

OUR APPROACH



EVRAZ views corporate social responsibility as an integral part of its business and strives to address and monitor all relevant matters in this area. The corporate social responsibility section of this annual report provides an overview of the Group's policies and performance in 2018 in key areas, including human rights, health and safety, the environment, human capital management and community engagement, as well as an outline of how EVRAZ intends to improve its performance in the years ahead. The Group considers these policies appropriate and effective.

EVRAZ follows the OECD's Guidelines for Multinational Enterprises to ensure a uniform approach to business standards across its global operations.

Health, safety and environment

Governance and approach

EVRAZ places a top priority on continuously improving its health, safety and environment (HSE) management throughout its operations. This includes implementing process upgrades and introducing tiered management and control systems.

HSE management covers all levels of EVRAZ business, from strategic decision making to day-to-day operations. In 2018, a HSE management committee was established, consisting of all CEO-1 level executives, which review HSE issues on a monthly basis. Since the HSE Committee's inception in 2010, the Board of Directors has delegated to it responsibility for monitoring all HSE strategies, policies, initiatives and activities.

The Group's CEO is the member of the HSE Committee with ownership and oversight of the results of the HSE strategy review that took place in June 2018. Subsequently, the implementation of the decisions taken as part of the strategy review was regularly monitored at HSE Committee meetings.

Executive-level HSE matters fall under the remit of the HSE Committee, which has also delegated authority to a vice president responsible for coordinating HSE issues. Every entity in the Group has its own HSE function,

which reports to operational management with the oversight of the vice president of HSE. All plant managers are responsible for HSE compliance.

EVRAZ is an active partner in local and international industry organisations, including the World Steel Association's Environmental Policy (EPCO), Technology Policy (TPCO) and Safety and Health (SHCO) committees, as well as the HSE committees of Russian Steel, a Russia-based non-commercial partnership, and the Russian Union of Industrialists and Entrepreneurs.

HSE system

The Group adopted its Health, Safety and Environment Policy in March 2011, updated it in 2016 and reviewed it in February 2018 (no changes were made).

The primary functions of the HSE system include identifying potential environmental pollutants and risks to employees' health and safety through the entire production cycle, from purchasing raw materials to selling finished products. This also includes planning, distributing resources, collecting, analysing and submitting information, and reflecting emerging trends in indicators.

EVRAZ operates a continuous-cycle HSE management process with the following phases:

- Forecast and assess primary HSE risks
- Develop and implement HSE initiatives to eliminate or reduce risks
- Monitor, review, and investigate incidents to properly learn lessons from them
- Analyse performance, correct and set new strategic HSE goals

For each HSE KPI, EVRAZ sets primary metrics that are then continuously monitored to improve the system using prompt analysis and adjustments as necessary.

EVRAZ main steel mills have been certified under the ISO 14001 and OHSAS 18001 standards.

Emergency response

Some EVRAZ operations, including the mines of the Coal division, have auxiliary mine-rescue teams to act as first responders to incidents and help to evacuate personnel ahead of the arrival of professional rescue teams. Members of the auxiliary teams are specially selected, trained and regularly re-trained.

In the event of an incident, an emergency warning system is activated to inform local

The Group's commitments are based on internationally recognised standards and respect for all human rights, including civil, political, economic, social and cultural rights. EVRAZ fully endorses the provisions of the United Nations' Universal Declaration of Human Rights.

In accordance with its internal Code of Business Conduct, EVRAZ seeks to develop and maintain a work environment that is free from discrimination. The Group is committed to providing every employee with equal opportunities. All personnel and applicants are assessed according to their professional skills, qualities, experience and abilities. Decisions made on grounds unrelated to an individual's job performance (eg related to the person's race, ethnic origin, sex, religion, political views, nationality, age, sexual

orientation, citizenship status, marital status or disability) are discriminatory and prohibited by the law and the principles accepted in the Group.

