



For a Better Future

Sustainability Report 2020



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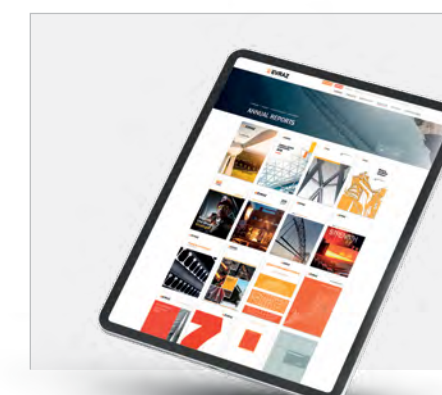
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MESSAGE FROM THE CEO



Alexander Frolov
Chief Executive Officer

Dear Stakeholders,

Despite the fact that 2020 was marked by various unprecedented and unexpected events, which in many ways changed the world, EVRAZ maintained its commitment to creating long-term value for all stakeholders. In this unstable environment EVRAZ once again confirmed its status as a responsible employer and business partner, and also continued to implement projects and initiatives to protect the environment and develop local communities.

COVID-19 has encouraged us even more to make positive change for all groups of people that influence and are impacted by our business. Although, EVRAZ has always adopted a responsible approach to doing business, in 2020 we made even greater efforts to attain UN Sustainable Development Goals, and we plan to continue on this course. Also, in August 2020 EVRAZ joined the UN Global Compact, one of the world's foremost initiatives in the field of sustainable development.

The year 2020 was a major challenge for many companies and industries, including mining and metals. We made every effort to adapt to the changes brought about by the COVID-19 pandemic, and we are proud to report that we were able to respond rapidly to it. We tweaked business processes, fine-tuned our performance, and maintained high product quality. Despite the difficult situation across the world, a new working environment, and demand volatility, EVRAZ generated EBITDA of US\$2,212 million.

OCCUPATIONAL HEALTH AND SAFETY

Ensuring comfortable and safe working conditions and monitoring and safeguarding employee health are our top priorities. The Group seeks to ensure that a safety culture exists at all stages of production and covers all employees and contractors. For this purpose, EVRAZ regularly implements measures and educational programmes aimed at making sure that everyone

approaches their work with an understanding that safety comes first.

Our work in the area of occupational safety is geared towards achieving zero fatalities and reducing the lost time injury frequency rate (LTIFR). In 2020 the LTIFR among the Group's employees stood at 1.58 per 1 million hours, which was a 22.5%

drop on the figure for 2019. The Group achieved zero fatalities among contractors, however, I deeply regret to report that in 2020 there were five fatalities among our employees. The Group carried out thorough investigations and took measures to prevent such cases from reoccurring in the future.

In the reporting period the health and safety of employees became a particularly pertinent issue due to COVID-19. The Group promptly implemented all necessary measures and successfully adapted to new working conditions: foreign business trips were cancelled; business trips in Russia were restricted; transport, canteens, and work spaces were sanitised daily; thermal imagers and pyrometers were installed at checkpoints; all mass events were postponed; and most office

employees began working remotely. The Group believes that these measures helped significantly in reducing the spread of the virus.

EVRAZ also endeavours to be one of the leading companies that actively use the latest technologies and innovations in the area of health and safety. In 2020, as part of the risk management system, the Group launched a new mobile app, Hunt for Risk, which allows employees

to identify and eliminate safety related risks and to bolster the safety culture through gamification.

At Rospadskaya the Group introduced the pilot version of a digital network that uses artificial intelligence methods to prevent incidents: the 24/7 network ensures that employees use personal protective equipment. It is also planned to roll out the system for vehicles, with a view to monitoring that safe driving practices are being followed.

HUMAN CAPITAL MANAGEMENT

Our activity in the area of human resources management is aimed at ensuring that interaction with employees is based on respect of human rights. All employees have equal opportunities in terms of professional and personal skills, career growth, a decent salary, and an attractive social package.

Education and training are important aspects of staff management and key drivers of employee development within the Group. Each year EVRAZ implements new training programmes, which often become a regular feature within the Group, with the most effective initiatives being embraced. For example, in the reporting year the third

Top-300 programme was held to train production managers. Due to the success of the programme it was decided to expand it, consequently in 2020 the Top-1000 programme was launched, covering specialists who practice effective goal-setting and feedback, delegation, and other aspects of management.

In 2020 EVRAZ completed work to enhance the target remuneration system. Now the system is even more transparent and balanced (in terms of fixed and variable parts) and reflects how well the employee, team, and department are performing. The social package includes voluntary medical insurance, a pension scheme,

additional holiday days in case certain events arise, and financial assistance in difficult life circumstances. In addition, the Group organises cultural and sporting events for employees and their families.

EVRAZ strives to adhere to high standards in the area of employee engagement. In order to be more productive in this area, in 2020 the Group began planning its employer brand development strategy. This initiative confirms the Group's commitment to being the best employer in the regions where we operate and to earn the trust and support of our employees.

MANAGING ENVIRONMENTAL IMPACTS

The protection of the environment and combating climate change are gradually coming to the forefront of the strategies of global companies, organisations, and governments. EVRAZ has also committed to these initiatives and adheres to a responsible approach in its operations. In 2020 the Group elaborated its Environmental strategy, which sets ambitious climate targets for 2030 and is aligned with sustainable development principles. EVRAZ is also seeking to expand the scope of its commitments to include United Nations Sustainable Development Goals, the Paris Agreement, and the requirements of the Intergovernmental Panel on Climate Change (IPCC).

The Group has an Environmental Management System (EMS) in place, which manages environmental risks and monitors

that production processes at all enterprises comply with applicable requirements. The system is embraced at all enterprises and is based on the plan-do-check-act (PDCA) model. In 2020 EVRAZ made major improvements in the area of managing its environment impacts. The Group reduced its total atmospheric emissions from steel production by 3.7% compared to the 2019 level, and recycled 102.7% of non-mining waste and by-products (target: 95%). Fresh water consumption in 2020 stood at 206.2 million m³.

In the reporting period EVRAZ published its first Climate Change Report, based on recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The report contains detailed information on the Group's approach to climate change, climate risk management,

and quantitative indicators compared to previous periods. In 2020 the GHG emission intensity level was 1.97 tCO₂e/tcs (tonnes of carbon dioxide equivalent per tonne of crude steel) and the Group achieved its goal of a GHG emission indicator of below 2 tCO₂e/tcs. The Group's total energy consumption fell 5.7% year-on-year.

I am particularly proud to mention that EVRAZ's environmental protection activity has been recognised at international level. The Group took second place in the Wall Street Journal ranking of the world's 100 most sustainably managed companies; over 5,500 global public companies were evaluated, across 26 categories, and EVRAZ gained recognition for its projects related to reducing emissions and boosting energy efficiency.



COMMUNITY RELATIONS

Maintaining and fostering well-being and social stability in the regions where we operate are essential aspects of the EVRAZ sustainability practice. Each year the Group earmarks significant funds for organising large-scale cultural and sporting events, implementing educational projects, and improving healthcare and infrastructure.

Most EVRAZ initiatives are encompassed within three main areas of social investment: EVRAZ for Kids, EVRAZ for Cities, and EVRAZ for Sports. As part of its commitment to local communities, during the reporting period the Group invested in setting up two R&D centres at the Siberian State Industrial University in Novokuznetsk, one of which – the Digital Competence Centre – allows students to acquire highly in-demand IT skills. EVRAZ also held workshops and educational programmes for children, and provided financial support for orphanages, schools, and family centres. Investing in holding sporting events and development activities for children and adults, as well as building sports facilities, are great ways to promote a healthy lifestyle.

The Group is especially proud that our employees are actively engaged in social initiatives implemented in the regions of operations, acting as volunteers and helping vulnerable groups and people in challenging life circumstances.

In the reporting period EVRAZ held its traditional annual grant contest: City of Friends – City of Ideas, which allows representatives from local communities and other stakeholders to present projects to enhance urban spaces and protect the environment. This year 44 projects received grants from the Group.

In 2020 EVRAZ placed a particular emphasis on healthcare support, on account of the pandemic. The Group provided financial support to purchase medical equipment and personal protective equipment for hospitals in the regions where we operate and opened new medical centres and COVID-19 diagnostic laboratories.

2020 negatively impacted many businesses, people, and their families. It affirmed the importance of being ready for unexpected events and being able to react quickly to change. We are proud that in such a challenging year we showed flexibility,

improved our performance in many areas, and demonstrated not only the stability of the Group, but also an ability to achieve sustainable growth. I would like to thank all our stakeholders for their support and contribution to the Group's development. Under all circumstances EVRAZ in turn will strive to do even more for the overall prosperity of businesses, employees, and communities in the regions where we operate, thereby facilitating sustainable development for a better future.



Alexander Frolov
CEO

ABOUT THE GROUP

GRI 102-1

EVRAZ is a global steel, mining and vanadium company and the leading producer of infrastructure steel products. The Group has three business production segments located in Russia, USA, Canada, Kazakhstan and Czech Republic.

The Group supplies its products to more than 70 countries and stands among the top global steel and coal producers. EVRAZ is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index.

GRI 102-3

Corporate profile

THE GROUP NAME	CEO
EVRAZ plc	Alexander Frolov
OFFICE IN THE UK	BUSINESS SEGMENT
England, 2 Portman street, London W1H 6DU	Steel, mining and vanadium business
OTHER MAJOR OFFICES	YEAR OF ESTABLISHMENT
Russia, Moscow str. Belovezhskaya, 4, Block B	1992
71 S. Wacker Drive, Suite 1700, Chicago, IL 60606	

GRI 102-6

WHO WE ARE

Leading industry positions

- a vertically integrated global steelmaker.
- one of the lowest-cost global steel producers.
- the market leader in construction steel products.
- the leading global supplier of rails.
- a global leader in the production of vanadium.
- the largest coking coal producer in Russia.
- a geographically diversified business.

Financially sustainable company

- consolidated revenue amounted to US\$9,754 million.
- consolidated EBITDA reached US\$2,212 million.

Sound employment

- 69,699 people have stable employment.
- EVRAZ wage ratio is up to three times higher than wages in the region of presence.
- 337 employees took part in corporate management development programmes.
- Over 43,500 employees were covered by the Target remuneration system, implemented in 2020.

Clean environment

- water consumption amounted to 206.2 million m³.
- total amount of air pollutant emissions from steel production decreased by 3.7%.
- the Group recycled or reused 102.7% of non-mining waste and byproducts.
- total energy consumption fell by 5.7% year-on-year.

Safe and healthy and workspace

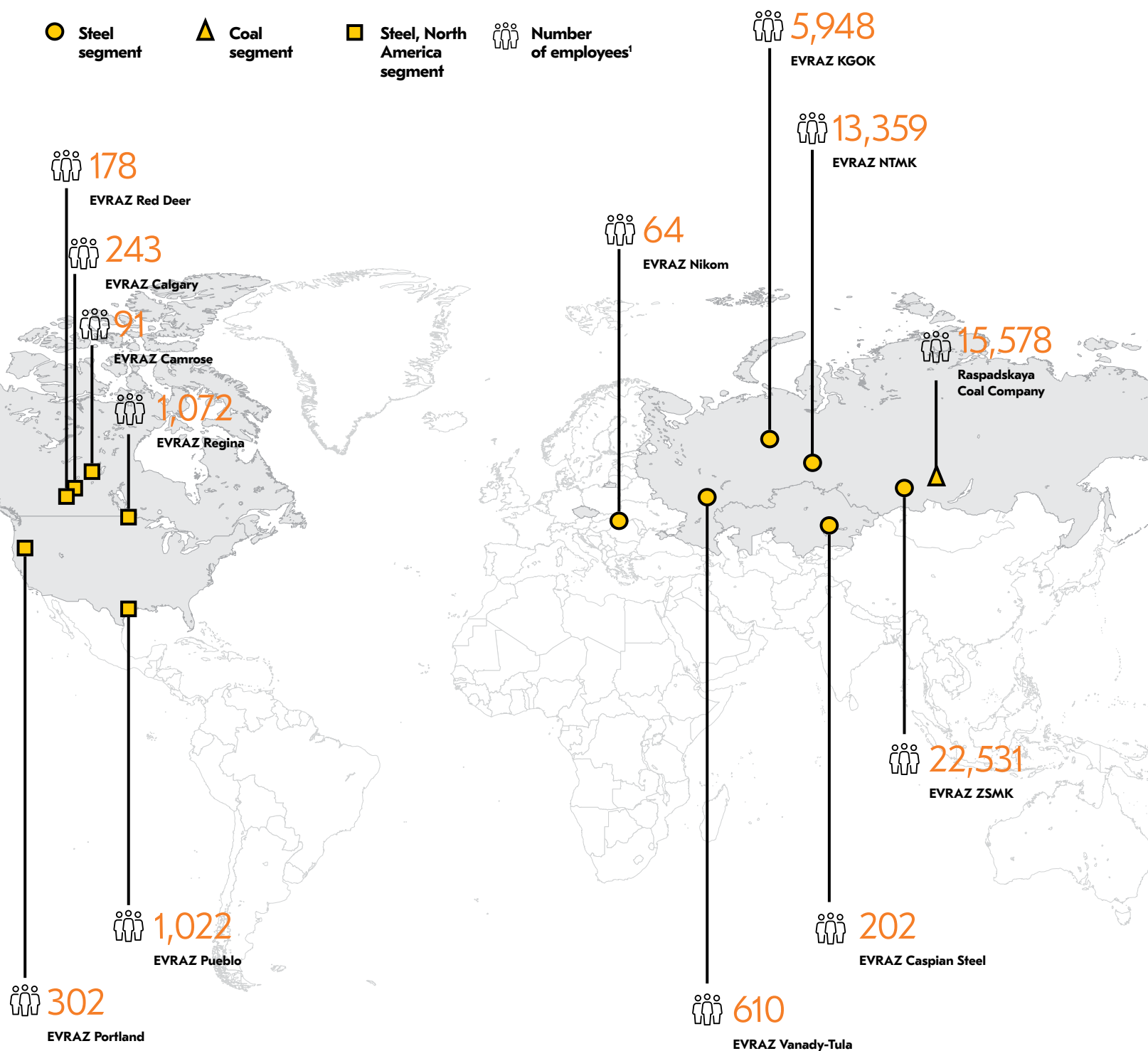
- 100% of EVRAZ employees are covered by the Health and Safety management system.
- the major metallurgical enterprises of the Group are certified under ISO 45001 and OHSAS 18001.
- LTIFR stood at 1.58, which was 22.5% lower than in 2019.
- zero fatalities among contractors in 2020.
- 42,136 employees underwent Risk Management Project training.



GRI 102-4 GRI 102-7

WHERE WE OPERATE

EVRAZ OPERATES IN FIVE COUNTRIES: RUSSIA, USA, CANADA, KAZAKHSTAN, CZECH REPUBLIC.



¹ The map only presents the Group's key enterprises. For this reason, the sum of the numbers below doesn't match the total number of the Group's employees at the end of the year.

GRI 102-7

WHAT WE PRODUCE

EVRAZ is a leading producer in steel markets and supplies its products to customers from 70 countries worldwide. Our broad product line is used in most production industries, including construction, rail infrastructure. Our output is tailored to the customer's location,

specific technical conditions, the purpose of the product and how it will be used further.

The Group's products meet the highest standards and are certified (a number of certificates can be viewed at the English

version of the official EVRAZ website). EVRAZ constantly works on improvement of its products and services to strengthen our long-term relationships with partners and customers and to create value for all stakeholders.

GRI 102-2

Main and ancillary products

Type of products	Description
Construction products	EVRAZ produces steel that is used to construct residential homes, office buildings, stadium, bridges and other infrastructure facilities.
Railway products	Our product line is used in production of almost every element of rail infrastructure (includes rails, parts for carriages, and railway wheels).
Tubular products	EVRAZ is a leading supplier of large diameter line pipes for oil and natural gas transportation, and is the only supplier of LD pipe that is fully made in Canada. We are also a leading producer of small diameter line pipes used in construction, energy exploration, and production.
Industrial products	EVRAZ is a major player in the industrial market. Our products are used in most industries, as following: <ul style="list-style-type: none"> • mining. • machine-building. • hardware.
Vanadium products	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.
Raw materials	For main metallurgical production EVRAZ also extracts the raw materials such as iron ore, coking coal, and limestone. A significant share of The Group's internal iron ore and coking coal consumption is covered by own mining operations.

We greatly value our clients, and therefore strive to improve not only our products, but also the process of interaction with customers, ensuring an individual approach to each.

We widely apply a range of modern technologies in all our activities, including developing and using mobile applications. EVRAZ employees can get access to information and HR services by downloading EVRAZ app. Clients

and partners can find interesting EVRAZ Events application. We also developed EVRAZ Wheels and EVRAZ VR applications that provide virtual reality tours around our production facilities.



Our approach to sustainability for a Better Future

2020 highlights

US\$38 million spent on social expenses in 2020

1.58 LTIFR per 1 million hours¹

US\$56.9 million invested in improving environmental performance

1.97 tCO₂e per tonne per tonne of steel cast GHG intensity rate

69,699 employee headcount at the end of the year

Global Sustainable Development Goals



APPROACH TO SUSTAINABILITY MANAGEMENT

As EVRAZ recognises the significant role that sustainability principles and values play in any business's growth and prosperity, it works constantly to integrate them into its business processes. At EVRAZ, we consider sustainable development to be an essential part of our success.

initiatives and by policymakers. We act in line with the top international standards, including OECD's Guidelines for Multinational Enterprises and the provisions of the United Nations Universal Declaration of Human Rights.

We are convinced that optimal efficiency within our sustainability activities can only be achieved by following the best practice enshrined in leading sustainability

In 2020, EVRAZ joined the UN Global Compact initiative.





For detailed information please see Appendix 3 – UN Global Compact communication on progress. →

"We are proud to announce that in 2020 EVRAZ has joined one of the leading global sustainable development initiatives – the UN Global Compact. We are continuously working to contribute to the implementation and promotion of the 10 Principles in support of human rights, labour rights, the environment and anti-corruption."

Alexander Frolov
Chief Executive Officer

In order to ensure that sustainable development issues are considered across the Group's business processes and operational stages, we have organised activities in this area into four main spheres:

PRIORITY SUSTAINABLE DEVELOPMENT AREAS

 <p>EMPLOYEE WELL-BEING Providing employees with safe working conditions, wide learning and development opportunities, and competitive compensation packages. See the sections Our People, p 26, and Health and Safety p 41 →</p>	 <p>ENVIRONMENTAL PROTECTION Reducing adverse impacts from our operations on the environment. See the section Environmental management, p 50 →</p>	 <p>ECONOMIC STABILITY Ensuring stable economic growth and creating long-term value for the Group. See the sections Ethics and business conduct, p 13 →; and Direct economic value generated and distributed, p 25 →</p>	 <p>LOCAL COMMUNITY DEVELOPMENT Contributing to the achievement of economic prosperity and providing social support in our regions of operation. See the section Supporting local communities, p 68 →</p>
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OUR CONTRIBUTION TO ATTAINING SUSTAINABLE DEVELOPMENT GOALS (SDG)

GRI 102–12

EVRAZ fully supports the Sustainable Development Goals (SDG) adopted in 2015 by the UN General Assembly. We are continually performing substantial work in order to contribute to attaining them. As a result of analysing





our potential positive and negative impacts on the environment, society, and the business community, we created a list of 11 priority Sustainable Development Goals, which we are constantly striving to achieve.

In 2020, we conducted a questionnaire survey among our internal stakeholders to determine the most pressing SDG to focus on in 2020. These goals are marked "2020 focus" in the table below.










¹ Excluding fatalities and data on contractors.

EVRAZ inputs to meet Sustainable Development Goals

SDG	Our inputs	
 2020 focus	Ensure healthy lives and promote well-being for all at all ages: <ul style="list-style-type: none"> High quality compensation packages for employees, which include comprehensive medical insurance for our employees and their families. Initiatives to promote healthy lifestyles among the Group's employees and local communities. Particular attention is paid to the younger generation. Investing in building sports facilities in EVRAZ's regions of operation. 	See the sections Our People, p. 26 ; Health, Safety, and Environmental Governance, p. 39 ; Supporting local communities, p. 68 →
 2020 focus	Ensure the availability and sustainable management of water and sanitation for all: <ul style="list-style-type: none"> Cutting the Group's freshwater consumption and increasing the quality and volume of recycled water. 	See the section Environmental Management, p. 50 →
 2020 focus	Ensure access to affordable, reliable, sustainable, and modern energy for all: <ul style="list-style-type: none"> Lowering electricity use in each segment of the Group. Promoting initiatives aimed at generating electricity internally. 	See the section Environmental Management, p. 50 →
 2020 focus	Take urgent action to combat climate change and its impacts: <ul style="list-style-type: none"> Reducing the consumption of energy in the Group's activities and boosting energy efficiency in order to reduce CO₂ emissions. 	See the section Environmental Management, p. 50 →



SDG	Our inputs	
 2020 focus	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all: <ul style="list-style-type: none"> Providing employees with quality professional education opportunities. Supporting education and improving conditions in local educational organisations. 	See the sections Our People, p. 26 ; Supporting local communities, p. 68 →
 2020 focus	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all: <ul style="list-style-type: none"> Providing employment opportunities in the regions of operation. Ensuring equal opportunities for all employees. Ensuring prevention of any modern forms of slavery. Meeting our tax obligations. Providing safe working conditions. 	See the sections Our people, p. 26 ; Health, Safety and Environmental Governance, p. 39 ; Supporting local communities, p. 68 ; Responsible supply chain management, p. 80 →
 2020 focus	Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation: <ul style="list-style-type: none"> Supporting and organising infrastructure development projects in the regions of operation. 	See the section Supporting local communities, p. 68 →
 2020 focus	Make cities inclusive, safe, resilient, and sustainable: <ul style="list-style-type: none"> Supporting the development of social infrastructure in the regions of operation. Concluding agreements with local authorities to raise living standards. 	See the section Supporting local communities, p. 68 →
 2020 focus	Ensure sustainable consumption and production patterns: <ul style="list-style-type: none"> Reducing the volume of waste generation and increasing the volume of waste recycled. 	See the section Environmental Management, p. 50 →
 2020 focus	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels: <ul style="list-style-type: none"> Compliance with all applicable legislation. Respecting human rights. Fostering anti-corruption and bribery initiatives, preventing conflicts of interest. Combating modern forms of slavery. 	
 2020 focus	Strengthen the means of implementation and revitalise the global partnership for sustainable developments: <ul style="list-style-type: none"> Implementing and supporting sustainability initiatives promoted by Russian and international sector associations and institutions. 	See the sections Environmental Management, p. 50 ; Responsible supply chain management, p. 80 →

KEY DOCUMENTS

EVRAZ has elaborated a number of internal corporate documents that govern the Group's activities in all priority areas of sustainability. The list of regulations, as well as the documents themselves, are regularly revised and updated in order to ensure that they still conform to the rapidly changing external environment. In 2020 EVRAZ elaborated two new policies which address

the issue of personnel management: the Human Rights Policy and the Diversity and Inclusion Policy.

The main documents elaborated for the Group and EvrazHolding are the following:

- The Code of Business Conduct.
- EVRAZ Supplier Code of Conduct.
- The Health, Safety, and Environmental Policy.

- Social Investments Guidelines.
- The Anti-Corruption Policy.
- The Hotline Policy.
- The Policy on Main Procurement Principles.
- The Human Rights Policy.
- The Diversity and Inclusion Policy.
- Modern Slavery Statement.

ORGANISATIONAL STRUCTURE

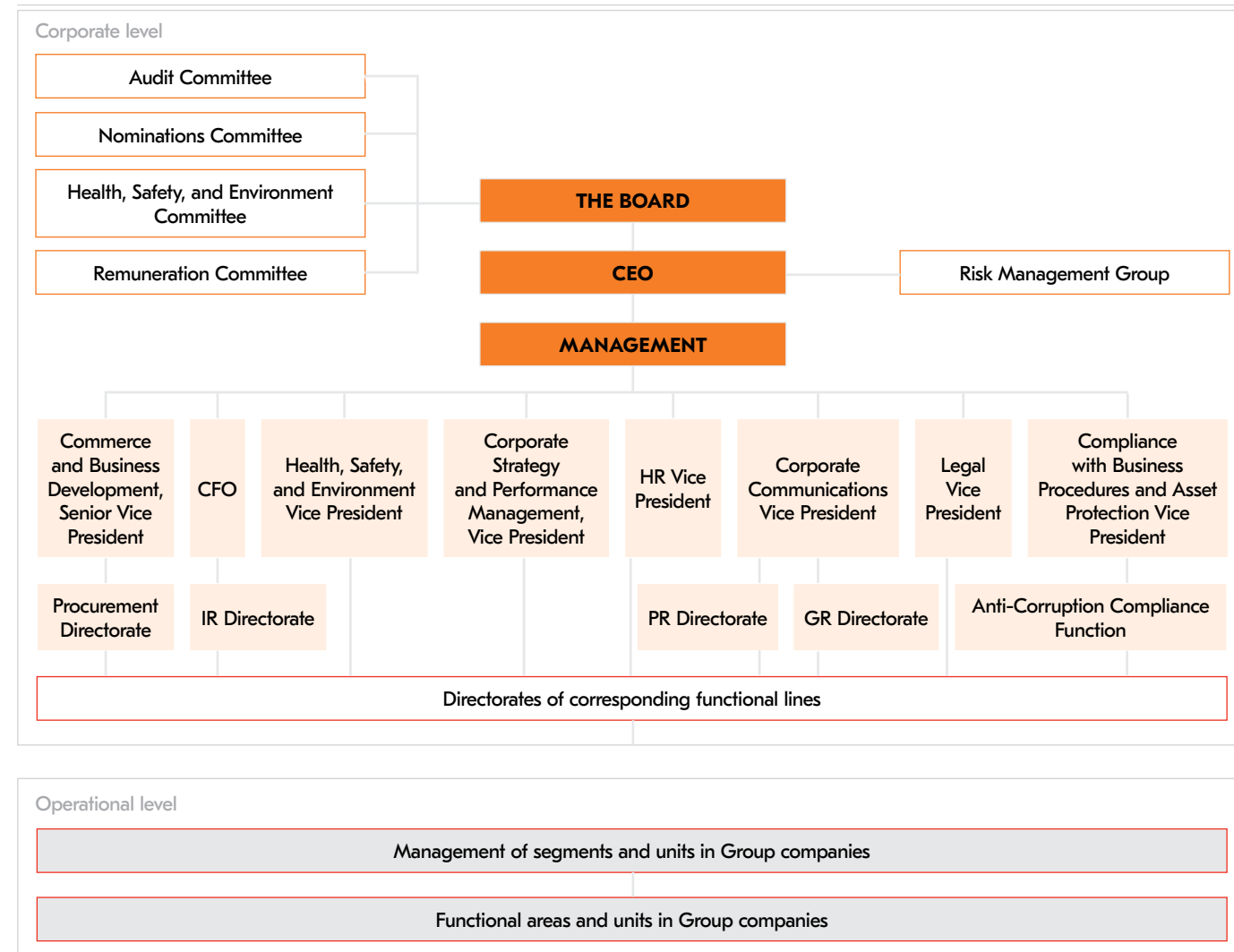
As the Group strives to ensure the integration of sustainability principles into all its business processes, the sustainable development organisational structure covers all organisational levels of the Group. The Board of Directors and its committees are tasked

with determining the general course of EVRAZ's sustainable development. The CEO and Management Board monitor activities related to sustainability. Directorates, headed by vice-presidents, are responsible for setting respective goals and performing specific tasks

corresponding to their functions, and the managers of business segments apply the adopted initiatives in their segments in accordance with their business functions.

GRI 102-18

Sustainable development organisational structure



ETHICS AND BUSINESS CONDUCT

APPROACH TO PROMOTING FAIR BUSINESS PRACTICES

EVRAZ recognises that business transparency facilitates trust-based relations with all stakeholders and enhances the economic and social environments in which the Group operate. The Group has high standards for employees and contractors in terms of fair business conduct, and places emphasis on demonstrating a responsible approach to preventing, identifying, and responding to cases of bribery, corruption and other types of malpractice. In the event of fraud, EVRAZ makes every effort to eliminate the consequences, address the causes, and prevent the reoccurrence of such cases in the future.

EVRAZ adheres strictly with the requirements of both Russian and international legislation, including the Russian Law "On Preventing Corruption", the UK Bribery Act, and the US Foreign Corrupt Practices Act.

The Group has elaborated a set of internal documents on business ethics, which must be complied with by all employees of the Group. These comprise:

- The Code of Business Conduct.
- The Anti-corruption Policy.
- The Anti-corruption Compliance System Policy.
- The Anti-corruption Training Policy.
- The Charitable donation and Sponsorship Policy.
- The Gifts and Business Entertainment Policy.
- The Hotline Policy and whistleblowing procedures.
- The Conflicts of Interest Policy.
- The Human Rights Policy.
- The Diversity and Inclusion Policy.
- Modern Slavery Statement.

The Anti-corruption Policy and Code of Business Conduct are two key documents that set forth the principles and norms

of ethical behaviour adopted by the Group. In the previous reporting period, these documents were duly updated in order to reflect the changes that took place in the Group since their first appearance in 2013. In 2020, EVRAZ continued to update the documents and supplemented the Anti-corruption Policy and Code of Business Conduct with policies on managing conflicts of interest and on sponsorship and charity activity. These procedures allow more efficient management of corruption-related risks.

All employees of the Group are obliged to adhere to the ethical principles set out in the Code of Business Conduct. The Code refers to such principles as equality of rights and opportunities, respect for people, rejection of all forms of discrimination and slavery, zero tolerance towards corruption, as well as the following principles of conducting business.

GRI 102-16

The EVRAZ principles of conducting business



Approaches to combating corruption and adherence to ethical business conduct are applicable for all Group entities and are implemented across all levels. The Audit Committee (which reports to the Board of Directors), together with compliance managers, play the key role in anti-corruption activity. The committee is responsible for monitoring the overall effectiveness of the Group's anti-corruption system, investigations in this area, and issues related to corruption risks.

Compliance managers, who have been appointed at each significant subsidiary, actively monitor employees' compliance with internal documents, examine reports of possible cases of corruption and other malpractice, conduct respective investigations when necessary. The results of investigations (reports and related recommendations) are presented to the business unit's senior management, the Group's compliance manager, and the Vice President, compliance

with Business Procedures and Asset Protection support.

In addition, compliance managers monitor charity and hospitality expenses, conduct checks of potential and existing business partners, analyse and prevent potential conflicts of interests, and are involved in monitoring tender procedures.

ANTI-CORRUPTION RISK MANAGEMENT

EVRAZ adopts a systematic approach to identifying, assessing, and managing risks related to corruption and bribery. The main documents governing the Group's handling of these risks are the Anti-corruption Policy and Anti-corruption Compliance System Policy.

most vulnerable to risks (procurements, payments, sales, charity and sponsorship, government relations, and others), a detailed analysis of the system of controls and procedures is performed. Compliance managers monitor existing risks and proactively identify new and emerging ones. Information on risks is reported to the Audit Committee.

At the end of each year, compliance managers at all subsidiaries perform a comprehensive analysis of corruption-related risks in respect to all assets and business processes of the Group. For business processes that are by nature

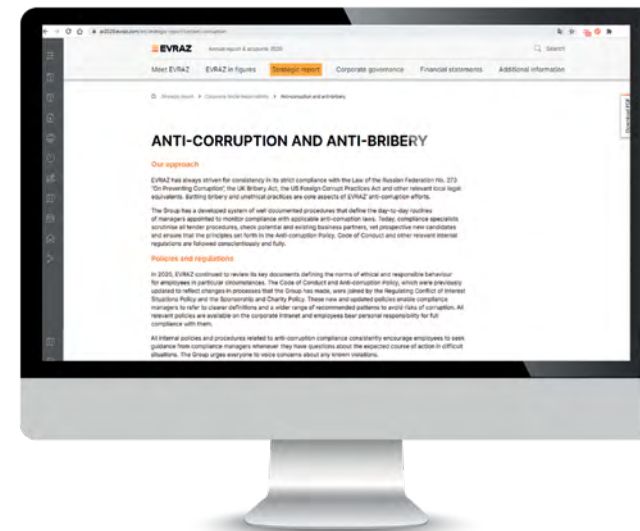
GRI 205-1

The corruption risk assessment for 2020 was made in January 2021, due to the COVID-19 pandemic.

The Group is proud to report that the robustness of its anti-corruption practices and policies allowed it to quickly adapt to the uncertainties brought on by the pandemic and ensure the integrity of business ethics. In 2020, there were no investigations initiated into suspected corruption involving state or public authorities. However, compliance managers' own leads regarding potential fraudulent schemes between unscrupulous managers and suppliers/providers led to investigations. The employees involved were dismissed and vendors banned.



For more information on the analysis and management of corruption-related risks, see the **Anti-corruption and antibribery section of the Annual report.** →



RAISING AWARENESS OF ETHICAL BUSINESS CONDUCT

A commitment to ethical behaviour underpins EVRAZ's corporate culture, and the Group therefore focuses on raising awareness of ethical principles among employees and contractors.

GRI 205-2

Mandatory requirements in the form of corporate policies and documents are published on EVRAZ's internal and external websites, so that each employee and other stakeholders can refer to them at any time. The Group also introduces new employees to the principles of ethical behaviour and ensures that all employees are aware of and have access to up-to-date information as well as any changes in regulatory documents.

EVRAZ's education initiatives in the field of ethical behaviour make a significant contribution to preventing corruption and bribery. Top management are committed to raising the employees' awareness of strict ethical standards of business behaviour. They systemically and regularly elaborate on its importance and value in communication with specialists, managers, and administrative personnel.

For the past several years Group's employees have attended an online anti-corruption course. Developed by Thomson Reuters, it covers such topical issues as business gifts, hospitality, supplier communications, and charity. The course consistently emphasises that, if an employee suspects that inappropriate behaviour has taken place, they should contact compliance managers or call the Hotline. In 2020, over 3,400 employees throughout the Group completed online anti-corruption training.

