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[EVRAZ Annual
Report 2021](#)



[Sustainability
Report 2021](#)

MESSAGE FROM THE



contributions towards reaching them. We also kept on adapting our operations to the new reality in the wake of COVID-19 and did our best to tune up all spheres of our activities.

As a result, our business remained consistent and showed confident operational and financial results.

Occupational health and safety

The top priorities of EVRAZ — safe working conditions and the health of our employees — remained unchanged in the reporting period. We make sure that the health and safety practices are followed at every level of production and cover all staff and contractors. To reach the highest level of safety at EVRAZ, we implement various educational programmes designed to ensure that everyone approaches work with the best understanding and knowledge. We are loyal to our goal of reaching a zero-fatality level and reducing the lost time injury frequency rate (LTIFR). In 2021, the LTIFR stood at 1.21x per 1 million hours, which was a 10.3% drop on the 2020 figure (excluding fatalities). I deeply regret to report that, unfortunately, in 2021, there were six fatalities among our employees and two fatalities among contractors. The Group carried out thorough investigations and took measures to prevent reoccurrences.

We have taken all necessary preventative measures against COVID-19. Only the meetings deemed indispensable are held face-to-face, education has been moved online (as much as possible) and mass events were cancelled, allowing us to reduce social contacts and the spread of the coronavirus. Most of our employees have continued working remotely since the beginning of the pandemic, although productivity and effectiveness remain at the same level.

We also strive to be leaders in using the best technologies and innovations in occupational health and safety at all our enterprises. We accomplished transformation in health and safety in 2021: rooted out inefficient processes, increased process automatization and reduced red tape. As a result, the whole health and safety management system will be re-evaluated and improved in the coming year.

Human capital management

The Group highly values its employees and gives them multiple opportunities to develop and improve their skills. All interactions with employees are based on respect for human rights, promotion of diversity and equal opportunities. EVRAZ employees can grow professionally and personally by having access to various training programmes while working in the environment that makes it possible

Dear stakeholders,
EVRAZ maintained its commitment to sustainability and creating long-term value for stakeholders in 2021 and made every effort to become one of the leading responsible employers in the industry. The Group also continued implementing its initiatives to protect the environment and develop local communities.

EVRAZ effectively coordinates its activities in line with the UN Sustainable Development Goals (SDGs), making substantial

and the documents and recommendations of the Intergovernmental Panel on Climate Change (IPCC) into all business practices of the Group.

Moreover, EVRAZ has an active Environmental Management System (EMS) in place. Its main function is to manage environmental risks and monitor the production processes at all plants in compliance with the applicable requirements. According to the international standard ISO 14001 implemented at EVRAZ enterprises, business activities of the Group are based on the plan-do-check-act (PDCA) model.

The most significant achievements of the Group relating to environmental impact in 2021 were the following:

- the Group reduced its total atmospheric emissions from steel production by 2.9% compared to the 2020 level;
- recycled 105% of non-mining waste and by-products;
- freshwater consumption in 2021 dropped down to 196.2 million m³, which is 3.2% reduction the previous year.

In 2021, the GHG emission intensity from the steel segment was 1.90 tCO₂e/tcs (tonnes of carbon dioxide equivalent per tonne of crude steel). The Group's total energy consumption was 350.8 million GJ.

EVRAZ is involved in helping vulnerable groups and supporting people in difficult life situations.

Outlook for 2022

Despite all the challenges we have been going through in recent years, the Group continues to make firm plans towards our sustainable future.

- EVRAZ is going to further develop its climate strategy by quantifying the impact of climate risks, implementing the newest practices in energy management, introducing energy efficient solutions and equipment, using renewable energy sources and developing internal power generation.
- As per human resources, EVRAZ focuses efforts on learning and development, enhancing each member's performance, and improving the framing documents.
- The Group intends to revise completely its operation model of safety management at production units, enhance risk management practices, improve safety of loading and unloading operations and fully deploy the Lockout Tagout (LOTO) procedures in 2022.
- EVRAZ also envisions improved environmental management by implementing biodiversity protection measures, rehabilitating disturbed land and landscaping, improve its practices on water conservation, waste stewardship and air quality.
- The Group will enhance partnership with local communities throughout various spheres — urban infrastructure, sports events, education, cultural projects, and support of socially vulnerable people — in 2022.
- Supply chain will be shaped in accordance with the vision of the Group, particularly enhanced assessment and accreditation of suppliers according to ESG requirements, improvement of online tools and integration of a unified directory of counterparties at all EVRAZ enterprises.

Community relations

Building reputable relations with the communities in the regions of operation is an essential part of our sustainable development practices. Year by year we plan our budget for charity purposes and significantly support local needs: large-scale cultural and sporting events, educational projects, healthcare and infrastructure. There are three main areas of focus: EVRAZ for Kids, EVRAZ for Cities and EVRAZ for Sports.

We always encourage our employees to be active and to engage in social initiatives implemented in the regions where we operate, acting as volunteers. Thus,

CEO

to fully realise their potential. We also provide decent salaries and an attractive social package, competitive within the industry.

In 2021, 80% of internal trainings were held online. Another important aspect was the standardisation of all educational programmes into few streams in the following topics: project management, creative thinking, management of challenging situations. We also accomplished several trainings for the heads of risks operations.

Managing environmental impacts

EVRAZ is committed to sustainable development and associated activities pertaining to ecological issues. We elaborated and implemented our Environmental Strategy in 2020, updated and adjusted it in 2021, to the new realities. Moreover, we formed a Sustainability Management Committee, responsible for ensuring that declared environmental goals are attained and that all the Group's operations are carried out in line with the international practices of sustainable development. Another responsibility of the Committee is to ensure the implementation of the principles of the SDGs, the Paris Agreement,

Aleksey Ivanov
Chief Executive Officer

COMPANY PROFILE

GRI 102–1, 102–3, 102–4, 102–5

EVRAZ is a global steel and mining company and the leading producer of infrastructure steel products with low-cost production

along the value chain. The Group operates in different locations: Russia, the USA, Canada, Kazakhstan, and the Czech Republic.

The products of EVRAZ are supplied to over 70 countries worldwide. EVRAZ is listed on the London Stock Exchange.

CORPORATE PROFILE

The Group name

EVRAZ plc

CEO

Aleksey Ivanov

Office in the UK

2 Portman Street, London, England
W1H 6DU

Business segment

Steel, mining and vanadium business

Other major offices (Russia)

4 Belovezhskaya St,
Block B, Moscow, Russia

Other major offices (USA)

71 S. Wacker Drive, Suite
1700, Chicago, IL 60606

Year of establishment

1992

Who we are

GRI 102–6

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
- The global leader in the production of vanadium
- The largest coking coal producer in Russia
- Geographically diversified business

FINANCIALLY SUSTAINABLE GROUP:

- Consolidated revenue amounted to US\$14,159 million
- Consolidated EBITDA reached US\$5,015 million

SOUND EMPLOYMENT:

- 71,591 people have stable employment.
- EVRAZ's pay rates are up to three times higher than those in the regions of presence
- 766¹ employees took part in corporate management development programmes
- Over 44,404² employees were covered by the Target remuneration system

CLEAN ENVIRONMENT:

- Water consumption amounted to 196.2 million m³
- Total amount of air pollutant emissions from steel production decreased by 2.9%
- The Group recycled or reused 105% of non-mining waste and by-products
- Total energy consumption was 350.8 million GJ

HEALTH AND SAFETY AT A 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 1.21x³, which was 10% lower than in 2020
- Six fatalities among employees
- Two fatalities among contractors
- 100% employees completed Risk Management Project training⁴.

1. Number of employees who completed corporate management programmes in 2021: TOP-300 (101 employees), TOP-1000 (477 employees), TOP-3000 (188 employees).

2. Out of the total headcount of the Group.

3. The values of the indicator have been recalculated to include contractors and are different from those presented in the Annual report 2020 and the Sustainability report 2020. The data is presented excluding fatalities.