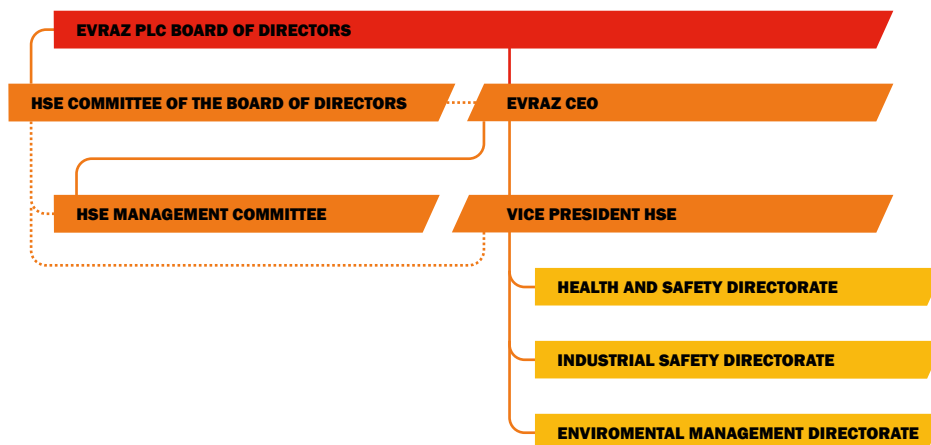
Child labour, bonded labour, human trafficking and other forms of slavery (known as modern slavery) are strictly prohibited at all EVRAZ subsidiaries and their suppliers. Modern slavery is an abuse of human rights and is a criminal offence in the UK and other jurisdictions. The Group is committed to acting ethically and requires suppliers to conduct business within the same ethical framework.

Respect for others is one of EVRAZ overriding principles. In the cross-cultural environment in which the Group operates, all cultures must be treated with respect. EVRAZ rules prohibit the use of abusive,

harassing, discriminatory, degrading or aggressive speech or written comments, verbal or physical demonstrations of a sexual nature, and actions or speech that insult the honour or dignity of an individual.

➡ This aspiration is reflected in the Group's internal codes and principles, including the Business Conduct Policy, "The EVRAZ Way", available on the corporate website www.evraz.com/governance/documents/

HSE corporate management structure



residents and authorities. For example, Rospadskaya has a commission to prevent and respond to emergencies and to ensure fire safety. The commission coordinates and warns of natural and technological disasters, manages emergency response assets and works to reduce the damage from incidents.

HSE reporting system

The Group relies on its HSE reporting system to collect and share appropriate data throughout the organisation with an aim to continuously

improve the process. The corporate HSE functions monitor subsidiaries using monthly, quarterly and annual HSE performance reporting.

The internal audit function regularly assesses EVRAZ compliance with HSE policies, which is supplemented by external monitoring by government authorities. The Group conducts a detailed analysis of any recommendations resulting from the inspections to ensure that remedial actions can be taken, where needed.

All EVRAZ facilities review lessons learnt to improve their own processes. Line managers

form the first level of production control, division and shop managers form the second level and senior managers form the third level. This multi-tiered system helps the Group to ensure strict compliance with HSE requirements.

In 2018, standard incident reporting rules were introduced throughout the organisation, beginning with recording all injuries and incidents entailing lost time and/or fatalities, and immediately issuing a 'flash report' to all relevant management. The HSE function then conducts standard 'lean' format investigations and promptly disseminates lessons learnt to concerned parties. The HSE Management Committee reviews every case involving a fatality, severe injury or serious incident and follows up to ensure that all remedial action has been implemented in full.

In addition, measures have also been introduced to ensure that injuries and incidents are not hidden to distort the true picture. Accountability for hiding or distorting information is one of the cardinal safety rules that can lead to an employee's dismissal.

EVRAZ distributes monthly HSE reports to all personnel containing data on any injuries and incidents that have occurred in the past month, as well as updated HSE KPI metrics on the lost-time injury frequency rate, fatalities and cardinal rule violations. The reports also include an analysis of hazards and risks to focus efforts on preventing such incidents in the most critical areas.