In 2020, EVRAZ decided to improve its in-house capabilities and to move beyond externally provided trainings. The Group is now developing its own Learning Management System, which will considerably enhance the effectiveness of employee training management, as the courses will become more frequent and relevant to the specifics of the Group's operations. The course Anti-corruption Policy Requirements has already been elaborated by the Group and is implemented. The course will be assigned to each employee every two years, it contains assignments

and tests on issues covered in the Anti-corruption Policy. In addition, the Group has elaborated a course on the Code of Business Conduct and is working on a conflicts of interest course. Together, these courses will form a single programme that is mandatory for all managers of the Group.

EVRAZ also requires compliance with the principles of ethical behaviour on the part of suppliers and counterparties. To this end, each contract contains an appendix with a reference to the need to comply with EVRAZ anti-corruption requirements and a link to the website where the Anti-corruption Policy is published. In 2020, the Group worked out a course on EVRAZ anti-corruption principles for suppliers and counterparties, which has already been taken by around 300 counterparty managers. In 2021, it is planned to further develop the Learning Management System, improve the training system for counterparties on the Group's principles in the sphere of ethical business conduct.

WHISTLEBLOWING HOTLINE

EVRAZ encourages employees and stakeholders to adhere to the principle of transparency and to report cases of misconduct or issues that they find concerning or suspicious, using a 24/7 whistleblowing hotline which guarantees anonymity.

depending on the subject of the report. The specialists then analyse the report and take specific measures to resolve the issue. If the report is not anonymous and the person has provided contact details, the Group informs them about the status of the report as well as respective measures taken.

- The Group operates two separate whistleblowing hotlines:
- The Corporate Whistleblowing hotline for all major plants, including the Siberia Region (Steel segment), the Urals Region (Steel and Coal segments), EVRAZ Vanady Tula, and EVRAZ Metall Inprom.
 - The EVRAZ North America ("ENA") hotline.

All complicated, controversial, or sensitive issues and handled by the Hotline Committee (for the Corporate Whistleblowing hotline) and the Hotline Team (for the ENA whistleblowing hotline), which include senior executives, so the Group can be confident that all appropriate measures are taken to address reports.

GRI 205-3

As a result of the well-structured process in place for handling reports, year-to-year there is growing confidence in the whistleblowing hotlines among the Groups' employees and stakeholders. In 2020, 1,096 reports were submitted via the Corporate Whistleblowing hotline, and 49 via the ENA hotline. Out of all the reports received, 50 related to fraudulent intent. The respective contracts with the employees concerned were terminated, and necessary measures were taken to prevent such cases from reoccurring in the future and to eliminate the consequences.

Incoming reports are registered in the IT system and then allocated to relevant specialists (e.g. HR, HSE, Security),

Working process of Corporate Whistleblowing hotline

1. AN INDIVIDUAL MAKES A REPORT

Communication through available channels:

- email (vopros@evraz.com and hotline@evraz.com)
- the hotline phone number
- and internal corporate portal

2. CONTACT CENTRE

Key role: collecting and registering reports
Corporate Whistleblowing hotline: reports are received and registered by an in-house contact centre
ENA Whistleblowing hotline: reports are received and registered by a third party, Navex Global

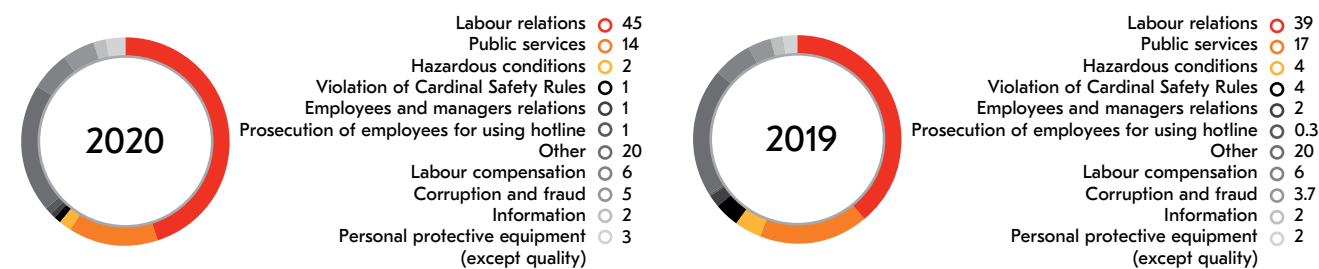
3. RESPONSIBLE EXECUTIVE

Key role: ensuring the transparency, swiftness, and independence of whistleblowing procedures
Corporate Whistleblowing hotline: Vice President of Corporate Communications, Internal Audit Director
ENA Whistleblowing hotline: General Counsel and Corporate Secretary, Internal Audit Director, Director of Corporate Security

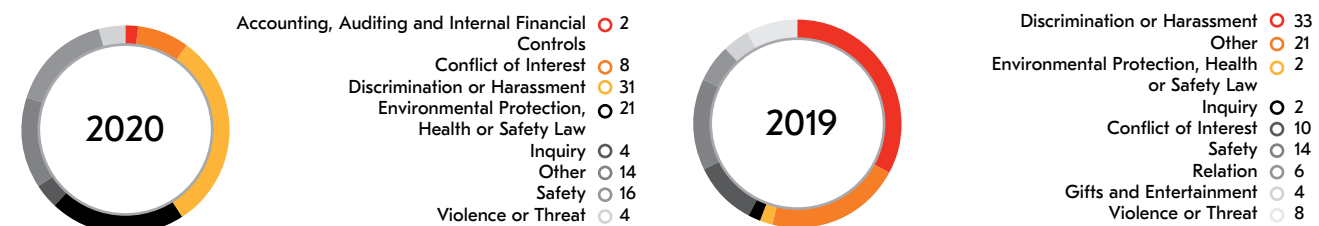
4. SERVICES RESPONSIBLE FOR HANDLING REPORTS

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)

Topics and percentages of popular issues raised via Corporate Whistleblowing hotline, 2019–2020, %



Topics and percentages of popular issues raised via the ENA whistleblowing hotline, 2019–2020, %



SUSTAINABILITY RISK MANAGEMENT

GRI 102–11

APPROACH TO MANAGING SUSTAINABILITY RISKS

Risk management forms an essential element of the Group's activities and is aimed at attaining its strategic objectives, including those related to sustainability. The risk management approach was elaborated in EVRAZ to cover all the Group's business processes and is adopted in all its operations.




There is a unified framework in place in the Group that is used to identify, assess, and manage risks at both corporate and operational level. Risk management consists of the timely identification, analysis, and assessment of risks and implementing appropriate measures when necessary.









At EVRAZ, we apply the same approach to managing financial and non-financial risks. Hence the Group takes actions to manage risks related to sustainable development: environmental, social, and economic, as well as the other risks that it is exposed to (strategic and financial).

For detailed information about our organisational structure of sustainability risk management see EVRAZ sustainability report 2019, p. 26. →

The table below describes the Group's sustainability related risks and gives an overview of the Group's measures to manage them.

The Group's sustainability risks

Risk	Description	Risk management actions
 HSE: environment	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 operational licences, which would curtail operations indefinitely. Globally, there is an increase in regulatory scrutiny and pressure, as well as investor and customer expectations.	<ul style="list-style-type: none"> • EVRAZ monitors its environmental risk matrix on a regular basis, and develops and implements mitigation measures in response to these risks. The top management also devotes greater attention to monthly monitoring of environmental risk trends and factors. • The Group implements programmes to reduce air emissions and water use at its plants, as well as to improve its waste management practices. • EVRAZ has developed an environmental strategy and has updated its list of projects in accordance to achieve strategic goals regarding emissions and waste. The strategy is being implemented through dedicated programmes in each division. • Most of the Group's operations are certified under ISO 14001 and work is ongoing to bring the remaining plants in compliance with this international standard. EVRAZ is currently compliant with REACH requirements. • The Group has begun to develop a Climate Change Strategy, including performing various scenario analyses and identifying appropriate risks. • EVRAZ also participates in the development of GHG emissions regulation in Russia. In addition, the Group has achieved reductions in GHG emissions as a positive side-effect of its energy efficiency projects.
 HSE: health, safety	Inherent HSE risks include the potential danger of fire, explosions and electrocution, as well as risks specific to individual mines, where elevated 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. In addition, the 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. There is also the risk of infection with COVID-19, which may be associated with the need for a mass quarantine of workers.	<ul style="list-style-type: none"> • To mitigate these risks, EVRAZ ensures that its management KPIs place significant emphasis on safety performance and the standardisation of critical safety programmes. • The Group is implementing an energy isolation programme, further developing a programme of safety observations behaviour to drive a more proactive approach to preventing injuries and incidents, as well as launching a series of health and safety initiatives related to underground mining. • Other measures include implementing maintenance and repair modernisation programmes, launching a downtime management system, further developing the occupational safety risk assessment methodology, as well as analysing the effectiveness of corrective measures. • In addition, the Group conducts mass testing of personnel for COVID-19 and has introduced reliable barriers to prevent carriers of the virus from entering its facilities.
 Business interruption	Prolonged outages 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 loss of customers and competitive advantage, as well as damage to the Group's reputation.	<ul style="list-style-type: none"> • 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 degassing systems, timely mining equipment maintenance, as well as employee safety training. • EVRAZ performs detailed incident cause analyses to develop and implement preventative actions. Records of minor interruptions are reviewed to identify any more significant underlying issues.

Risk	Description	Risk management actions
Potential regulatory actions by governments, including trade, antimonopoly, antidumping regulation, sanctions regimes, and other laws and regulations 	New laws, regulations or other requirements and regimes could limit the Group's ability to obtain financing on international markets, sell its products and purchase equipment. EVRAZ may also be adversely affected by government sanctions against Russian businesses or otherwise reducing its ability to conduct business with counterparties. There is a risk of adverse geopolitical situations in the countries where the Group operates. Other risks include the possibility that EVRAZ could fail to adapt to new market conditions or could incur losses connected with existing contracts in case of additional sanctions implementation.	<ul style="list-style-type: none"> 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. The Group seeks to monitor potential legislative changes before their introduction, at the point when new laws are being drafted. EVRAZ has implemented and will further develop procedures to ensure that sanctions requirements are complied with across its operations. While the Group's internal compliance controls address the associated risks, the general uncertainty in the area increases management's focus on this risk. EVRAZ also continuously monitors changes in temporary legislation related to the COVID-19 pandemic.
Product competition 	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 slabs on the global market and intensified competition.	<ul style="list-style-type: none"> EVRAZ works to expand its product portfolio and penetrate new geographic and product markets as well as to improve product quality. The Group constantly works on the development and improvement loyalty and on the implementation of customer focus programmes and initiatives. EVRAZ strives to expand the share of value-added products.
HR and employee risks 	Risks related to a lack of skills, a lack of succession planning, and reduced productivity due to labour unrest or low job satisfaction levels.	<ul style="list-style-type: none"> EVRAZ continuously monitors changes and compliance with applicable labour laws and regulations. The Group implements a human capital development programme, arranges regular meetings with trade union representatives and analyses employee engagement levels and seeks to find the ways to their improvement. EVRAZ has introduced a grading system and remuneration management principles. In addition, the Group collaborates with universities and colleges to enhance educational programmes.
Social and community risks 	Risks related to socio-economic instability in the regions where the Group operates, deteriorations in relations with local communities and authorities, and loss of the Group's "social licence" to operate.	<ul style="list-style-type: none"> To mitigate these risks, the Group arranges and proactively supports social, infrastructure, sport, educational, and cultural programmes in the regions of operation. EVRAZ pays close attention to stakeholder engagement and collaborations with cities and regional authorities.
Climate change risks 	Risks related to climate change and extreme weather events that could lead to business disruptions, resource shortages, and damage to the supply chain, equipment, and reputation.	<ul style="list-style-type: none"> EVRAZ implements energy efficiency projects that lead to lowering greenhouse gas emissions. The Group supports global programmes to reduce greenhouse gas emissions. EVRAZ participates in drawing up greenhouse gas emission regulations in Russia.
Human rights risks 	Risks related to violations of human rights.	<ul style="list-style-type: none"> EVRAZ has adopted a Human Rights Policy and regularly informs employees about the principles set forth in the Policy and in the Group's Code of Business Conduct and runs whistleblowing hotlines. EVRAZ ensures its compliance with all applicable laws and regulations. The Group annually discloses a Modern Slavery Transparency Statement.
Quality 	Risks related to product quality.	<ul style="list-style-type: none"> The Group regularly monitors customer satisfaction levels and arranges meetings and feedback sessions with clients. Site visits to production assets are organized on a regular basis. EVRAZ implements production and quality improvement programmes.
Digital effectiveness, as well as effective, efficient and continuous IT service 	A failure to proactively use IT opportunities to increase the efficiency of business operations could result in a loss of competitive advantage and margins. Information technology and information security risks have the potential to cause prolonged production delays or shutdowns. At the same time, increased digital transformation and the convergence of IT and operational technology make companies more vulnerable.	<ul style="list-style-type: none"> Digital Transformation is a part of the Group's IT strategy. EVRAZ continuously assesses and monitors information security risks, and it implements mitigation measures upon completion of external assessments by an independent advisor. The Group conducts regular continuity testing for the most critically important IT systems. Successful mitigation measures include launching the IT Security Operation Centre, conducting security awareness training for employees and effectively organising remote work for staff during the COVID-19 pandemic.

For more detailed information about the Group's risks, their impacts, and risk management actions see **the Principal Risks and Uncertainties section of the 2020 Annual report.** →

STAKEHOLDER ENGAGEMENT

EVRAZ recognises the significance of fully addressing concerns and expectations of all groups of its stakeholders, since this fosters the building of respectful, transparent, and mutually beneficial relationships with them.









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 try to demonstrate our vision and values to a broad range of stakeholders.

stakeholders, therefore, we seek to use the optimal and most convenient means of communication. 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.

During the process of elaborating communication approaches for different groups of stakeholders we strive to ensure that we include all stakeholders, initiate a two-way dialogue, and give stakeholders an opportunity to provide feedback.

We believe that open communication and information transparency are a fundamental aspect of having a constructive dialogue with our

GRI 102-40 GRI 102-42 GRI 102-43 GRI 102-44

 EMPLOYEES	EVRAZ is proud to be one of the best employers in its regions of operation. The Group is constantly improving its personnel management practices to ensure best in-class working conditions.	INTERNAL COMMUNICATION CHANNELS <ul style="list-style-type: none"> Corporate TV and newspaper. Internal portal and mobile app for employees. The EVRAZ Hotline. Annual staff engagement surveys. Interpersonal communication. Group-wide events.
 SHAREHOLDERS AND INVESTORS	EVRAZ focuses on acting in shareholders' best interests and works to build an experienced management team, and also implements corporate governance best practices.	EXTERNAL COMMUNICATION CHANNELS <ul style="list-style-type: none"> The media. Social media. Our official website. The EVRAZ Hotline. Annual reports. Face-to-face communications with external stakeholders.
 CUSTOMERS	EVRAZ generates value for its clients across the world by prioritising value-added products, offering better shipping terms, and running a client-orientated business model.	
 SUPPLIERS AND CONTRACTORS	EVRAZ values its relationships with business partners and ensures that its tenders are fully transparent.	
 LOCAL COMMUNITIES	EVRAZ endeavours to promote prosperity in the regions of operations and works to create healthier and more stable local communities by supporting social and economic development programmes.	
 GOVERNMENT AND REGULATORY AUTHORITIES	EVRAZ is one of Russia's largest taxpayers and employers and plays a valuable role for the country by providing construction and railway products for infrastructure.	
 MEDIA	EVRAZ's proactive engagement with the media boosts the quality and transparency of information about the Group.	
 INDUSTRY ORGANISATIONS	EVRAZ supports a number of industry organisations through joint initiatives and proactively participates in conferences and forums.	

CUSTOMER INTERACTION

In 2020 a prominent task for EVRAZ was the development of new initiatives as part of the Customer focus programme. Identified projects were divided into areas such as digital and continuous improvements. The status of initiatives is discussed at regular meetings with the participation of the Vice President, Sales and Logistics on a weekly basis as well as with the CEO and customers (every two to three months).

In 2020 an online store was launched on the basis of EVRAZ Metall Inprom, and due to EVRAZ' active development in the area of e-commerce, the E-Commerce Directorate was established. In 2021 the Group will continue to work on improving this sales channel in order to increase customer loyalty and satisfaction.

In 2020 changes occurred in the organizational structure of customer

relations management, namely a specialized subdivision – the Claims Work Directorate – was created.

EVRAZ conducted customer surveys on narrowly specialized topics (for example, coke products), as well as a survey to assess the performance of the Claims Work Directorate. As a result of the survey, a positive dynamics of customer satisfaction in terms of claims resolution was observed.

In 2020 together with its clients and partners, the leading Russian steel trading companies, EVRAZ launched Steel Radar, a resource that aggregates data on the availability of H-beams in all warehouses of the traders participating in the project. The target audience of the online resource are mostly metal structures plants who are having transparent and up-to-date information can choose

the closest stock of beams. In the future, it is planned to gradually add other products to Steel Radar.

In 2020, due to the COVID-19 pandemic, customer interaction events were temporarily moved to an on-line mode or postponed until 2021. Through the Zoom platform, a round table was organized with customers from Siberia and the Far East to discuss cooperation and overview markets of infrastructure steel products (76 participants). Also, an annual meeting with business partners was held on-line, which was attended by about 100 companies (around 280 people). In 2021 EVRAZ plans to organize a conference for customers of the metalware product range and visits of partner companies' representatives to the mills, as well as to participate in the annual exhibition Metal-Expo to establish closer relationships with existing customers and find new clients.



FEEDBACK COLLECTION

We perform substantial work to constantly improve our client services and to boost the efficacy of stakeholder engagement mechanisms. In order to be able to do this, we regularly collect feedback from internal and external stakeholders and use the results to fulfil the needs and expectations of our stakeholders. We also organise events and upcoming projects, taking into account the feedback results.

Our approach to feedback collection is divided into three areas:

- An annual reputational survey of external stakeholders (reputational audit).
- Customer satisfaction surveys.
- Employee engagement surveys.

For more information on these, see Our People section, p. 34. →

Reputational audit

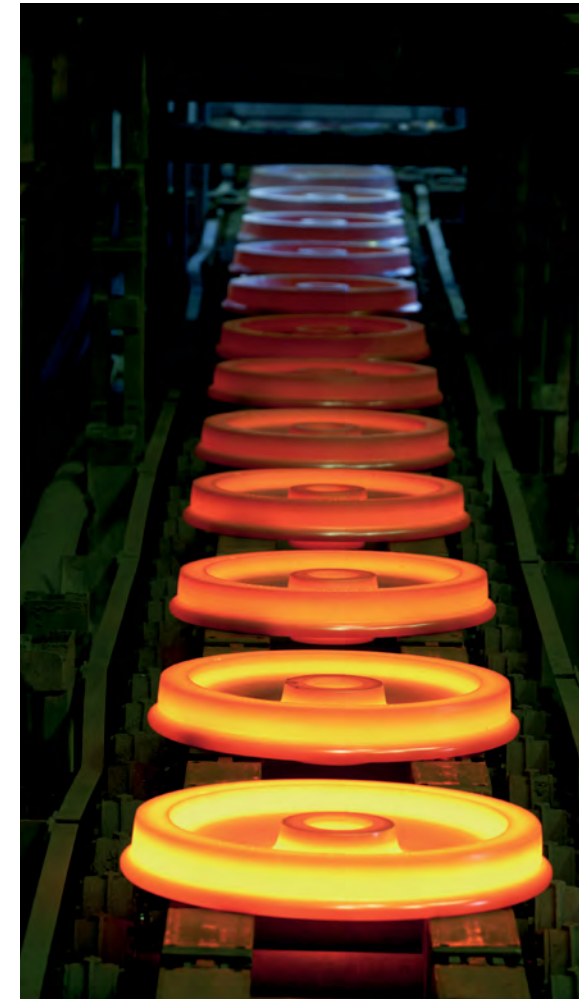
EVRAZ annually undergoes a third-party reputational audit, which collates detailed feedback on various aspects of the Group's operations from main external stakeholders, including state authorities, clients, counterparties, and industry associations. This helps the Group to understand its image and determine areas in need of improvement.

Client satisfaction survey

In addition to the external assessment described above, EVRAZ also annually conducts client satisfaction surveys. This provides the Group with important information on client satisfaction levels, which can then be used to improve client services, and determine the key factors influencing client satisfaction and loyalty.

The survey includes various research methods that are aimed at obtaining an extensive understanding of various issues. During the research, experts analyse client service mechanisms and conduct in-depth interviews with clients.

In the reporting period, instead of conducting a traditional annual customer satisfaction survey, EVRAZ decided to focus its efforts on implementing a project on transactional evaluation of satisfaction (after each purchase). The outcome of this project will be a dedicated digital product that will allow the Group to receive up-to-date information from the client. The launch of the product is planned for 2021.



External evaluation criteria

BUSINESS DEVELOPMENT SUCCESS	FINANCIAL EFFICIENCY	MANAGEMENT EFFICIENCY
QUALITY OF PRODUCTS AND SERVICES	INFORMATIONAL TRANSPERENCY	HR CAPACITY
ETHICAL BUSINESS CONDUCT	ATTRACTIVE EMPLOYER	SOCIAL RESPONSIBILITY





EVRAZ AWARDS IN 2020

EVRAZ awards in 2020

Award/contest	Title
The Russian Ministry of Industry and Trade awarded EVRAZ metallurgists that have made significant contributions to the industry.	The Labour Courage medal awarded to four EVRAZ employees. The Honourable Metallurgist title conferred on eight EVRAZ employees. The Honourable Miner title conferred on four EVRAZ employees.
The Governor of Sverdlovsk Oblast, Evgeny Kuivashev, presented state awards to three EVRAZ metallurgists.	For Services to the Motherland medals (II Degree).
The Association of Directors for Communication and Corporate Media of Russia: "Best corporate video".	Nominated best in the PR Video category for the Stronger than Steel film. First place in the nomination Video on Occupational and Industrial Safety for the Choice is Yours project.
Competitive Procurement Leader Awards.	Nominated for an award for the EVRAZ Marketplace online store.

EVRAZ SUSTAINABILITY RATINGS IN 2020

EVRAZ sustainability ratings

 <p>BBB</p> <p>of which CCC is the lowest and AAA is the highest rating</p>	 <p>3.6 points</p> <p>In 2020 EVRAZ has been included into the FTSE4Good Index Series, with a score of 3.6 out of 5</p>
 <p>32.4 points</p> <p>of which 0 is the lowest ESG risk exposure and >40 is the highest ESG risk exposure</p>	 <p>52 points</p> <p>out of 100</p>

MEMBERSHIPS OF ASSOCIATIONS AND INSTITUTIONS

GRI 102-13

The Group recognises the importance of contributing to the attainment of sustainable development objectives and collaborates with leading industry and business association and institutions. The Group actively supports sustainability initiatives and events and engages in various roundtables and discussions.

As of 2020, 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 (AMROS).
- The World Steel Association (WSA).
- The Russian Steel Association.
- The Non-Commercial Partnership National Association for Subsoil Use Auditing (NP NAEN).

- The American Railway Engineering and Maintenance-of-Way Association (AREMA).
- 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 Chamber of Commerce.
- The Saskatchewan Chamber of Commerce.
- The Canadian Manufacturers & Exporters organisation.
- The Canadian Steel Producers Association.
- The American Iron and Steel Institute.
- The Donors Forum.

And is an associate member of the following organisation:

- The Association of American Railroads.

TAX LIABILITIES

GRI 207-1 GRI 207-2

Compliance with tax legislation of the countries where the Group operates is a key principle underlying EVRAZ' approach to taxation. EVRAZ has a low tolerance towards tax risk and seeks to minimise the risk of dispute with the tax authorities by being open and transparent about its tax affairs. Maintaining an open dialogue with representatives of tax authorities at different levels allows EVRAZ to avoid adverse tax consequences and represents an inherent aspect of the Group's tax strategy.

EVRAZ plc has publicly available **UK Tax Strategy** which is reviewed by the Board of Directors on a regular basis.

The Group CFO has ultimate responsibility for tax affairs and delegates daily responsibility to the Group's internal tax departments, which are present in most of the jurisdictions in which the Group operates. Local tax departments are subordinate to local CFOs. The tax departments are staffed by qualified, experienced tax professionals who undertake the majority of tax activities on a day to day basis.

EVRAZ seeks to reduce the level of tax risk arising from its operations as far as is reasonably practical by ensuring

reasonable care is applied in relation to all processes which could materially affect its compliance with tax obligations. The Group's approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements and with shareholders' best long-term interests, taking into account operational, economic and reputational factors.

EVRAZ has a robust process in place for identifying and addressing tax risks. The register of tax risk is updated regularly and discussed with the Group's CFO. The Audit Committee of the Board provides oversight in the review of tax risks on a regular basis as part of the financial reporting cycle. Information regarding taxes is verified by independent auditors as part of the audit of the financial statements. The Service Solutions Center, an uniform service company of EVRAZ, performs under contracts tax accounting for all the Group's Russian entities and interacts directly with the Russian tax authorities. The Service Solutions Center works in cooperation with Tax Department of the Management Company, EvrazHolding, in accordance with the adopted internal rules and instructions, which are regularly updated. Training and testing are also provided for the employees of the Service Solutions Center.

As part of the overall improvement of internal tax control system, tax monitoring was implemented in 2020 by the Management Company, EvrazHolding.

EVRAZ has a unified hotline through which any employee can report any situation involving unethical or unlawful behavior, including in the area of taxation. In 2020, there were no reports of violations of tax laws.

GRI 207-3

As a participant of the industry associations such as the Russian Union of Industrialists and Entrepreneurs (RSPP) and Russian Steel, EVRAZ can draw the attention of other members to any topic in terms of taxes and make a targeted request to the Ministry of Finance or the Federal Tax Service. In 2020, EVRAZ, in cooperation with other sectoral companies, participated in discussions devoted to the issue of possible increase of the mineral tax (iron ore and coal).

Also, in 2021 EVRAZ will continue to evaluate available tax incentives in the framework of its investment projects and work towards sustaining a high level of transparency in terms of tax payments, creating and maintaining an optimal and effective business structure.

Taxes paid, US\$ million, 2020¹

GRI 207-4

Indicator	Russian Federation	Kazakhstan	USA	Canada	Switzerland	Czech Republic	United Kingdom	Cyprus	Luxembourg
Name of legal entities (residents)	EVRAZ Consolidated West-Siberian metallurgical Plant, EVRAZ Kachkanarsky Ore Mining and Processing Plant, EVRAZ Nizhny Tagil Metallurgical Plant and others ²	Evrax Caspian Steel, EvrazMetall Kazakhstan	EVRAZ Inc. NA CF&I Steel LP, East Metals America, LLC and others ³	EVRAZ Inc. NA Canada EVRAZ Canada North Holding Company Ltd and others ⁴	East Metals A.G. East Metals Shipping A.G.	EVRAZ Nikom, a.s.	EVRAZ North America plc EVRAZ plc	Actionfield Limited, Malvero Holdings Limited, Mastercroff Finance Limited, Nafkratos Limited	Evrax Group S.A.
Main activities of the Group	Steel production and coal/ore mining/Trading	Steel mill/Trading	Steel production	Steel production	Trading	Producer of ferrovanadium	Holding companies	Holding companies/Dormant	Holding companies
Number of employees (with an indication of the approach to the calculation of this indicator)	63,789	212	1,518	1,686	54	61	13	-	6
Revenue from sales to third parties	4,276	151	1,074	732	3,520	1	-	-	-
Revenue from intra-group transactions with other tax jurisdictions	2,624	1	2	61	118	79	-	-	-
Profit / loss before tax	2,269	(19)	(139)	(382)	163	1	1,802	(61)	367
Tangible assets other than cash and cash equivalents	3,869	37	639	714	244	9	-	-	-
Income tax paid	342	-	1	(1)	1	-	197	-	-
Income tax accrued on profit/loss	(358)	-	(2)	3	(5)	-	(213)	(2)	-
Total employee remuneration	679	-	134	127	13	2	3	-	1

¹ Some of the indicators disclosed in the table do not coincide with the IFRS data, since the methodology for calculating these indicators is different

² Aktiv-Media, ATP Yuzhkuzbassugol, AVT-Ural, Centr Servisnykh Resheniy, Centralnaya Obogatitel'naya Fabrika Abashevskaya, Centralnaya Obogatitel'naya Fabrika Kuznetskaya, EVRAZ Metall Inprom, EVRAZ Uzlovaya, EVRAZ Vanady Tula, EVRAZ Yuzhny Stan, Evrazenergotrans, EvrazHolding Finance, EvrazHolding LLC, EvrazService, Evraztekhnik, Ferro-Building, Guriyevskiy rudnik, Industrialnaya Vostochno-Evropeiskaya company, Kachkanarskaya teplosnabzhauschaya company, Kuznetskpozguztrans, Kuznetskteplosbyt, Managing Company EVRAZ Mezhdurechensk, Metallenergofinance, Metsservice, Mezhegeyugol Coal Company, Mine Abashevskaya, Mine Alardinskaya, Mine Esaulskaya, Mine Osinnikovskaya, Mine Uskovskaya, Mining Metallurgical Company "Timir", Montazhnik Rospadskoy, MU-Invest, Nizhny Tagil Telecompany Telecom, Novokuznetskmetalloptorg, Olzherasskoye shakhtoprokhodcheskoye upravlenie, Osinnikovskiy remontno-mekhanicheskiy zavod, Promuglepoject, Rospadskaya, Rospadskaya Coal Company, Rospadskaya Preparation Plant, Rospadskaya-Koksovaya, Razrez Rospadskiy, Regional Media Company, Sibir-VK, Sibmefinvest, Tagilteplosbyt, Tomusinskoye pogruzochno-transportnoye upravlenie, Trade Company EvrazHolding, TV-Most, TVN, United Coal Company Yuzhkuzbassugol, Upravlenie po montazhu, demontazhu i remontu gornoshakhtnogo oborudovaniya, Vtorresurs-Pererabotka Yuzhno-Kuzbasskoye geologorazvedochnoye upravlenie

³ Colorado and Wyoming Railway Company, EVRAZ Claymont Steel, Inc., EVRAZ Trade NA LLC, Fremont County Irrigating Ditch Co., General Scrap Inc., New CF&I Inc., Oregon Ferroalloy Partners, Oregon Steel Mills Processing Inc., Palmer North America LLC, Union Ditch and Water Co.

⁴ EVRAZ Materials Recycling Inc., EVRAZ Recycling, EVRAZ Wasco Pipe Protection Corporation, Genalta Recycling Inc., Kar-basher Manitoba Ltd, King Crusher Inc.

Taxes withheld and paid on behalf of employees	(319)	-	(40)	(41)	(1)	(1)	-	-	-
Industry-related and other taxes or payments to governments	54.96	-	46.80	-	-	-	-	-	-
Tax on mining	17.69	-	-	-	-	-	-	-	-
Property Tax	13.06	-	5.57	2.19	-	-	-	-	-
Other Taxes	24.20	-	41.23	-	-	-	-	-	-
Significant uncertain tax positions	31	-	-	-	-	-	-	-	41

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

As the Group's operations generate value for its stakeholders, the wealth created and the consequent allocation of revenue by stakeholder group is demonstrated by the direct economic value generated and distributed.

By examining the numbers presented in this section it can be seen that

some economic value is retained, which is used to further develop the business. We endeavour to boost the value generated and distributed and hence increase our contribution to society. For this reason, we strive to ensure that our actions are taken with integrity when it comes to information disclosure.

In 2020 the value generated by EVRAZ amounted to US\$ 9,782 million, the value distributed US\$ 9,346 million, and the value retained US\$ 436 million. In accordance with GRI recommendations for Disclosure 201-1, the audited IFRS Financial Statements of the Group were used to prepare the table below.

EVRAZ's direct economic value generated and distributed⁵, US\$ million

GRI 201-1

Item	Stakeholder	2020
Direct economic value generated		9,782
Revenue from the sale of goods		9,514
Revenue from providing services	A wide variety of stakeholders	240
Revenue from financial investments		6
Other operating income		22
Economic value distributed		(9,346)
Operating expenses	Suppliers and contractors	(6,244)
Wages and other payments to employees	Employees	(1,320)
Payments to providers of capital		(1,172)
payments to shareholders	Shareholders and investors	(872)
payments to creditors		(300)
Payments to the government including income tax expenses	Government authorities	(579)
Community investments	Local communities	(31)
Economic value retained		436

⁵ 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.

Our people for a Better Future

2020 highlights

69,699

Employees at the end of the year

9.7%

Employee turnover rate

Material topics



Employment



Training and education



Diversity and equal opportunities

2020 – key events

- The Target Remuneration System was implemented in most EVRAZ divisions.
- The recruitment system was enhanced and made more transparent.
- A new hotline and other channels of communication were developed in wake of COVID-19 and to generally improve the feedback system.
- Educational programmes were upgraded and new educational projects launched.
- A pilot project on healthcare, launched at the Urals division in 2019, was transformed into a programme that enables all healthcare processes to be managed.

Global Sustainable Development Goals



OUR APPROACH

At EVRAZ we are always seeking to improve the professional and personal skills of our employees. We believe that by doing this we invest in the Group's future achievements. Hence it is of great importance for us to create a working environment where our employees can fully realise their potential.

With this in mind, the Group continued to work actively in the following key areas in the reporting period:

- implementing a Target Remuneration System.
- building HR and enhancing staff recruitment processes.
- continuously improving the KPIs system.
- enrolling employees on various professional courses and programmes.
- developing Human Rights Policies.
- regularly collecting feedback via various communication channels.

We always seek to improve our employees' knowledge in the professional field and at personal level. EVRAZ's business system (BSE) envisages continuous learning and staff development. We incorporate learning programmes into our system

so that it is accessible for everyone. We endeavour to always improve our learning programmes, and this year we focused on improving various programmes and courses, such as the TOP 1000 programme and the New EVRAZ's Leaders programme. We also encourage our employees to participate in scientific conferences and industry contests, which is beneficial both for employees and the Group.

Also, special attention was paid in the reporting period to developing the HR brand. We strive to become the best employer in the regions of our operation. We work very closely with universities, as this is our main source of attracting new talents. We also develop and implement programmes to engage young specialists.