4. Managers and production personnel at enterprises.

Where we operate


GRI 102-4, 102-7

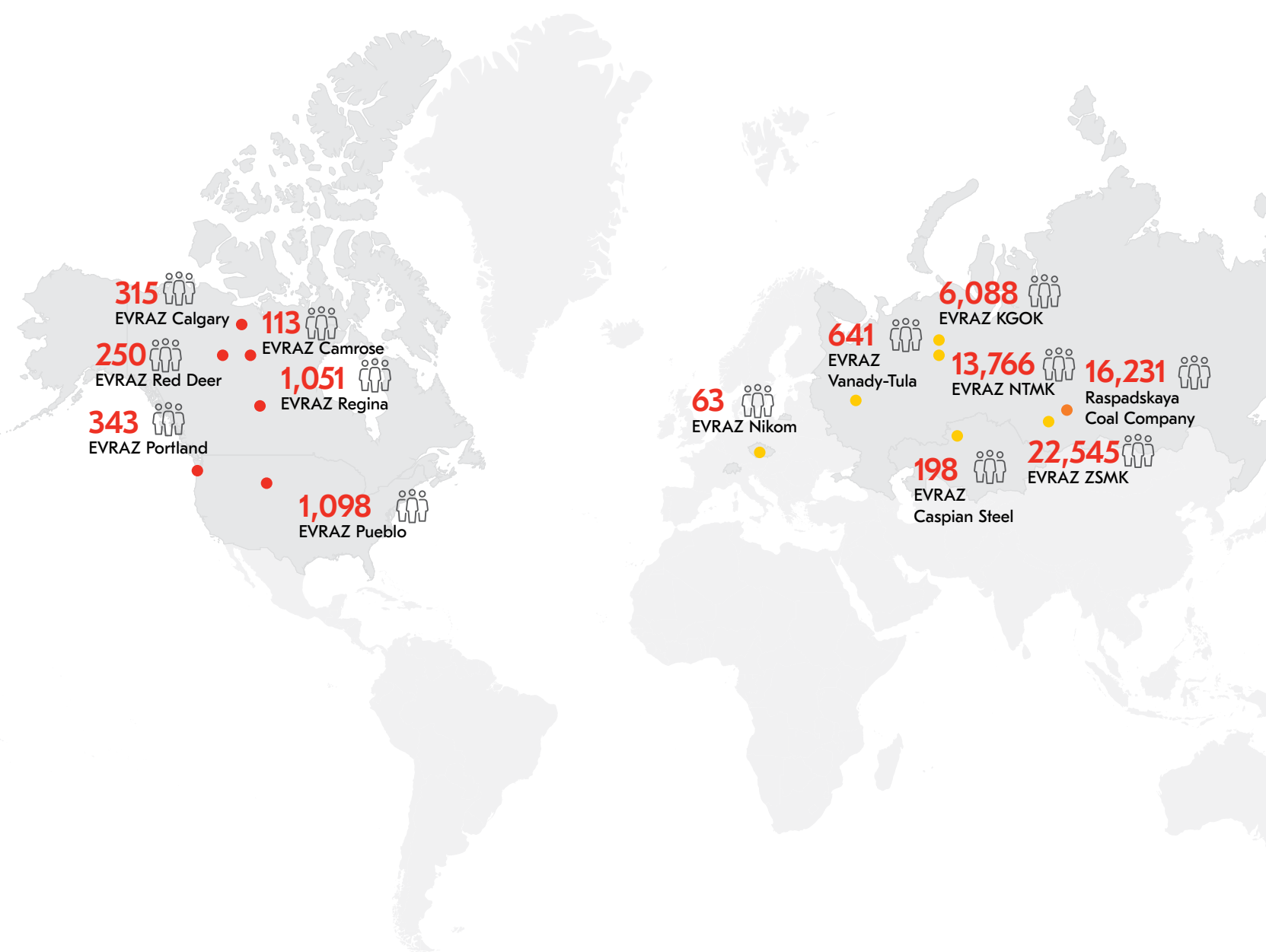
EVRAZ operates in five countries: Russia, the USA, Canada, Kazakhstan, the Czech Republic.⁵

● Steel segment

● Coal segment

● Steel, North America segment

 Number of employees



5. 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.

What we produce

GRI 102-7

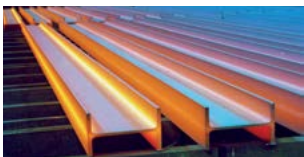
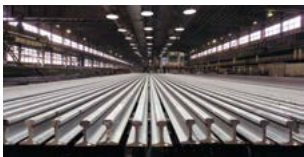




We supply our products to over 70 countries worldwide and maintain our leading positions by keeping up the highest standards of product quality and client satisfaction. Our production is very broad and is used in various industries, including construction, rail

infrastructure and others. All our supplied products comply with cutting-edge world practices and are certified according to all international requirements. Certificates of our products are available on the EVRAZ official website.

We are committed to increasing the value of our products for all the stakeholders by continuous improvement of product quality.

Main and ancillary products

GRI 102-2

TYPE OF PRODUCTS		DESCRIPTION
Construction products		EVRAZ produces steel that is used to construct residential homes, office buildings, stadiums, bridges, and other infrastructure facilities.
Railway products		Our product line is used in the production of almost every element of rail infrastructure (including 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 pipes that are produced entirely 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, such as mining, machine building, and the hardware industry.
Vanadium products		EVRAZ is the only full-cycle producer of vanadium in the world, and it offers a complete range of vanadium products. The Group produces around 20 high-purity, performance-based vanadium chemicals and provides an extensive line of vanadium alloys that can double the strength of mild steel.
Raw materials		For main metallurgical production, EVRAZ also extracts 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 our own mining operations.

By implementing the latest technologies and different ways of communication, we are determined to improve not only the quality of our products but also the process of interaction with our valued clients. We have developed mobile applications available for various groups of stakeholders and purposes.

For our employees, we have introduced a special application that enables immediate access to the information and HR services they need. Another application for clients and partners contains information on EVRAZ events. If interested, stakeholders can also download EVRAZ

Wheels and EVRAZ VR applications, developed to provide virtual reality tours through our production facilities.



PERFORMANCE DASHBOARD

SASB EM-MM-000.B

Being one of the world's leading steel producers, EVRAZ devotes considerable effort to aligning its operational activity with the core principles of sustainable development based on the relevant international standards and documents. We strive to continually enhance our

environmental performance to allow us to mitigate adverse environmental implications of our day-to-day activities and generate sustainable returns for the Group's shareholders while also making a lasting positive impact on our stakeholders and society as a whole.

The key figures of the Group's performance in 2021 that reflect our overall performance and efforts invested into a more sustainable future are given below.

Key Figures 2021

Consolidated revenue

US\$ million

US\$ 14,159_m

Consolidated EBITDA

US\$ million

US\$ 5,015_m

CAPEX

US\$ million

US\$ 920_m

Crude steel output

mt

13.57_{mt}

Coking coal concentrate output

mt

15.96_{mt}

Iron ore products output

mt

14.40_{mt}

Non-mining waste recycling or reuse rate

%

105%



Environmental commitments

US\$ million

US\$ 197.5_m

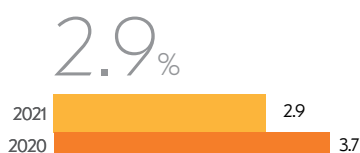
Steel cast GHG intensity rate

tCO₂e per tonne1.90_{tCO₂e/tonne}

Key air emissions
kt

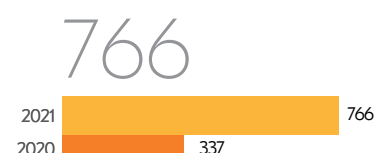
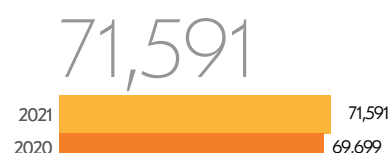
Major environmental incidents

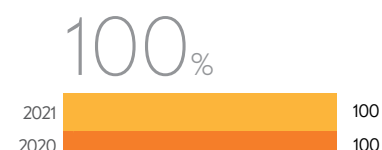
Water consumption
million m³

Reduction of total air emissions from steel production
%

LTIFR¹
per 1 million hours

Fatalities among contractors

Earmarked for social and social infrastructure maintenance expense
US\$ million

Employees who took part in corporate management development programmes²

Employee headcount at the end of the year

Employees covered by the Target remuneration system³

Employees received Risk Management project training⁴


1. The values of the indicator have been recalculated to include contractors and are different from those given in the Annual report 2020 and the Sustainability report 2020. The data is presented excluding fatalities.
2. Includes only employees who started and completed programmes in 2021. Corporate management development programmes include TOP-300 (101 employees), TOP-1000 (477 employees), TOP-3000 (188 employees).
3. Out of the total headcount of the Group.
4. The Risk Management project training is conducted only to managers and production staff.

OUTLOOK FOR 2022

Climate change

EVRAZ has ambitious plans for the 2022 and a medium-term perspective with the following important areas of work:

- Development of calculation methodology for CO₂ emissions.
- Development of training materials and organisation of educational trainings in decarbonisation and energy management.
- Development of a detailed decarbonisation roadmap.
- Determination of possibilities to reduce the carbon footprint by replacing coal with other components.
- Introduction of climate-related and decarbonisation KPIs for the vice presidents of EVRAZ.
- Continue working within ISO 50001 standard.
- Establishment of a reliable communication system between the plants to exchange information about energy-saving projects and new effective technologies for the reduction of greenhouse gas emissions.
- Searching the most effective ways and ideas for using renewable energy at its plants.



