>36.3 EVRAZ, EVRAZ Regina, Raspadskaya Coal Company, Mayakhugyugol and Kuzhakhtessugol</td>
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<td>GHS per t of steel cast</td>
<td>CO₂ per tonnes of steel</td>
<td>2.02</td>
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<td>1.97</td>
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<td>GHS per net revenue</td>
<td>kg CO₂ e/ US$</td>
<td>3.80</td>
<td>3.00</td>
<td>3.64</td>
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<td>GHS Steel Segment</td>
<td>kg CO₂ e/ US$</td>
<td>3.90</td>
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### Water Management

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<td>Total fresh water intake</td>
<td>million m³</td>
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<td>for production needs</td>
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<td>surface water sources</td>
<td>million m³</td>
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<td>ground water</td>
<td>million m³</td>
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<td>public network</td>
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<td>other sources</td>
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<td>Mine and quarry water uses</td>
<td>million m³</td>
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<td>17.36</td>
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<td>mine water</td>
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<td>11.78</td>
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<td>quarry water</td>
<td>million m³</td>
<td>9.37</td>
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### Steel segment: fresh water intake for production needs

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<tr>
<td>EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ, EVRAZ Vanady Tula, EVRAZ Caspiian Steel, EVRAZ Palen&lt;br e=1.2&gt;, EVRAZ Nikom</td>
<td>million m³</td>
<td>274.08</td>
<td>183.18</td>
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<td>surface water sources</td>
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<td>4.88</td>
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<td>4.74</td>
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<td>1.1</td>
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<td>-</td>
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</tr>
<tr>
<td>public network</td>
<td>million m³</td>
<td>12.40</td>
<td>11.18</td>
<td>10.78</td>
<td>-0.40</td>
<td>-3.6</td>
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<td>0.64</td>
<td>1.06</td>
<td>0.45</td>
<td>71.0</td>
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<td>Raspadskaya Coal Company, Mayakhugyugol and Kuzhakhtessugol</td>
<td>million m³</td>
<td>37.00</td>
<td>34.21</td>
<td>32.33</td>
<td>-2.08</td>
<td>-6.1</td>
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<td>EVRAZ RUS, EVRAZ Zabaiko, EVRAZ Sakha Balko</td>
<td>million m³</td>
<td>32.51</td>
<td>30.03</td>
<td>28.86</td>
<td>-3.17</td>
<td>-10.6</td>
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<td>million m³</td>
<td>0.61</td>
<td>0.58</td>
<td>0.54</td>
<td>0.04</td>
<td>-7.0</td>
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<td>-</td>
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</tr>
<tr>
<td>seawater</td>
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<td>-</td>
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<tr>
<td>public network</td>
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<td>4.35</td>
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<td>4.72</td>
<td>1.33</td>
<td>35.1</td>
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<td>7.66</td>
<td>8.84</td>
<td>1.17</td>
<td>15.3</td>
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<td>for production needs</td>
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<td>mine water</td>
<td>million m³</td>
<td>2.19</td>
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<td>0.0</td>
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<tr>
<td>quarry water</td>
<td>million m³</td>
<td>9.37</td>
<td>7.86</td>
<td>8.16</td>
<td>0.30</td>
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<td>7.45</td>
<td>9.10</td>
<td>8.52</td>
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<td>0.04</td>
<td>0.13</td>
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<td>-</td>
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<td>million m³</td>
<td>0.55</td>
<td>0.76</td>
<td>0.69</td>
<td>-0.08</td>
<td>-10.2</td>
<td></td>
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<tr>
<td>other sources</td>
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<td>3.13</td>
<td>4.03</td>
<td>3.79</td>
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<tr>
<td>Raspadskaya Coal Company, Mayakhugyugol</td>
<td>million m³</td>
<td>9.60</td>
<td>9.70</td>
<td>12.39</td>
<td>2.69</td>
<td>27.7</td>
<td></td>
</tr>
<tr>
<td>Mine and quarry water uses</td>
<td>million m³</td>
<td>9.60</td>
<td>9.70</td>
<td>12.39</td>
<td>2.69</td>
<td>27.7</td>
<td></td>
</tr>
</tbody>
</table>
## Indicator Unit | 2017 | 2018 | 2019 | 2019 vs. 2018 | Definition | Comments
---|---|---|---|---|---|---
mine water | mln. m³ | 9.80 | 9.13 | 11.82 | 2.69 | 29.4 |
quarry water | mln. m³ | 0.00 | 0.57 | 0.57 | 0.00 | 0.0 |
Fresh water withdrawal intensity | m³ / tonne of steel cast | 19.93 | 24.07 | 13.92 | -2.15 | -15.3 |
Water discharge intensity | m³ / tonne of iron ore | 9.46 | 5.78 | 4.99 | -0.79 | -12.7 |
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 | 37.64 | 37.25 | -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 | mln. m³ | 185.68 | 131.85 | 125.91 | 5.93 | -4.5 |
Steel segment | mln. m³ | 132.75 | 75.27 | 68.90 | -6.37 | -8.5 |
| EVR AZ NTMK, EVRAZ ZSMK, EVRAZ DAMZ (included in the figures for both 2017 and 2018, however, was sold in 2018), EVRAZ Varady Tuš, EVRAZ Gasplan Steel, EVRAZ Palmin e Bertell, EVRAZ Nikom, EVRAZ Stratoz, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo, EVRAZ Inc. NA Canada (including EVRAZ Zamnia, EVRAZ Red Deer, EVRAZ Cugeny, EVRAZ Regina)

Iron ore | mln. m³ | 14.01 | 12.03 | 12.86 | 0.83 | 6.9 |
| EVRAZ Nizh, Karatsina, EVRAZ Sukha Balka (included only in the figures for 2017 due to asset disposition in 2017), Evraz Vametco (included only in the figure for 2017 due to asset disposition in 2017)

Coast segment | mln. m³ | 38.92 | 44.55 | 44.35 | -0.40 | -0.9 |
| Parsabadbeyi Total Company, Muhreqapour, EVRAZ NMTP (was sold in 2017)

Waste & By-product Management

Non-mining waste | k. ton | 9,233.5 | 7,947.8 | 8,445.4 | 497.6 | 6.3 |
| & by-product generation
Appendix 5 – Independent Assurance Report on the Sustainability Report 2019

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 of 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 Sustainability Report 2019 of EVRAZ plc (hereinafter ‘the GRI Standards’) and the sustainability reporting principles 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 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.

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.

Scope of work performed
Our engagement was conducted in accordance with 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 compiled 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 report;

► 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 resource, 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 ZSKM 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: Girdis J.C.
Enrolled in the Register of Companies for England and Wales 13 October 2011 and assigned registration number 7704362.
Registered address: association’s 2nd Floor, 50 Andrew Street, London, E2 6AD.
Details of the assurance provider
Name: Ernst & Young LLC
Registered in the State Register of Legal Entities on 5 December 2011, State Registration Number 1007779011203.
Ernst & Young LLC is a member of Ernst and Young Global Limited, a UK private company limited by guarantee, whose registered office is Situated in the City of London, England, EC3A 8EA.
Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12068326327.