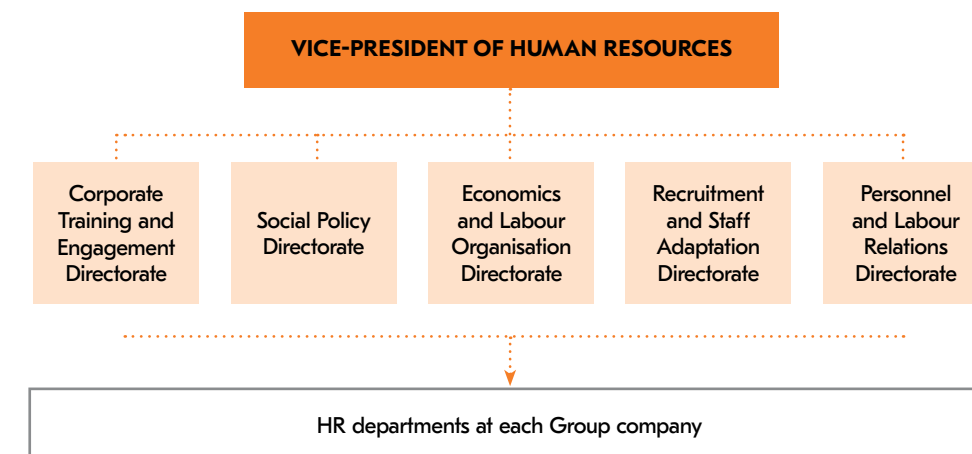
As a socially responsible company we strive to widen the range of financial and non-financial benefits we provide for our employees. We are continuously improving working conditions, provide our people with healthcare coverage, and implement programmes granting our employees

exclusive offers from various companies as part of our non-financial motivation activities. We always seek to provide more benefits than the law requires.

The Group endeavours to ensure that it does its utmost to comply with international legislation in the field of respect for human rights. To ensure compliance with human rights standards we are governed by corporate documents such as the Code of Ethics and the **Code of Business Conduct**. In order to reduce the risk of legal violations the treatment of our workers is monitored by public organisations, including trade unions active in the Group's operations, as well as regional and federal trade union associations and representatives from Russia's Presidential Council for Civil Society and Human Rights.

The Group holds its partners to equally high human rights and business ethics standards. EVRAZ policies require that all contracts with partners contain sections governing the prevention of corruption and human trafficking.

Organisational structure of EVRAZ HR management system

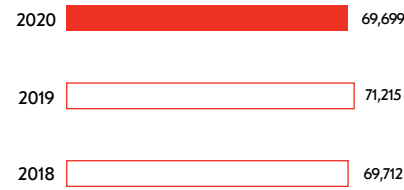


PERSONNEL PROFILE

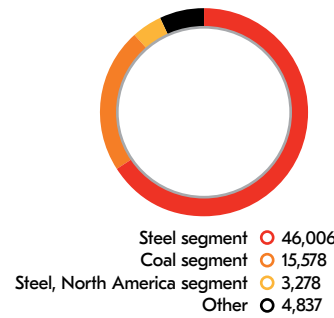
HEADCOUNT

As of 31 December 2020 EVRAZ had a total of 69,699 employees. Compared to 2019, the Group saw a more than 2% decline in headcount.

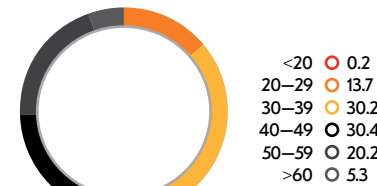
Number of employees, as of 31 December, 2018–2020¹



Number of employees, 31 December 2020, broken down by segments, people



Breakdown of employees and top management by age, 31 December 2020, %

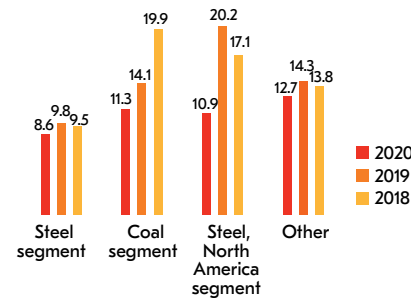


EMPLOYEE TURNOVER

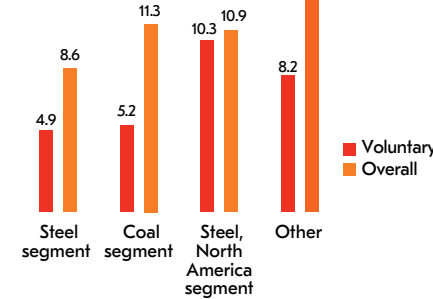
Employee turnover levels in the past three years fell across all segments of the Group.

Overall employee turnover broken down by segments, 2018–2020, %

GRI 401–1



Overall and voluntary employee turnover broken down by segments, 2020, %



DIVERSITY

We see diversity as making a positive contribution to business and cultural development. Our goal is to ensure that all employees receive equal protection, irrespective of their race, nationality, gender, age, sexual orientation, religion, political or other opinion, national or social origin, property, birth, or other status.

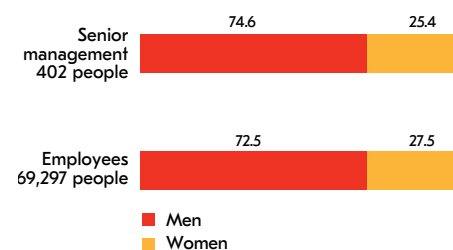
We believe that diversity fosters employee engagement and development, as it nurtures different ideas and approaches within the business.

Breakdown of employees by region, 2020, %



Diversity of employees, 2020, by gender, broken down by senior management and employees, %

GRI 405–1



STAFF RECRUITMENT AND REDUCTION

EVRAZ pays particular attention to identifying and addressing human rights risks, including those related to recruitment and working conditions. We embrace the principle of equal opportunity when hiring and prohibit all forms of discrimination. Staff recruitment is conducted in full compliance with the laws of the countries in which the Group operates, including respective regulations governing labour protection, minimum wage levels, annual paid and parental leave, collective bargaining agreements, health insurance, pensions, and personal data protection.

EVRAZ adheres to the following recruitment principles:

SAFETY

RESPECT FOR PEOPLE

PERFORMANCE AND RESPONSIBILITY

CUSTOMER FOCUS

EFFECTIVE TEAMWORK

RECRUITMENT

We try to recruit most employees on permanent contracts. However, from time to time fixed-term employment contracts are necessary. Employees working under such contracts are in a favourable position when it comes

to hiring for permanent positions that suit their qualifications and educational backgrounds. Remuneration is the same for both fixed-term and permanent employees, with the exception of university students undergoing practical training

and some others. Fixed-term contracts are used in specific cases, such as university students undergoing practical training, internships, etc.

Case study

EVRAZ redesigns Hunt-Flow system

In 2020 we paid special attention to boosting the efficiency of HR processes. The Hunt-Flow system was redesigned, and we automated a number of routine processes. In the Hunt-Flow system, recruiters can see that a candidate is already at the interview stage, which eliminates the possibility of different departments hiring the same professional. Also, recruiters from different departments are able to exchange useful information in cases when a candidate is more suitable for an open position that is not the same as the one originally applied for.

EVRAZ has a mentoring programme, as well as a Buddy programme, introduced in 2019, which was updated in 2020 due to transitioning to an online format. In addition, we implemented the Buddy mobile app, which allows new joiners to stay in touch with supervisors, and also helps keep track of tasks that need to be done, useful information, requirements, and company rules. There is also a Buddy app available for mentors, which enables them to conveniently track their student's activity.

¹ The numbers in this section are differing from Annual Report 2020 due to headcount recalculation.

WORKING WITH YOUNG SPECIALISTS

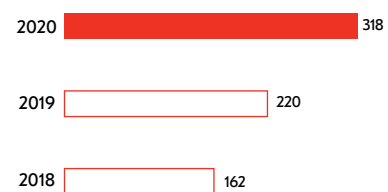
The Group holds various events and has programmes in place to attract young talent. We make sure that the adaptation process is as effective and convenient as possible. We provide internship opportunities for students, both at the Management Company and at production facilities.

In 2020 a total of 594 graduates were recruited to the Urals and Siberia divisions, including people with a higher education and graduates of basic educational institutions.

EVRAZ holds adaptation and internship programmes for young professionals: incentive payments, scholarships, and a comprehensive evaluation of young professionals was conducted. The Internships for Young Professionals programme covered 123 people in 2020. EVRAZ engages young people in the following activities: scientific

and technical conferences, professional skills competitions (1,061 employees took part in the Siberia division), and young leader competitions.

Recruitment of graduates of educational institutions, Siberia EVRAZ



EVRAZ supports educational institutions. We conduct internships of all kinds and offer career guidance tests and advice for students. In the reporting year over RUB 54 million was invested in the development of educational

institutions. In 2020 the federal programme Targeted Enrolment was implemented for the first time, in cooperation with SibSIU.

As part of our work with schoolchildren we:

- Organise vocational excursions to structural subdivisions, museums, and exhibition centres, and training workshops at Urals EVRAZ.
- Provide equipment for mathematics, physics, chemistry, and computer science courses, as well as laboratories.
- Participate in various joint cultural and sporting events.

Before the introduction of anti-epidemiological measures in the 2020 school year, around 300 students took part in excursions organised by the Group.

REDUCTION

The Group is continuously looking to enhance its performance, which occasionally entails having to implement staff reduction measures. As a socially responsible company we deal with personnel dismissals in an appropriate manner, guided by an internal document adopted in 2012 called the Socially Responsible Layoff Programme. The provisions of this document are enshrined in EVRAZ collective agreements. In addition, the Group's collective agreements and industry tariff agreements contain detailed employment-related sections.

In cases where temporary layoffs occur, our collective bargaining agreements have clearly defined, specific measures to support workers and preserve jobs: changing work schedules, introducing shorter workdays or work weeks,

creating temporary jobs, transferring employees to other jobs (with their consent), and elaborating a social adaptation programme for workers with the participation of a trade union.

As part of our work with trade unions we insert detailed employment-related sections in collective bargaining agreements and industry tariff agreements. All decisions vis-à-vis staff reductions are discussed with a trade union organisation. Furthermore, in compliance with Russian law, the following categories of employees have additional guarantees against being dismissed as a result of downsizing measures: single mothers, parents who are the sole breadwinner for a child with a disability or for a child younger than three years, and pregnant women.

In addition, we seek to expand the range of people that are granted priority rights to retain employment beyond categories of employees specified under Russian law, including: single fathers, people with disabilities, and people whose spouse is retired or unemployed.

We endeavour to do our best to retain production staff. When downsizing, the Group offers employees vacant positions and, if necessary, provides training opportunities for new professions. If needed, EVRAZ organises employee relocations to other Group facilities, working with employment centres in the regions where it operates. EVRAZ also provides training and financial assistance to discharged employees who are considering starting their own business.

LEARNING AND DEVELOPMENT

GRI 404-2

The development of our people is a top priority for EVRAZ. The Group has a multi-level system of human resource management in place, geared towards improving the engineering and personal skills of employees, and fostering collaboration with educational institutions.

Average number of training hours per year per employee, 2018–2020



Risk management training for employees was conducted this year. The course covers such topics as occupational safety, human factors, and dynamic risk assessments. The training was conducted in the Siberia, Ural, Coal, and Vanadium divisions. In 2020

over 42 thousand employees were trained, and the plan is to train a further 15 thousand.

The New EVRAZ Leaders programme was launched in February 2020. The course consists of five modules, and focuses on how digital solutions can be harnessed to improve efficiency. Overall, 70 people did the course, which was in the format of project work, and with each module covering a specific topic. The team's task was to create a project with a monetary effect of RUB 80 to 120 million and a payback period of no more than a year.

In 2020 EVRAZ continued with its Top 300 corporate management programme, and a total of 101 people took part in the third wave, which began in September 2020 and will end in June 2021. Each programme participant is mentored by one of the Group's senior executives. The programme covered the topics ambitious goal-setting, effective

management, human capital development, business-processes enhancement, soft-skills, and other skills that will facilitate the Group's growth and development.

In 2020 the Top 1000 corporate management programme was launched, to augment the Top 300 programme, and is aimed at managing employees of lower positions. Its participants received guidance on such management issues as target-setting performance dialogues, feedback, delegation, and the development of subordinates. In the reporting period 236 employees participated in the programme.

The programme involved the Top 300 alumni as teachers and mentors. The programme goal is to support the sustainable development of EVRAZ's BSE in divisions and to foster a management mentoring culture among TOP-300 executives.

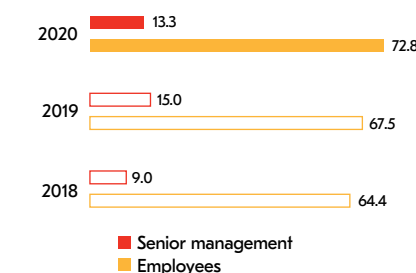
Case study

EVRAZ receives awards for Personnel Development

In 2020 EVRAZ NTMK and EVRAZ KGOK received awards in the category Personnel Development in the 17th annual metals and mining industry contest, held by the Russian Metallurgists Association and the Central Council of the Russian Mining and Metallurgical Union. The Group provides retraining and professional development programmes for its employees, compensates them for the cost of higher education for in-demand professions, and encourages their participation in scientific conferences.

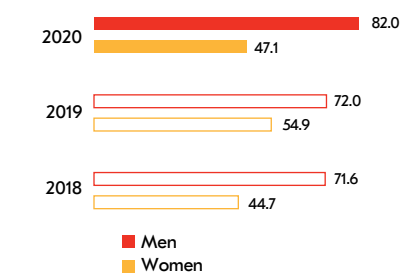
Average number of training hours per year per employee, by employee categories, 2018–2020

GRI 404-1



Special attention is paid to students and junior specialists. In 2020 over 240 students did internships at EVRAZ, and over half of these are already working for the Group. Junior specialists participate in scientific and technical conferences, professional skill competitions, and in all-Russian competitions.

Average number of training hours per year per employee, by gender, 2018–2020



EVRAZ team took part in the national championship WorldSkills Hi-Tech 2020, which was held in a partially remote format. The team, consisting of EVRAZ ZSMK and EVRAZ NTMK employees, competed across multiple skillsets and won seven medals: four golds, one silver, and two bronzes, including the employees aged over 50 and junior categories.

MOTIVATION

EVRAZ strives to provide optimum working conditions and opportunities for professional development. We approach each employee individually, and continuously review and revise our motivation system.

FINANCIAL MOTIVATION

EVRAZ endeavours to look beyond compliance with minimum wage requirements, with a view to ensuring that staff are fully compensated for their efforts. We also ensure that the remuneration system at Group enterprises is transparent and easily understandable for employees.

In 2020 EVRAZ continued to implement a Target Remuneration System in various enterprises, including seven shops at EVRAZ ZSMK, four shops at EVRAZ NTMK, two shops at EVRAZ KGOK, and EVRAZ Vanady Tula and Evraz Tekhnika. Over 43,500 employees were included. In 2020, the Group exceeded its plan for all shops of the Urals and Siberia divisions in relation to the Target Remuneration System.

The aim of the project is to elaborate and implement a uniform set of fair and transparent rules and principles for setting remuneration levels across the Group's enterprises, and to match fixed and variable pay so that

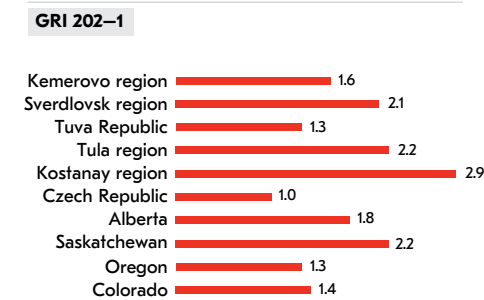
amounts and growth trends depend on the performance of the employee, team, and department. This ensures a focus on continuous process improvement and helps achieve the ambitious goals that have been set for the department and enterprise as a whole.

One Group priority is to ensure that the Target Remuneration System is comprehensible for everyone. Therefore, multiple communication events are in operation at EVRAZ, including in-person or Zoom conferences, shift meetings, website and newspaper publications, the distribution of printed brochures about the Target Remuneration System, and videos. Employees can submit questions about the system via a hotline or app, by e-mail, through a portal or call-centre, or by contacting the HR partner.

The Group continued its work within a grading programme and ambitious goal-setting system, created for paying monthly bonuses to employees graded

lower than shop manager. The grading system and remuneration management principles have enhanced the transparency of employee remuneration. In 2020 the grading system was expanded to include certain Coal segment departments.

Ratios of EVRAZ standard entry level wage vs local minimum wage, 2020



NON-FINANCIAL INCENTIVES

GRI 401-2

The non-financial compensation package offered to EVRAZ employees exceeds minimum statutory requirements and contributes to their total remuneration. The package includes:

- voluntary health insurance.
- additional voluntary insurance against accidents at work.
- a state pension programme.
- a programme that offsets part of interest paid on mortgages.
- free wellness leave vouchers for employees and their families.

Apart from current employees, some categories qualify for non-financial assistance from EVRAZ, including former employees that worked for 10 or more years at the Group. Special assistance is provided to employees that have become members of public organisations, and young professionals. The Group congratulates employees and their families on holiday occasions, and organises cultural, entertainment, and sporting events in the regions where it operates.

EVRAZ collective bargaining agreements also prescribe additional leave for childbirth, weddings, and the funerals of close relatives. There is also a programme in place that provides financial assistance to employees in challenging life circumstances.

In 2020 many social programmes were put on hold due to the COVID-19 pandemic, and the whole focus switched to people's health. In 2020 we launched the pilot project Health Management TOP-300, together with a medical centre.

The project will now be expanded. Also, at the end of the year, in the wake of the COVID-19 pandemic, special post-rehabilitation programmes were introduced at the sanatoriums Linevka and Green Cape.

We completed preparatory work to sign an agreement with Alfa-Insurance. Now all employees have regular medical examinations and can consult digital

doctors and medical professionals. Based on the results of medical examinations we form risk groups. Employees who fall into these risk groups are provided with special treatment. This programme will run until March 2021, and there are plans to extend it across all divisions.

Changes were made to our regulations covering catering facilities. As part of social support, we expanded cafeterias in two

divisions. Due to changes in the law on remote working we are also elaborating a regulation on working remotely, and there are plans to introduce respective compensation for costs incurred as a result of working remotely.

PERFORMANCE MANAGEMENT

The staff motivation system at EVRAZ includes KPIs to assess staff productivity. The KPI system is continuously reviewed and refined. Technical KPIs are in line with best industry practices and are monitored by the Group's CEO, while corresponding KPI targets are included in management scorecards, down to the level of shop managers.

This year EVRAZ plans to update the personnel assessment system so that each worker's accomplishments are viewed individually, rather than as part of a certain position or group. This assessment will be held every year.

As part of our HR strategy, in 2020 EVRAZ implemented an HR-analytics project to enable the heads of shops and mine directors to monitor their departments' HR metrics and to ascertain how their actions could have an impact on certain indicators.



INTERACTION WITH EMPLOYEES

EVRAZ understands the value of receiving feedback and addressing employee concerns across the organisation, and regularly interacts with employees via the corporate intranet and website, corporate publications, social

networks and web conferences, as well as Q&A and townhall meetings with members of senior management. General meetings, in addition to satisfaction and engagement surveys, are regularly held to identify key issues.

In 2020, two non-executive directors took part in meetings dedicated to raising awareness surrounding prevalent trends and concerns.

WORK WITH TRADE UNIONS

GRI 102-41 GRI 407-1

EVRAZ seeks to establish long-term collective bargaining agreements with trade unions. We interact with trade unions by signing collective bargaining agreements, which covered 88% of employees in 2020. Furthermore, EVRAZ's Social Production Council is attended by chairmen of trade union committees, who seek to foster constructive and effective dialogue.

The Group has in place a three-level system of relations with trade unions, which takes in federal, regional, and enterprise level. The head office is responsible for the federal and regional levels. In cases

of conflicts or difficult negotiations, the head office intervenes as part of crisis management procedures.

2020 saw the implementation of a Target Remuneration System. Since all changes in working conditions must be reflected in collective agreements, we have been negotiating with trade unions for all enterprises changes related to the implementation of Target Remuneration System. This year we negotiated with three trade unions, and changes were made to all collective bargaining agreements.

This year saw extensions to the Coal Industry and Steel Industry Tariff Agreements in line with relevant Russian legislation, with the active participation of the Group.

In 2020 there were no conflicts or collective labour disputes recorded at the Group's Russian operating facilities. All changes and updates to collective agreements were constructive, and in strict accordance with the law and the principles of social partnership. This year the Council of Social Work met twice; both meetings discussed the implementation of the Target Remuneration System.

EMPLOYEE ENGAGEMENT

In order to identify main employee engagement trends, management closely reviews engagement data from surveys. The We are Together employee engagement survey was held annually until 2019, when it was decided that it would be held once every two years. The fourth We are Together survey in 2019 outlined the need to increase employee awareness surrounding what is happening at the Group.

Based on the survey results, companywide improvement plans were announced. Raising employee awareness surrounding Group activities, including vis-à-vis short- and long-term goals, development plans, and working conditions, were identified as the main areas for further development. Focus groups are held, and after each meeting an enterprise elaborates a plan to eliminate problem areas. Numerous

events are held annually, based on the survey results.

In addition, the Coal segment conducts an annual satisfaction pulse-survey on social and living conditions at the enterprise. A special mobile app has been developed, where various questionnaires are posted.

PERFORMANCE AS AN EMPLOYER

EVRAZ takes the issue of social performance management very seriously, and annually participates in contests that confirm its status as a socially responsible employer. In 2020 the Group won awards in the Personnel Development category

at the 17th annual metals and mining industry contest, held by the Russian Metallurgists Association and the Central Council of the Russian Mining and Metallurgical Union.

This year EVRAZ began planning its employer brand development strategy. We began creating a communications campaign and specifying our actions for 2021 in pursuit of becoming the best recruiter in the regions where we operate.

EVRAZ HOTLINE

One of the main channels for employee feedback at EVRAZ is an anonymous 24-hour hotline. The Hotline helps track employee satisfaction levels and records incidents at the Group's production facilities. Queries are processed with the help of an IT system, and the process is governed by the EVRAZ Hotline Statutes. Enquiries are broken down by the responsible business unit (HSE, HR, Security, etc.), and then investigated and addressed. All employee grievances are investigated by the internal audit department, and difficult, contentious,

or sensitive cases are reviewed by members of the Hotline Committee, which includes the vice president for corporate communications, the internal audit director, and the internal and external communications director. Random quality control reviews are carried out on a quarterly basis.

In 2020 the hotline received 1,096 requests. The most frequent issues related to labour relations, including the quality of labour relations (496), public services (151), and labour compensation (69).

For details see section Whistleblowing hotline of this Report, p. 15 →.

This year an extra hotline was set up, in the wake of the COVID-19 pandemic. The Steel and Coal segments operate 24/7 corporate hotlines, which employees can refer to with their questions and issues. EVRAZ North America employs external providers for this purpose.

COVID-19

The absolute priority of the Group is the life and health of its employees, and in this regard measures were taken in 2020 to protect personnel from COVID-19.

The working hours of office staff were altered in order to reduce the number of mass gatherings. EVRAZ moved the majority of office employees to a remote working format. New laptops were purchased and additional equipment and software installed, which facilitate efficient and safe remote working conditions. All meetings are now held remotely using modern conference and video call applications, and all mass business, sporting, and entertainment corporate events were postponed or cancelled. Canteen schedules were altered, and the number and format of shift meetings at production facilities are currently being optimised.

Also, EVRAZ has been providing staff and their families with necessary psychological assistance during the COVID-19 pandemic. EVRAZ carefully assesses potential mental health impacts related to the preventative measures being undertaken as a result of the pandemic.

HR functions conduct regular employee surveys in order to learn about employees' experiences of working remotely. The surveys determined that one of the main factors helping employees remain engaged and motivated is knowing they are doing an important job and generating value for the Group.

Most survey respondents also indicated that EVRAZ is doing an excellent job of organising remote work.

Over 4,500 employees are currently working remotely. All staff remuneration plans have been implemented, including the payment of annual bonuses based on 2019 results and salary indexation.

Case study

EVRAZ introduces multifunctional employee feedback app

In October 2020 EVRAZ introduced a multifunctional app, RUK EKO, whose main purpose is to optimise the process of collecting feedback from employees. This is done through the Survey function, which enables pulse-surveys to be conveniently conducted and feedback to be promptly collected.

Additional functions of the app include Idea Factory, which allows proposals on how to improve working conditions to be submitted; and News, where the latest Group news get posted. Employees receive PUSH-notifications whenever news, deadlines for applying for trips, information about important events, etc. are posted.

Case study

EVRAZ creates app to prevent spread of COVID-19

EVRAZ created an app, called Antivirus, to promptly alert employees of possible exposure to the COVID-19 virus. The app is based on the Stop Corona app, which was developed jointly by Accenture and the Austrian Red Cross to more effectively identify symptoms of the novel coronavirus infection.

Antivirus will offer a checklist developed by EVRAZ in case of COVID-19 infection, as well as general recommendations based on Rospotrebnadzor requirements. The app will anonymously and automatically exchange data with employees' devices located nearby (via Bluetooth). If an employee suspects they might have contracted COVID-19, all their contacts can be alerted via the app and instructed to self-isolate — this will help break the chain of virus transmission.

For more information on impact of COVID-19 on the Group and our response measures, please, see, the information in Annual Report: <https://ar2020.evraz.com/en/strategic-report/impact-of-covid-19>. →

HUMAN RIGHTS

Respecting human rights has always been our core principle. EVRAZ does not tolerate discrimination of any kind, whether it be based on gender, social status or class, or any other factors not directly related to an employee's professional qualities. It is crucial for us to comply with international human rights laws, hence we have corporate documents ensuring this compliance, such as the **Code of Business Conduct**. These documents guarantee equal employment opportunities for everyone. Our employees are provided with freedom of association and collective bargaining. Child labour, forced labour, human trafficking, and other forms of slavery (known as modern slavery) are strictly prohibited at all EVRAZ subsidiaries, including their suppliers.

To better address the issue of modern slavery, we conduct risk assessments to determine the aspects of our business and our suppliers and subcontractors

that pose risks in this area. We publish the Modern Slavery Transparency Statement annually, in accordance with the requirements of the UK Modern Slavery Act. Based on the results of risk assessments we conduct due diligences of our suppliers. We also aim to ensure that all high-risk suppliers are familiar with respective obligations to comply with legal requirements to eliminate modern slavery in their businesses and to self-report breaches to us.

In 2020 EVRAZ paid special attention to the issue of human rights. In May 2020 we elaborated and published two documents on human rights: the Human Rights Policy and Diversity and Inclusion Policy.

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 only on their professional skills and qualities, experience, and abilities. Furthermore, job positions are allocated to people with disabilities to ensure that they are provided with job opportunities. In total, 241 positions have been allocated for people with disabilities and 285 are currently occupied, therefore the staffing level here is 118%. However, some divisions are in the process of filling quotas, and we are now working to fill the remaining positions.

The low percentage of women within the employee structure is due to legislative restrictions related to women working in hazardous industries. The bulk of permanent employees (73.7%) are men, while most temporary employees (62.9%) are women — this is because when women go on maternity leave their posts are occupied by other women working under temporary employment contracts.

Case study

Human rights

In the reporting year we elaborated and published two documents, the **Human Rights** and the **Diversity and Inclusion policies**, which were adopted by the Board of Directors on 16 April 2020.

The Human Rights Policy conforms with recommendations set forth in international documents and standards granting fundamental rights to all people, including The Universal Declaration of Human Rights and The International Covenant on Civil and Political Rights. The Diversity and Inclusion Policy was elaborated in accordance with international guidelines and standards, which address diversity and inclusion issues; these include The Universal Declaration on Cultural Diversity and The United Nations Global Compact.

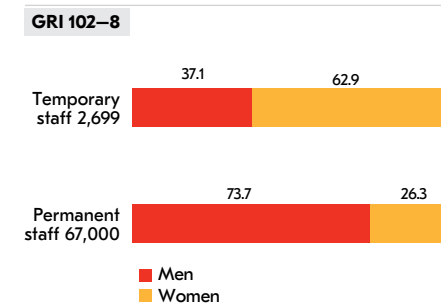
EVRAZ's employees can expect to be treated with respect, enjoy the safest working conditions possible, receive support to help develop their competencies and skills, have open and constructive discussions about the results of their work, and recognition and respective performance-based financial rewards.

EVRAZ understands the benefit of diversity and inclusion in the Group. The Diversity and Inclusion Policy embraces key principles in the following areas:

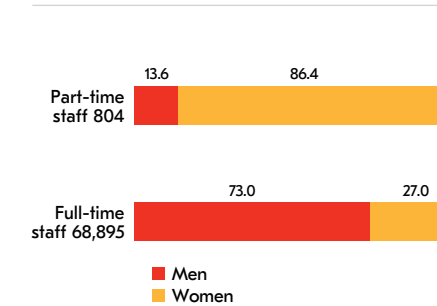
- Board diversity
- recruitment and employment
- the rights of disabled people
- empowering women
- employee development and training
- zero tolerance towards bullying and harassment

We require that our suppliers and contractors run their businesses in such a way that they respect the values and principles of these policies.

Breakdown of permanent and temporary staff by gender, 2020, %



Breakdown of full- and part-time employees by gender, 2020, %



During the reporting year, EVRAZ considered boardroom diversity, especially in view of the need to appoint up to two new independent non-executive directors to replace those standing down having served terms of nine years. The Board hopes to be able to appoint another female director and a director who will broaden the Board's ethnic diversity.

OUTLOOK FOR 2021 AND THE MIDTERM

Learning and development

The Group is planning to launch LMS — the Learning Management System. The system will incorporate all types of trainings and development courses and aim to make the learning and development process transparent and accessible for all personnel, from managers to employees.

In 2021 EVRAZ will continue with efforts to develop its internal coaches, as well as standard competency and skill development programmes.

Performance as an employer

EVRAZ also has plans to create an employer brand. In 2021 we will run a communication campaign and outline our development strategy.

Motivation

In 2021 EVRAZ is planning an individual review of employee salaries, which will include improving the transparency and reliability of communications between the employee and the employer and increasing the transparency of the relationship between performance and pay rises.

- Other goals for 2021 in this area include:
- continuing to implement the grading system in the Coal segment.
 - completing the transition of all divisions to the unified remuneration system.

Social policy

EVRAZ will continue to roll out its programme to promote healthy lifestyles and health care in the Urals division, and extend this programme to the Siberia division.

- Other goals for 2021 in this area include:
- amending the strategy for collective bargaining agreements.
 - unifying social business processes and pooling them into one portal.



Evolving health, safety, and environment system for a Better Future

2020 highlights

1.58 LTIFR

per 1 million hours¹

102.7%

non-mining waste recycling and reuse rate

1.97

tCO₂e per tonne

of steel cast GHG intensity rate


206.2 million m³

water consumption

¹ Excluding fatalities and data on contractors.

Material topics

 Occupational Health and Safety

 Water

 Effluents and waste

 Emissions

 Energy

 Biodiversity

 Environmental compliance

Global Sustainable Development Goals



HEALTH, SAFETY, AND ENVIRONMENTAL GOVERNANCE

GRI 403-3 GRI 303-1 GRI 304-1 GRI 306-1 GRI 103

EVRAZ is totally committed to building safe working conditions for all employees and a favourable living environment for generations to come. Health, safety, and environmental (HSE) issues are at the heart of all EVRAZ operations. HSE management is an integral part of our business, from strategic decision-making to operational activities. EVRAZ applies a structured management approach, and is continuously striving to improve processes, management approaches, and control systems. The Group's Occupational Health and Safety (OHS) management system is constantly being enhanced, in order to ensure that best international safety practices are implemented.

All Group activities are underpinned by the following HS principles:

- All incidents are preventable.
- Work must not start 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 Group 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.

GRI 403-1 GRI 403-4

The management approach entails safeguarding the health and safety of EVRAZ staff by fully involving top management and senior executives in HS process.

Each quarter the Board of Directors assesses HSE reports across the whole Group. In 2010 the HSE Committee of the Board of Directors was established to review all HSE strategies and to assess the effects of the Group's HS initiatives on key stakeholder groups and EVRAZ's reputation. Issues addressed by this supervisory body include an in-depth analysis of HSE performance at all EVRAZ divisions, and making recommendations on required remedial actions and applying best practices. The HSE Committee of the Board of Directors meets once every six months.

In 2018, in order to boost the efficiency of the OHS management system and to build a strong safety culture, an HSE Management Committee was set up, to review HS issues at an executive level on a monthly basis. The committee conducts detailed reviews of investigation results and analyses HS statistical data. The EVRAZ CEO is Head of the HSE Management Committee, and all EVRAZ Vice Presidents are members of this body.

In 2020 it became customary to hold HSE Committee meetings at a divisional level. These committees are chaired by divisional vice presidents.

The EVRAZ CEO is responsible for the general supervision of HS activity and approves corporate targets in the HS field. He is also a member of the HSE Committee of the Board of Directors. The HSE Vice President is supervised by the EVRAZ CEO

and is subordinate to the HSE Management Committee. Please see below the EVRAZ HSE management structure.