Our people

EVRAZ is planning to continue developing HR-processes in 2022. The main spheres that we are going to focus on are as follows:

Learning and development

- Creating a supportive learning structure for production managers to develop new professional competences for responding to external changes.
- Arranging new corporate events based on the engagement survey and focus group results to increase employee engagement in 2022.

Performance as an employer

- Developing a long-term planning programme on predicting the Company's needs as an employer
- Developing new channels for attracting employees.

Social policy

- Revising the HR strategy.
- Focusing on supporting employees and ensuring respect for freedom of association and human rights.
- Developing relations with trade unions and political parties.
- Expanding the Veterans of EVRAZ public organisation to the Urals Division.

Health and safety

Operational model of security management

In 2022, EVRAZ intends to completely revise its operational model of safety management at production units.

The resulting operational model should clearly establish areas of responsibility, as well as the levels of competence of employees and corresponding levels of decision-making. Also, the revised operating model will standardise and specify all the innovations implemented in the Company in 2020–2021.

Risk management

The next reporting period will be key for the deployment and maintenance of the risk management project. To assess the effectiveness of the project and its dynamics, EVRAZ has developed a separate KPI indicator. The indicator includes monitoring the implementation of both measures for identified risks and the standard work plan of the project, this indicator will be used for analysis in 2022.

Improving the safety of loading and unloading operations

In 2022, EVRAZ will also focus on loading and unloading operations using lifting equipment. The Company aims to improve the safety of work through the development and implementation of new initiatives related to the use of automatic video analytics. In addition, the Company intends to minimise the risks of injury while working with lifting mechanisms and working at height during loading and unloading operations.

The Lockout Tagout (LOTO)

Another focus for EVRAZ in 2022 will be the full-scale deployment of the Lockout Tagout (LOTO).

For these purposes, the Company has developed an appropriate standard that regulates the procedure for using the system and plans to purchase equipment for the implementation of this system, for processing local regulations and conducting training sessions for employees.



Protecting our natural environment

EVRAZ will continue implementing measures to improve and preserve the environment and reduce any adverse consequences of its operations in 2022. The following measures are planned in several areas:

Biodiversity protection measures

In 2022, we plan to implement several measures in accordance with the Biodiversity Roadmap. EVRAZ plans to update and adopt the procedure for biodiversity risks and impacts assessment. As the first stage of the Roadmap this approach is planned to be launched at the pilot site.

By implementing the roadmap coherently, we expect to obtain in coming years an assessment of the current impact on biodiversity, determine the goals for biodiversity conservation, and find ways and take actions to achieve them.

Rehabilitating disturbed land and landscaping

EVRAZ rehabilitates disturbed lands on annual basis. As a responsible company EVRAZ aims to adhere best practices and to be proactive in this issue. So we plan to reassess occupied lands and evaluate additional potential for land reclaiming where it's feasible.

Water conservation

EVRAZ will continue to carry out its water conservation and purification programme in 2022 to mitigate any adverse effects of its activities on water resources.

Waste stewardship

The Group intends to implement an effective waste management programme in 2022. Additionally, ongoing activities in the areas of waste management safety and waste disposal management will be expanded next year.

Air quality

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

EVRAZ ZSMK:

- Coke gas cooling system upgrade. Decommissioning of the cooling tower for the final cooling of coke gas. The task for 2022: to complete the project.
- Construction of a modern facility for flue gas desulphurisation. The task for 2022: to continue the project (to be completed by 2024).

EVRAZ NTMK:

- Coke gas redirected to by-product recovery plant No. 3. Decommissioning of the cooling tower for the final cooling of coke gas. The task for 2022: to complete the project.
- Construction of a new biochemical facility at a coke production plant. The task for 2022: to continue the project (to be completed by 2024).
- Introduction of a new technology of pitch production with the closure of old pitch coke batteries. The task for 2022: to continue the project (to be completed by 2024).
- Efficiency upgrades of off-gas cleaning units. The task for 2022: to continue the project (to be completed by 2024).

Playing our role in society

In 2022, the Group intends to strengthen partnerships with local communities in various ways. It will be upgrading urban infrastructure, financing sports events, educational, and cultural projects, and assisting socially vulnerable people, including children with disabilities and orphans.

Supply chain

Approving the awareness of conscious manufacturing and devotion to the HSE principles, EVRAZ permanently develops the Group's current policies and elaborates development plans as well as various targets for the next year.

In 2022 EVRAZ aims to enhance the contribution of sustainable practices by undertaking the following measures:

- Proactive assessment and accreditation of suppliers for compliance with key ESG requirements which involve environmental screening and ESG certification of EVRAZ suppliers.
- Continuing upgrade of functionality of the Group's online platforms.

Customer interaction

To improve customer relations in 2022 EVRAZ plans to:

- Organise a conference for consumers of metal products and visits of representatives of partner companies to factories.
- Take part in the annual Metal Expo exhibition to establish closer relations with existing customers and search for new ones.
- Continue developing an ongoing dialogue with existing customers, external experts, universities, and research institutions to build a path forward to reaching ESG objectives.



SUSTAINABILITY GOVERNANCE

2021 HIGHLIGHTS

US\$ **35** million

earmarked for social and social
infrastructure maintenance
expense in 2021

US\$ **71** million

invested in improving environmental
performance

71,591

is an employee headcount at the end
of the year

1.21_x

LTIFR per 1 million hours¹

1.90

tCO₂e per tonne of steel cast GHG
emissions intensity

16 1. The values of the indicator have been recalculated to include contractors and are different from those presented in the Annual report 2020 and the Sustainability report 2020. The data is presented excluding fatalities.

LITY NCE

Global Sustainable Development Goals



APPROACH TO SUSTAINABILITY MANAGEMENT

At EVRAZ, we are confident that sustainable development builds the foundation for our success and prosperity. Hence, we adhere to all sustainability principles and values and continuously strive to imbibe them into all our operations and business processes.

To maximise the efficiency of our sustainability practices, we bring them in line with the best global initiatives and policies.

We are loyal to OECD's Guidelines for Multinational Enterprises and the provisions of the United Nations Universal Declaration of Human Rights. All internal documents of the Group that regulate sustainable development

are in full compliance with the Russian Law on Preventing Corruption, the UK Bribery Act, and the US Foreign Corrupt Practices Act.

The Group has defined five priority sustainable development areas, which helps to ensure that all major sustainability concerns are screened and receive a swift reaction throughout all business divisions:

Priority sustainable development areas 2021



Decarbonisation pathway

Envisioning a roadmap with decarbonisation activities to reduce the carbon footprint and our impact on climate change.

See the section Tackling climate change, [p 44](#).



Environmental protection

Reducing adverse impacts from our operations on the environment.

See the section Protecting our natural environment, [p 80](#).



Employee well-being

Providing employees with safe working conditions, comprehensive learning and development opportunities, and competitive compensation packages.

See the sections Our People, [p 58](#), and Health and Safety, [p 70](#).



Economic stability

Ensuring stable economic growth and creating long-term value for the Group.

See the sections Ethics and business conduct, [p 24](#), and Direct economic value generated and distributed, [p 43](#).



Local community development

Contributing to the achievement of economic prosperity and providing social support in our regions of operation.

Playing our role in society, [p 96](#).

ORGANISATIONAL STRUCTURE

GRI 102-18, 102-19, 102-20, 102-26

The sustainable development organisational structure of the Group is developed to integrate all business processes with sustainability principles. In this manner, it covers all organisational levels of the Group. One of the main inputs of 2021 was the development of the Sustainability Committee, which, together with the Board of Directors, determines the general course and relevant goals of EVRAZ's sustainable development. The newly formed Sustainability Committee is the expansion of the previous HSE Committee

(the Health, Safety and Environment Committee). The Committee is responsible for overseeing the group level policies, processes and strategies designed to manage safety, health, environmental, socio-economic and supply chain risks and related opportunities.

Read more  on page 70 in the Health, safety, and environment section

Prior to that, in August 2021, we also created a separate Sustainability Management

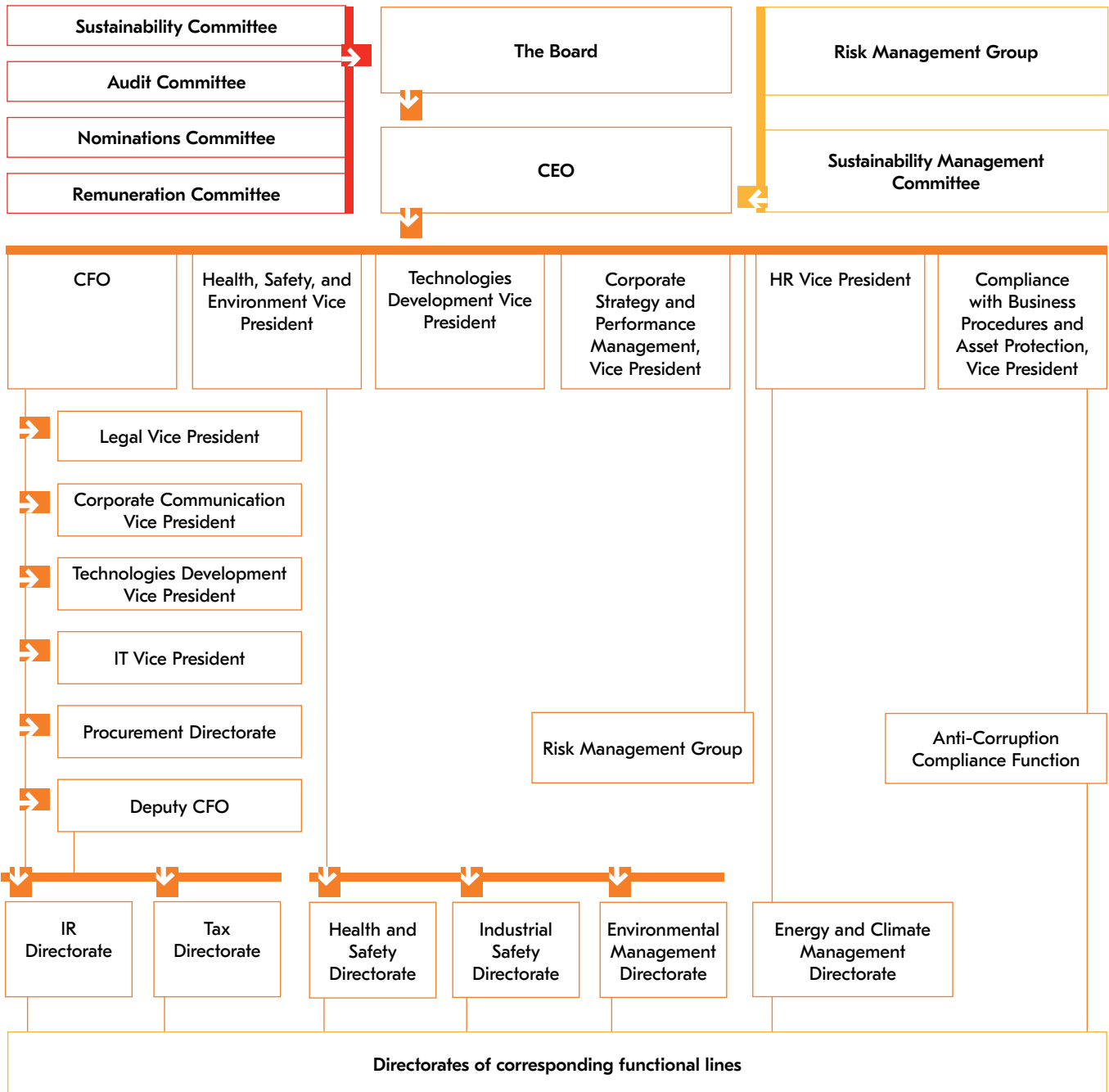
Committee — sustainability-focused body at the management level to supervise and monitor the performance of corporate functions in this area.

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 line with their business functions.

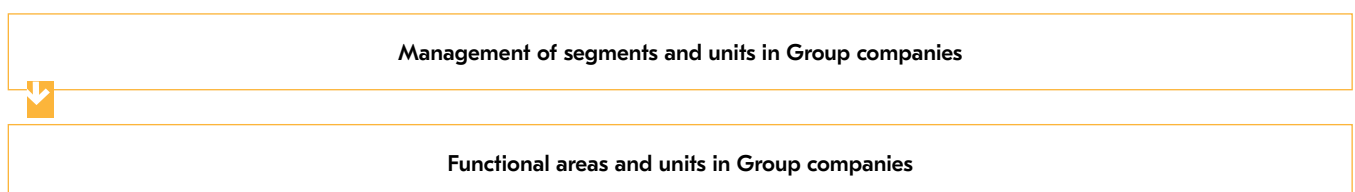


SUSTAINABLE DEVELOPMENT ORGANISATIONAL STRUCTURE

Corporate level



Operational level



According to EVRAZ corporate structure, the proportion of women in senior management roles was lower than that of men in the reporting period. The percentage of the women serving on board in 2021 was 16.7%.

In the period of five years, it is planned to level off the gender balance, reduce discrimination and give more opportunities to women on boards. Overall, it is expected to reach the gender ratio of 2:3 on board

and to have at least one woman acting as Chair member, SID, CEO or CFO in corporate structure.

KEY DOCUMENTS

Considering the importance of sustainable development, EVRAZ has elaborated and implemented documents in all its priority areas in terms of sustainability. Our Sustainability Management Committee makes sure that all documents are regularly revised and updated according to international standards

and upcoming sustainability trends. Major documents framing the sustainable development governance remained unchanged in 2021:

- 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.

BEST PRACTICES AND STANDARDS

GRI 102–12

EVRAZ aims to bring all its operations into compliance with applicable international standards and recommendations. Since 2020, EVRAZ is a participant of the UN Global Compact initiative. Being loyal to all Group's commitments, including transparency, we make comprehensive ESG disclosures in our annual and sustainability reports. In the previous reporting period, we were proud to publish our first climate change report. Read more about our Climate change report 2020 [here](#). To align our reporting with best international

practices, we comprehensively apply various international standards, guidelines and recommendations, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

At EVRAZ we continuously strive to achieve Sustainable Development Goals (SDG) introduced by the UN General Assembly in 2015. We make substantial efforts to contribute to the achievement

of all SDGs, including such initiatives as providing best available employee benefits, promoting green technologies and sustainable projects. In the previous reporting year, we also conducted a special questionnaire among our internal stakeholders that helped identify the most important SDGs. Likewise, in 2021 we have prioritised 6 focus SDGs, which has the most potential to form positive or negative impact on the environment, society, and business community from our business activities.

EVRAZ inputs to meet Sustainable Development Goals

SDG	OUR INPUTS	
2021 focus 	Healthy lives and welfare for all: <ul style="list-style-type: none"> Extensive compensation programmes for all employees and their family members, including extended medical insurance Promotion of healthy lifestyle Special programmes for younger generations Development of sports facilities where the Group operates 	See the sections Our People, p. 58 ; Health, Safety, and Environmental Governance, p. 70 ; Playing our role in society, p. 96
2021 focus  	Availability and sustainable management of water, sanitation and biodiversity loss prevention: <ul style="list-style-type: none"> Reduction of freshwater consumption Increase of the quality and volume of recycled water Conservation of biodiversity Protection of the environment and water ecosystems 	See the section Protecting our natural environment, p. 80
2021 focus  	Cost-effective, stable, and long-lasting energy for all: <ul style="list-style-type: none"> Reduction of electricity consumption Promoting initiatives aimed at generating electricity internally Effective climate change-related planning Integration of climate change measures 	See the section Protecting our natural environment, p. 80
2021 focus 	Promotion of diversity and inclusion and a zero-tolerance approach towards any kinds of discrimination. <ul style="list-style-type: none"> Support of inclusion groups and promoting equal rights for all Recognition, elimination and prevention of discrimination Support for diversity and inclusion groups 	See the section Our people, p. 58
	Quality and upright education and learning opportunities for all: <ul style="list-style-type: none"> Professional education for employees Improving conditions in local educational institutions 	See the sections Our People, p. 58 ; Playing our role in society, p. 96
	Stable economic growth, fair employment, and exalted working conditions: <ul style="list-style-type: none"> Career opportunities in the places of operation Equal opportunities for all employees Elimination of all sorts of slavery Safe working conditions 	See the sections Our People, p. 58 ; Health, Safety, and Environmental Governance, p. 70 ; Playing our role in society, p. 96 ; Responsible supply chain management, p. 104
	Supply infrastructure, sustainable industrialisation and advanced innovation: <ul style="list-style-type: none"> Long-lasting infrastructure Comprehensive industrialisation Proactive innovation Development projects in the regions of operation 	See the section Playing our role in society, p. 96
	Inclusive, safe, resilient, and sustainable cities: <ul style="list-style-type: none"> Development of social infrastructure in the regions of operation Agreements with local authorities to enhance improvements 	See the section Playing our role in society, p. 96
	Sustainable consumption and production: <ul style="list-style-type: none"> Reduction of generated waste Improvement of quantities of recycled waste 	See the section Protecting our natural environment, p. 80
	Peaceful and inclusive societies: <ul style="list-style-type: none"> Building effective, accountable and inclusive institutions Compliance with all applicable legislation Promotion of human rights, anti-corruption, and bribery initiatives Prevention of conflicts of interest 	
	Enhanced global partnerships: <ul style="list-style-type: none"> Implementation and promotion of sustainability initiatives promoted by Russian and international sector associations and institutions 	See the section Protecting our natural environment, p. 80 ; Responsible supply chain management, p. 104