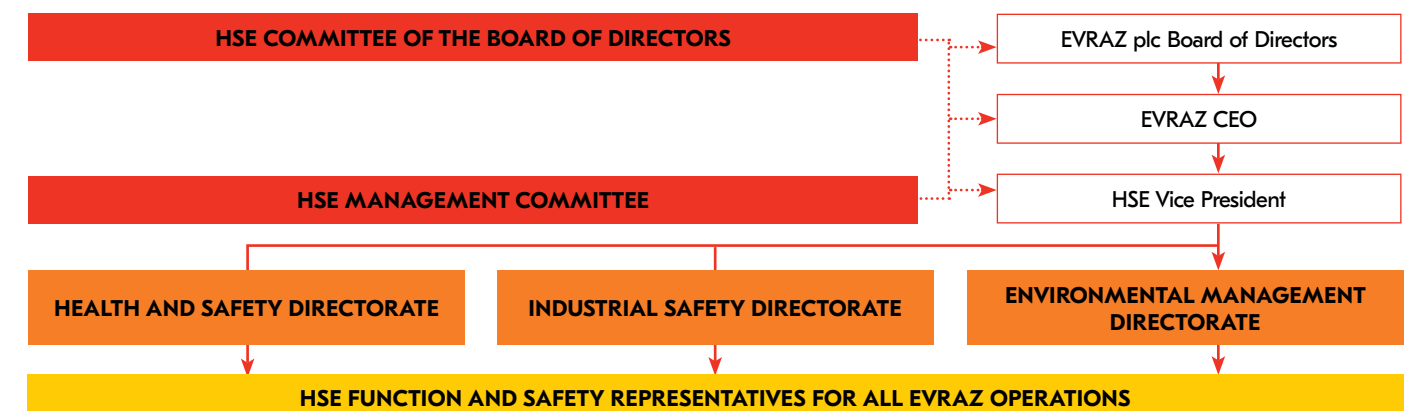
In accordance with the EVRAZ HSE Policy, managers at all Group levels are responsible for HS compliance. All EVRAZ facilities report on their performance to the corporate HSE function on a monthly, quarterly, and annual basis.

The Group implements a four-phase HSE management process: predicting, developing, monitoring, and analysis. To monitor the effectiveness of HS measures, the EVRAZ OHS management system is audited on a regular basis by our own management and by independent auditors.

To ensure that our HSE principles are implemented we perform the following actions, which form the core of our OHS management system:

- Developing new initiatives to continually improve HSE performance.
- Considering stakeholder opinions, submitting HSE claims to contractors, and promoting respective compliance.
- Elaborating, measuring, and analysing HSE indicators and assessing how they meet both external and internal regulations.
- Striving to ensure a free and transparent flow of information at all corporate levels, as well as with contractors and stakeholders.
- Implementing industry international best practices to ensure an appropriate level of HS management.
- Complying with domestic legislation as well as the laws of the regions where we operate.

EVRAZ HSE management structure



EXTERNAL INITIATIVES

The Group pledges to implement the best HS practices within the industry so as to minimise safety related risks and to share information about the latest HS initiatives. Despite the COVID-19 pandemic, EVRAZ continued to actively collaborate with a range of industrial associations. Joint efforts between EVRAZ and HSE-related associations allowed us to share best practices related to coping and dealing with the pandemic. Thus, the corporate bow-tie diagram, which was used to identify and counteract COVID outbreaks at facilities, was recognised by the World Steel Association as an example of best practice and was recommended for industrial implementation.

EVRAZ is an active member of a number of associations.

HSE-related associations

WORLD STEEL ASSOCIATION
EVRAZ sits 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 as well as materials related to health, safety, and the environment. The Group integrates the best solutions identified into its HSE management system. In addition, the association discloses the HSE statistics of its participants, which allows us to compare our performance against that of our peers.
RUSSIAN STEEL
EVRAZ participates in all Russian steel commissions, including the Commission for the Protection of Labour, Industrial, and Environmental Safety and the Commission for Production, Technology, Training, and Education.
RUSSIAN UNION OF INDUSTRIALS AND ENTREPRENEURS
EVRAZ is a member of the Commission on Mining, the Commission on Metals, the Committee on Digital Economy, and the Committee on Corporate Social Responsibility and Demographic Policies.

HEALTH AND SAFETY MANAGEMENT



2020 highlights

- The Group's LTIFR 1.58¹.
- 5 fatal incidents in 2020.
- 175 cases of occupational illness.
- 42,136 employees underwent Risk Management Project training.



2020 Key events

- Introducing the Hunt for Risk mobile app.
- Conducting a safety culture diagnostic audit.
- Implementing a CCTV surveillance system with machine learning.



Material topics

- Health and Safety.



Global sustainable development goals



GRI 403-1 GRI 103

APPROACH

EVRAZ adopts a proactive and preventative approach to HS issues. This approach is firmly embedded in our corporate culture, as well as in our organisational setup, policies, and procedures. The Group is fully committed to meeting all applicable legislative requirements as well as internal corporate standards on health and safety protection.

The philosophy of the Group in relation to occupational health and safety is no harm. This involves taking all preventative measures to minimise the risk of injuries to people to zero, and applies to both our own employees and contractors.

EVRAZ makes significant efforts to improve the safety culture and to engage employees in health and safety management, and also implements a risk-orientated approach in all operational activities. The Group strives to enhance and maintain a high safety culture level among employees

by making them personally responsible for safe behaviour and compliance with safety rules and by engaging employees into risk assessment and hazard identification processes.

The Group assess the effectiveness of HS strategic approaches and initiatives by collating data on key performance indicators (KPIs). In 2020, three KPIs relating to the implementation status of Risk Management projects were added to the strategic goal cards of EVRAZ divisions.

- The main KPI is the percentage of facilities covered by the new Hunt for Risk management tool. Our goal of 100% coverage was not reached (due to the COVID-19 pandemic), however, the Group managed to achieve around 90% coverage of facilities.
- The second most-important KPI is the number of employees that have passed Risk Management training.

In total, 42,136 EVRAZ employees were trained in 2020 using both online and face-to-face formats.

- A further major KPI is the number of critical risks identified and described using risk passports.

EVRAZ is committed to further reducing the number of incidents and to eventually reaching a level of zero fatalities and zero injuries.

GRI 403-7

In 2019 safety initiatives began to be implemented through a companywide improvement Risk Management project, which affects all EVRAZ facilities and covers a wide range of business processes. The project embraces the concept of pre-emption, that is, always being one step ahead. The goal of the project is to further strengthen the safety culture and HS performance through risk awareness and leadership development. As part of the project EVRAZ created several

¹ Excluding fatalities and data on contractors.



management teams to support and assist in the implementation of new risk management tools. 2020 was a trail period for the project, and in 2021 it is planned that teams will be delegated to standard working groups.

OHS regulations, guidelines, and policies

EVRAZ regularly updates and implements new HS regulations and standards to ensure compliance with both international best practices and domestic legislation.

The main corporate document encompassing health and safety protection is the EVRAZ HSE Policy, which was elaborated in 2011. This key regulation defines HS roles, responsibilities, and the general management approach; declares health and safety to be an overall priority; and sets out respective expectations for employees. Also, it establishes the minimum requirements for avoiding harm to people. The policy covers all EVRAZ employees and contractors.

In 2020 the Group revised the corporate Risk Management Standard, with a view to amending it to take into account new Risk Management project requirements.

GRI 403-2

At the beginning of the reporting period EVRAZ also revised the internal investigation process. The Group is certain that finger-pointing, undue pressure, and excessive punishment do

not help building a strong safety culture or promoting safe behaviour. Thus, the updated process seeks to determine root causes of incidents through in-depth analyses of risks and nonreliable protective tools and systems, using fault tree analyses and variability maps. In 2021 we plan to adopt this regulation across the Group.

In addition, in 2020 during an investigation into a fatality we amended the corporate Cardinal Safety Rules by adding another norm that impose the prohibition on any human activity under the displaceable loads. A new version has already been issued. EVRAZ is committed to adhering to all domestic HS legislation, internal regulations, and international safety standards. Hence the aforesaid and other rules and regulations constitute the following health and safety document framework, which regulates all EVRAZ operational activities on an equal basis, with technological regulations and job descriptions:

- The HSE Policy.
- The Cardinal Safety Rules.
- The Standard Incident Reporting Rules.
- Internal Investigation Regulations.
- The Risk Management Standard.
- The Standard on HSE Contractor Management.

International standards

GRI 403-8

An OHS management system has been adopted at all the Group's production facilities. EVRAZ meets the requirements of international occupational health

and safety standards: the Group's facilities are certified under OHSAS18001:2007 and certain facilities under the ISO 45001:2018 standard. EVRAZ is committed to further enhancing its health and safety management system and safeguarding employee safety. In 2019 the Group began undertaking all preparations required to update the OHS management system at the Group's enterprises and align it with the new international standard ISO 45001:2018. EVRAZ NTMK is currently preparing to be certified under the ISO 45001:2018 standard. All facilities already certified under ISO 45001:2018 need to regularly demonstrate compliance with the stringent requirements of the standard. Hence in 2020 a recertification audit was conducted at the EVRAZ ZSMK facility to confirm compliance with the ISO 45001:2018 international standard. The compliance assessment was performed by the reputable verification body Bureau Veritas Certification Rus. During the audit officials held interviews with staff, managers, and senior executives, and visited the test centre, laboratories, and industrial shops of the facility. Other Group facilities will be certified under ISO 45001 before the OHSAS18001:2007 certificate expires.

GRI 403-7

Digitalisation

In order to prevent incidents and to achieve the strategic goal of no harm to employees, in 2020 EVRAZ launched a digitalisation project that is based on machine learning models. The main protection method is the automatic positioning of staff, which involves monitoring all employee movements via video and RFID-tags. When a worker enters an industrial shop the system checks the status of private protection equipment (PPE) and flags violations: absence of goggles, gloves, overalls, etc., or whether the worker is located in a dangerous zone

with, for example, moving or rotating tools and gears, and in each case makes a decision. The video system, which also uses artificial intelligence, analyses videos from surveillance cameras in real time. All violations are identified with an accuracy of 95% and are registered automatically. If the system finds that in several similar cases the same decision is made, it automatically learns this type of violation without any action from the operator. Notifications on violations are sent to the HSE department of the respective facility.

The pilot project was launched by Rospadskaya Coal Company (RUK) at the Montazhnik Rospadskoy coal mine and is currently being rolled out at other facilities and Group divisions. The system has also been deployed at the enrichment facility at Rospadskaya, at the Alardinskaya and Erunakovskaya-VIII mines, and in PJSC Rospadskaya, ATP YUKU, and EVRAZ ZSMK.

EVRAZ implements a similar system for corporate transport, analysing whether

drivers and passengers are wearing seat belts, whether a driver is being distracted by a phone conversation, etc. Another project to be launched is the implementation of the video monitoring system in drifting faces.

Modern technologies and the latest advances in science and technology help EVRAZ monitor compliance with safety rules at the facilities.

Hunt for Risk mobile app

GRI 403-2

In 2020, as part of the Risk Management project, EVRAZ developed the mobile app Hunt for Risk to identify and analyse workplace risks. This advanced tool contributes to bolstering the safety culture across the Group, involving modern gamification techniques.

Employees use the app to identify dangerous areas or unsafe processes at or near their workplaces, and upload photos to a central database to get guidance on handling potential hazards or to have risks addressed by HS specialists. Risk alerts are sent to officers in charge within EVRAZ, including senior executives.

The app classifies risks and adopts measures to mitigate them, thereby making Hunt for Risk a common tool for all EVRAZ Divisions. The app also enables a rejection of work to be registered.

To motivate employees to use the app and engage them in health and safety issues, they are awarded points for every risk identified that can be exchanged for prizes and souvenirs.

With the app most employees can report and eliminate risks easily, simply, and quickly.



HS INITIATIVES AND PROJECTS IN 2020

GRI 403-3

EVRAZ is continuously developing new safety initiatives, with a view to bringing about further workplace safety improvement. These initiatives comprise short-, medium-, and long-term programmes and projects. In 2020 the Group continued to implement new safety initiatives.

Improvements to emergency prevention and response system

In 2020 the Coal Division launched the Accident Prevention initiative, to establish the level of emergency preparedness of coal mines. In order to obtain a clear picture, the mines were ranked in terms of emergency

performance and detailed gap analyses was performed. Based on this rating, areas for further improvement were identified. Blocked emergency exits and a lack of training on the part of dispatchers were determined to be the most common deficiencies at operating coal facilities. As a remedial action, the Group planned to perform stress tests and launch training programme for mine dispatchers, with a view to improving their stress-resistance levels. This measure allows our peers to perform their duties independently and with integrity.

In 2021 the Group plans to continue with this initiative and to eradicate any gaps.

Contractor engagement

The Group seeks to promote safe behaviour among its contractors and has established a wide range of methods to ensure that operations at facilities are carried out in full compliance with domestic legislation and corporate rules and regulations.

In 2020 the Group introduced an initiative to create ratings for contractors with respect to HSE issues. This measure is designed to encourage contractors to improve and bolster their efforts

to provide safe working conditions by engaging managers and performing ongoing supervisions of the safety climate at industrial sites. This rating also plays a role in contract conditions. If any contractor company is rated good and can demonstrate a positive track record vis-à-vis HS, it can obtain the reduction of payment deferment date. On the other hand, an unsatisfactory track record could lead directly to a contract being rejected.

The rating is based on the results of industrial site audits and calculations of average marks. This tool helps HS

specialists and staff involved in HS process to identify gaps and areas in need of improvement.

It did not take long to see results. The contractor applies the same evaluating tool to access its contractor company, making them responsible for HS issues and sharing with them duties and competencies. Only companies having passed the test are eligible to work. As a result, no fatalities were recorded among EVRAZ contractors in 2020.

DEVELOPING THE SAFETY CULTURE

The Group is committed to attaining in the long term a robust safety culture, transitioning from the full supervision of employees to their personal engagement in HS issues. The Group puts significant efforts into building a stringent safety culture and reliable and safe practices are implemented at each facility of the Group. EVRAZ understands that no operational activity can be successful without an appropriate safety culture level in place. The continued improvement of the safety culture involves thousands of EVRAZ employees: all staff, including managers and executives, are trained to improve safety performance and enhance their risk awareness.

In 2020 EVRAZ made further efforts to improve the safety culture programme, with a range of initiatives rolled out to boost employee engagement and introduce new safety tools and methods.

Safety culture diagnostic audit

In the first quarter of 2020 it was decided to conduct a diagnostic audit to evaluate the level of the corporate safety culture. As a result, a self-diagnostic methodology was developed, which covers all the specific features of the facilities. This useful tool enables the safety culture level to be assessed and monitored in terms of its dynamics.

The Group's main strategic goal for 2021 is to achieve across the Group the third (Independent) level of safety culture according to Bradley scale. The self-diagnostic methodology indicated that

the current level of compliance was 45%, which corresponds to the advanced second level. EVRAZ plans to achieve a 60% compliance level by the end of 2021.

EVRAZ is happy to report that several facilities have already gone through the third (Independent) level of safety culture and are continuing with safety culture improvements. The Group plans to bring other facilities up to the third level by means of a transparent and simple system that will help maintain not only a reactive level but also enhance the overall safety culture level of the Group. EVRAZ has developed a promising plan to achieve this important corporate strategic goal.

Three main areas of safety culture development were identified in 2020:

- A safety motivation system.
- Determining employee behaviour that corresponds to a proactive level of safety.
- Resolving the Safety vs Production dilemma.

According to these areas EVRAZ conducted a range of pilot projects and developed a respective programme, which will be implemented in 2021.

Within the areas to be developed three phrases were encouraged to be used: "I'm acting", "I'm communicating", and "I'm proposing", to try to impress upon staff that a good safety culture means more than just following the rules. This philosophy is embedded in the safety behaviour model and the Group expects all staff to embrace it, regardless of their status or position.

Behaviour safety conversations and safe work procedures

GRI 403-7

Measures aimed at enhancing the safety culture and further engaging employees in OHS management processes are key important components of the Risk Management project. During the reporting period EVRAZ continued with the practice of holding safety conversations, however, within the Risk Management project this is gradually being replaced by new risk management tools, e.g. brief chats and briefings before work commences in order to improve risk awareness among workers and line managers. It is ineffective to discuss industrial risks somewhere out of the working areas. Hence it is important that potential risks are assessed and analysed by staff in the places where they work. EVRAZ is committed to developing and implementing a risk-orientated approach at all operating facilities.

In 2020 the safety culture was boosted by a new effective procedure that contributes to resolving the Safety vs Production dilemma. The Group launched a series of short safety briefings, Safety Moment, at which all related cases are carefully analysed. This area is closely connected with the Work Rejection regulation, which allows each employee to refuse work that poses a risk of injury. An analysis of data showed that the regulation is rarely applied at management level and that only a small percentage of workers apply it independently. Prompts and help were needed for the majority of the staff

to elicit whether a work suspension was required. By addressing such issues at meetings the Group establishes the expectations of appropriate safety behaviour among the workforce.

For EVRAZ it is vital that all employees view the changes as a positive and proactive step towards safeguarding their health and safety. A special feedback algorithm has been developed to enhance interactions between workers and line-managers. Assurances are made by senior executives that no penalties will be imposed if an employee refuses to perform a work task, and this is also regularly made known via our corporate television channel and at meetings and using posters.

Drones at EVRAZ KGOK

EVRAZ embraces the latest technologies to assist in safety efforts and to prevent harm coming to employees. As part of this process, EVRAZ KGOK introduced an initiative to survey sites using drones. These small helpers have become indispensable during surveys of opencasts, tailings, storages, and other production sites. The modern device is also able to create a 3D model of the location and determine the ore quantity at the storage without employee involvement. The production site contains many dangerous areas with restricted access. Thus, ore mineral tailing surface can start moving during onground survey that could cause harm to the employee's health. Furthermore, in wintertime the snow covers pits, trenches, etc making them invisible for the employee. No doubt that using of drones significantly reduces the risk of injury.

The same method is widely used at the EVRAZ RUK facilities.

HS motivation system

In 2020 EVRAZ also reviewed the current motivation system and redesigned it. The Group developed a range of criteria regarding employee behaviour that correspond to the third level of the Bradley scale and implemented these into the motivation system. The criteria include cases of work rejection, risk reports, and elaborating local documentation that will assist in performing operational activities in an easier and safer way.

The Group expects these criteria to be implemented in future corporate projects, including the HR system, which will enable individual HS performance to be assessed along with remuneration and bonus payments.

Unfortunately, a system of penalties is still operating, however, it has also been restructured and organised. The most gross violations relating to critical risks were identified. There are strict sanctions in place for violations that could lead to grave injury or fatalities.

The structure of safety development funds has also evolved during the reporting period. In 2020 the Group significantly increased the sum of motivational fund. The benefits are paid for the best employees taking into account their commitment to HS issues including cases of work suspension, risk reports and other HS performance of individual.

From 2021 the HS motivational system will begin to operate at full strength.

Occupational health and safety trainings

GRI 403-5

Professional education and training are key tools for informing workers and managers about workplace hazards

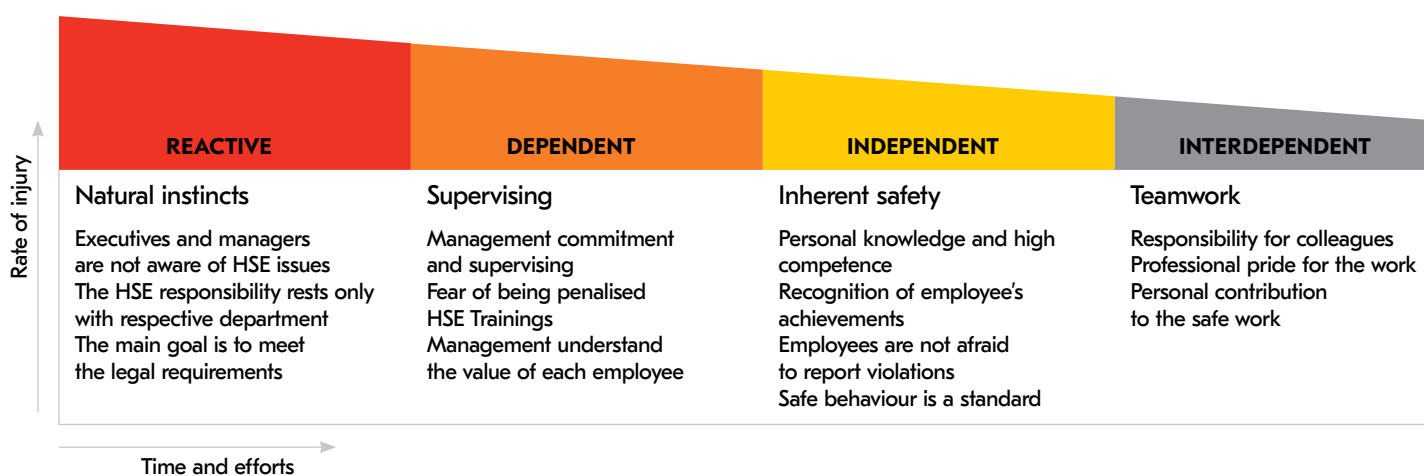
and controls so that they can work more safely and be more productive. EVRAZ provides a range of training courses in all business divisions. All EVRAZ employees undergo all respective mandatory trainings, which are updated regularly to take into account amendments to domestic legislation. The appropriate and safe handling of tools and installations, primary knowledge of occupational and fire safety, and basic first aid skills all play key roles in safeguarding the health and safety of employees.

In addition to legally required trainings, EVRAZ offers regular professional development programmes, including voluntary initiatives to set up training centres and security systems, and a safe driving course.

In 2020 EVRAZ continued to conduct trainings within the Risk Management project. More than 42,000 employees passed our training during the reporting year. Despite the pandemic, EVRAZ was able to fulfil the training plans by changing the format to online, webinar-based sessions. We are aware that in such a case it is rather complicated to oversee how well employees prepare, however, the focus of the training was geared towards obtaining practical skills that will help the worker perform their work safely.

In addition, EVRAZ launched a training programme to further improve the engagement level of our managers and people. The programme for managers and senior executives lasts four days, and one day for other grades of employees. The course is focused on the role of leadership in HS and helps management foster appropriate behaviour among the workforce.

Bradley scale of safety culture development



OCCUPATIONAL INJURY PREVENTION

Nothing matters more than every single employee returning home safely every day after work. Thus, EVRAZ prioritises keeping its employees and contractors safe and alert to potential hazards in their work. The Group performs ongoing stringent monitoring of HSE performance, including the lost time injury frequency rate (LTIFR) and the number of fatalities, with an eye to elaborating and introducing all required mitigation measures and initiatives.

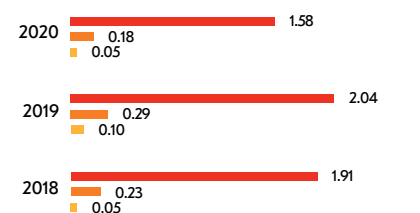
LTIFR

GRI 403-9

The Group has a wide range of measurement indicators related to assessing safety performance, including the LTIFR. Target LTIFRs are cascaded down throughout the Group. In 2020 the LTIFR at EVRAZ stood at 1.58, which was 22.5% lower than the 2019 figure of 2.04. The Group met its target level of 1.61.

A significant improvement in the LTIFR was recorded at the Coal Division and ENA, which in 2020 recorded 21.3% and 29.9%

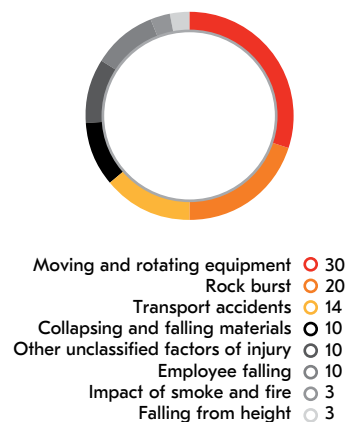
Injury rates, per 1 million hours (excl. contractors), 2018–2020



reductions compared to 2019 figures. EVRAZ intends to keep improving LTIFR rates in the future by learning from past incidents and implementing advanced technologies.

In 2020 the most serious injuries recorded occurred as a result of moving and rotating gears and equipment or debris, rock burst, and transport accidents. For each risk category EVRAZ has developed and implemented a range of HSE initiatives.

Main types of high-consequence work-related injuries and fatalities, 2020 (incl. contractors), %

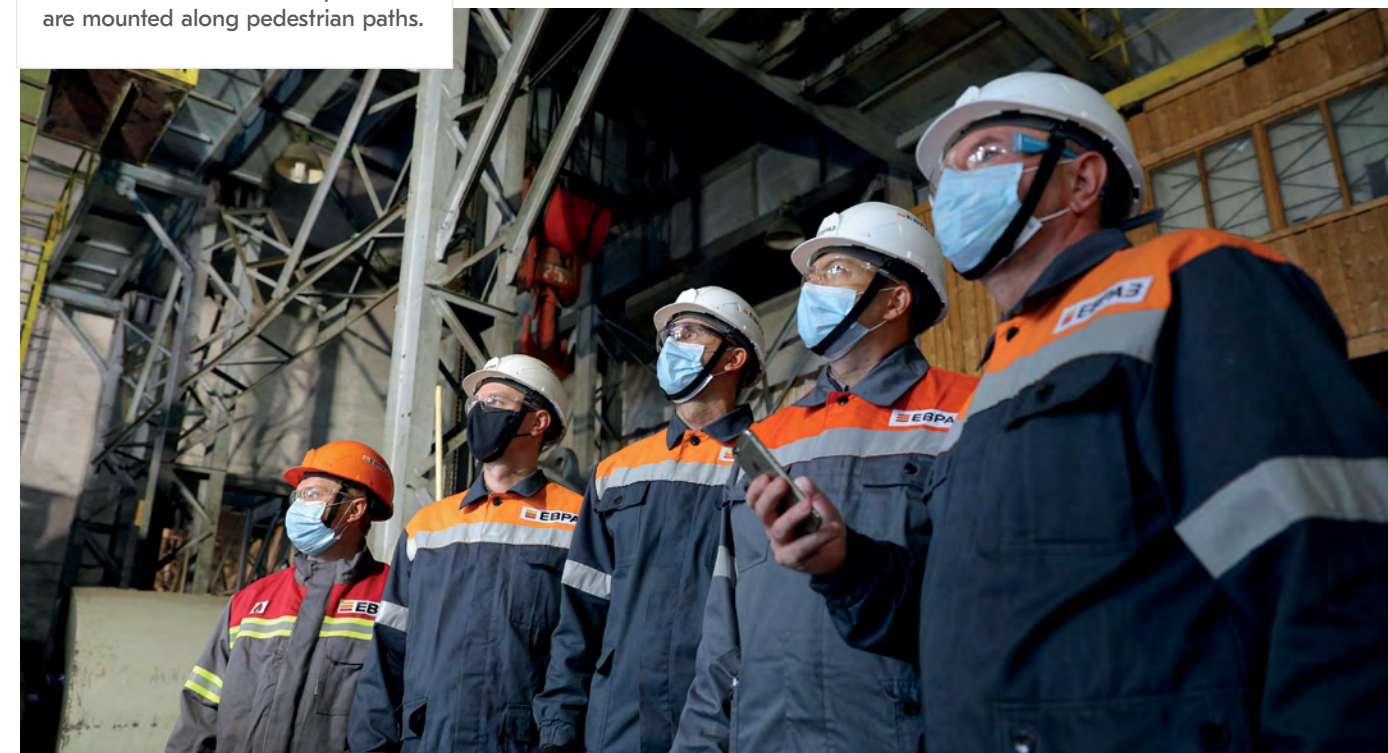


LED strips at grooves

EVRAZ RUK uses intrinsically safe LED strips at its mines. The bright illumination of a mine shaft contributes to improving underground safety and working conditions in general.

This innovative measure related to lighting in mines is widely used in South Africa. The main advantage of LED is not spot- but flood-based light throughout the length of the groove. Lamps are mounted in durable non-flammable containers in compliance with respective safety requirements for mines.

A shaft is distinguished by several LED strip colours. Thus, red strips indicate dangerous areas, and green ones indicate boarding areas for chairlifts. White LED strips are mounted along pedestrian paths.



Fatalities

GRI 403-9

Despite all the efforts made, EVRAZ experienced five fatalities in 2020. The Group is deeply saddened by these losses. Any fatal case is unacceptable, and the Group will continue to do its utmost to achieve its strategic goal of zero fatalities. However, we are pleased to report that during the reporting period no cases of death were recorded among EVRAZ contractors.

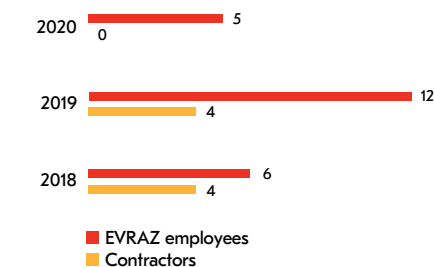
The first fatality related to a fall of a load at a coal mine. The investigation established that no risk management tools had been implemented at the facility. Also, it was determined that workers were not sufficiently aware of this type of risk factor. As a result, the Cardinal Safety Rules were amended with a new norm concerning the risks posed by an employee being situated under the displaceable load.

Two fatalities recorded at a coal mine were due to a microearthquake (MEQ), when a coal face layer suddenly collapsed. There was no way to predict this event using the modern means available. During the investigation it was established that ore mines can handle risks related to MEQ, but that there are difficulties predicting them at coal mines. EVRAZ performs benchmarks of best practices adopted by coal facilities to help avoid similar accidents from occurring in the future.

The fourth fatality involved an employee being fatally injured by rotating gears. As a result, EVRAZ plans to launch a new programme in 2021 to avoid these frequent injuries. A comprehensive inventory of dangerous zones was conducted, and each division pursues an initiative to establish more reliable means of protection via equipment shutdowns when an employee enters a dangerous zone.

The fifth fatality involved an employee losing his life due to a rock fall.

Number of fatalities among EVRAZ employees and contractors, 2018–2020



HEALTH PROTECTION

GRI 403-6

The Group invests significant efforts into enhancing working conditions and improving the corporate healthcare system. All facilities are equipped with medical posts to perform pre- and post-shift checks-ups, give first aid, conduct alcohol tests, and provide other medical assistance to employees. The Group covers expenses for surgeries and other medical procedures if they are needed. All employees must undergo annual medical examinations and health checks before commencing employment.

In addition to legislative requirements, EVRAZ organises voluntary health protection campaigns. Since the onset of the COVID-19 pandemic the issue of employee health has taken on greater significance. Together with our partner insurance company we launched a project to improve how to identify occupational diseases. The start of 2020 was marked by a number of natural deaths due to cardiovascular diseases, which made us search for ways to identify groups at risk of contracting this type of disease. EVRAZ received an offer from the partner insurance company to provide a mentoring programme which includes advanced medical check-ups, collecting medical data that can be recorded on special medical cards for employees. By analysing

Hospital construction supply

EVRAZ earmarked US\$2.7 million to finance the construction of a hospital to treat infectious diseases in Novokuznetsk and supplied steel products for the project via its trading arm, EVRAZ Metall Inprom (EMI). The hospital will comprise a main four-storey building and 10 administrative buildings, totalling 27,800 sq m. The new medical centre will replace Municipal Hospital №8 in Novokuznetsk.



Stakeholders: employees, local communities.

Value for stakeholders: access to healthcare facilities and health support.

Value for EVRAZ: employees health care, sound relationships with authorities and local communities.

Regional medicine development

EVRAZ allocated over US\$110 thousand to support medical institutions in Novokuznetsk and Tashtagol. Novokuznetsk City Clinical Hospital No. 1 received over US\$20 thousand for the purchase of medicines to treat patients with coronavirus.

The remaining sum was received by the Tashtagol regional hospital to purchase specialised equipment. The medical facility received oxygen concentrators, irradiators-recirculators for air disinfection, and digital mobile X-ray diagnostic equipment to diagnose lung disease in non-mobile patients. The hospital needs this equipment to be able to effectively treat severe forms of COVID-19.

respective results, it will be possible to ascertain specific risk groups and prevent the onset of diseases.

This initiative has been launched in the Ural Division, and the Group plans to involve other business segments in the new project.

Registered occupational diseases

GRI 403–10

In accordance with domestic labour legislation the Group insures all EVRAZ employees against work-related accidents and occupational diseases. All treatments of occupational diseases are covered by this insurance.

175 cases of occupational diseases were documented during 2020 at EVRAZ facilities, which was 26,2% lower than

in 2019, which saw 237 cases. The structure of registered occupational diseases suffered no changes during the reporting period. The most common reported illness remain musculoskeletal (90 cases) and hearing disorders (67) and respiratory diseases, due to high dust concentrations in the air at worksites.

Safety monitoring system

Ongoing safety performance monitoring is an indispensable tool in the prevention of occupational injuries and diseases. Standard incident reporting regulations, which form part of the Incident Management Standard, have been implemented in EVRAZ. In the event of an incident occurring a Flash report outlining all respective details and circumstances and response actions taken is issued within 24 hours. The report

is distributed immediately to all affected managers. In addition, the local HSE department conducts investigations and disseminates key findings, so that every employee can learn from incidents.

HSE functions also monitor subsidiaries using monthly, quarterly, and annual HSE performance reports, based on data collected through the corporate HSE reporting system.

The Group requires its employees to not conceal or misrepresent the circumstances of HS violations. All EVRAZ employees are involved in the monitoring process by reporting information on incidents and safety violation cases, using the EVRAZ Hotline.

TRANSPORT SAFETY

Transportation vehicles are used extensively in EVRAZ operations, both in production processes and in transporting employees to Group facilities. EVRAZ always pays significant attention to improving transport safety and has implemented various initiatives across all enterprises.

In 2020 the corporate fleet of EVRAZ RUK was replenished with three crew vehicles for employee transportation.

New buses were customised according to the amended safety regulation of EVRAZ RUK. The new features included reinforced frames, warning strobes, and all seats being equipped with three-point seatbelts in order to ensure the safety of passengers in case of an accident. Also, vehicles now have onboard front and rear dashcams which stream online pictures to line managers at facilities.

We are pleased to report that EVRAZ RUK has declared 2020 to be the year of transport safety. The Group plans to fully refresh its fleet of corporate transport to comply the local safety regulations.

New vehicles were also purchased by EVRAZ KGOK to improve the safety of staff during their movements in quarries. US\$415 thousand was earmarked for this measure.

EXTERNAL OHS ACTIVITIES

The role played by contractors in EVRAZ's daily operations cannot be overstated. The Group is committed to promoting safety behaviour among its contractors and strives to share the lessons learned with them; therefore, their skills and HS performance are vital in order for work to be performed safely.

HSE Contractor Management Standard



Contractor engagement

EVRAZ involves all contractors in the EVRAZ OHS management system, and the Groups plans to boost engagement levels in this regard. Interactions with the contractors are regulated by the Standard on HSE Contractor Management, which consists of a four-stage procedure. Contractors cannot

be exposed to hazardous work until their practical skills and knowledge have been assessed.

EVRAZ and its contractors work together to guarantee occupational safety. In this regard the Group has begun offering contractors occupational health and safety corporate trainings. For the Group it is very important that its contractors have a stake

in raising their risk awareness and that they strive to enhance the OHS management system through implementing risk management tools.

In the first quarter of 2021 EVRAZ began involving contractors in the new mobile app Hunt for Risk, which will help identify more risks and make production sites safer and more comfortable.

EMERGENCY PREVENTION AND RESPONSE

All EVRAZ facilities are prepared to respond to a wide range of emergency events, caused by natural disasters or industrial accidents. Evaluations of emergency related risks are conducted on a regular basis, in accordance with the EVRAZ Industrial Safety Management System Provision. This is a proactive system that incorporates a set of procedures and documents that are used to prevent an emergency. EVRAZ personnel

routinely undergo training and exercises on their roles and duties in emergency response situations, to be sufficiently prepared if incidents occur. According to the respective risk evaluation each EVRAZ facility is designated a hazard class based on the types of hazardous substances used, previous cases of emergencies, and the emergency-prevention system.

In line with domestic legislation, the Action Plans for the Localisation and Liquidation of the Accidents Consequences have been developed at all EVRAZ facilities.

All facilities of the Group are equipped with emergency warning systems. In the event of an emergency, the system is activated to inform employees, local communities, and authorities, as well as special rescue services.

GOALS FOR 2021 AND THE MIDTERM

Safety culture development

EVRAZ plans to continue to implement key initiatives targeted at improving the safety culture. Our strategic goal is to reach in 2021 at least 60% compliance under the Bradley scale of safety culture.

Management System for risk management processes and HSE teams. Safety management processes will be reviewed with a view to reducing red tape and introducing automation options.

Formalisation of competencies

The Group stresses the importance of building necessary competencies among employees, and not to overly rely on qualifications; this approach better meets the requirements of risk prevention.

Finalising risk management projects

EVRAZ plans to finalise the Risk Management project implementation by the middle of 2021, and an assessment of the project's efficacy will also be performed.

HSE transformation

In the next reporting period, another key HS objective for EVRAZ will be to perform HSE transformation initiatives that include in-depth adaptations of the HSE

ENVIRONMENTAL MANAGEMENT



2020 highlights

- Non-mining waste recycling and reuse rate 102.7%.
- Reduction in total air atmospheric emissions from steel production by 3.7%.



2020 Key events

- 2nd place in the TOP-10 list for environmental risk management among the WSJ ranking of the world's 100 most sustainably managed companies.
- Overhaul of Blast Furnace 6, a state-of-the-art environmentally friendly facility at EVRAZ NTMK.
- Upgrades completed of electrostatic precipitators at boilers 7, 8 at EVRAZ ZSMK.
- Reclamation project completed for tailings storage facility №2 at EVRAZ ZSMK.



Material topics

- Management approach.
- Emissions.
- Water and effluent.
- Waste.
- Biodiversity.



Global sustainable development goals



Case study

World's 100 most sustainably managed companies

In 2020 EVRAZ took second place for environmental risk management in the Wall Street Journal's (WSJ) ranking of the world's 100 most sustainably managed companies. The WSJ evaluated over 5,500 global public companies in 26 categories, determined by the independent Sustainability Accounting Standards Board. The WSJ praised EVRAZ's efforts to reduce emissions and focus on energy efficiency projects.



MANAGEMENT APPROACH

GRI 307-1

We strive to ensure that our operations are conducted in the most sustainable way possible and do our utmost to mitigate adverse environmental impacts caused by our day-to-day operations, in order to comply with environmental obligations and to meet the expectations of stakeholders. We invest great efforts into enhancing all aspects of our environmental performance, and the Group's contributions have received positive feedback from the international business community.

Our HSE Policy establishes a framework for environmental management (see the Health, safety, and environmental governance, **page 39**). All our enterprises have adopted an environmental management system (EMS), based on the plan-do-check-act (PDCA) model. The EMS provides a framework that contributes to mitigating environmental risks and supports the organisation of the Group's environmental compliance.

EVRAZ strictly adheres with applicable environmental requirements. We conduct internal audits in terms of risk assessments and HSE management system evaluations. External environmental audits are performed by state authorities and third parties at our operations to ensure that the Group complies with environmental requirements. There were no significant environmental incidents or material environmental claims involving the Group's assets during the reporting period. The total value of non-compliance-related levies and fines issued against the Group in 2020 was US\$3.1 million, compared to US\$5.0 million in 2019.

In 2020 we began reviewing our corporate regulations relating to the registration, evaluation, authorisation, and restriction of chemicals (REACH) compliance vis-à-vis products supplied to or manufactured in the European Economic Area by the Group's assets. The completion of the update is scheduled for 2021.

We implement environmental and social impact assessments (ESIAs) for all our new projects and operations. During these we evaluate the potential direct and indirect impacts of our activities on local communities and surrounding environments. The purpose of the assessments is to prepare detailed plans to mitigate and manage these impacts. When conducting ESIAs, we consult with local and regional stakeholders (governments, businesses, and communities) throughout the project's life to discuss any decisions and measures to be implemented.

When conducting day-to-day operations, EVRAZ employees are required to adhere to established Fundamental Environmental Requirements. These comprise procedures related to environmental control systems, and prohibitions against the discharge of any chemical products and waste disposal outside designated areas.

EVRAZ's 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.

In order to maintain a high level of environmental awareness and competence among our employees, we hold various trainings on waste management methods, HSE practices, and other topics. In 2020, due to the COVID-19 pandemic, most of these trainings were held in an online format.

In 2020, EVRAZ spent US\$56.95 million on projects to improve its environmental performance and US\$32.87 million on measures to ensure environmental compliance. The Group has also committed to implement various environmental protection programmes over 2021–2026. As of 31 December 2020, the estimated

cost to implement these programmes totaled US\$226.2 million, compared with US\$198.6 million as of 31 December 2019. The rising environmental commitments is mainly related to renewal of obligations under the Wastewater Management programmes of steel production sites to implement "zero water discharge" goal.

Case study

Environmental strategy

EVRAZ has formulated an Environmental strategy, which contains a framework for ensuring environmental compliance and mitigating against any potential adverse environmental impacts. The strategy is based on sustainable business practices and environmental principles, which are incorporated into all stages of our value chain.

Previously, EVRAZ had five-year environmental goals (set in 2017) in three areas: water, waste, and GHG emissions. We achieved the following results (for data on GHG emissions see the GHG emissions and energy efficiency section, **page 60**):

- Reducing water consumption to 207 million m³: water consumption in 2020 fell to 206.2 million m³.
- Recycling non-mining waste and by-products at a rate of 95%: 102.7% recycled in 2020.

In 2020 EVRAZ updated the Environmental strategy and elaborated two scenarios, related to the level of impacts and capital investments: realistic and stressful. In order to meet the expectations of investors and society, the Group has also set new goals for the period up to 2030 (with 2019 as the baseline year), which cover four aspects – water, waste, air emissions, and GHG indicators (see the GHG emissions and energy efficiency section, **page 60**). New goals were set with the realistic scenario in mind, and are listed below:

Area	Goal (2019–2030)	2020 status
Water	Zero wastewater ¹ discharges from steel production.	68.6 million m ³
Waste	Utilise 95% of waste from metal production and general waste.	102.7%
	Recycle 50% of mining waste.	28.5%
Air emissions	Reduce total atmospheric emissions from steel production by 33%.	3.7% decrease
	Reduce dust emissions from coal mining by 1.5 times.	10.1% decrease

Within the new strategy the Group also aims to ensure full regulatory compliance and transparent data measurements by 2025. To enhance the disclosure of information regarding its Environmental strategy, the Group also updated its environmental reporting procedures during the reporting period.

REDUCING AIR EMISSIONS

GRI 305–7

As a result of steelmaking processes, emissions of pollutants are inevitably generated. In steel production, the main emissions are carbon monoxide (CO), sulphur oxides (SOx), nitrogen oxides (NOx), particulate matter (dust) and volatile organic compounds (VOCs). The main source of formation of carbon monoxide and nitrogen oxides is fuel combustion. Also, significant volumes of carbon monoxide are generated during the blast furnace production stage. Sulphur oxides

emissions are generated by oxidation of sulphur contained in ore or coking coal. Dust is produced during all stages of metallurgical processing (sintering, blast furnace stage, steelmaking, rolling production) and also in result of our coal mining activities, mainly during transportation and storage of coal. Volatile organic compounds are mainly associated with coke production.

EVRAZ recognises that its business activities produce a large volume of air emissions, and that these could potentially cause adverse impacts on human health and the environment. We implement best available technologies and regularly upgrade equipment, and in addition all emissions are frequently monitored in order to minimise the risk that acceptable limits are breached. The emission reduction targets are included in our Environmental strategy, according to which we plan

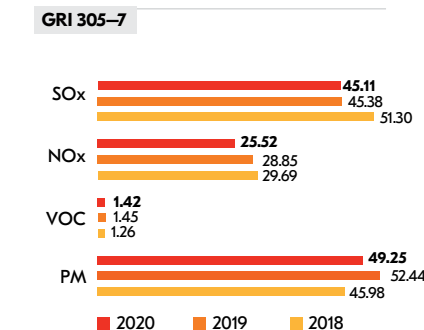
to reduce atmospheric emissions from steel production by 33% and dust emissions from coal mining by 1.5 times.

To achieve the goals of the Environmental strategy, we implement a number of measures to reduce our air emissions. These measures include technical overhauls of our steel production facilities, commissioning of dust suppression units.

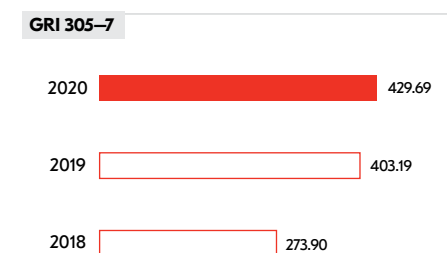
We are also planning a number of projects aimed at modernising coke production in order to reduce air emissions.

Our key emissions include sulphur oxide (SOx), nitrogen oxide (NOx), volatile organic compounds (VOCs), and particulate matter (PM). Total key air emissions in 2020 were down 5.3% against the 2019 level.

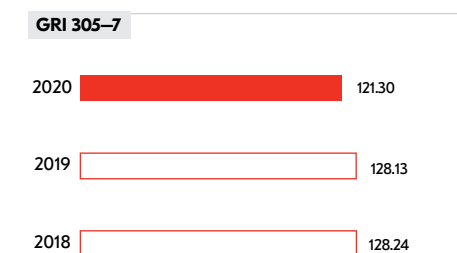
EVRAZ key air emissions breakdown, 2018–2020, kt



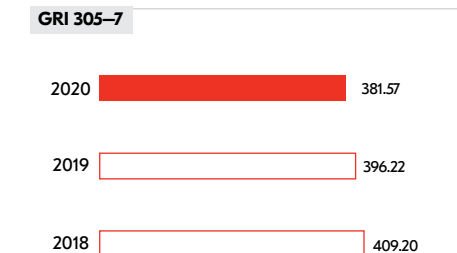
EVRAZ total air emissions (including key emissions) from coal, 2018–2020, kt



EVRAZ key air emissions, 2018–2020, kt



EVRAZ total air emissions (including key emissions) from steel production, 2018–2020, kt



Case study

New dust suppression unit at Raspadskaya

A new mobile dust suppression unit was put into operation at Raspadskaya. The unit has a closed water-sludge cycle. Water within the cycle is replenished with treated wastewater, and no discharges are made into water bodies. The installation sprays a tiny stream (up to 30 microns) of water, and the range of the water jet is 90 metres and covers an area of 24,000 square metres. The dust suppression unit reduces dust emissions at the operation site by 85–90%.



¹ For the purpose of disclosing wastewater discharge the Steel segment is represented by EVRAZ ENA, EVRAZ ZSMK and EVRAZ NTMK only, while other environmental indicators include also EVRAZ KGOK, Evrazruda, EVRAZ Vanady Tula, EVRAZ Nikom and EVRAZ Caspian Steel. Mining assets are not included in Steel segment as they produce effluents of quarry and mine water, that EVRAZ cannot reduce due to their natural origin factors.

Case study

Clean air

EVRAZ has continued to implement the Clean Air federal project, which is part of our national Environment project. In 2020, as part of the Clean Air project, significant measures were taken to improve gas purification systems at EVRAZ NTMK and EVRAZ ZSMK.

At EVRAZ NTMK the project involved an overhaul of Blast Furnace 6, a state-of-the-art environmentally friendly facility in Russia. Blast Furnace 6 has aspiration units that contain 34,560 filters designed to collect and purify air. It also uses a system that analyses over 12,000 indicators to select the optimal conditions and to manage manufacturing automatically. The system facilitated a 150 percent rise in gas cleaning. The project cost in total US\$176 million (including US\$10.7 million to upgrade the aspiration units).

At EVRAZ ZSMK an upgrade of electrostatic precipitators at boilers 7 and 8 was completed, and for boiler 10 commissioning works were launched. The precipitators purify flue gases from ash when burning coal in boilers. As a result, dust emissions into the atmosphere of Novokuznetsk will be reduced by 10 thousand tonnes per year. Investment in the project totalled US\$8.4 million for the past three years.

In addition, it was planned to build a modern facility for flue gas desulphurisation at the sintering plant of EVRAZ ZSMK by 2024. Due to the high sulphur content in iron ore, it is essential to ensure efficient gas purification at the plant. The planned facility will reduce sulphur dioxide emissions by 70%. In 2020 the main equipment was identified, and a project engineering contract concluded. Construction will begin in 2021.

To attain the Environmental strategy goals, EVRAZ implements various activities and investments, including those within the scope of the Clean Air project.



Case study

Regina Reheat Furnace Low NOx Burners

Over 2018–2020 the EVRAZ steel mill at Regina saw a significant upgrade to the steel reheat furnace at its rolling mill. This furnace is used to heat new steel slabs produced at the steel mill, so that they can be rolled into sheets and then wound into new steel coils. As with all fuel combustion, the operation of the natural gas-fired furnace produces emissions of nitrogen oxides (NOx) in its exhaust gas. Improvements included installation of low-NOx burners in the furnace, which was completed at the end of April 2020. An analysis of the exhaust gas indicated 51 grams of NOx per gigajoule (g/GJ) of fuel, satisfying the new Canadian standard of 60 g/GJ, and reducing the NOx emissions intensity from the furnace by around 50%. This will provide an ongoing benefit, by improving the air quality in the area with respect to NOx. The project required a total of US\$14.36 million in investment.



BALANCING WATER SUPPLY

GRI 303-2 GRI 303-5

Our business operations require significant volumes of water. We endeavour to implement the most efficient water management methods and best practices in order to handle both mine water and freshwater in a rational and sustainable way. EVRAZ is committed to reducing the volume of water consumption, which is in line with our HSE Policy. Responsibility among executive management for achieving water-related goals and implementing tasks is consolidated within the framework of our HSE management structure, which involves the Board of Directors dealing with water risks management issues among other tasks. EVRAZ, being a member of Russian Union of Industrialists and Entrepreneurs

(RSPP), actively engages in dialogue on environmental issues, including those related to water management. Thus, we dedicate substantial efforts to treat our effluents, so they could be used for production needs instead of freshwater.

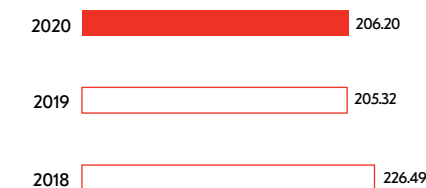
GRI 303-1

Most of our business operations do not take place in water-stressed regions. Although EVRAZ does not pose any substantial risks on availability of water resources, we strive to minimise any potential impacts our operations may cause by reducing water intake. We take in freshwater from surface water bodies, groundwater wells, and public water networks for production processes,

equipment cooling needs, fire safety, as well as for drinking and household purposes. Almost 95% of total freshwater intake for production needs relates to major steel factories: EVRAZ NTMK, EVRAZ KGOK, and EVRAZ ZSMK (including Evrazruda). Around 90% of these factories' freshwater intake is covered by surface water, including from rivers, lakes, and reservoirs. Total water consumption in 2020 at these sites stood at 205.7 million m³, with freshwater making up over 95.2% of this demand. In 2020 the total volume of freshwater consumed for production purposes was 206.2 million m³, 0.9 million m³ higher than in 2019.

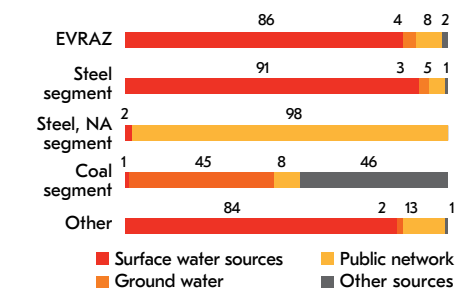
EVRAZ freshwater intake for production needs, 2018–2020, million m³

GRI 303-3



Water consumption by sources, EVRAZ total and by segments¹, 2020, %

GRI 303-3



EVRAZ freshwater withdrawal intensity, 2018–2020, m³/US\$ thousand revenue



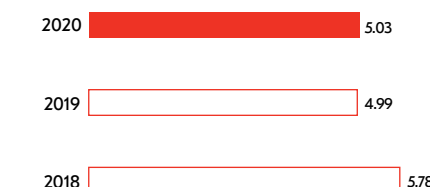
Freshwater withdrawal intensity, 2018–2020, m³ per tonne of crude steel cast

GRI 303-4



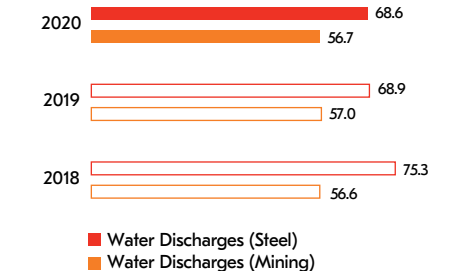
Water discharge intensity, 2018–2020, m³ per tonne of crude steel cast

GRI 303-4



Total water discharged², million m³

GRI 303-4



¹ Data presented without mine and quarry water. For the purpose of disclosing fresh water consumption the Steel segment is represented by EVRAZ ZSMK and EVRAZ NTMK only, while the Other sources section includes EVRAZ KGOK, Evrazruda, EVRAZ Vanady Tula, EVRAZ Nikom and EVRAZ Caspian Steel. Mining assets are not included in Steel segment as they produce effluents of quarry and mine water, that EVRAZ cannot reduce due to their natural origin factors.

² Water discharges during mining activities (effluents of quarry and mine water) are shown separately, as EVRAZ cannot reduce these discharges due to their natural origin factors.

For safety reasons we also pump mine water (quarry water) out of mines and open pits at our coal and ore mining sites. Mine water is produced when groundwater of various aquifers mixes and interacts with the air in the mine and rocks uncovered by mining excavations. We are unable to fully control or forecast the volume of this water, as it is a natural phenomenon. We strive to use mine water for production needs instead of freshwater, however the volume of such water exceeds the volume needed at our mining assets. Also, the majority of our mines are located in remote areas that rule out any possibility of delivering surplus

water to other consumers. In 2020 we used 24.3 million m³ (or 34.6%) of mine water for production needs instead of freshwater. The remaining volume, 45.8 million m³ (65.4%), was discharged into water bodies. In line with our water-related Environmental strategy goal, mine water is treated to remove pollutants introduced during mining.

We adhere strictly to legal requirements related to water discharges. In 2020 the total volume of water discharged was 125.3 million m³, 0.6 million m³ lower than in 2019. According to our Environmental strategy we aim to reduce

our water discharges, which also contributes to lowering water intensity of EVRAZ. Overall water discharge intensity in 2020 stood up to 9.19 m³ per tonne of crude steel cast, however, 4.16 m³ per tonne of those are related to mine water. As mentioned above, mine water discharge is not controllable, because it is related to ensuring safety of workers by pumping groundwater out of mines. Water discharge intensity related to steel production totalled 5.03 m³ per tonne of crude steel cast. We also focus on industry median when planning our water discharges reduction measures.

Case study

Clean water and sanitation

In 2020 EVRAZ ZSMK began construction of wastewater treatment facilities, as part of continued efforts to reduce adverse water-related impacts on the environment under the Water programme. These measures will halt water discharges into Lake Uzkoie, in line with the goal set out in the Environmental strategy. Treated wastewater will be used for production needs.

The project encompasses multi-stage wastewater treatment, as a result of which no threshold limit for pollutants will be exceeded. It is estimated that the capacity of treatment units under the project will reach 600 m³ per hour. The project is scheduled for completion at the end of 2022.



Stakeholders: local communities.

Value for stakeholders: a clean lake.

Value for EVRAZ: increased public trust, an enhanced reputation, an absence of fines.



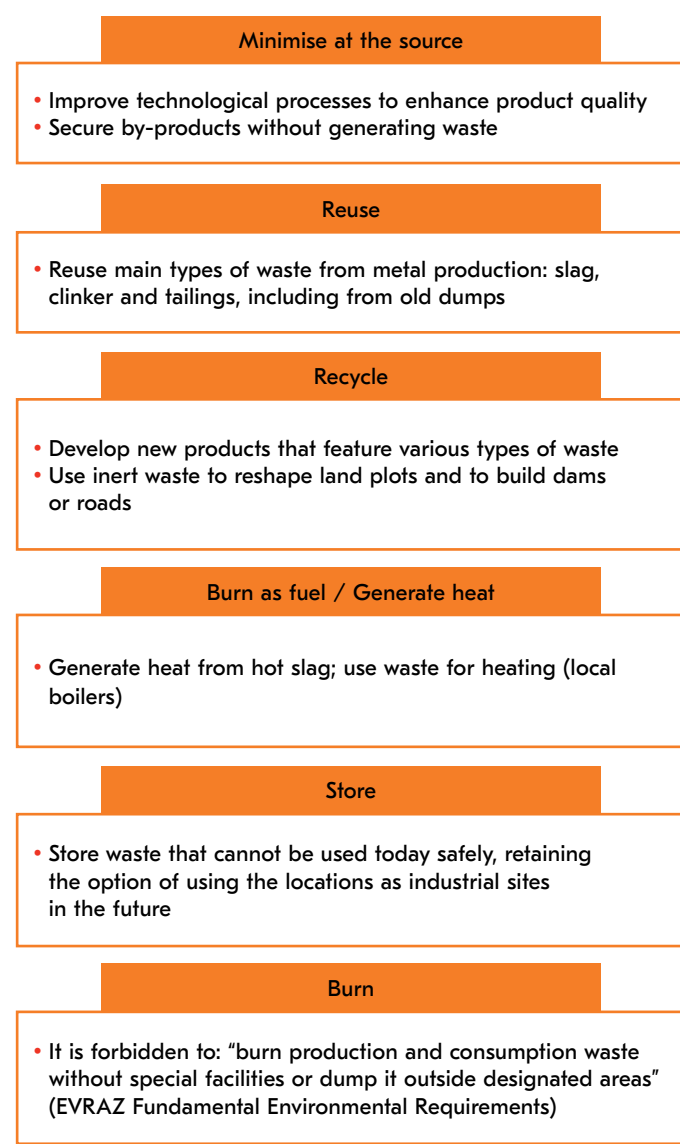
WASTE STEWARDSHIP

GRI 306-1 GRI 306-2 GRI 306-4 GRI 306-5

We recognise that during our business activities large volumes of waste are generated (including from metal production and general (non-mining) waste) and mining waste, such

as overburden, tailings, and barren rock. We strive to implement the best available management practices in this area, in order to use natural resources rationally and, as a result, reduce waste generation.

Our waste management strategy comprises the following areas (listed in order of priority):



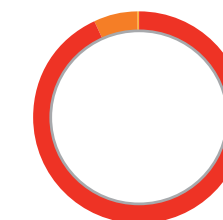
A total of 8.7 million tonnes of non-mining waste and by-products were generated by EVRAZ enterprises in 2020.

EVRAZ mining and non-mining waste generated, 2018–2020, million tonnes

GRI 306-3

Waste type	2018	2019	2020
Non-mining waste	7.9	8.4	8.7
Mining waste	232.0	198.8	135.6

EVRAZ waste generated and received, 2020, %



Mining waste generated 93.10
 Other waste generated 6.86
 Received from other sites 0.04

In line with the Environmental strategy, EVRAZ seeks to increase amounts of recycled and reused waste. In 2020, 48.9 million tonnes of waste (including mining waste) were reused. The Group uses non-hazardous mining waste for land rehabilitation purposes and to build dams and roads, where possible. In 2020, 38.6 million tonnes of this waste were reused, which made up 79% of total waste reused.

Case study

Recycling used tyres

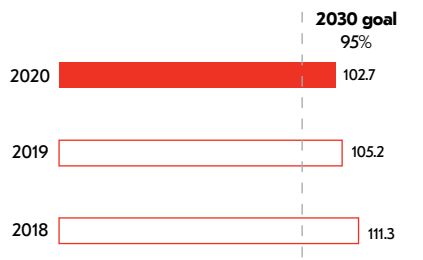
We seize any opportunity that allows us to use our waste more rationally. One example here would be used tyres from large-sized dump trucks being recycled at Raspadskaya Coal Company. Tyres are non-hazardous waste with a low level of environmental impacts, however, when they decompose they can release harmful substances.

As they accumulate, used tyres are transported from the mine by a contractor. Then they are cleaned of metal parts and fittings and crushed into fragments. The rubber is used to make soft coverings for pathways and roofing material, and it can be added to paving slabs. Also, around 30% of tyres are used to build safety barriers on roads.

Over 200 used tyres are recycled at Raspadskaya per year, which is more than 500 tonnes of waste.

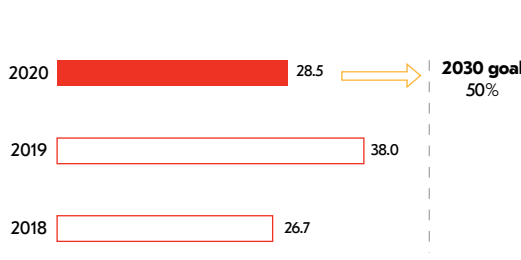


Non-mining waste recycling and reuse rate¹, 2018–2020, %



Waste from metal production is stored at tailings storage facilities (TSF). EVRAZ owns three operating TSF, located at EVRAZ ZSMK and EVRAZ KGOK. The Group considers the safety of TSF to be a top priority, as their operation entails significant environmental risks. We have elaborated a dam safety management system that ensures compliance with applicable legislation and covers all

Mining waste recycling and reuse rate, 2018–2020, %



stages of the process. The TSF service life comprises design, construction, operation, and closure. We have elaborated a dam safety management system that ensures we also carry out continual safety monitoring procedures and our TSF are regularly audited by both internal and external specialists, as well as inspectors from regulatory bodies.

Case study

Campaign to enhance local environments Life on land

EVRAZ actively supports various initiatives aimed at both increasing environmental awareness and enhancing local ecosystems. In 2020 our employees carried out a number of tree and shrub planting activities in Mezhdurechensk and Novokuznetsk, including at kindergartens, schools, hospitals, and city squares. EVRAZ's coal miners and ecologists in total planted over 700 trees and bushes.

Our employees actively participate in urban environmental events and have received awards in various nominations. In particular, Rapsadskaya employees received a diploma from the administration of Mezhdurechensk for taking part in the event "Days of Protection from Environmental Hazards" and won in the nomination "Most Active Enterprise".



PROTECTING BIODIVERSITY

GRI 304–1

As a large company, we consider ourselves responsible towards protecting biodiversity and local species and their habitats. EVRAZ assesses biodiversity related impacts during all stages of implementing mining and steel-making projects. EVRAZ assets are not located in protected natural areas or territories with a high biodiversity value. Also, our activities do not directly impact biodiversity.

Our activities are geared towards promoting a rational and prudent attitude towards biodiversity and enhancing the living environments of our employees. We also actively engage with local communities on biodiversity related issues.

In 2020 EVRAZ performed the following activities related to biodiversity preservation:

- rehabilitating disturbed land and landscaping.
- restoring aquatic biodiversity.

Rehabilitating disturbed land and landscaping

In order to restore land disturbed by mining and steel-making operations, the Group implements environmental

projects to rehabilitate affected areas. In 2020 we completed a reclamation project for tailings storage facility №2 at Evrazruda (EVRAZ ZSMK). Overall provision of EVRAZ for site closure and rehabilitation totalled US\$296 million as of 31 December 2020.

Case study

Reclamation project for tailings storage facility №2 at Evrazruda

The project was implemented in several stages. In 2014 the tailing dump was mothballed: the destroyed part of the enclosing dam was restored, a drainage collector, a pumping station and a pipeline for discharging filtration water were built. In the period from 2014 to 2018, the technical stage of reclamation was completed: the pond was drained, the territory of the tailing dump was cleared, the zoning of reclamation surface was carried out, a screen of loam and fertile layer was laid. The last biological stage of reclamation was completed in 2019–2020, during which 21,300 pine seedlings and 43,530 sea buckthorn seedlings were planted.

The reclamation project eliminated dust emissions into the atmosphere, improved the quality of soil on the site. Planted trees and vegetation will transform the disturbed terrain. The total area of reclamation was 30.58 hectares. The total cost of the reclamation project stood around US\$12 million.

Restoring aquatic biodiversity

GRI 304–3

Our approach to biodiversity includes seeking to preserve the quality of water ecosystems and supporting existing biodiversity. On a regular basis EVRAZ releases various species of fish into affected water bodies, in order to offset any potential impacts on bioresources. In 2020 EVRAZ assets released over 204 thousand fingerlings in Kemerovo region, with Rapsadskaya Coal Company making a substantial contribution.

Case study

Restoring aquatic biodiversity in the Tom river

Rapsadskaya Coal Company actively participates in measures to restore aquatic biodiversity in local water bodies. In particular, a large-scale campaign was held in 2020 as part of the event "Days of Protection from Environmental Hazards", during which over 15,000 grayling fingerlings were released into the River Tom. Related expenses totalled US\$3.5 thousand.

Other fingerling releases carried out in 2020 included:

- 19,645 muksun fingerlings into the Ob River (expenses totalled US\$4.1 thousand)
- 55,294 peled fingerlings into the Novosibirsk reservoir in the Altai Territory (US\$12.3 thousand)

OUTLOOK FOR 2021 AND THE MIDTERM

In 2021 the Group will continue with efforts to mitigate any adverse impacts and to preserve and enhance surrounding environments. In the midterm we plan to review a number of regulatory documents, including the HSE Policy and REACH regulations. EVRAZ will maintain its commitment to implementing measures under the Clean Air national project.

EVRAZ will also continue to implement its Air Emission reduction programme, which includes the following key projects:

EVRAZ ZSMK:

- Coke gas cooling system upgrade. 2021 objective: complete the design stage.
- Off Gas Desulphurisation Installation. 2021 objective: complete the design stage (in progress since 2019).

EVRAZ NTMK:

- Coke gas redirected to by-product recovery plant № 3. 2021 objective: continue the project (to be completed by 2022).
- Off-gas cleaning units efficiency upgrade. 2021 objective: continue the project (to be completed by 2024).

- Decommissioning of the cooling tower for coke oven gas. 2021 objective: continue the project (to be completed by 2022).

EVRAZ Vanady-Tula:

- Kiln off-gas system upgrade. 2021 objective: complete the project.

Water management programmes launched in previous periods will continue, including at EVRAZ ZSMK, EVRAZ NTMK, Rapsadskaya, and EVRAZ Vanady-Tula. The construction of treatment facilities at Rapsadskaya Coal Company will also continue in 2021.

¹ Recycling and reuse rates are over 100% due to the disposal of previously accumulated waste.

GHG EMISSIONS AND ENERGY EFFICIENCY



2020 highlights

- Total GHG emissions 43.63 MtCO₂e.
- GHG emission intensity 1.97 tCO₂e/tcs.
- Total energy consumption 351.81 million GJ.
- Energy intensity 23.34 GJ/tcs.

2020 Key events

- Release of the first Climate Change Report.
- Adoption of ambitious new climate-related targets.
- Organizational changes in energy efficiency management that have enabled the involvement of the shops where energy consumption directly occurs.
- Reconstruction of blast furnace No. 6.
- Continued work to install the gas top pressure recovery turbine at EVRAZ NTMK.

Material topics

- Energy.
- Carbon Emissions.

Global sustainable development goals



GHG EMISSIONS

As mining and metallurgical operations are energy intensive and generate significant volumes of greenhouse gas emissions (GHGs), EVRAZ recognises

its obligations in the area of climate change mitigation and understands that businesses must play an active role in finding solutions to prevent negative

and irreversible impacts resulting from further rises in global average temperatures.

Management approach

GRI 103-2

Climate-related issues are handled within the framework of EVRAZ HSE management structure, where:

- The Board of Directors deals with climate change corporate governance, goal setting, and risk management issues at its meetings. Monitoring climate risks and the opportunity management process and approving an appropriate level of risk appetite for the Group also fall

under the remit of the Board of Directors, with the Audit Committee supporting these functions.

- Discussions of climate change-related issues take place at regular (twice a year) meetings of the HSE Committee, which determines an acceptable level of exposure to climate risks and assists the Board of Directors in overseeing the implementation

of the Climate strategy, as part of the Environmental strategy.

- The CEO of EVRAZ has ultimate responsibility for climate risk management and ensures the effective organization of the climate risk management system.
- The elaboration of climate-related projects is carried out by the Working Group on Environmental strategy (at CEO level), which is made up of representatives

from both production divisions and various directorates (financial, strategic, risk management, HSE).
 • The Risk Management Working Group (at CEO level) is chiefly responsible

for collecting climate risk identification and assessment results for all EVRAZ business processes, and also elaborates measures to reduce the impact of these risks on the Group as a whole.

- Responsibility among executive management for performing climate-related tasks is delegated based on respective matters and powers.