MEMBERSHIPS OF ASSOCIATIONS AND INSTITUTIONS

GRI 102-13

To increase the contribution to global sustainable development, the Group cooperates with leading industry and business associations and institutions. Additionally, EVRAZ actively participates in various events and round-table discussions, dedicated to sustainable development. The list of major associations where EVRAZ participates as a member by the end of 2021 is given below:

- The Russian Managers Association (AMR).
- The Russian Union of Industrialists and Entrepreneurs (RSPP).
- The Association of Industrialists of 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 (CSPA).
- The American Iron and Steel Institute (AISI).
- The Donors Forum.
- The Association of American Railroads (AAR).
- Association of American Railroads.
- Association of Iron & Steel Technology (AIST)¹.
- Steel Manufacturers Association (SMA)¹.
- National Railroad Construction & Maintenance Association.
- Go Rail.
- The Committee on Pipe and Tube (CPTI).



1. ENA left the American Iron and Steel Institute (AISI) and opted to join the Steel Manufacturers Association (SMA). SMA is more focused on EAF steel producers.

ETHICS AND BUSINESS CONDUCT

APPROACH TO PROMOTING FAIR BUSINESS PRACTICES

GRI 102-17, SASB EM-MM-510a.1

To support trust that EVRAZ has built among all stakeholders over the years, the Group adheres to the principle of transparency of all its business operations. Such an approach also helps the Group improve its economic and social environments. By setting the high standard of interaction with its employees and partners, EVRAZ strives to give a lead to fair business conduct and responsible approach to dealing with cases of bribery and corruption. The Group has all the necessary tools to identify early warnings of corresponding risks and to prevent them. Should a risk still occur, the Company does everything possible to mitigate the consequences and eliminate the causes of any type of fraud or misconduct. This helps to minimize the likelihood of similar cases in the future.

The good business conduct is based on the adherence of the Group to Russian and international law, including the Russian Law "On Preventing Corruption", the UK Bribery Act, and the US Foreign Corrupt Practices Act. Accordingly, the Group has a set of internal documents on business ethics, which are mandatory to follow for all EVRAZ employees. The main documents that specify ethical principles and regulate fair business practices remained unchanged during the reporting year:

- 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.
- The Modern Slavery Statement.

It is mandatory for all employees to follow the principles set in the Code of Business Conduct and the Anti-corruption Policy and include: equality of rights and opportunities, respect for people, elimination of all types of discrimination and slavery, prohibition of all sorts of corruption, etc.

The rules and ethical norms apply to all the Group's entities and all business unit levels. Compliance managers, present at every asset, are responsible for monitoring charity and hospitality payments, vetting prospective partners and checking on the existing ones, managing and resolving conflicts of interest, and supervising tender procedures. Their responsibilities also cover controlling employees' conformity

to internal principles and implemented business procedures and investigating relevant cases of malpractice. Following an investigation, they present their findings and recommendations to local top managers, the Group's compliance manager and specialists reporting to the vice president for compliance and asset protection. The latter reviews the investigation results and liaises with senior management as necessary.

The Group's compliance manager coordinates anti-corruption compliance work on-site, develops EVRAZ' in-house training system, maintains a risk register, and consistently communicates progress of all ongoing efforts to the Audit Committee. The Audit Committee, in turn, sets tasks to the compliance team and reports to the Board of Directors. The Audit Committee is also responsible for checking the effectiveness of the anti-corruption system and the completeness of pursued investigation to the presence of corruption signs.

EVRAZ principles for doing business

GRI 102–16

Respect for people

We value our people and do believe that they are the key to success of the Company. Hence, we aspire to provide safe working conditions and opportunities for their development.

Enrichment through collaboration

Only our joint efforts and teamwork may help us achieve the best results.

Value for our customers

Our respect for customers is expressed in the continuous improvement of our products and services. There is no limit to perfection.

Accountability for actions and results

We adhere to all the goals we set and bear responsibility for the delivered results.

Spirit of continuous improvement

EVRAZ uses all necessary tools to develop and implement new ideas, that facilitate our sustainable growth.

CORRUPTION RISK MANAGEMENT

GRI 205-1

Compliance managers regularly examine potential corruption-related risks across all assets. For this purpose, they review business processes and redefine major risk areas at the end of each calendar year as required. Each area is then assessed to further ensure that the procedures and arrangements that the Group applies can properly mitigate the risks revealed.

In addition, the Group thoroughly investigates all signs of possible violations of applicable law and internal anti-corruption policies.

Since Group's business processes are steady and consistent from year to year, compliance managers typically evaluate the same following processes in terms of signs of risk:

- Purchase and sale of goods, works and services.
- Payments made.
- Business gifts, hospitality, entertainment, and travel expenses.
- Charity and sponsorship.

- Conflicts of interest.
- Communication with government agencies.
- The contractor/customer vetting process.
- The contract approval process.

EVRAZ acknowledges risks of bribery and corruption and ready to manage them once they occur, and it always looks for ways to improve its business operations accordingly. In January 2022, the compliance managers involved in the above-mentioned processes estimated the risks based on their statistics generated in terms of tender assessment, contract approval, purchase monitoring, and inspection procedures. Compliance managers engage with asset managers on a regular basis to notify them of known or newly revealed risks and threats and to recommend further steps to manage those risks and threats. The compliance managers then follow up any corrective actions taken to mitigate the risks. If the required follow-up is missing or inadequate, the matter is brought

to the attention of the vice president for compliance and asset protection for action.

In February 2022, the Group's compliance manager presented a review along with the updated anti-bribery compliance risk register to the Audit Committee. The review revealed no essential violations of anti-corruption statutes or cases of non-compliance with EVRAZ policies. At the same time, a specific compliance-related situation showed that no matter how much attention is paid to areas prone to risk, there is always a possibility of violations.

In March 2021, EVRAZ conducted an annual Conflict of Interest Survey in which managerial and other key employees are to disclose any situations and circumstances that may pose a possible conflict of interest. Following each survey, the compliance and asset protection team examines any positive responses to ensure no conflict exists.

RAISING AWARENESS ABOUT ETHICAL BUSINESS CONDUCT

Raising awareness about ethical principles among EVRAZ employees and its contractors is a top priority as it defines the corporate culture of the Group.

GRI 205–2

To inform all stakeholders about available regulations and implemented instruments, EVRAZ publishes all relevant information on internal and external websites. It is highly important that all the newcomers to the Group are well aware of the principles of ethical behavior and have easy access to all required documents.

Another important factor to ensure the proper ethical business conduct is the appropriate training, which helps prevent corruption and bribery. Additionally, big contribution comes from the top management which elaborates on the importance of strict ethical standards of business behavior

on a continuous basis. Recently, the Group has started to migrate from the online anticorruption courses developed by Thomson Reuters to a bundle of own modules and courses. In 2020, the Group started to implement its own Learning Management System, which is meant to increase the effectiveness of employee training management. The learning has become more frequent and specific. Today, EVRAZ anticorruption training programme dwells on such issues as business gifts and hospitality, charity, conflicts of interest, relationships with clients and vendors, unacceptability of harassment. The existing courses and the ones being developed also educate on the right way of reporting any type of malpractice by contacting a compliance manager or using a specialized hotline.

While in Russia online training is a constant practice, EVRAZ North America (ENA) provides anti-corruption education

in alternate years. One year ENA runs online training and the next year the management requires employees to read and sign off anti-corruption and related ethical business conduct policies. For ENA the reporting year was a year for the employees to read and acknowledge the policies. Thus, in 2021, 1,303 employees in the US and Canada once again familiarised themselves with those policies, while 2,200 managers of Russian assets received online training.

It is important to mention that suppliers are now also required to take a specific course dedicated to the EVRAZ Anti-corruption policy. To confirm the compliance with the Company's requirements, every contractor signs an addendum to the main contract.

WHISTLEBLOWING HOTLINE

For reporting any type of suspicious cases or ones of misconduct, EVRAZ has a dedicated 24/7 whistleblowing hotline which can also be used anonymously. All stakeholders are encouraged to use it. There are two separate hotlines:

- The Corporate whistleblowing hotline working in Russia.
- The EVRAZ North America ("ENA") hotline.