EVRAZ elaborates and adopts various measures to combat climate change and is guided by three core principles:



considering **climate risks** and opportunities in the business model



supporting cooperation to combat **climate change**



introducing advanced technologies to **lower GHG emissions**

With a projected rise in global demand for high-quality steel, due to factors such as the development of the construction sector and urban transport infrastructure (including rail transport), EVRAZ sees great potential and opportunity for using the steel industry's products to assist in transitioning to a low-carbon economy. As the world's only full-cycle vanadium manufacturer, the Group considers its own vanadium products to be valuable materials for renewable energy generation (e.g. the application of vanadium alloys in the construction of wind turbines can

increase their service life). Identifying opportunities to use the Group's products for a low-carbon future enhances the long-term sustainability of the business model.

EVRAZ supports global initiatives to combat climate change, as well as national climate-related strategies in the countries where it operates. In compliance with the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, the Group commenced annual measurements of GHG emissions at all its enterprises in 2013.

A substantial part of EVRAZ's efforts to lower total and specific GHG emissions relates to energy and fuel consumed at the Group's facilities. By implementing best practices and technologies, EVRAZ boosts energy efficiency and increases the use of renewable and secondary energy sources. The Group is working to reduce the carbon intensity of its energy sources and to raise its own power generation and self-sufficiency levels by recycling 100% of secondary energy resources generated at its metallurgical plants.

2020 results

Since 2011 the Group has participated in the CDP Climate Change Programme and recorded a "D" score in 2020, even though the requirements of the CDP questionnaire became more stringent.

Another milestone for the Group in 2020 was joining the UN Global Compact initiative, which considers business as a force for good and drives companies' awareness and actions in order to achieve Sustainable Development Goals by 2030. EVRAZ has made a voluntary commitment to work on implementing 10 universal sustainability principles, which will support the Group's efforts to promote the transition to a low-carbon future. As a participant in the UN Global Compact, EVRAZ promotes a preventative approach to environmental challenges and greater environmental responsibility, and also carries out work to develop and implement green technologies, such as those that lower its GHG emissions.

EVRAZ's commitment to lowering greenhouse gas emissions is reflected in its goals. The Group has set a target for the period 2018–2022 of maintaining specific Scope 1 and 2 GHG emissions from steel production (the Steel and North America segments) at below 2 tonnes of carbon dioxide equivalent per tonne of crude steel (tCO₂e/tcs). This target was achieved in 2019, with a level of 1.97 tCO₂e/tcs. In 2020 EVRAZ was able to meet the target, with the same value of 1.97 tCO₂e/tcs.

In 2020 the Group improved and updated the Environmental strategy, which sets forth new and ambitious climate-related goals for up to 2030, using 2019 as a baseline year. Steps include:

- Reducing specific Scope 1 and 2 GHG emissions from EVRAZ's Steel segments (the Steel and North America segments) by 20%, in compliance with the Paris Agreement. Work to meet this goal will

involve implementing modernisation and energy efficiency measures, with energy efficiency projects being a core component of EVRAZ's efforts to lower GHG emissions. In addition to energy efficiency initiatives, during the development of the Group's Environmental strategy EVRAZ assessed several promising projects for switching to the best available technologies aimed at reducing GHG emissions, including the return of sinter gases to the sinter furnace and gas tank installation to recover converter gas and heat at oxygen converter shop no. 2. It is planned to adopt these technologies in the future as part of the implementation of the Environmental strategy up to 2030.

- Utilising 75% of methane (CH₄) emitted in the process of degassing carried out during coal mining.

Case study

Climate Change Report 2020

In October 2020, EVRAZ published its first dedicated **Climate Change Report** compliant with TCFD recommendations and providing additional information about the Group's approach to climate change. This includes the role played by top management in this area and the organisational structure of climate-related risk management.

The report comprises key indicators on GHG emissions from their first assessment (2013) to 2019 with more detailed information on GHG emissions for 2019 (Scope 1 GHG emissions simultaneously by country and GHG type were disclosed for the first time).

Information on the EVRAZ vision for a low-carbon future for steel producers was provided in the report, as well as cutting-edge technologies for the metals and steel industry's decarbonization that EVRAZ is ready to consider for implementation in the future.

GRI 201-2

In 2020, EVRAZ conducted its pioneer climate scenario review and its first steps in assessing climate-related risks and appropriate opportunities in accordance with TCFD recommendations. Results of this analysis were presented in the Climate Change Report. Representatives of the top management participated in the preparation of risk maps for various EVRAZ' business units and business processes.

A qualitative evaluation has comprised eight climate risks, including transition and physical risks relating to weather conditions, and it has shown that there is no critical threat to the normal operation of the Group at present. In the scenario where the global average temperature does not rise by more than 1.5 degrees, transition risks will become relevant for EVRAZ (e.g., reputational risks associated with increasing expectations for action on climate change from multiple stakeholders). As it gets to 4.5 degrees, the significance of physical risk management to the smooth running of business operations is expected to increase. The Group plans to strengthen climate risk assessment in the future.

In general, the release of this report has enabled EVRAZ to enhance the quality of its climate disclosure, and by adopting TCFD recommendations, the Group keeps stakeholders informed about the risks it faces due to climate change, as well as opportunities to manage these risks. When necessary, for instance, if there are significant changes in the approach to climate change, the Group plans to release new Climate Change Report.

Hence, the Climate Change Report highlights the high degree of engagement of the Group's top management in addressing climate change issues, as well as in climate risk management processes. Having taken initial steps in the assessment of physical and transition climate risks in 2020, EVRAZ aims to further improve climate risk management processes by integrating physical and transition climate risks into the Group's business strategy and regular risk assessments. The Group recognizes the need to consider physical and transition climate risks in its strategic planning.

The Climate Change Report disclosed the physical risks that the Group pays the most attention to, their monitoring and managing. The report also outlines the drivers of the identified physical risks and the measures in place to mitigate them, including initiatives to implement a closed water supply system and maximize the use of recycled water, to enhance regular monitoring of weather conditions and the health of production equipment, etc. The key initiative to reduce the Group's impact on increasing climate change and the severity of physical climate risks are the activities under the energy efficiency programs, the implementation of which allows EVRAZ to reduce greenhouse gas emissions and to achieve the goal by 2030 to reduce specific direct and indirect energy GHG emissions by 20% compared to the 2019 level.



Stakeholders: EVRAZ, government, local communities.

Value for stakeholders: contributing to the achievement of national goals on clean environment.

Value for EVRAZ: transparent disclosure on climate issues, responsible business approach.

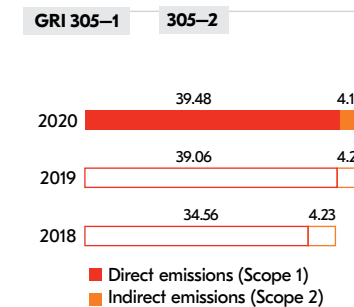
GRI 305-5

As above, EVRAZ discloses data in tCO₂e (tonnes of carbon dioxide equivalent). EVRAZ estimates direct emissions (Scope 1) of all seven GHGs¹ stated in the Kyoto Protocol and indirect energy emissions linked to the purchased electricity and heat (Scope 2). The 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006) and the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard are used for the emissions inventory².

In 2020, during the process of developing the new Environmental strategy's goals, EVRAZ has taken initial steps in assessing its Scope 3 (indirect non-energy) emissions, and it plans to improve its approach to estimating total greenhouse gas emissions, including the methodology for calculating them, in 2021.

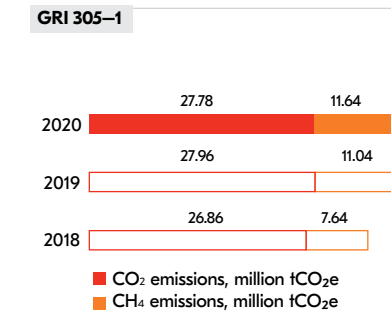
In 2020, nearly all of EVRAZ's GHG emissions remained at the same level, rising by only 0.64% compared to 2019. There was also a 1.1% rise in the Group's direct GHG emissions, whereas 2020 saw a 3.3% reduction in Scope 2 EVRAZ emissions. The latter was due to lower steel production at the Group's North American assets, which have no integrated power plants and have to purchase electricity from the market, and a decrease in electricity purchases by Russian steel mills.

EVRAZ Scope 1 and 2 GHG emissions, 2018-2020³, million tCO₂e



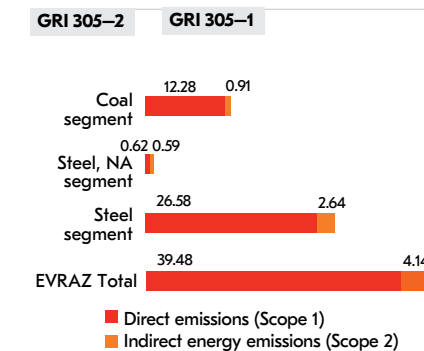
The growth in Scope 1 EVRAZ emissions was mainly attributable to an annual increase in methane emissions (by 5.4% vs. 2019), due to higher methane concentrations in the coal seams and more intense degassing at some mines.

EVRAZ Main Scope 1 emissions, 2018-2020, million tCO₂e



As methane is combustible, the Group carries out preliminary degassing to improve employee safety. To improve efficiency in this regard, it is important to increase the volume of gas captured. This generates higher methane emissions, and to reduce these, EVRAZ plans to implement research and development projects on methane utilisation in 2021.

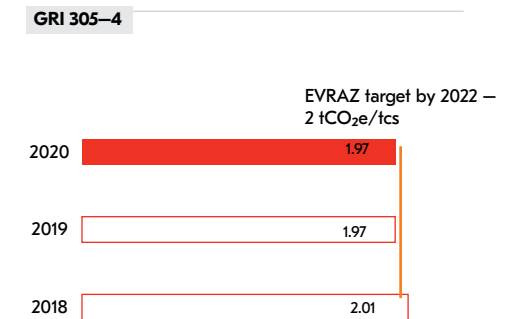
EVRAZ GHG emissions by segment in 2020, million tCO₂e



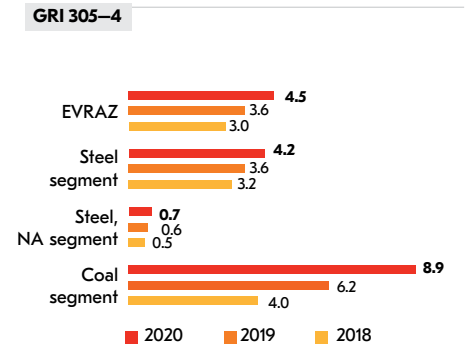
The Steel segment (incl. North America) continues to generate a significant portion of the Group's gross GHG emissions, and accounted for 70% of the total GHG level in 2020. Operations in the Coal segment accounted for 30% of overall GHG emissions in 2020, almost all of which (94%) were methane emissions.

Overall emissions in the steel sector (the Steel and North America segments) were 1.0% lower than the 2019 level, mostly due to a slight decline in crude steel production, and hence the specific intensity of GHG emissions remains at the same level of 1.97 tCO₂e/tcs.

Specific Scope 1 and 2 GHG emissions from steel production (Steel and North America segments), 2018-2020, tCO₂e/tcs



GHG emissions per consolidated revenue, 2018-2020, kgCO₂e/US\$



¹ Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC) and perfluorocarbons (PFC), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃)
² The inventory comprises all enterprises controlled by EVRAZ. Facilities removed during the year have been incorporated into the accounting for the period in which they were part of the Group. Only enterprises that were considered immaterial for the consolidated emissions on the basis of their production figures were not included. Direct CO₂ emissions from operations were calculated using the carbon balance method for carbon flows throughout production facilities, including fuel use. Emissions of other GHGs were calculated based on measured volumes, changes in the inventory or IPCC 2006 factors and models (including for methane emissions after coal mining) where there is no direct measurement data. Indirect emissions were estimated using country- or region-specific emission factors, if available, or other factors provided by UK Defra.
³ The 2020 greenhouse gas emissions data have been refined as a result of verification, so they differ from those previously disclosed in the Annual Report for 2020.

BOOSTING ENERGY EFFICIENCY

To mitigate its impact on accelerating climate change, EVRAZ pursues various energy efficiency measures, which reduce the amount of greenhouse gases from operations, as well as energy and process fuel costs.

Management approach

GRI 103–2

Energy intensity forms an essential part of energy efficiency programmes at EVRAZ. In order to enhance energy efficiency and to lower energy intensity, the Group is working to enhance energy management at its assets and to engage all employees in energy efficiency issues. In 2019 EVRAZ senior management decided to create a separate function to bolster the energy management system at its production divisions in Russia. These efforts focused partially on production processes and the transportation of energy resources to power plants at facilities. They also sought to broaden the scale of the energy efficiency management approach, to include energy consumption processes at steel production workshops.

In 2020 a number of changes were made to the energy efficiency management function. Teams of energy management system experts were created at the two most energy intensive facilities, EVRAZ ZSMK and EVRAZ NTMK (which account for over 85% of the Group's energy consumption). These teams were tasked with monitoring energy consumption, minimising energy intensity, and lowering energy costs.

EVRAZ has employed various methods for generating and proposing ideas to improve fuel and energy efficiency and to reduce energy costs. As part of the Idea Factory programme, special boxes are installed at each shop

in an enterprise to collect suggestions, the best of which are then tested and implemented. Another method is problem-solving stands, which allow comments and questions from staff to be promptly collected. These tools are key in implementing a comprehensive and integrated approach to the Group's operations, the so-called EVRAZ Business System.

In 2020 energy efficiency projects were also initiated as part of regular programmes such as the New EVRAZ Leaders (70 employees participated) and the Project Management School. All these measures are aimed at developing and unlocking the potential of the Group's employees.

2020 results

In 2020, EVRAZ developed a comprehensive programme for building a system of full-fledged interdepartmental and unit-by-unit metering of energy resources with an assessment of the possibility of the operational impact of production personnel on fuel and energy costs in the technological process. The first stage of the programme implementation will allow to reduce by 30% unaccounted interdepartmental energy flows already in 2021.

The Group's energy efficiency programmes are helping to achieve the goal of lowering the energy intensity of production processes. The programmes contain initiatives covering a five-year period.

The main aspects of energy efficiency programmes are:

- optimising and minimising energy consumption and losses at production sites, including electricity, thermal energy, fuel, natural gas, and the off gases from furnaces.
- using secondary and renewable energy sources.

- optimising the blend of furnace charge, coking coal, and process fuel.
- automating energy-intensive equipment.
- implementing digital transformations of energy supply systems.

The Group also conducted an ambitious target-setting cycle, which covers energy efficiency. This relied on industry benchmarking and a review of best production practices in each technological segment to evaluate the potential for reducing energy intensity. As a result, short- and long-term targets were established and further ways to lower energy consumption were identified.

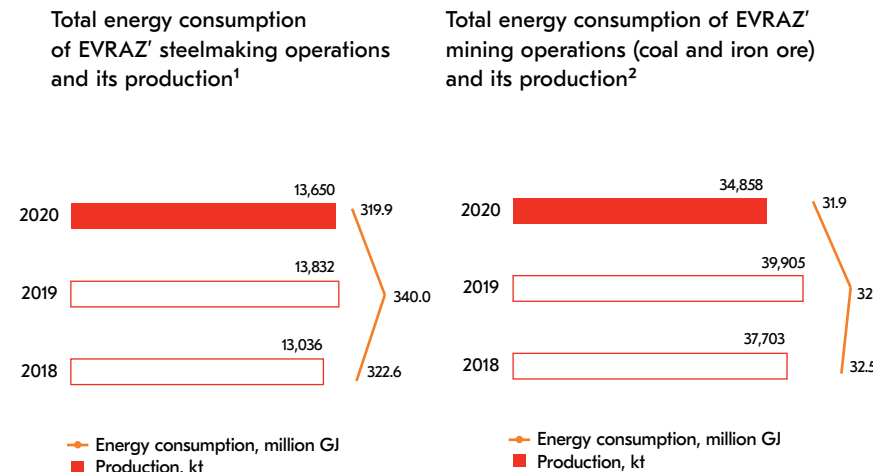
As part of its energy efficiency efforts, the Group has begun to track energy intensity metrics at all its production facilities. EVRAZ is using this new KPI to improve employee engagement and motivation. Success in the area of boosting energy efficiency also requires daily efforts to enhance the operational efficiency of equipment.

GRI 302–1

In 2020 the Group's total energy consumption fell by 5.7% year-on-year, with energy consumption of steelmaking facilities¹ falling by 6.0% (to 319.9 million GJ) and mining and coal assets² by 2.5% (to 31.9 million GJ).

In 2020 the key driver in the reduction of energy consumption was the implementation of a range of energy-saving measures, including the reconstruction of CHPP boilers' gas-carrying ducts, cutting coke consumption in blast furnace operations and optimization of natural gas consumption in rolling shops due to equipment upgrades and production automation. In addition, during the reporting period, work on technological process optimization and reducing equipment downtime was carried out at the Group's enterprises, which also had a beneficial effect on reducing energy intensity indicators.

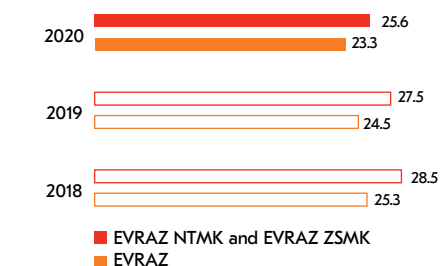
EVRAZ total energy consumption and production output, 2018–2020^{3,4}



GRI 302–3

In 2020 EVRAZ sought to reduce downtime at its production shops, which helped decrease energy intensity by almost 4.7% year-on-year. The energy intensity of EVRAZ NTMK and EVRAZ ZSMK also decreased by 10.1% versus the base year of 2018, partially due to the development of the energy management system.

Energy intensity, 2018–2020⁵, GJ/tonne of crude steel



Note: Data on EVRAZ offices, including those in Russia and UK, are not included in the graphs, since the volume of power they use is insignificant in terms of overall energy consumption within the Group.

Steel segment

The Group is working diligently to develop and enhance its energy management system. In January 2021 EVRAZ NTMK recertified its energy management system with the updated ISO 50001:2018 standard. Going forward, EVRAZ ZSMK and EVRAZ KGOK also plan to receive ISO 50001 certification.

Based on positive lessons learned at EVRAZ ZSMK in September 2019, the event "Growth Points. Energy Efficiency" was held at EVRAZ NTMK centre of art and culture in 2020. The ideas generated during this event were aimed to improve the energy efficiency both at EVRAZ NTMK and EVRAZ KGOK.

Around 100 specialists took part in this event, including representatives from each production shop and an invited expert from East Metals AG. At the session,

participants discussed the importance of energy efficiency measures in the face of rising energy costs and the worsening problem of climate change. The brainstorming session produced more than 100 ideas. Employees put forward new initiatives and adduced previous ones, for example, related to upgrading the rolling stand engine control system and implementing expert systems. A list was drawn up of all the ideas voiced, and by the middle of 2020 a number of related initiatives had already been implemented. Six pumps in the H-beams rolling shop were replaced, resulting in energy consumption being almost halved. These energy sessions are expected to be held on a regular basis, once every two or three years.

In 2020 EVRAZ NTMK completed the renovation of blast furnace No. 6 using the latest technologies, thereby making EVRAZ NTMK's blast furnace shop the most efficient and environmentally friendly in Russia. To analyse and adjust production processes in the furnace, an expert system was implemented that, based on over 12,000 parameters, can select optimal conditions and control the melting process in automatic mode. This will contribute to operational efficiencies, including energy efficiency enhancements. The consumption of coking coal is also projected to decline.

In 2020 EVRAZ NTMK continued to install a gas top pressure recovery turbine at blast furnace No. 7. This project forms part of an initiative to reduce electricity purchases by generating energy in-house.

¹ The steelmaking facilities are represented by EVRAZ NTMK, EVRAZ ZSMK, EVRAZ Nikom, EVRAZ Caspian Steel, EVRAZ Inc. NA, EVRAZ Inc. NA Canada, EVRAZ Vanady Tula.

² The mining and coal assets are represented by EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK), Rospadskaya Coal Company, Evrazruda.

³ To calculate the Group's total energy consumption, this Report takes into account all energy used at EVRAZ facilities, including for the production of coke, coke products, energy, and heat. The graphic shows data for steelmaking facilities and mining and coal assets. To compute total energy consumption within the Group, the formula given in GRI 302–1 is used (the sum of fuel consumed [non-renewable and renewable] and electricity, heating, cooling, steam [purchased for consumption and self-generated which are not consumed] minus the volumes of electricity, heating, cooling, and steam sold).

⁴ The energy consumption data have been refined, so they differ from the previously disclosed figures in the Annual Report for 2020.

⁵ The figure includes data on the Steel segment (EVRAZ ZSMK, EVRAZ NTMK) and the Steel North America segment (EVRAZ Portland, EVRAZ Pueblo, EVRAZ Regina, EVRAZ Camrose, EVRAZ Calgary, and EVRAZ Red Deer). To calculate the energy intensity ratio for the Group, the formula given in GRI 302–3 is used (volumes of energy consumed per unit produced).

Case study

Installation of gas top pressure recovery turbine at EVRAZ NTMK



EVRAZ NTMK is installing a gas top pressure recovery turbine, which is part of a special set of equipment, to generate energy from secondary sources. This technology makes it possible to convert blast furnace gas pressure energy into electric power without the combustion of additional fuel. The facility is being installed next to blast furnace no. 7 at EVRAZ NTMK, and it is expected to be more advanced and powerful than its counterparts, of which there are only five in Russia.

The Group has spent US\$18 million on this investment project, which is part of a large programme to provide EVRAZ NTMK with its own electricity. Since blast furnace gas has high energy output, the facility's launch will boost self-sufficiency in electricity at EVRAZ NTMK (currently 75% of needs are met by own energy). In 2020 the construction of the facility's building, electrical installation works, as well as the mounting and launch of the equipment were performed.

The new turbine is scheduled to be launched in the first quarter of 2021 and it will enable EVRAZ NTMK to increase resource and energy efficiency and electricity self-sufficiency, and lower the cost of the final product. As the technology does not require the burning of additional fuel, it will contribute to an overall reduction in CO₂ and other emissions, in proportion to the volume of electricity generated.

Stakeholders: EVRAZ, clients, local communities.

Value for stakeholders: resource and energy efficiency, cost of products, clean environment.

Value for EVRAZ: operational cost decrease, attractiveness for clients, sound relationship with local citizens.



Also, in 2020 the consumption of secondary energy resources was boosted following measures to overhaul power boilers No. 1, 2, 3 and 4 at EVRAZ ZSMK's CHPP, which allowed the consumption of blast furnace and coke gases to be increased and natural gas use to be reduced, thereby achieving an economic effect of almost US\$347 thousand.

Furthermore, in 2020 work on the new electrical substation's construction continued at EVRAZ ZSMK.

Case study

Completion of renovation of electrical substation no. 1.

This advanced unit is twice as powerful as the previous one installed at EVRAZ ZSMK 50 years ago. The new substation is automated and allows equipment and the network status to be remotely controlled and monitored. It is one of the largest power grid facilities at EVRAZ ZSMK, with around US\$10.5 million spent on the construction project, and it supplies electricity to some shops of the enterprise (for example, the rolling, blast furnace, and oxygen shops; the new Air Liquide oxygen plant). The modern electrical substation will also increase the reliability of the power supply, cover EVRAZ ZSMK's electricity needs for large production development projects, and also prevent downtime.



In 2020, in cooperation with Air Liquide, EVRAZ ZSMK continued with the renovation of oxygen production, namely a project to build air separation units with a capacity of 90 thousand m³ / hour to ensure the manufacture of construction and railway products. The advanced equipment will be 30% more energy efficient than the previous one and will

eliminate the need for expensive repairs. The total cost of the project is around US\$150 million. The units are scheduled to launch in 2021.

In 2020 EVRAZ KGOK's two rail depots underwent a comprehensive upgrade to their lighting systems, which not only improved coverage, but also reduced energy consumption by 40%.

In 2020 a modern modular compressor station was put into operation at EVRAZ Vanadium Tula. The proposal to replace the old compressor station with a new one came from the Ideas Factory initiative. The new station consumes less electricity and is cheaper to run, which makes it possible to reduce the cost of final production. The projected economic effect from introducing this station will be more than about US\$14 thousand per year.

Coal segment

In 2020 a key event in the field of energy efficiency was the implementation of an energy management system at Rapsadskaya Coal Company.

With the help of measures in the area of production process optimisation, equipment replacement, maintaining temperature systems, as well

as organisational initiatives, the enterprise increased the volume of energy consumption reduction almost seven times in 2020 compared to 2019.

Steel, North America segment

To supply electricity to the EVRAZ Rocky Mountain Steel mill, in September 2019 Xcel Energy, EVRAZ North America,

and Lightsouce BP announced a long-term partnership to develop a new 240-MW solar plant in Pueblo, Colorado. In 2020

fundraising for the project was completed and construction activities began. Work on this project is being performed online until the end of building process in 2021.

OUTLOOK FOR 2021

In 2021 EVRAZ will develop a comprehensive methodology to assess the development of energy management systems throughout the Group's facilities. This methodology will be applied during internal energy management audits at segment and shop level.

EVRAZ will also continue to integrate energy efficiency criteria into its procurement and investment processes. The Group is actively working to acquire energy efficient electric motors and transformers.

Under its energy efficiency programme EVRAZ will also implement measures to reduce energy intensity. These measures are part of ambitious targets the Group has set for each of its facilities.

Supporting local communities for a Better Future

2020 highlights

US\$38 million

spent on social expenses in 2020

More than

US\$200 thousand

in grants to 44 winning projects of the annual EVRAZ City of Friends – City of Ideas contest

Material topics



Indirect economic impacts

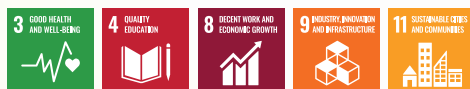


Local communities

2020 – key events

- Annual and new events switched to an online format, including the High Five! Race and EVRAZ City of Friends – City of Ideas projects.

Global Sustainable Development Goals



MANAGEMENT APPROACH

We believe the prosperity of our business is ultimately linked to the success of the regions where we operate and the fulfilment of local communities. Hence transparent and constructive cooperation is a fundamental value embraced and upheld in all EVRAZ activities.

EVRAZ has a significant positive impact on the economic and social development of the regions where we operate. We strive to build effective and sustainable partnerships with local communities by adhering to the best international standards of sustainable development. EVRAZ has created a wide variety of initiatives aimed at fostering the comprehensive development of local communities and ensuring the well-being of their residents. Our key projects include improving local infrastructure, supporting and financing programmes for children, sponsoring sports teams, and protecting the environment.

Since the Group's enterprises are city-forming in many regions of operation (in cities such as, for example, Nizhny Tagil and Novokuznetsk), EVRAZ is a key employer in these locations. We contribute to the prosperity of local communities via prioritizing local recruitment and creating decent working conditions for local people.

Key documents

Document	Description
Code of Business Conduct Please see on EVRAZ corporate website →	The Code of Business Conduct contains the philosophy and principles underlying the corporate culture and ethics of EVRAZ. The Code states that the Group commits to working with local communities, with a view to facilitating their development and well-being.
Social Investment Guidelines Please see on EVRAZ corporate website →	Our local community engagement approach. Outlines the Group's priorities and eligibility criteria for social investments.
Anti-Corruption Policy (incl. Principles of Charitable Donation and Sponsorship Activity, and Regulation of Interaction with Authorities and Public Officials) Please see on EVRAZ corporate website →	The Policy states our approach to corruption prevention, ensuring ethical business conduct and compliance with applicable anti-corruption legislation, including matters related to donation, sponsorship and interaction with authorities.

We are always ready for an open dialogue with local communities, government authorities and other stakeholders. EVRAZ actively uses various channels of communication and grievance mechanisms. Thus, local communities and other stakeholders can contact us via the [Hotline service](#) on any matter that lies within the boundaries of EVRAZ' responsibility.

GRI 413-1

EVRAZ has implemented an effective system for managing local community relations and external communications at various corporate levels of the Group. The headquarters are responsible for engaging with and executing projects with stakeholders at a national level, as well as elaborating and implementing strategic priorities and guidelines. At regional level the key engagement responsibilities of implementing and supporting local programmes are borne by the GR and PR departments of EVRAZ entities. At EVRAZ North America (ENA), the Group's community relations are monitored by the Director of Communications and Government Affairs, with supervision from the Senior Vice President of Human Resources.

Strategic goal for local communities

EVRAZ sees that business sustainability is ultimately linked to the success of the communities in the regions where we operate, and we support these through social and improvement programmes.



A transparent and open dialogue with representatives from local communities allows us to identify and understand their key needs. Therefore, we implement only those initiatives that are socially significant for the regions where we operate. The Group annually prepares a Social Investment Programme to set the priorities and budget for social investment for the year ahead. We publish the report on implementing the Social Investment Programme at the end of each year.

EVRAZ operates two charity funds in Siberia and the Urals, which are managed by supervisory boards. The charity funds adhere to the EVRAZ Charity policy and Social Investment

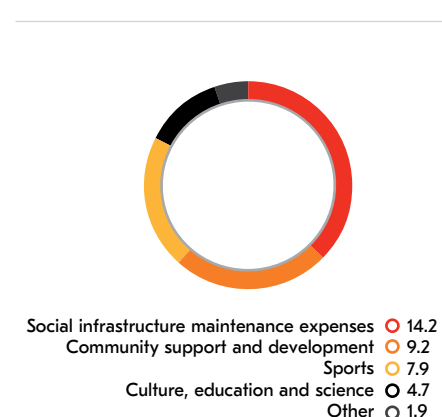
Guidelines and set target investment objectives. The key areas of donation are support for orphanages and veterans, sports, cultural and educational projects, as well as medical organisations and environmental programmes.

In 2020 EVRAZ earmarked US\$38 million for social expenses, which exceeded the previous year's spending by 12%.

Under the Social Investment Guidelines, we do not support the following:

- Organisations and programmes that influence legislation or elect candidates to state or local public offices.
- Political, military, religious, and national or local governmental organisations and projects.

Social expenses (incl. charity), 2020, US\$ million



OUR RESPONSE TO COVID-19

One of the main priorities of the Group is ensuring the safety and peace of the cities where EVRAZ enterprises are located.

Healthcare system support has been and remains a priority area of the Group's charitable activities during the spread of the coronavirus infection. Throughout 2020 we supported healthcare institutions and will continue to do so. EVRAZ financed

the purchase of medical equipment and personal protective equipment for hospitals and social institutions in the regions where we operate, and also funded the refurbishment and construction of new medical institutions, the opening of laboratories to test for COVID-19, and many other projects. In 2020 EVRAZ earmarked almost US\$6 million for COVID-related expenses in the area of support to local communities.

In addition, the Group launched a series of information campaigns to raise awareness among residents about the rules of safe behaviour during a pandemic. EVRAZ volunteers also actively supported people vis-à-vis adapting to the current situation, and helped elderly people who had to adhere to strict lockdown conditions in the regions where we operate.

Case study

People of indispensable professions: video about metallurgists working during the pandemic

EVRAZ, together with the publishing house Komsomolskaya Pravda, released a video featuring EVRAZ metallurgists and miners that continued to work during the pandemic, so that construction projects would not be halted in Russia, railways could expand, and coal and necessary ore extraction works continue.

Case study

Iron Rules series of illustrations

Together with the famous Internet artist Anton Gudim, EVRAZ looked at the new realities of living in a pandemic, and created a series of illustrations aimed at drawing the attention of people, and especially the employees of the Group, to new conditions for safe social interaction, as well as other issues related to the COVID-19 pandemic.



LOCAL COMMUNITY SUPPORT PROJECTS

GRI 203-1

Developing and enhancing relations with local communities is a mutually beneficial process and remains a strategic priority for EVRAZ. The Group provides support to residents in a number of areas, including improving urban infrastructure; sponsoring sports, educational and cultural

initiatives; and providing assistance to socially vulnerable groups, especially children with disabilities and orphans.

EVRAZ is an active participant in many events at federal, regional, and local levels, including initiatives that involve cooperation with local authorities and supporting

non-profit organizations. We believe that such interaction with stakeholders contributes to the accelerated development of the social environment, the industry, and EVRAZ itself.

PARTICIPATION IN FEDERAL AND INTERNATIONAL INITIATIVES

The Group pays great attention to significant local and international projects that align with our strategy and policies: we take part in these, and also organise and support some events.

Federal and international initiatives

Industry and corporate events

In 2020 over 400 employees and 15 speakers participated in the annual BSE-summit, which was held in an online format. For three days Business System of EVRAZ (BSE) representatives from seven cities of Russia and North America discussed potential areas of future collaboration and cooperative development. EVRAZ employees participated in the WorldSkills Hi-Tech Championship 2020, where a number of them received awards for their outstanding professional skills.

Cultural and social events

EVRAZ sponsored the second public Common Cause forum in Novokuznetsk, which was dedicated to the work of social activists and NGOs and held in a digital format this year. In 2020 we also partnered the III International Festival of Chamber Performances WINDOWS and the regional Vysotsky Poetry and Song Festival in Novokuznetsk.




GRI 413-1

GRI 203-2

REGIONAL PROJECTS

EVRAZ has established three main priority areas for investment in the regions where we operate.

EVRAZ'S THREE AREAS OF SOCIAL INVESTMENT

 <h4>EVRAZ FOR KIDS</h4> <ul style="list-style-type: none"> • Financing the improvement of youth-orientated educational, sports, cultural and medical institutions, their equipment and facilities. • Sponsoring educational programmes for children and young people, and providing scholarships. • Supporting children in orphanages and children left without parental care. • Supporting children with special needs and their families. • Organising educational and entertainment events for employees' children. 	 <h4>EVRAZ FOR CITIES</h4> <ul style="list-style-type: none"> • Improving local urban infrastructures. • Sponsoring medical, educational, and cultural institutions at both federal and local level. • Funding infrastructure projects, including building roads, streets, and embankments. 	 <h4>EVRAZ FOR SPORTS</h4> <ul style="list-style-type: none"> • Funding local sports institutions, purchasing sports equipment, and improving facilities. • Funding corporate sport as an important part of corporate culture: organising sports events, competitions, and training programmes for employees and local residents. • Funding amateur and professional sports teams and individual athletes.
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 **EVRAZ for Kids**

EVRAZ contributes to the all-round development of children and young people by financing improvements to educational, cultural, medical, and sports facilities.