In case of an incoming enquiry, it is first analyzed and investigated by a corresponding specialist, and the necessary measures are then taken according to the existing formal algorithm. The applicant may be informed about the status of the case if s/he disclosed his or her identity. Should the issue be more complex or sensitive, it is handled by a specialized Hotline Committee, which consists of the Company senior executives.

GRI 205–3

Year by year the confidence in whistleblowing hotline is growing among employees of the Group, its partners and contractors. In 2021, 1,169 reports were submitted via the Corporate Whistleblowing hotline and 27 via the ENA hotline.

Working process of the Corporate Whistleblowing hotline

1. INITIAL REPORTING

Available channels:

- E-mail (vopros@evraz.com and hotline@evraz.com)
- The hotline phone number
- The internal corporate portal

2. Contact center

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

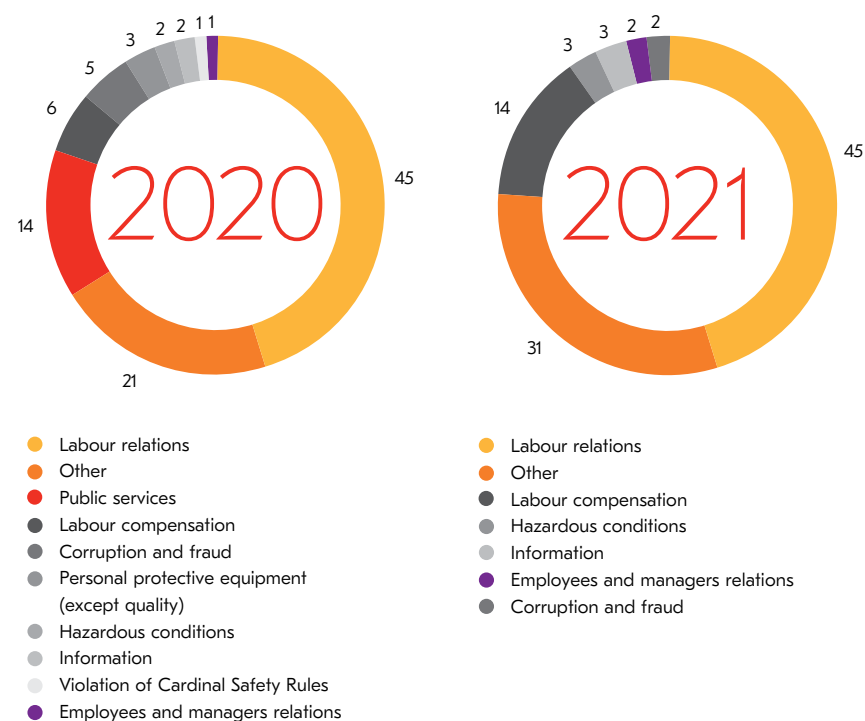
3. Responsible executives

- 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

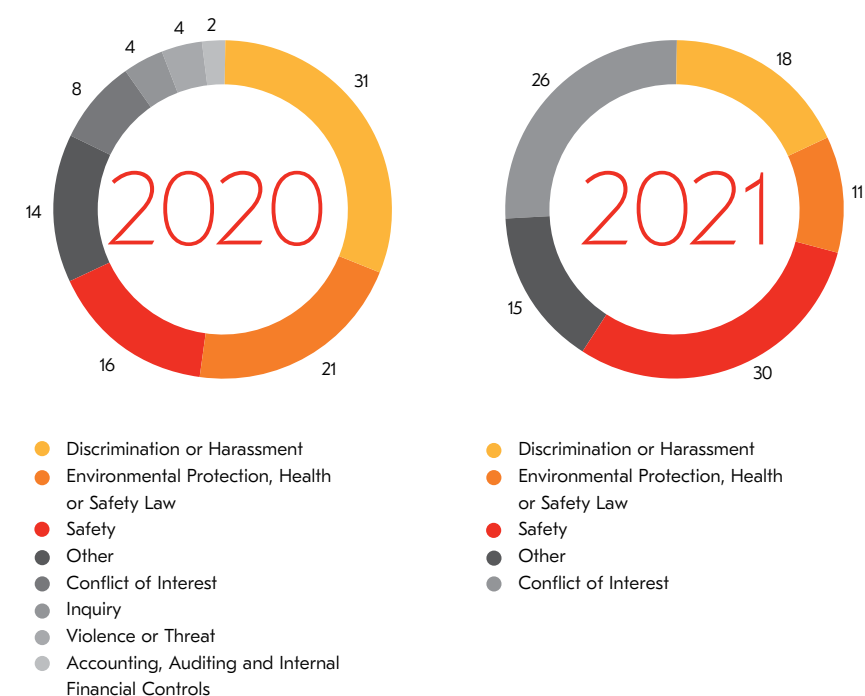
4. Units responsible for handling reports

- 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 popular issues raised via the Corporate Whistleblowing hotline, 2020–2021, %



Topics and popular issues raised via the ENA whistleblowing hotline, 2020–2021, %



CUSTOMER INTERACTION

EVRAZ makes all the efforts to improve interaction with its customers. EVRAZ has a special customer focus programme which involves various initiatives designed to improve interaction with customers in the long run. The initiatives are regularly discussed with the vice president for Sales and Logistics, and customers. Since 2020, EVRAZ has also been operating an online

store launched as an additional e-commerce sales channel. In the reporting period, the Group worked hard to develop this focus area and achieved successful results.

As part of the strategic objective of EVRAZ to remain the leading manufacturer of infrastructural steel, it endeavored to further enhance customer

service and develop new products in 2021. The Group was absorbed in execution of development projects aimed at diversifying its product portfolio. The customer focus programme generated an EBITDA effect of US\$255 million in 2021.


KEY INITIATIVES AND RESULTS 2021

In the reporting year, EVRAZ fulfilled several initiatives to improve customer interaction:

- To develop beams market demand:
 - Continued to serve customers at a metal service center launched in Noginsk, including small metal fabrication facilities that do not have their own automated CNC line and large plants that require increase in production without investing in the purchase of expensive equipment.
 - Sustained full capacity at a hub launched in Nizhny Tagil to increase the availability of beams.
- Extended long-term agreements with the customers in Russia and Europe.
- To improve our client-oriented services:
 - Launched EVRAZ Webshop: an e-commerce platform for all types of customers. Reached 142% for online sales goals.
 - Transformed EVRAZ Market to boost sales in the small wholesale market and provide better support for all types of customers, developing digital services and tools.
 - Launched a claims handling unit, presented standardised processes for dealing with client requests.
- To boost our personal relations with customers we have initiated some events:
 - Organised online conference for end consumers of metal products.
 - Arranged the Fourth Rail Conference on the topic "Promising areas of development of the rail industry. Production and operation technologies" involving representatives of Russian Railways, EVRAZ ZSMK, EVRAZ NTMK and research institutions.

FEEDBACK COLLECTION

To continuously improve customer services and enhance the efficacy of stakeholder engagement mechanisms, the Group collects feedback from internal and external stakeholders on a regular basis. This approach helps understand and fulfil the needs and expectations of the Group's stakeholders. Feedback is collected and arranged into three focus groups: an annual reputational survey of external stakeholders (reputational audit); customer satisfaction surveys; employee engagement surveys. Based on the results of the feedback, EVRAZ organises appropriate events and projects.

For more information, see Our People section,  p. 58.

Reputational audit

To ensure continuous high performance, the Group should undergo an external audit. For that reason, a third-party audit is arranged. In the course of the audit, key stakeholders such as state authorities, customers, industry associations and others provide detailed feedback concerning Group's activities. The initiative helps the Group understand its position in the marketplace, adequately determine the areas of improvement and update the corrective actions.

Client satisfaction survey

To collect important information about client satisfaction, EVRAZ conducts annual external assessment. This assists in identifying critical areas for improvement, preparing corrective actions, and improving customer services. Pursuant to those surveys, the Group receives information on key factors, which constitute client satisfaction and loyalty. The Company investigates various questions using different research methods. In the reporting period, EVRAZ launched a specialised project on transactional evaluation of satisfaction. Owing to this, the Company receives up-to-date information about the customer satisfaction level following each purchase.



EXTERNAL EVALUATION CRITERIA



Business development success



Financial efficiency



Management efficiency



Quality of products and services



Information transparency



HR Capacity



Ethical business conduct



Attractive employer



Social responsibility

Approach to feedback collection covers three areas:

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

Client satisfaction surveys provide the Group with important information on client satisfaction, which can then be used to improve customer services, and reveal the key factors that influence 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.

Pursuant to the customer surveys carried out in 2021, a positive trend in customer satisfaction level was observed (as well as 2020).