EVRAZ participates in numerous federal youth programmes and works closely with academic institutions, in efforts to finance and support children and young

people. In addition, EVRAZ for Kids projects are aimed at the physical, intellectual and social rehabilitation of children with disabilities.

EVRAZ for Kids projects

 **Education**

Nizhny Tagil	<p>Helped educational and preschool institutions prepare for the new academic year: Nizhny Tagil Mining and Metallurgical College, a boarding school for hearing-impaired and deaf children, and Joy kindergardens.</p> <p>Refurbished and equipped with necessary furniture and electronic appliances the assembly hall of school No. 1.</p> <p>Installed modern equipment to train future welders and specialists in electrical work at school No. 49 and the Nizhny Tagil Mining and Metallurgical College.</p>
Brodovo	Equipped a medical office in kindergarden and school No. 19, and donated toys and sports equipment.
Novokuznetsk	<p>Sponsored equipment upgrades in the Electrical machines and devices laboratory in the Kuznetsk Metallurgical College.</p> <p>Sponsored the creation of an educational and production workshop for training students at the Novokuznetsk Transport and Technological College.</p> <p>Sponsored setting up a workshop to improve the quality of training for electricians at the Kuznetsk industrial technical school.</p> <p>Helped equip two classrooms of school No. 81 with modern furniture.</p> <p>Sponsored the setting up of two scientific and educational centres at the Siberian State Industrial University.</p>
Mezhdurechensk	Carried out a major overhaul of Kindergarden No. 18.
Tashtagol	Sponsored equipment upgrades in welding and locksmith shops in the Tashtagol College of Mining Technologies and Services.
Kaz	Funded the repair of the roof of school No. 24

 **Sports**

Novokuznetsk	<p>Installed a multifunctional sports ground, a training area, and a games complex in the suburban area of House of Childhood No. 95 at the Zhemchuzhinka health centre.</p> <p>Created a sports complex at the Ringing Pines health camp, a structural subdivision of the Island of Hope orphanage.</p>
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 **Entertainment**

Nizhny Tagil, Novokuznetsk, Mezhdurechensk, Kachkanar	Organised for the children of employees an online quiz called First-class Games.
Novokuznetsk	Organised online masterclasses to develop voice skills, a sense of humour, yoga, and clowning workshops for children from orphanages No. 95 and Island of Hope.
Novokuznetsk, Mezhdurechensk, Tashtagol	Organised vocal masterclasses for schoolchildren with the help of the group BOSAYA.
Nizhny Tagil, Kachkanar	<p>Prepared two New Year's interactive shows for the children of employees.</p> <p>Gave New Year gifts to over 20 thousand children.</p>

 **Medical institutions**

Nizhny Tagil, Kachkanar	Purchased modern equipment for physiotherapy rooms at the Nizhny Tagil children's hospital and the Kachkanar children's polyclinic to rehabilitate children after operations and injuries.
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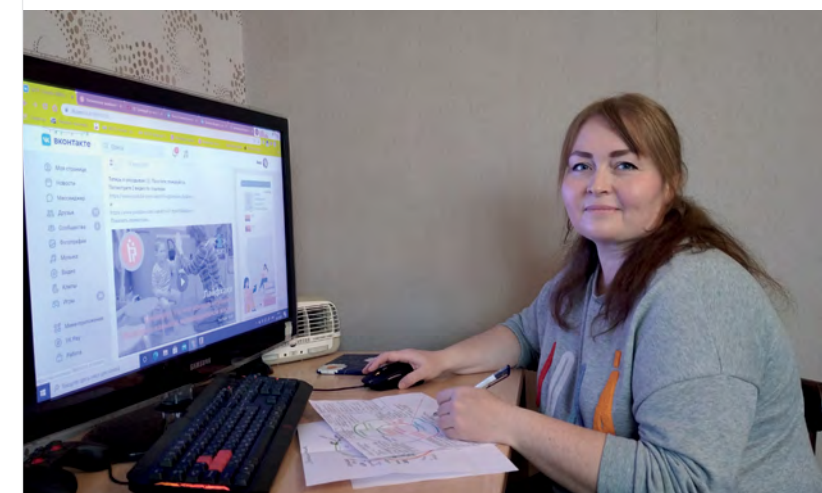
 **Supporting socially vulnerable children and their families**

Novokuznetsk	<p>Purchased clothes and footwear, as well as household appliances and bedding, for 9- and 11-grade students at the orphanages Rovesnik, Island of Hope, and House of Childhood No. 95.</p> <p>Organised a 10-day hippotherapy course for over 60 children with disabilities of employees of the Group's Siberian enterprises.</p>
Nizhny Tagil	<p>Supported projects of the Live, baby charity: a social taxi for disabled children and Palliative School.</p> <p>Sponsored the setting up of the crisis centre Baby and Mom.</p> <p>Organised a series of photo-, hippo-, aqua- and art therapy sessions for children with cerebral palsy.</p>

Case study

School for a Special Parent

In December the online project School for a Special Parent was launched, at the initiative of EVRAZ and with support from the Charitable Foundation for Children and Adults "Gift to an Angel". Within five months, 30 parents of children with cerebral palsy from Novokuznetsk and Mezhdurechensk, including employees of EVRAZ ZSMK and Rospadskaya Coal Company, will learn about home rehabilitation, assisted by experienced specialists. Also, each adult has an opportunity to have individual consultations with a psychologist.



 **EVRAZ for Cities**

EVRAZ endeavours to improve the quality of life of local people by investing in developing urban infrastructures in the towns, cities, and regions of operation. We sponsor, finance, and support a number of medical, educational, and cultural projects.

Case study

EVRAZ invests in education and science of Kuzbass

EVRAZ earmarked over US\$596 thousand for setting up the Geoecology Centre and Digital Competence Centre at the Siberian State Industrial University in Novokuznetsk. The setting up of the Geoecology Centre will allow students to develop new skills in the field of ecology, and a corresponding mindset. The centre will include laboratories to test the environmental condition of water and air basins, recycling technologies, as well as a laboratory to carry out chemical research.


Thanks to the establishment of the Digital Competence Centre, students will be able to master a number of new specialties related to data management. Three laboratories at the centre will allow specialists to effectively solve problems faced by enterprises in the real and other sectors of the economy.

The centres will accept their first students in 2021.

EVRAZ for Cities projects

 Urban infrastructure


Novokuznetsk	Installed an openwork cast-iron fence along the pedestrian zone of Metallurgov Avenue. Equipped a porch and a ramp of a boarding house for people with disabilities with a safety covering.
Mezhdurechensk	Sponsored the refurbishment of a pedestrian tunnel. Sponsored the refurbishment of Prazdnichnaya Square, including installation of fountains and benches. Installed new lighting on three streets.
Sheregesh	Helped restore a pedestrian street.
Tashtagol, Sheregesh, Guryevsk, Kaltan	Supplied around 236 thousand tonnes of crushed stone-sand mixture for the improvement of social facilities.
Guryevsk	Repaired the building of the cinema Yunost and the adjacent square.
Nizhny Tagil, Kachkanar	Prepared combined heat and power plants, which provide heat to the sites of enterprises and residential and social facilities, for the heating season.
Nizhnyaya Tura	Repair work on the 40 years of October street.

 Culture

Novokuznetsk	Restored Tank T-34 for participation in the Victory Parade. Together with the Museum of Military and Labour Glory of Kuznetsk Metallurgists, the tank forms part of a memorial complex on Victory Square. Acted as a partner of the III International Festival of Chamber Performances WINDOWS, dedicated to the 300 th anniversary of Kuzbass. Provided grant support to the second Common Cause public forum, dedicated to the digital work of social activists.
Novokuznetsk, Mezhdurechensk	Took part in the Garden of Memory campaign, including donating tree seedlings and helping to plant them.
Mezhdurechensk	Purchased a LED monitor, an acoustic system, and a mixing console for the Raspadskiy Palace of Culture.
Nizhny Tagil	Sponsored staging of the play "Demidovs" at the Nizhny Tagil Drama Theater.
Ust-Utka village	Sponsored setting up the Ust-Utka village museum of history.
Dubna (Tula Region)	Sponsored the restoration of the Masolov Estate and establishing a History of metallurgy museum.

 Medical institutions

Novokuznetsk	Donated a portable ultrasound machine to Novokuznetsk Municipal Clinical Hospital No. 1.
Tashtagol	Funded the purchase of medical equipment and cars for the Tashtagol regional hospital.

 **Case study**
Restoration of Tank T-34 in Novokuznetsk

Tank T-34, made of Kuznetsk armour, is a monument to a World War II labour feat of the workers of the Kuznetsk Metallurgical Complex (nowadays part of EVRAZ ZSMK). Together with the Museum of Military and Labour Glory of Kuznetsk Metallurgists, the tank forms part of a memorial complex on Victory Square in Novokuznetsk. The tank stood on the pedestal for 47 years.

EVRAZ ZSMK specialists spent 450 hours on restoring the tank, and almost all divisions of the plant took part. On 24 June 2020, at the Victory Parade in Novokuznetsk, the legendary Tank T-34 was chosen to be at the front of a military convoy.



EVRAZ: City of Friends – City of Ideas

The annual grant contest EVRAZ: City of Friends – City of Ideas is another EVRAZ initiative to support local communities, and has traditionally been held in Nizhny Tagil, Kachkanar, Novokuznetsk, and Mezhdurechensk. The contest consists of a number of projects geared towards engaging local residents in improving their cities’

infrastructure and social environments. As part of this contest participants showcase project ideas, which are carefully assessed. The most socially significant receive grants and are implemented.

In 2020, 44 winners were awarded grants totalling US\$229 thousand.

24 projects from Siberia and 20 best ideas from the Urals were chosen, based on the votes of the residents of the cities and the professional opinions of EVRAZ experts.

Examples of grant-winning projects

 **Novokuznetsk**

- **Forge of public initiatives**
Establishing a coworking centre for non-profit organizations.
- **MILKA School of Cognitive Development**
School of Cognitive Development for children in challenging life situations and children with disabilities.
- **Summer Sports Republic**
Establishing a summer skiing school.

 **Mezhdurechensk**

- **Eco-evolutionary project**
Filming little-explored areas of the Mezhdurechensky urban district, to monitor the condition of the environment, and organising ecotrails.
- **Keeping up with the times**
Setting up the information and educational centre Russian Museum: virtual branch, a branch of the Virtual Russian Museum in St. Petersburg, at the Mezhdurechensk Exhibition Hall.
- **Unusual book for unusual children**
Establishing a library of tactile and educational books for children with disabilities.

 **Nizhny Tagil**

- **WEBIROOM: education without boundaries**
Setting up a remote interactive educational platform in the Nizhny Tagil system of additional education for organising various online events.
- **Movement is life**
Buying modern sports equipment for a rock climbing centre to promote health and sports.
- **City of familiar heroes**
Creating a series of historical animated films, with elements of documentaries, about the development of the Ural land, the founders of the city of Nizhny Tagil, the first factories, interesting facts, and people.

 **Kachkanar**

- **Skate park**
Equipped skating area in Valerianovsk to help improve the health of locals and promote a healthy lifestyle.
- **Youth library – modern space**
Renovating the Kachkanar city library named after Selyanin. Created a more user-friendly and welcoming space for visitors.
- **Playbill art object**
Installation of a new art object called Playbill on Palace of Culture square.

Case study

Intensive project management course

EVRAZ and RUSAL jointly hosted the third intensive course "Create. Implement. Evaluate". in Novokuznetsk. The programme of the main educational event, for participants of the grant competition EVRAZ: City of Friends – City of Ideas! and the RUSAL social programme School of Urban Change, was aimed at both beginners and professionals in the field of social design.

For three days invited experts shared project management best practices and related methods with employees from municipal organisations, representatives of NGOs, and socially active residents of cities. Issues related to the development, implementation, and management of projects were discussed.

This year seminars and trainings were held in a Zoom format, which made it possible to attract around 500 participants from 80 Russian cities, including cities where EVRAZ and RUSAL enterprises are located – from the Urals to Siberia.



EVRAZ pays close attention to the health and well-being of employees and local residents. The Group strives to provide healthy lifestyle opportunities

by developing the sports infrastructure and equipping sports organisations in the regions where we operate. EVRAZ also supports the development

of professional and amateur sports by organising sports events, as well as sponsoring various teams.

Case study

6th High-Five! Race

In 2020 EVRAZ decided not to cancel the High Five! Race and conducted it online, so as not to expose participants to any COVID-19-related risks. The race was organised for the sixth time, and this year brought together hundreds of participants from 36 cities aged from 2.5 to 70. Each had an opportunity to independently choose a personal race route, and then share their result on the event's website, compare it with the results of other participants, and receive an e-diploma for taking part. For those who wanted to get in shape before the competition, an online training course was created, consisting of 16 videos prepared by invited trainers.



EVRAZ for Sports projects

Sports institutions

Novokuznetsk	Supplied materials for the construction of the Kuzbass Ice Sports Palace.
Tula	Sponsored the participation of the Thai Boxing Federation athletes in competitions.
Kachkanar	Sponsored the participation of the sports school Sambo and Judo in away competitions.
	Sponsored the participation of the Olymp sports school's football team in away competitions.
	Helped create and improve the communal infrastructure of the Martial Arts Palace.
	Sponsored the construction and equipping of a multifunctional sports complex, the children's sports school Rhythm.

Sports events

Novokuznetsk	Organised a cross-country skiing event at the Novoilinsky district track.
	Supported the organisation of the Ski Track of Russia – 2020 mass race event.
	Organised a volleyball tournament with the participation of the Moscow volleyball team Dynamo.
	Organised an open winter football championship at the Abagursky branch.
	Organised an e-sports competition for Abagursky branch employees.
	Created a series of video training sessions with the participation of employees.
	Organised a track and field event for employees in the Garden of Metallurgists.
	Organised sports competitions Mom, Dad, and I are a sports family! In the Garden of Metallurgists.
Kachkanar	Organised a track and field race called Health Path for employees of the branch.
Kachkanar, Nizhny Tagil	Organised the Five Peaks ski trip in collaboration with the trade union committee and Uralets sports club.
Nizhny Tagil	Organised shooting competitions "Cup of the cities of the Urals and Siberia".
Tashtagol	Held the 17th Andrey Sevenyuk corporate alpine skiing and snowboarding competition.
Tula	Organised pre-competition training events for Paralympic athletes.

Sponsorship

Novokuznetsk	Sponsored the Bars team of paintball players.
Kachkanar	Sponsored the Gornyak-EVRAZ football club.
Tula	Began sponsoring the professional football club ARSENAL.
Nizhny Tagil	Sponsored the Uralochka-NTMK volleyball club.
	Sponsored participation in competitions and purchasing sports equipment and ammunition for young taekwondo fighters, athletes and volleyball players.
	Supporting development of the youth bandy team.

EVRAZ VOLUNTEERING

For many years, volunteers from various EVRAZ divisions have been actively involved in voluntary activities in the areas of supporting children in challenging life situations and orphans, through organising social, cultural, and sports events, as well

as environmental initiatives. The high level of self-organisation and social responsibility of employees allows the Group's volunteering movement to exist without any formalisation or coordination by management. Regular coverage

of volunteering activities in corporate media helps keep the involved employees motivated and contributes to the further development of the movement.

Case study

Online master classes for orphans

EVRAZ ZSMK volunteers organised a number of development activities for orphans and children left without parental care, as part of the support programme for orphanages No. 95 and Island of Hope. For the first time, our team of active and creative employees communicated with children online and organised for them a series of masterclasses on voice development, sense of humour development, clowning workshops, and yoga.



Case study

Garden of Memory public action

EVRAZ volunteers took part in a Garden of Memory public action. Workers from enterprises provided tree saplings to Novokuznetsk and Mezhdurechensk and helped plant them. Employees from the Esaulskaya, Erunakovskaya-8, and Uskovskaya mines bought and delivered 54 seedlings of young rowan and apple trees for an alley of remembrance in the village of Staraya Ilyinka. And volunteers from COF Kuznetskaya donated 40 seedlings to decorate the Park of Labour and Military Glory in the Kuznetsk District.



OTHER NEW PROJECTS

In 2020 EVRAZ implemented a number of unique initiatives in the cultural sphere. This included projects to support the historical heritage of various regions, as well as participating in organising musical events.

EVRAZ NTMK electronic time capsule

To mark the 80th anniversary of EVRAZ NTMK, an electronic time capsule with video messages for future metallurgists was installed at the plant.

The capsule will store for future generations short video messages from metallurgists and residents of Nizhny Tagil and Kachkanar. Anyone could record a message; in order to do so, they had to make a video and post it on a social network. 72 people took part in the project, and during the preparation of the film, EVRAZ NTMK collected 100 GB and 2,160 minutes' worth of material.

At the moment the capsule is sealed, and a countdown clock is ticking on the project website. The video will be available on Metallurgist Day in 2040, when EVRAZ NTMK celebrates its 100th anniversary.

The film Mission – To Win: history of metallurgists in World War II

This film is devoted to the heroism displayed by metallurgists and miners during World War II and was created by EVRAZ to mark the 75th anniversary of victory in that war, and was dedicated to EVRAZ employees that worked in factories during the war years. Mission – to Win received over 990,000 views on various platforms, including YouTube, Vkontakte, and Odnoklassniki.

EVRAZ became a general partner of the III International Festival of Chamber Performances WINDOWS

EVRAZ participated in organising the III International Festival of Chamber Performances WINDOWS, which was held online this year by the Novokuznetsk Drama Theatre. This time, the festival was dedicated to the 300th anniversary of Kuzbass, and its main theme was Theatre in an Industrial Space. The festival programme, which has already become a tradition in Novokuznetsk, included 20 performances created not earlier than 2015. Every week, from 16 September to 16 December on the YouTube channel of the Novokuznetsk Drama Theatre foreign and Russian chamber performances were broadcasted. Also, within the framework of the festival, masterclasses and public talks were held with the creators of the performances. The participants exchanged views on how modern theatre and industrial cities can influence each other.

EVRAZ became a partner of the regional song festival Vysotsky in Novokuznetsk

EVRAZ became a partner of the regional song festival Vysotsky in Novokuznetsk. Over 70 singers took part in the event, which was timed to coincide with the 75th anniversary of the Great Victory in World War II. People competed in five main nominations: Best author, Best performer, Best ensemble, Best dedication to Vysotsky, and Best performance of a song by Vysotsky. The festival was held for the 19th time, and is a well-established and popular cultural event for the people of Novokuznetsk.



GOALS FOR 2021 AND THE MIDTERM

Local community development helps create tangible value for all. We have a vested interest in the prosperity of our stakeholders and in maintaining productive and open relationships with them.

In the future, the Group plans to continue active work in the framework of the main directions of external social and charitable support. EVRAZ for sport, EVRAZ for kids and EVRAZ for cities - these are the areas

within which we form and implement various projects.

Responsible supply chain management for a Better Future

2020 highlights

35.7%

share of local suppliers in total spending

Material topics



Procurement practices

Key events

- Revision of the Policy on the Basic Principles of Procurement Activities.
- Introduction of the internal marketplace.
- Launch of the TOP-100 programme.

Global Sustainable Development Goals



THE GROUP'S SUPPLY CHAIN

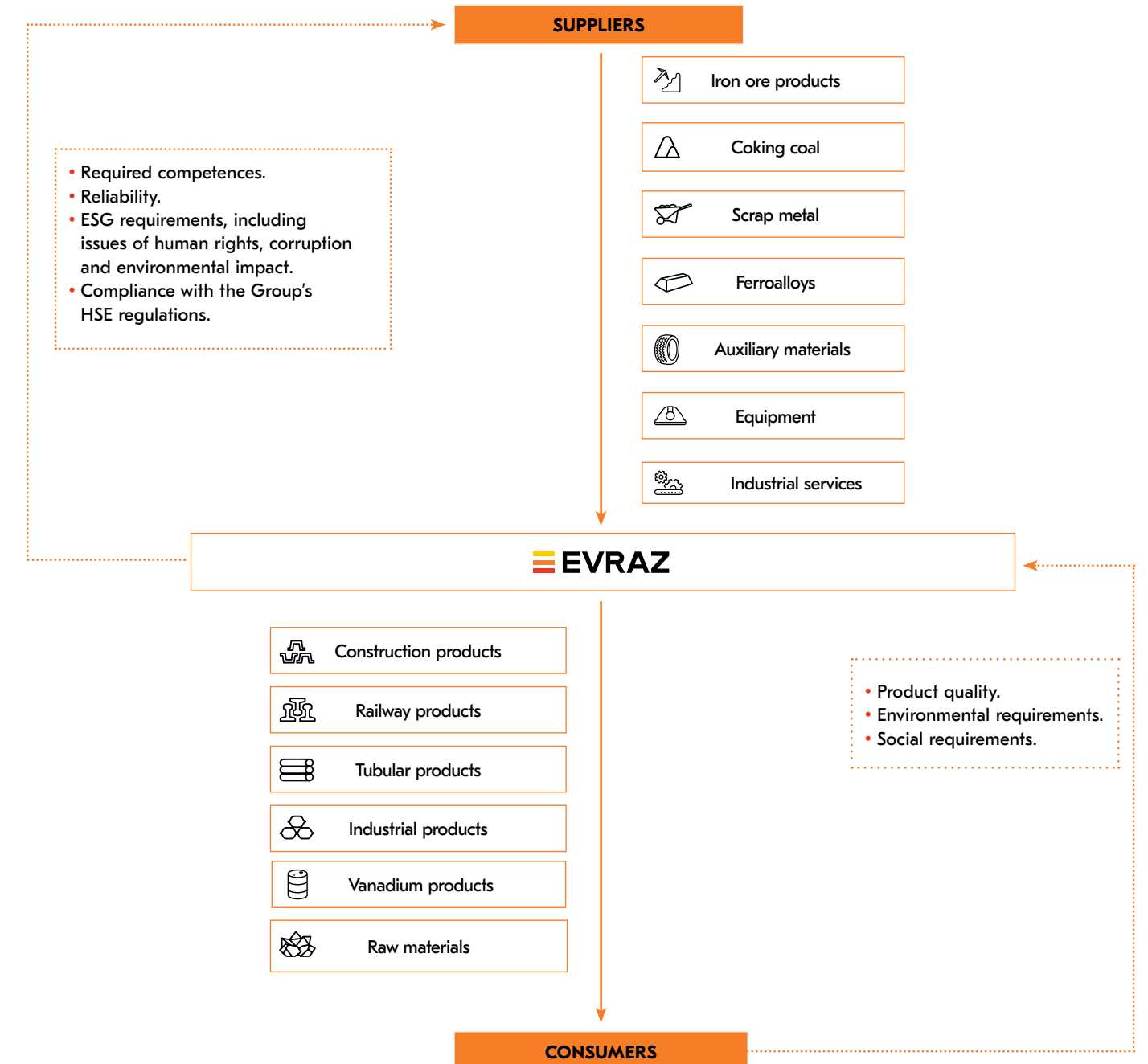
GRI 102-9

EVRAZ is a vertically integrated steel and mining company operating in six countries. Most of our assets are located in Russia. The Group's main lines of business comprise

the production of steel and steel products and the extraction of iron ore and coking coal, with its own ore and coal base covering almost all of EVRAZ's internal needs. In addition, the Group has

enterprises producing vanadium products and a number of other categories of raw materials.

EVRAZ supply chain



MANAGEMENT APPROACH

GRI 102-9

Supplier engagement is regulated by the Group's Policy on the Basic Principles of Procurement Activities, which was revised in 2020 and now serves as the main policy in all EVRAZ business units. Another change in procurement management relates to the Transformation of the Supply Chain project, whose implementation is ongoing. In 2020 the process of centralising procurement functions continued and responsibility for purchasing services in all Russian divisions was transferred to the Management Company. We also continued to create cross-divisional teams and centralising some functions at division level. More information on the EVRAZ procurement management system is available in our 2019 Sustainability Report.

EVRAZ realises that the success of the procurement department depends on the professional and leadership skills of its employees, therefore, it actively involves them in development programmes. In 2020 the TOP-100 programme was launched. Its 86 participants are directors and heads of the enterprises of the trading circuit and supply department of EVRAZ. As part of the programme, our specialists undergo goal-setting and employee development trainings, in addition to trainings in effective management and other skills. Furthermore, in 2020 our procurement specialists from the Management Company began to actively engage with representatives of EVRAZ foreign branches, with a view to sharing experience.

EVRAZ aims to expand the automation of procurement stages in order to ensure a high level of transparency and efficiency. In 2020 up to 80% of purchases were made via electronic trading platforms. A key project in 2020 was the introduction of a marketplace: an online store to enable internal users of EVRAZ to order low-value goods and materials without having to interact with procurement managers. Currently the store allows goods to be purchased in 12 categories, and delivery times have been reduced to 48 hours thanks to the automation of the process and a reduction in the number of links in the order chain.

PROMOTING SUSTAINABILITY THROUGHOUT THE SUPPLY CHAIN

EVRAZ, as a global company, is committed to ensuring the integration of sustainability principles, not only in our internal activities and processes, but also in the overall system of partners created by the Group. By setting high standards for suppliers, EVRAZ encourages its potential partners' to comply with our principles of sustainability.

To assess suppliers, including the safety of their practices, we use field inspections and supplier audits and collect feedback

from the company's representatives. During the assessment period of potential suppliers our Procurement Commission checks information contained in forms completed by supplier representatives related to adhering to a responsible approach to HSE issues. For EVRAZ, non-compliance with regulations in the field of HSE is one of the grounds for rejecting a partnership.

A comprehensive description of our requirements for suppliers is set forth in the EVRAZ Supplier Code of Conduct,

where stringent health and safety, environmental, social, and ethical standards are established with a view to ensuring a sustainable supply chain.

The EVRAZ Supplier Code of Conduct can be accessed on our official website <https://www.evraz.com/files/en/evraz-supplier-code-of-conduct-en.pdf> →

GRI 102-10

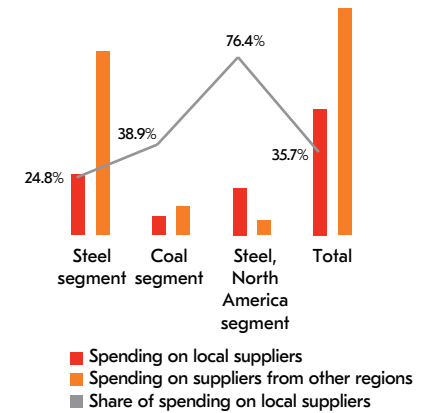
EVRAZ seeks to create favourable conditions to foster the socio-economic development of our regions of operation and actively cooperates with local suppliers. We don't discriminate suppliers on any ground and always ready for open and transparent cooperation.

2020 saw no significant changes in the EVRAZ supply chain in terms of the location of our suppliers. The total number of EVRAZ suppliers

is 12,379, with total spending on their products and services standing at almost US\$3,028 million. The share of local suppliers in spending stood at 35.7% (US\$1,081 million). The fall in comparison to the previous year (43.5%) was due to the change in our definition of local suppliers for EVRAZ ZSMK: in 2020 the Group's internal suppliers were excluded from calculation in the corresponding segment.

Spending on local and other suppliers and share of total spending on local suppliers by business segments¹, 2020

GRI 204-1



GOALS FOR 2021 AND THE MIDTERM

Ensuring the sustainability of our supply chain is a significant area for the Group, and we are endeavouring to improve how this aspect of our business is managed. Taking into account the Group's current policies, supply chain strategy, and current results vis-à-vis the implementation of the procurement function's development plan, various targets for next year and the midterm have been set.

In 2021 EVRAZ will continue its efforts to enhance procurement practices, by undertaking the following measures:

- Improving the online store by expanding the list of categories of purchased materials and equipment.
- Increasing the popularity of the mobile app for customers, by offering additional services.
- Transferring repetitive operations to back-offices. Creating unified and standardised procurement processes for all divisions.
- Boosting the efficiency of procurement officers via trainings in application software (SAP, SRM, MDG, Excel), as well as continuing training for leaders under the TOP-100 programme.
- Other projects within the road map for 2021.



¹ Business units of Steel, North America segment, as well as EVRAZ Nikom and EVRAZ Caspian Steel, consider all suppliers at the country level as local. Other units of Steel segment and Coal segment define local suppliers as those from the regions where the Group's enterprises operate.

APPENDIX 1 – ABOUT THIS REPORT

GRI 102-46 GRI 102-52

APPROACH TO REPORTING

GRI 102-50

The 2020 Sustainability Report ("the Report") covers the key results of EVRAZ's sustainability performance between 1 January 2020 and 31 December 2020, and includes the Group's plans for 2021 and the medium term.

EVRAZ has been preparing annual reports since 2004, which incorporated an extended chapter on Corporate Social Responsibility (CSR). In 2018 EVRAZ took the decision to start publishing

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: http://www.Evraz.com/ru/investors/annual_reports. →

GRI 102-54

In 2020, the Report was prepared in compliance with Global Reporting Initiative Sustainability Reporting Standards: Core option ("GRI Standards"). In order

to ensure compliance with GRI Standards, the Group's internal procedures relating to the Report's preparation were reviewed.

The Report describes EVRAZ's sustainable development management practices and was prepared in accordance with the interests of the investment community and other stakeholders. The Report is published in both English and Russian languages.

REPORT BOUNDARIES

Information contained in this Report covers the sustainability performance of the following EVRAZ assets, unless otherwise indicated in the text of the Report:

GRI 102-45

Assets included in the Report boundaries

Segment	Enterprise (referenced in the Report)
Steel segment	EVRAZ Consolidated West-Siberian Metallurgical Plant (EVRAZ ZSMK) (including Evrazruda) EVRAZ Nizhny Tagil Metallurgical Plant (EVRAZ NTMK) EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK) EVRAZ Caspian Steel EVRAZ Vanady Tula EVRAZ Nikom
Coal segment	Raspadskaya Coal Company
Steel, North America segment	EVRAZ Inc. NA (including, EVRAZ Portland, EVRAZ Pueblo) EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)
Other	Sales, services, and logistics companies

GRI 102-46

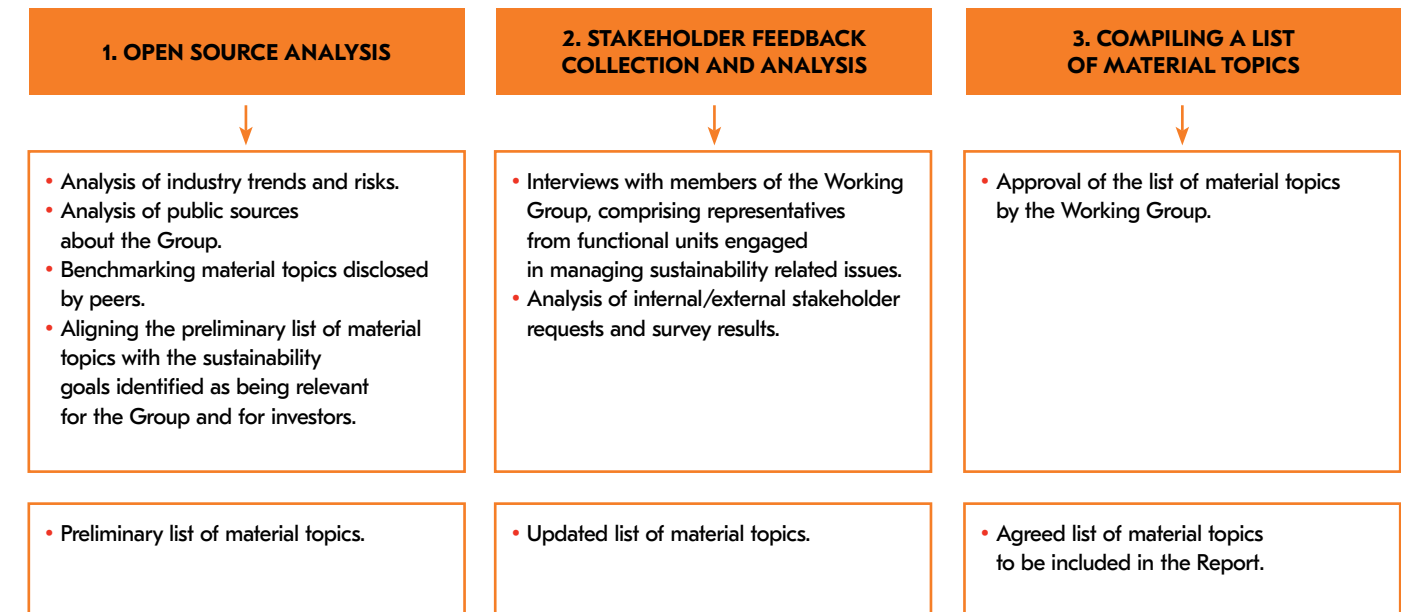
IDENTIFICATION OF MATERIAL TOPICS

We conducted a materiality assessment to identify topics that are most essential for the business for disclosure 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 compliance with GRI Standards. When assessing whether a topic is material, two main

criteria were used: the significance of economic, environmental, or social impacts and the influence on stakeholder assessments and decisions.

Approach to identification of material topics

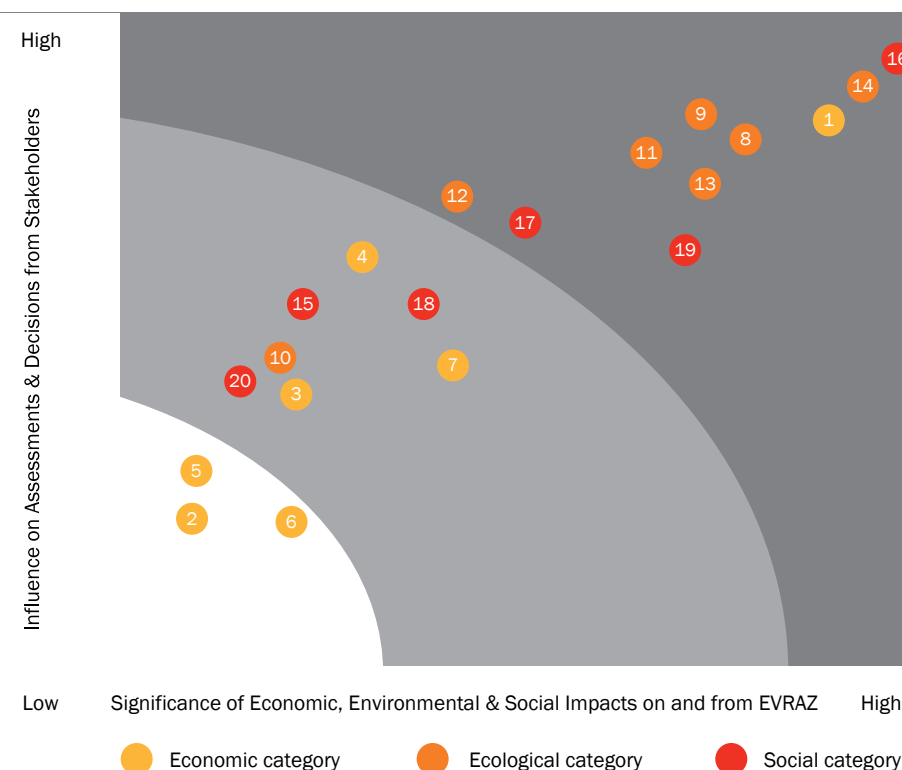


In 2020, we indicated 20 material topics, including four new topics: taxes, risk management, carbon and energy

management and freedom of association and collective bargaining. These topics were also prioritised through a survey

of members of the Working Group about the preparation of the Report, held in December 2020.

Matrix of material topics of the Report



Influence on Assessments & Decisions from Stakeholders (High to Low). Significance of Economic, Environmental & Social Impacts on and from EVRAZ (Low to High). Legend: Economic category (yellow), Ecological category (orange), Social category (red).

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.

Material topics

GRI 102–47					
Category	No	Topic	Page number	Within the Group	Outside the Group
Economic	1	Economic performance	25	V	V
	2	Market presence	32	V	V
	3	Indirect economic impacts	71	V	V
	4	Anti-corruption	13	V	V
	5	Procurement impacts	82	V	V
	6	Taxes	23	V	–
	7	Risk management	17	V	V
Environmental	8	Energy	64	V	V
	9	Water and Effluents	55	V	V
	10	Biodiversity	58	V	V
	11	Emissions	60	V	V
	12	Waste	56	V	V
	13	Environmental compliance	51	V	–
	14	Carbon and energy management	60	V	V
Social	15	Employment	26	V	V
	16	Occupational health and safety	41	V	V
	17	Training and education	31	V	–
	18	Diversity and equal opportunity	28	V	V
	19	Local communities	68	V	V
	20	Freedom of association and collective bargaining	34	V	–

DATA PREPARATION METHODOLOGY

The calculation, collection, and consolidation of economic, environmental, and social indicators presented in the Report were carried out in compliance 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 2020 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's activities are presented for the previous three years.

In 2020 we made the change in our definition of local suppliers for EVRAZ ZSMK: the Group's internal suppliers were excluded from calculation in the corresponding segment.

GRI 102–56

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 practitioner's assurance report on page 102–103 →).

GRI 102–53

CONTACT INFORMATION

The Group considers and carefully analyses feedback from stakeholders on the completeness, objectivity, and materiality of information disclosed in its sustainability reports, which helps improve our sustainability performance and non-financial reporting processes.

We always welcome your suggestions about the Report and our performance. Please send any questions and suggestions you have to:

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

APPENDIX 2 – GRI CONTENT INDEX

GRI 102-55

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 102 General disclosures			
1. Organizational profile			
GRI 102–1	Name of the organization	About the Group, p. 5	
GRI 102–2	Activities, brands, products, and services	What we produce, p. 7	
GRI 102–3	Location of headquarters	About the Group, p. 5	
GRI 102–4	Location of operations	Where we operate, p. 6	
GRI 102–5	Ownership and legal form		EVRAZ plc
GRI 102–6	Markets served	Who we are, p. 5	
GRI 102–7	Scale of the organization	Where we operate, p. 6 What we produce, p. 7	
GRI 102–8	Information on employees and other workers	Human rights, p. 36	Total number of employees by employment contract (permanent and temporary) is disclosed by gender only.
GRI 102–9	Supply chain	The Group's supply chain, p. 81	
GRI 102–10	Significant changes to the organization and its supply chain	Promoting sustainability throughout the supply chain, p. 82	
GRI 102–11	Precautionary Principle or approach	Sustainability risk management, p. 17	
GRI 102–12	External initiatives	Approach to sustainability management, p.9	
GRI 102–13	Membership of associations	Memberships of associations and institutions, p. 23	
2. Strategy			
GRI 102–14	Statement from senior decision-maker	Message from the CEO, p. 2	
3. Ethics and integrity			
GRI 102–16	Values, principles, standards, and norms of behavior	Ethics and business conduct, p. 13	
4. Governance			
GRI 102–18	Governance structure	Organisational structure, p. 12	
5. Stakeholder engagement			
GRI 102–40	List of stakeholder groups	Stakeholder engagement, p. 19	
GRI 102–41	Collective bargaining agreements	Interaction with employees, p. 34	
GRI 102–42	Identifying and selecting stakeholders	Stakeholder engagement, p. 19	

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 102–43	Approach to stakeholder engagement	Stakeholder engagement, p. 19	
GRI 102–44	Key topics and concerns raised	Stakeholder engagement, p. 19	
6. Reporting practice			
GRI 102–45	Entities included in the consolidated financial statements	Report boundaries, p. 84	
GRI 102–46	Defining report content and topic boundaries	Approach to reporting, p. 84	
GRI 102–47	List of material topics	Identification of material topics, p. 85	
GRI 102–48	Restatements of information		Due to recalculation some indicators (number of employees, water consumption, emissions, occupational illnesses) have been slightly changed compared to disclosures in the Annual Report 2020.
GRI 102–49	Changes in reporting		No significant changes from previous reporting periods in the list of material topics and topic Boundaries were made. In 2020, the Group defined taxes as material topic and thus disclosed 207 GRI Standard.
GRI 102–50	Reporting period	Approach to reporting, p. 84	
GRI 102–51	Date of most recent report		April, 2020
GRI 102–52	Reporting cycle	Approach to reporting, p. 84	
GRI 102–53	Contact point for questions regarding the report	Contact Information, p. 87	
GRI 102–54	Claims of reporting in accordance with the GRI Standards	Approach to reporting, p. 84	
GRI 102–55	GRI content index	Appendix 2 – GRI Content Index, p. 88	
GRI 102–56	External assurance	Independent practitioner's assurance report, p. 102	

Material topics

GRI 200 Economic

GRI 201 Economic performance

GRI 103	Management Approach	Direct economic value generated and distributed, p. 25	
GRI 201–1	Direct economic value generated and distributed	Direct economic value generated and distributed, p. 25	
GRI 201–2	Financial implications and other risks and opportunities due to climate change	Climate change, p. 62	

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 202 Market Presence			
GRI 103	Management Approach	Motivation, p. 32	
GRI 202–1	Ratios of standard entry level wage by gender compared to local minimum wage	Motivation, p. 32	
GRI 203 Indirect Economic Impacts			
GRI 103	Management Approach	Management approach, p. 69	
GRI 203–1	Infrastructure investments and services supported	Local community support projects, p. 71	
GRI 203–2	Significant indirect economic impacts	Local community support projects, p. 71	
GRI 204 Procurement practices			
GRI 103	Management Approach	Management approach, p. 82	
GRI 204–1	Proportion of spending on local suppliers	Promoting sustainability throughout the supply chain, p. 82	The information concerning the share of local suppliers is disclosed only for ZSMK, KGOK, NTMK, Vanady Tula and Rospadskaya Coal Company due to data collection unavailability in other segments.
GRI 205 Anti-corruption			
GRI 103	Management Approach		
GRI 205–2	Communication and training about anti-corruption policies and procedures	Ethics and business conduct, p. 13	
GRI 205–3	Confirmed incidents of corruption and actions taken	Ethics and business conduct, p. 13	
GRI 207 Tax 2019			
GRI 103	Management Approach	Tax liabilities, p. 23	
GRI 207–1	Approach to tax	Tax liabilities, p. 23	
GRI 207–2	Tax governance, control, and risk management	Tax liabilities, p. 23	
GRI 207–3	Stakeholder engagement and management of concerns related to tax	Tax liabilities, p. 23	
GRI 207–4	Country-by-country reporting	Tax liabilities, p. 23	
GRI 300 Environmental			
GRI 302 Energy			
GRI 103	Management Approach	Boosting energy efficiency, p. 64	
GRI 302–1	Energy consumption within the organization	Boosting energy efficiency, p. 64	Energy consumption is disclosed for a limited number of enterprises that are stated in the text of relevant section.

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 302–3	Energy intensity	Boosting energy efficiency, p. 64	Energy intensity is disclosed for a limited number of enterprises that are stated in the text of relevant section.
GRI 303 Water			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 39	
GRI 303–1	Interactions with water as a shared resource	Health, safety, and environmental governance, p. 39 Balancing water supply, p. 55	
GRI 303–2	Management of water discharge-related impacts	Balancing water supply, p. 55	
GRI 303–3	Water withdrawal	Balancing water supply, p. 55	Water withdrawal is disclosed as a specific indicator per US\$ thousand revenue.
GRI 303–4	Water discharge	Balancing water supply, p. 55	The indicator disclosed in part, without breakdown by type of destination, however discharges from steel production and mining activities are shown separately.
GRI 303–5	Water consumption	Balancing water supply, p. 55	Total water consumption is disclosed for EVRAZ. The breakdown of water consumption by sources is disclosed for EVRAZ overall, as well as for each reporting segment.
GRI 304 Biodiversity			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 39	
GRI 304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Health, safety, and environmental governance, p. 39 Protecting biodiversity, p. 58	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 304–3	Habitats protected or restored	Protecting biodiversity, p. 58	Information concerning habitats protected or restored is disclosed as the size of areas rehabilitated.
GRI 305 Emissions			
GRI 103	Management Approach	Health, safety, and environmental governance, p. 39	
GRI 305–1	Direct (Scope 1) GHG emissions	GHG emissions, p. 63	
GRI 305–2	Energy indirect (Scope 2) GHG emissions	GHG emissions, p. 63	
GRI 305–4	GHG emissions intensity	GHG emissions, p. 63	Intensity of GHG emissions (kgCO ₂ e/US\$) is calculated as GHG emissions divided by consolidated revenue, broken down by the reporting segments. GHG emissions intensity is also disclosed as a specific metric per tonne of crude steel (tCO ₂ e per tonne of crude steel).

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 305–5	Reduction of GHG emissions	GHG emissions, p. 63	In 2020, EVRAZ reduced its Scope 2 emissions by 2.8%. This was due to lower steel production at the Group's North American asset and a decrease in electricity purchases by Russian steel mills.
GRI 305–7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Reducing air emissions, p. 52	Key air emissions of EVRAZ include SO _x , NO _x , VOC, PM.

GRI 306 Effluents and waste

GRI 103	Management Approach	Health, safety, and environmental governance, p. 39	
GRI 306–1	Waste generation and significant waste-related impacts	Health, safety, and environmental governance, p. 39 Waste stewardship, p. 56	
GRI 306–2	Management of significant waste-related impacts	Waste stewardship, p. 56	
GRI 306–3	Waste generated	Waste stewardship, p. 56	The information is disclosed for the following: <ul style="list-style-type: none"> total non-mining waste and by-product generated by EVRAZ enterprises. shares of waste generated and received.
GRI 306–4	Waste diverted from disposal	Waste stewardship, p. 56	
GRI 306–5	Waste directed to disposal	Waste stewardship, p. 56	

GRI 307 Environmental compliance

GRI 103	Management Approach	Environmental management, Management approach, p. 51	
GRI 307–1	Non-compliance with environmental laws and regulations	Environmental management, Management approach, p. 51	We make efforts to be compliant with all applicable environmental regulation and consistent with the expectations of our stakeholders.

GRI 400 Social

GRI 401 Employment

GRI 103	Management Approach	Our people, Our approach, p. 26	
GRI 401–1	New employee hires and employee turnover	Personnel profile, p. 28	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, p. 32	EVRAZ provides the same benefits both to full-time and part-time employees

GRI 403 Occupational health and safety

GRI 103	Management Approach	Health, safety, and environmental governance, p. 39 Health and Safety management, p. 41	
GRI 403–1	Occupational health and safety management system	Health, safety, and environmental governance, p. 39 Health and Safety management, p. 41	

GRI Indicator	Disclosure	Page number (or link)	Comments/ Omissions
GRI 403–2	Hazard identification, risk assessment, and incident investigation	Health and Safety management, p. 41 OHS Regulations, guidelines and policies, p. 42	
GRI 403–3	Occupational health services	Health and Safety management, p. 41 HS initiatives and projects in 2020, p. 42	
GRI 403–4	Worker participation, consultation, and communication on occupational health and safety	Health, safety, and environmental governance, p. 39	
GRI 403–5	Worker training on occupational health and safety	Developing the safety culture, p. 44	
GRI 403–6	Promotion of worker health	Health protection, p. 47	
GRI 403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety management, p. 41 HS initiatives and projects in 2020, p. 42 Developing the safety culture, p. 44	
GRI 403–8	Workers covered by an occupational health and safety management system	International standards, p. 42	
GRI 403–9	Work-related injuries	Occupational injury prevention, p. 46	Injury rates are not included data on contractors. In 2020, the Company began collecting information on number of hours worked by contractors.
GRI 403–10	Work-related ill health	Health protection, p. 47	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 404 Training and education

GRI 103	Management Approach	Learning and development, p. 31	
GRI 404–1	Average hours of training per year per employee	Learning and development, p. 31	
GRI 404–2	Programs for upgrading employee skills and transition assistance programs	Learning and development, p. 31	

GRI 405 Diversity and equal opportunity

GRI 405	Management Approach	Personnel profile, p. 28	
GRI 405–1	Diversity of governance bodies and employees	Personnel profile, p. 28	

GRI 407 Freedom of association and collective bargaining

GRI 103	Management Approach	Interaction with employees, p. 34	
GRI 407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Interaction with employees, p. 34	

GRI 413 Local communities

GRI 103	Management Approach	Management approach, p. 69	
GRI 413–1	Operations with local community engagement, impact assessments, and development programs	Management approach, p. 69 Local community support projects, p. 71	

APPENDIX 3 – UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

This section provides structured information to EVRAZ stakeholders on the Group's sustainability-related policies, programmes and performance and serves as our Communication on Progress (COP) to the United Nations Global Compact.

Principle	Practical actions taken	Measurement of current or expected outcomes	Section of the Report for more detailed information
Human rights			
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Make sure that they are not complicit in human rights abuses</p>	<p>In 2020 EVRAZ elaborated the Human Rights Policy and Diversity Policy, which comply with international guidelines and standards on human rights.</p> <p>In order to reduce the risk of legal violations the treatment of EVRAZ's workers is monitored by public organisations, including trade unions and representatives from Russia's Presidential Council for Civil Society and Human Rights. Anonymous EVRAZ hotline operates 24 hours a day. It helps tracking employee satisfaction levels and record human rights violations.</p>	<ul style="list-style-type: none"> High employee awareness on human rights issues. Enhanced work environment where employees are treated with respect and that is free from discrimination of any kind. Improved efficiency of human rights violations detection due to enhancement in the operation of EVRAZ Hotline. 	Our people, p. 26 Ethics and business conduct, 13
Labour			
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: The elimination of all forms of forced and compulsory labour</p> <p>Principle 5: The effective abolition of child labour</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation</p>	<p>In 2020 extensions were made to the Coal Industry and Steel Industry Tariff Agreements signed in line with relevant Russian legislation, with the active participation of the Group. EVRAZ conducts risk assessments in the field of modern slavery to determine which parts of its own business and supplier and subcontractors are at high risk of committing modern slavery acts. The Group engages with its suppliers regarding modern slavery issues so that they better understand the steps needed to be taken to prevent any occurrence of modern slavery in their businesses.</p> <p>In 2020 EVRAZ elaborated the Diversity Policy, which addresses diversity and inclusion issues, including the following topics: Board diversity, recruitment and employment, zero tolerance towards bullying and harassment, and others.</p>	<ul style="list-style-type: none"> More active and credible interaction of the Group with trade unions. Increased scrutiny of modern slavery issues in those areas of business and for those suppliers and subcontractors where there is a risk of committing modern slavery acts. Higher awareness of employees on the diversity and inclusion issues. Increased employee diversity. 	Our people, p. 26

Principle	Practical actions taken	Measurement of current or expected outcomes	Section of the Report for more detailed information
Environment			
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies</p>	<p>In 2020 EVRAZ updated the Environmental strategy, which contains a framework for ensuring environmental compliance and mitigating against any potential adverse environmental impacts.</p> <p>In 2020 the Group has also set new goals for the period up to 2030 (with 2019 as the baseline year), which cover four aspects – water, waste, air emissions, and GHG indicators.</p>	<p>Goals set by EVRAZ for the period up to 2030:</p> <p>Water:</p> <ul style="list-style-type: none"> Zero wastewater discharges from steel production. <p>Waste:</p> <ul style="list-style-type: none"> Utilise 95% of waste from metal production and general waste. Recycle 50% of mining waste. <p>Air emissions:</p> <ul style="list-style-type: none"> Reduce total atmospheric emissions from steel production by 33%. Reduce dust emissions from coal mining by 1.5 times. <p>GHG emissions:</p> <ul style="list-style-type: none"> Reduce specific Scope 1 and 2 GHG emissions from EVRAZ's Steel segments (the Steel and North America segments) by 20%. Utilize 75% of methane (CH₄) emitted in the process of degassing carried out during coal mining. 	Environmental management, p. 50
Anti-Corruption			
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>In 2020 EVRAZ has begun development of its own Learning Management System that will enable all employees to take courses on anti-corruption and ethical conduct. The Group has already elaborated courses on the Code of Business Conduct and the Anti-Corruption Policy requirements that contains assignments and tests on issues covered in the Anti-corruption Policy and will be assigned to each employee every 2 years. In the reporting period the Group also continued to update its core documents in the area of anti-corruption.</p>	<ul style="list-style-type: none"> The Learning Management System will enhance the effectiveness of employee training management, as the courses will become more frequent and relevant to the specifics of the Group's operations. 	Ethics and business conduct, 13

APPENDIX 4 – TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES¹

No	Recommendations	Covered in the Report
1	Governance Disclose the organisation’s governance around climate-related risks and opportunities	Section “GHG emissions” Climate-related issues are handled within the framework of EVRAZ HSE management structure. Issues such as climate change corporate governance, goal setting, and risk management are overseen by the Board of Directors at its meetings. Discussions of climate-related issues are also held by the HSE Committee, which assists the Board of Directors in overseeing the implementation of the Climate strategy.
2	Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material	Section “Sustainability risk management”, table “The Group’s sustainability risks”; Section “GHG emissions” EVRAZ considers climate-related risks and opportunities in its business model. With a projected rise in global demand for high-quality steel, EVRAZ sees opportunity for using its vanadium products to assist in transitioning to a low-carbon economy.
3	Risk management Disclose how the organisation identifies, assesses, and manages climate related risks	Section “Sustainability risk management”, table “The Group’s sustainability risks”; Section “GHG emissions” The Risk Management Working Group (at CEO level) is chiefly responsible for collecting climate risk identification and assessment results for all EVRAZ business processes, and also elaborates measures to reduce the impact of these risks on the Group as a whole.
4	Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Section “GHG emissions”, subsection “2020 results”; Section “GHG emissions”, figures: <ul style="list-style-type: none"> • “EVRAZ Scope 1 and 2 GHG emissions, million tCO₂e”. • “EVRAZ Main Scope 1 emissions, million tCO₂e”. • “EVRAZ GHG emissions by segment in 2020, million tCO₂e”. • “Specific Scope 1 and 2 GHG emissions from steel production (Steel and North America segments), tCO₂e/tcs”. • “GHG emissions per consolidated revenue, kgCO₂e/ US\$”.

¹ For more information about the Group’s governance around climate-related risks and opportunities, risk management processes, strategy and metrics used to assess climate-related risks and opportunities please see our official website. →

APPENDIX 5 – ENVIRONMENTAL PERFORMANCE

Indicator ¹	Unit	2018	2019	2020	2020 vs. 2019		Definition	Comments
					Δ	%		
Air Emissions								
Total air emissions (including key emissions) - Steel production	thousand tonnes	409.20	396.22	381.57	-14.65	-3.7	Total Air Emissions - Emissions excluding Coal emissions and CH₄	
Total air emissions (including key emissions) - Coal	thousand tonnes	273.90	403.19	429.69	26.50	6.6	Total Coal Air Emissions - including CH₄ (98% of total coal emissions)	
Key Air emissions	thousand tonnes	128.24	128.13	121.30	-6.83	-5.3		
SO _x	thousand tonnes	51.30	45.38	45.11	-0.28	-0.6	Sulfur dioxide (SO ₂)	
NO _x	thousand tonnes	29.69	28.85	25.52	-3.33	-11.5	Sum of Nitric oxides (NO _x) as nitrogen dioxide (NO ₂)	
Dust	thousand tonnes	45.98	52.44	49.25	-3.19	-6.1	Sum of PM10 and PM25	
VOC	thousand tonnes	1.26	1.45	1.42	-0.04	-2.5	Volatile organic compounds	
CO	thousand tonnes	285.94	272.91	265.53	-7.39	-2.7	Carbon Monoxide (CO)	
CH₄	thousand tonnes	267.85	397.78	425.16	27.39	6.9	CH₄ disclosed in greenhouse gas emissions (in million tonnes CO₂e)	
Other	thousand tonnes	3.32	3.09	1.49	-1.6	-51.7	excl. CH₄, see “Greenhouse Gases “	
Greenhouse Gases								
GHG Scope 1	Million tonnes CO₂e	34.56	39.06	39.48	0.42	1.1	Direct GHG emissions; sum of CO₂ equivalent of CO₂, CH₄, N₂O, PFC, HFC, SF₆ and NF₃	Direct GHG emissions are emissions from sources that are owned or controlled by EVRAZ
CO ₂	Million tonnes CO ₂ e	26.86	27.96	27.78	-0.18	-0.6	Carbon dioxide (CO ₂)	Direct CO ₂ emissions from operations were calculated using the carbon balance method for carbon flows within production facilities, including fuel use. Emissions of other GHGs were calculated based on measured volumes, inventory changes or IPCC 2006 factors and models (including for post-mining coal methane emissions) where direct measurement data were not available.
CH ₄	Million tonnes CO ₂ e	7.64	11.04	11.64	0.60	5.4	CO ₂ equivalent of methane (CH ₄) emission	
N ₂ O	Million tonnes CO ₂ e	0.06	0.06	0.06	0.00	-1.2	CO ₂ equivalent of nitrous oxide (N ₂ O) emission	
PFC and HFC	Million tonnes CO ₂ e	0.00009	0.00002	0.00012	0.00	648.0	CO ₂ equivalent of hydrofluorocarbons & perfluorocarbons emissions	
SF ₆	Million tonnes CO ₂ e	-	-	-	-	-	CO ₂ equivalent of sulphur hexafluoride (SF ₆) emissions	
NF ₃	Million tonnes CO ₂ e	-	-	-	-	-	CO ₂ equivalent of nitrogen trifluoride (NF ₃) emissions	

¹ Due to mathematical rounding, some totals or percentages may slightly differ from the values of the separate figures.

Indicator ¹	Unit	2018	2019	2020	2020 vs. 2019		Definition	Comments
					Δ	%		
GHG Scope 2	Million tonnes CO₂e	4.23	4.28	4.14	-0.14	-3.3	Indirect GHG emissions from consumption of purchased electricity, heat or steam	Scope 2 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	Million tonnes CO₂e	38.79	43.35	43.63	0.28	0.6	Calculation perimeter includes the following subsidiaries:	
GHG Steel Segment	Million tonnes CO ₂ e	28.15	29.32	29.23	-0.10	-0.3	EVRAZ NTMK, EVRAZ KGOK, EVRAZ ZSMK, Evrazruda, EVRAZ DMZ, EVRAZ, Vanady Tula, EVRAZ Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom	
Scope 1	Million tonnes CO ₂ e	25.47	26.58	26.58	0.00	0.0		
Scope 2	Million tonnes CO ₂ e	2.68	2.74	2.64	-0.10	-3.7		
GHG Steel NA Segment	Million tonnes CO ₂ e	1.39	1.41	1.21	-0.20	-14.1	EVRAZ Stratcor, EVRAZ Calgary, EVRAZ Camrose, EVRAZ Portland, EVRAZ Pueblo, EVRAZ Red Deer, EVRAZ Regina,	
Scope 1	Million tonnes CO ₂ e	0.75	0.76	0.62	-0.13	-17.8		
Scope 2	Million tonnes CO ₂ e	0.64	0.65	0.59	-0.06	-9.9		
GHG Coal Segment	Million tonnes CO ₂ e	9.25	12.61	13.19	0.58	4.6	Raspadskaya Coal Company, Mezhegeyugol and Yuzhkuzbassugol	
Scope 1	Million tonnes CO ₂ e	8.34	11.73	12.28	0.55	4.7		
Scope 2	Million tonnes CO ₂ e	0.91	0.89	0.91	0.02	2.6		
GHG per t of steel cast	tCO₂e per tonne of steel cast	2.01	1.97	1.97	0.00	0.02		
GHG per net revenue	kg CO₂e / US\$	3.00	3.64	4.47	0.83	22.7		
GHG Steel Segment	kg CO ₂ e / US\$	3.20	3.60	4.19	0.58	16.2		
GHG Steel NA Segment	kg CO ₂ e / US\$	0.50	0.56	0.68	0.12	20.6		
GHG Coal Segment	kg CO ₂ e / US\$	4.00	6.24	8.85	2.61	41.8		
Water Management								
Total fresh water intake for production needs	million m³	226.49	205.32	206.20	0.88	0.4		
surface water sources	million m ³	196.74	175.03	176.60	1.57	0.9		
ground water	million m ³	8.64	9.20	8.99	-0.21	-2.3		
seawater	million m ³	-	-	-	-	-		

Indicator ¹	Unit	2018	2019	2020	2020 vs. 2019		Definition	Comments
					Δ	%		
public network	million m ³	15.34	16.19	15.54	-0.65	-4.0		
other sources	million m ³	5.77	4.90	5.06	0.17	3.4		
Mine and quarry water usage for production needs	million m³	17.36	21.22	24.29	3.07	14.4		
mine water	million m ³	11.01	13.70	15.45	1.75	12.8		
quarry water	million m ³	6.35	7.52	8.83	1.31	17.4		
Steel segment: fresh water intake for production needs	million m³	183.18	164.66	162.22	-2.44	-1.5	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ (was sold in 2018), EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom, EVRAZ Stratcor, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo), EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)	
surface water sources	million m ³	166.67	148.05	145.72	-2.33	-1.6		
ground water	million m ³	4.69	4.74	4.83	0.09	1.9		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	11.18	10.78	10.23	-0.55	-5.1		
other sources	million m ³	0.64	1.09	1.44	0.35	31.9		
Iron Ore: fresh water intake for production needs	million m³	34.21	32.13	36.02	3.88	12.1	EVRAZ KGOK, Evrazruda	
surface water sources	million m ³	30.03	26.86	30.80	3.94	14.7		
ground water	million m ³	0.58	0.54	0.55	0.01	2.0		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	3.39	4.72	4.65	-0.07	-1.5		
other sources	million m ³	0.21	0.01	0.01	0.00	-4.2		
Mine and quarry water usage for production needs		7.66	8.84	9.91	1.07	12.2		
mine water	million m ³	1.88	1.88	1.64	-0.24	-12.7		
quarry water	million m ³	5.78	6.95	8.27	1.31	18.9		
Coal segment: fresh water intake for production needs	million m³	9.10	8.52	7.96	-0.56	-6.6	Raspadskaya Coal Company, Mezhegeyugol	
surface water sources	million m ³	0.04	0.13	0.09	-0.04	-34.2		
ground water	million m ³	3.36	3.91	3.60	-0.31	-7.9		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	0.76	0.69	0.66	-0.03	-4.2		
other sources	million m ³	4.93	3.79	3.61	-0.18	-4.8		

Indicator ¹	Unit	2018	2019	2020	2020 vs. 2019		Definition	Comments
					Δ	%		
Mine and quarry water usage for production needs		9.70	12.39	14.38	1.99	16.1		
mine water	million m ³	9.13	11.82	13.81	1.99	16.9		
quarry water	million m ³	0.57	0.57	0.57	0.00	-0.4		
Fresh water withdrawal intensity		14.07	11.92	11.90	-0.02	-0.2		
Fresh water withdrawal intensity	m ³ / tonne of steel cast	17.64	17.25	21.14	3.89	22.6		
Water recycled for use in own operations		92.8	93.3	93.3	0.00	0.0		
Water recycled for use in own operations	%	92.8	93.3	93.3	0.00	0.0		
Total water discharge into water bodies		131.85	125.91	125.26	-0.66	-0.5		
Total water discharge into water bodies	million m ³	131.85	125.91	125.26	-0.66	-0.5		
Steel segment	million m ³	75.27	68.90	68.58	-0.32	-0.5	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ DMZ (included in the figures for 2018, however, was sold in 2018), EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Palini e Bertoli, EVRAZ Nikom, EVRAZ Stratcor, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo), EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)	
Iron Ore	million m ³	12.03	12.86	12.47	-0.39	-3.0	EVRAZ KGOK, Evrazruda	
Coal segment	million m ³	44.55	44.15	44.21	0.06	0.1	Raspadskaya Coal Company, Mezhegeyugol	

Waste & By-product Management

Non-mining waste & by-product generation	kt	7,947.8	8,445.4	8,651.4	206.02	2.4		
Metallurgical by-product generation	kt	6,401.7	6,829.6	6,406.9	-422.79	-6.2		
General waste	kt	1,546.1	1,615.7	2,244.5	628.81	38.9		
non-hazardous waste generation	kt	1,471.9	1,547.4	2,188.0	640.54	41.4		
hazardous waste generation	kt	74.2	68.3	56.6	-11.73	-17.2		
Non-mining waste & by-product recycled	kt	8,846.8	8,881.2	8,886.1	4.9	0.1		
Non-mining waste & by-product non-recycled	kt	591.2	661.6	751.0	89.4	13.5		

Indicator ¹	Unit	2018	2019	2020	2020 vs. 2019		Definition	Comments
					Δ	%		
Non-mining waste recycling or re-use rate	%	111.3	105.2	102.7	-2.4	-2.3		
Mining waste	kt	232,004.5	198,827.7	135,625.3	-63,202.4	-31.8		
Mining waste used	kt	62,049.0	75,467.9	38,634.1	-36,833.7	-48.8		
Mining waste recycling or re-use rate	%	26.7	38.0	28.5	-9.5	-25.0		

Environmental Management

Environmental commitments	US\$ million	121	198.6	226.2	27.60	13.9	A documented and approved by regulator liability to perform corrective actions to be in compliance with environmental requirements applicable to a specific facility	Exchange rate as of December 31 report year
Environmental Liabilities (Site Restoration Provisions)	US\$ million	244	342	296	-46.00	-13.5	Asset Retirement Obligation - is a legal obligation associated with the retirement of a tangible long-lived asset (i.e. remediation work such as, land rehabilitation, removing underground fuel storage tanks, cleanup, etc.).	The amount of Environmental Liabilities is calculated using discounted amounts of future cash flows and disclosed in the Financial Statements as Site restoration provision. Exchange rate as of December 31 report year
Environmental Levies and Fines for Non-compliance	US\$ million	2.2	5.0	3.1	-1.90	-38.0		
Cost of environmental compliance	US\$ million	30.1	30.3	32.9	2.57	8.5		
Investments to improve environmental performance	US\$ million	29.8	28.8	56.9	28.15	97.7		
Material environmental incidents	cases	0	0	0	-	-		
Public complaints	cases	36	31	11	-20.00	-64.5		
Compliance with REACH requirements	cases of non-compliance	0	0	0	-	-		

APPENDIX 6 – INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



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Independent practitioner's assurance report

To the Board of Directors of EVRAZ plc

Subject matter

We have been engaged by EVRAZ plc to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein 'the Engagement'), to report on EVRAZ plc (hereinafter 'the Company') Sustainability Report (hereinafter 'the Report') as of 31 December 2020 or for 2020 (hereinafter 'the reporting period').

Under this engagement, we did not perform any procedures with regard to the following:

- ▶ Forward-looking statements on performance, events or planned activities of the Company;
- ▶ Correspondence between the Report and the Task Force on Climate related Financial Disclosures, and the UN Global Compact principles.

Applicable criteria

In preparing the Report the Company applied Global Reporting Initiative Sustainability Reporting Standards (hereinafter 'GRI Standards') in Core option and the sustainability reporting principles of the Company as set forth in the appendix 'About this Report' of the Report (hereinafter 'the Criteria').

The Company's responsibilities

The Company's management is responsible for selecting the Criteria, and for presenting the Report in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Report, such that it is free from material misstatement, whether due to fraud or error.

The Practitioner's responsibilities

Our responsibility is to express a conclusion on the presentation of the Report based on the evidence we have obtained.

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (revised) *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (hereinafter 'ISAE 3000'). ISAE 3000 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Report is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Report and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Inquiries of the 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,
- ▶ Analysis of the Company stakeholder engagement activities via reviewing register of communication and results of stakeholder meetings 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 a selection of corporate and external media publications with respect to the Company sustainability policies, activities, events, and performance in the reporting period,
- ▶ Analysis of material sustainability issues 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 resources, environmental protection, health and safety indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately,
- ▶ Collection on a sample basis of evidence substantiating other qualitative and quantitative information included in the Report at the headquarters level,
- ▶ Assessment of compliance of the Report and its preparation process with Company's sustainability reporting principles,
- ▶ 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.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report is not represented fairly, in all material respects, according to the Criteria.

E.V. Khramova
Partner
Ernst & Young LLC
29 April 2021

Details of the entity

Name: EVRAZ plc
Record made in the Registrar of Companies for England and Wales 13 October 2011, Registration number 7784342.
Address: United Kingdom, W1H 6DU, London, 2 Portman street.

Details of the independent practitioner

Name: Ernst & Young LLC
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Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.