CASE STUDY

CUSTOMER SATISFACTION: RUSSIAN RAILWAYS WORKING WITH EVRAZ

The interviewed employees of Russian Railways confirmed that the company is highly satisfied with work of EVRAZ: “Unlike its competitors, EVRAZ is by far the best in customer orientation”. Russian Railways acknowledged key strengths concerning the organizational level at EVRAZ (with the average score for all categories 9.5 out of 10):

- Excellent labeling of products, which complies with the Russian National Standard
- Stable and constantly developing assortment
- All products have necessary certificates
- High-quality packaging
- Payment terms are more flexible than those of competitors

The only area noted by Russian Railways as a key development area was digital marking of rails.



EVRAZ AWARDS IN 2021

EVRAZ awards in 2021

AWARD/ CONTENT	TITLE
"Gold" among the best employers of Russia	Ranked in the "Gold" category of the Forbes best employers list in Russia.
InterComm 2021 Corporate Communications Award	Included in the top three winners of the 12th International Corporate Communications Award in the Strategy nomination.
100+ AWARDS: All-Russian Engineering and Architectural Prize	Won the All-Russian Engineering and Architectural Prize "100+ Awards" for new technology in the construction of high-rise buildings.
Awards of "Leaders of corporate charity" project	Ranked second in the category of "Best Programme Promoting the Professionalisation of the Non-Profit Sector". Received Medal for Care.
"Media Leader 2021"	Won the worldwide corporate media competition "Media Leader 2021" for the film "We became stronger".
Winner of the WorldSkills Hi-Tech National Championship	Won 13 silver and 3 bronze medals.
18 awards in the International Music Festival	Became laureates and diploma winners of the international competition-festival "Siberia Lights the Stars."
2nd place "Best Programme to Professionalise non-profit sector"	Took 2 nd place in the educational programme "Create. Make happen. Evaluate".

EVRAZ SUSTAINABILITY RATINGS 2021

EVRAZ sustainability ratings¹

MSCI

BBB

Where CCC is the lowest and AAA is the highest rating.

**FTSE
Russell**

3.8

In 2020 EVRAZ was included into the FTSE4Good Index Series, in 2021 EVRAZ has confirmed its membership by virtue of a high score 3.8 out of 5.

SUSTAINALYTICS

32,1

Where 0 is the lowest ESG risk exposure and >40 is the highest ESG risk exposure.

S&P Global

52

out of 100

CDP
DISCLOSURE INSIGHT ACTION

C

Climate Change 2021

C

Water Security 2021

Where F is the lowest and A is the highest.

STAKEHOLDER ENGAGEMENT

GRI 102-21, 102-40, 102-42, 102-43, 102-44

The Group fully understands the significance of all stakeholder engagement and therefore makes considerable efforts to address all related concerns and expectations thoroughly. This approach helps to build strong, long-lasting relationships.

The most important criteria for consideration are the inclusion of all stakeholders, open communication and encouraged feedback. There are various channels of communication, which are constantly being improved. However, having open communication

and information transparency as the foundation of the relationship with all stakeholders, the Group strives to provide a unified source of information, which will eventually optimise communications, by developing the Group's communications strategy.

Stakeholders' communication channels

STAKEHOLDER	DESCRIPTION	COMMUNICATION CHANNELS
Employees	Being 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. For more information about employee engagement see Our People section, p. 58 .	Internal communication channels <ul style="list-style-type: none"> Corporate TV and newspaper An internal portal and a mobile app for employees EVRAZ Corporate Hotline Annual staff engagement surveys Interpersonal communication Group-wide events
Shareholders and investors	Shareholders' best interests are the focus of EVRAZ's attention. The Group works to build an experienced management team and implements corporate governance best practices.	External communication channels <ul style="list-style-type: none"> The media Social media Our official website EVRAZ Corporate Hotline Annual reports Face-to-face communications with external stakeholders
Customers	Prioritisation of value-added products, better shipping terms, and a client-orientated business model generate value for the clients of EVRAZ around the world.	
Suppliers and contractors	By ensuring that all tenders are fully transparent, EVRAZ demonstrates the value of relationships with business partners.	
Local communities	EVRAZ strives to promote prosperity in its regions of operation and puts significant efforts into creating 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. The Group plays a valuable role for the country by providing construction and railway products for infrastructure.	
Media	The Group proactively engages with the media to enhance the quality and transparency of information about the Group.	
Industry organisations	EVRAZ supports several industry organisations through joint initiatives and proactively participates in conferences and forums.	

SUSTAINABILITY RISK MANAGEMENT

APPROACH TO MANAGING SUSTAINABILITY RISKS

Sustainability risks are managed and reviewed in a systematic manner. The approach to risk management at EVRAZ covers all the Group's business processes and is adopted in all its operations. It allows the timely identification, assessment, and management of risks at both the corporate and operational level and to arrange preventive measures

when required. The Group does not differentiate between financial and non-financial risks and takes all required actions to manage sustainability risks (environmental, social, economic, and other related risks).

The current geopolitical situation may significantly affect the sustainable development of the Group in the future.

On the part of the Company's management, all necessary actions are taken to minimise the negative impact of ongoing changes on the achievement of the Company's sustainability goals.

The Group's systematic approach towards managing risks is presented in the table below¹.

Principal risks and uncertainties

RISK	DESCRIPTION AND IMPACT	RISK OWNER(S)	RISK MANAGEMENT ACTIONS IN 2021
Global economic factors, industry conditions, industry cyclicity	EVRAZ' operations are dependent on the global macroeconomic environment, as well as economic and industry conditions, for example, global supply and demand balance for steel, iron ore and coking coal, which affect both product prices and volumes across all markets. The Group's operations involve substantial fixed costs, and global economic and industry conditions can impact its operational performance. New capacity and lower demand amid the economic recession put significant pressure on prices.	Corporate Strategy and Performance Management	This is an external risk that is largely beyond the Group's control; however, it is partly mitigated by exploring new market opportunities, focusing on expanding the share of value-added products, further downscaling inefficient assets, suspending production in low-growth regions, reducing and managing the cost base with the goal of being among the sector's lowest-cost producers, and improving the balance sheet/gearing.
Product competition	Increased competition in the global market for various products of the Group, mostly slabs and other steel products. Without mitigation activities, excess steelmaking capacities all over the world with lowered demand for some products may affect the Company's performance in a number of segments.	VP of Sales and Logistics, VPs of business units	<ul style="list-style-type: none"> ● EVRAZ drives improvements in its product portfolio and quality and endeavours to enter new regions and product segments ● The Group is committed to building and maintaining customer trust and loyalty and to implementing customer focus programmes and initiatives ● EVRAZ works on new value-added offers and increasing the share of the existing ones in its product mix

1. This table is based on the disclosure made in the Group's Annual report 2021. Updated list of principal risks will be disclosed in due course.

RISK	DESCRIPTION AND IMPACT	RISK OWNER(S)	RISK MANAGEMENT ACTIONS IN 2021
Cost effectiveness: cost position vs competitors	Most product groups in the steel industry are highly cost competitive and this is particularly relevant to the Group's key markets in Russia and North America. The majority of the Group's steel production remains cost and price sensitive. EVRAZ is increasingly moving its products to semi-finished commodities, which requires less customer service and is more cost driven. Steelmaking is a high capital cost industry and the impact of lower plant utilisation increases the underlying cost per tonne of crude and rolled steel, reducing any profit margin. Digital transformation is having a significant impact in the sector as companies seek to use new technologies to support efforts to improve productivity and margin across the value chain. The failure to employ and use digital transformation to solve the most urgent business problems could lead to the diminished flexibility of operations and cost advantage. Mining production is a high capital cost industry. Inefficiency in mining costs contributes to higher production costs both for mining and steel products.	VPs of business units	For both the mining and steelmaking operations, EVRAZ is implementing cost reduction projects to increase asset competitiveness. The Group's focused investment policy aims to reduce and manage the cost base. EVRAZ also seeks to mitigate this risk through the control of its Russian steel distribution network, the development of high value-added products and the implementation of EVRAZ Business System transformation projects that focus on increasing efficiency and effectiveness. In addition, the Group's digital projects help to reduce risks associated with primary equipment and improve effectiveness.
Potential regulatory actions by governments, including trade, antimonopoly, anti-dumping regulation, sanctions and other laws and regulations	Changes in the regulatory environment may affect the Group's ability to obtain financing on global markets, sell its products or purchase equipment. EVRAZ may also be adversely affected by government sanctions against Russian businesses that may deteriorate its ability to conduct business with counterparties. There remains a risk of adverse geopolitical situations in the countries where the Group operates. EVRAZ could also fail to adapt to new market regimes or conditions or could suffer losses on the existing contracts in case of additional sanctions.	CEO, CFO, Legal VP, VP of Sales and Logistics, VPs of business units	<ul style="list-style-type: none"> • To contribute to the development of national and international industry associations, EVRAZ and its executives actively participate in the work of such organisations and discussions with industry counterparts, political and regulatory authorities as appropriate. The Group seeks to monitor potential legislative changes before their introduction, at the point when new laws are being drafted • EVRAZ constantly reviews and enhances its policy and procedures to ensure full compliance with the sanctions. 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 regulations on the COVID-19 pandemic

RISK	DESCRIPTION AND IMPACT	RISK OWNER(S)	RISK MANAGEMENT ACTIONS IN 2021
Functional currency devaluation	The devaluation of functional currencies leads to foreign exchange losses (included in the consolidated statement of operations) on US dollar borrowings, as well as exchange losses on intercompany loans between entities with different functional currencies. In times of severe devaluation, while the Group's EBITDA and cash generating capacity may increase (at least in the medium term) because a large proportion of sales are priced in dollars, its profit and retained earnings may decrease significantly.	CFO	This is an external risk which is largely beyond the Group's control, however management is reducing the risk through proper disclosure and monitoring.
HSE: Environmental	The mining and metals industry heavily depends on natural resources and ecosystems, and its processes may have a profound impact on the environment, including the quality of water, air, soils, and community satisfaction. The risks for the Company include regulatory fines and penalties, up to and including suspended operations and revoked licenses, and reputational damage. Among the environmental issues, the material topics for EVRAZ are climate change, eco-efficiency in all our activities, and biodiversity.	Sustainability Committee under the Board of Directors and management level	<p>EVRAZ takes following actions to minimise environmental risks:</p> <ul style="list-style-type: none"> • The specialised environmental risk matrix that is continuously monitored helps EVRAZ handle environmental risks, identify and implement mitigation actions in response to these risks. In addition, senior executives monitor environmental risk trends and factors on a monthly basis • The Group implements special projects and programmes to decrease GHG emissions, water usage, and waste at its facilities • EVRAZ has developed an environmental strategy until 2030 and updated its list of projects in accordance with the strategy to achieve its strategic goals regarding emissions and waste. The strategy is being implemented through dedicated programmes in each division • Most of business operations have ISO 14001 certificates. EVRAZ takes all effort to bring all of its facilities in compliance with the standard • The Group is also compliant with REACH regulation (Regulation (EC) №1907/2006 as amended) • EVRAZ continues working on its Climate Change Strategy that includes several scenarios, identifying applicable risks and challenges and ways to handle them • EVRAZ is also an active participant in drafting the Russian regulations for GHG emissions

RISK	DESCRIPTION AND IMPACT	RISK OWNER(S)	RISK MANAGEMENT ACTIONS IN 2021
HSE: Health, safety	Our HSE policy also covers workplace hazards for our employees, including the matters of their safety (potential danger of fire, explosions, electrocution, falls etc.), ergonomics and work organisation. Workplace accidents with elevated methane levels, rock falls etc. may result in personal injuries and even loss of life, as well as production delays, loss of materials and equipment, operations suspension or shutdown, or extensive damage compensation. Moreover, in many of the regions where we operate, any HSE violations are punishable by fines, penalties, and, in the extreme, the withdrawal of mining licenses, and the reputational damage may be severe. In 2021, the risk COVID-19 infection remained high. In addition, there is a risk of employees being infected with COVID-19, which could lead to the mass quarantine of workers.	Sustainability Committee under the Board of Directors and management level	<p>To mitigate these risks, EVRAZ is taking the following actions:</p> <ul style="list-style-type: none"> • Safety ranks very high among our priorities, which can be seen in the management KPIs and the standardised critical safety approaches and programmes • EVRAZ has a programme to isolate all power lines and further enhances its behaviour-based safety audits to prevent injuries and incidents • The Group has launched a series of health and safety initiatives for the underground mining in the past few years • In 2021, EVRAZ continued mass testing of employees for COVID-19 and implemented reliable barriers to prevent the virus spreading • Other measures include maintenance and repair upgrades, a downtime management system, further elaboration of the occupational safety risk assessment methodology, as well as monitoring the corrective measures and analysing their effectiveness
Business interruption	Business interruptions due to any materialised risks, including natural disasters, pandemic outbreak, machinery malfunctions, and human factors, may severely delay production and affect both the Group's financial performance and reputation affecting its future sustainable development.	VPs of business units	<ul style="list-style-type: none"> • The Group maintains and regularly reviews defined and established disaster recovery procedures. Measures to mitigate business interruptions at EVRAZ facilities include methane monitoring and degassing systems, regular maintenance of all mining equipment, as well as employee safety training • EVRAZ analyses incidents in detail searching for root causes in order to prevent their reoccurrence in the future. Various preventive initiatives are being implemented, and minor interruptions are reviewed on a regular basis to identify any more significant underlying issues
Digital effectiveness and effective, efficient and uninterrupted IT service	As the business become increasingly dependent on digital effectiveness, they face cybersecurity risk, automation risk, resiliency risk, data privacy risk and many others. Information technology and information security risks have the potential to cause prolonged production delays or shutdowns. However, losing the technological edge may become even more harmful and make a company less competitive and successful in today's world.	VPs of business units, VP of IT and IT Architecture Committee	<ul style="list-style-type: none"> • Digital Transformation is an integral part of the Group's IT strategy • Assisted by independent consultants, EVRAZ continuously assesses and monitors information security risks and implements mitigation measures • 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 organizing remote work for staff during the COVID-19 pandemic

RISK	DESCRIPTION AND IMPACT	RISK OWNER(S)	RISK MANAGEMENT ACTIONS IN 2021
Capital projects and expenditures	The Group's development plans largely rely on capital projects and depend on their economic viability, efficiency and effective execution, as well as the availability and cost of capital to finance capital expenditures. Economic issues outside of those factored into the Group's business plans, including regulatory approvals, may also impact anticipated free cash flow and cause certain components of the planned capital expenditures to be re-phased, deferred or abandoned with a consequential impact on the Group's planned future performance. In addition, the profitability of new projects may be impacted by higher than expected operating and life of mine costs due to variables such as lower than expected coal and iron ore quality, coal seam economics, as well as technical processing and engineering factors. An ambitious corporate investment programme may cause a shortage of qualified project staff.	CFO, Strategy Committee, Investment Committee, VPs of business units	EVRAZ reviews all proposed capital projects on a risk return basis. The current list of projects has been reviewed and updated. Each project is presented for approval against the Group's risk matrix to assess its potential downside and any possible mitigating actions. EVRAZ has created a list of typical project risks and a database of lessons learned. Project delivery is closely monitored against project plans, which allows for high-level action to manage project investment for both timely delivery and planned project expenditures. New mine development and the definition of feasibility plans are reviewed and signed off by independent mining engineers. The Group regularly revisits key assumptions for its main investment projects and performs scenario analyses, which may result in the suspension and/or postponement of certain projects. EVRAZ also uses financial modelling to define the strategy of each individual asset and the enterprise in general for the purpose of long-term FCF forecasting, including investment projects. The project management system's transformation is ongoing. A pilot project is being conducted at one mine on a long-term detailed planning of LOM (life of mine) using a 3D model and restrictions on air, gas and sinking.
Decarbonisation	Possible introduction of different carbon emission control systems on the domestic and sales markets (most likely selling of carbon credits).	Sustainability Committee under the Board of Directors and management level	<ul style="list-style-type: none"> ● Setting an internal carbon price ● GHG emissions reduction ● Scope 1, 2, 3 emissions monitoring <p>For more information on Climate change risks, see the section Tackling climate change, p 44.</p>

KEEP GROWING IN TIMES OF PANDEMIC

The unstable environment caused by the COVID-19 pandemic has challenged businesses' commitments to their values and their ability to adapt to unprecedented conditions. In 2020 EVRAZ was able to further establish itself as a responsible business by focusing its efforts on stakeholders' well-being, carrying out environmental initiatives and serving local communities. The Group did not stop on its achievements and upheld the same attitude throughout 2021.

Keeping the health and safety of our personnel as our top priority, EVRAZ has been contributing to the development of healthcare facilities to combat the repercussions of the pandemic by facilitating the construction process

and supplying medical equipment. Following the US\$3.12 million construction of the hospital for treatment of infectious diseases in Novokuznetsk we launched a new coronavirus treatment facility for our personnel within the Urals Vladislav Tetyukhin Medical and Rehabilitation Centre in 2021. The investment of US\$271,540 has created a facility with the capacity to treat diseases and ensure full recovery for up to 25 people.

COVID-19 vaccination came to play an important role in the way the company has been coping with the pandemic. The Group's approach to encouraging vaccination among its employees can be regarded as positive – with an idea

of leading by example, the first 150 volunteer vaccinated employees were the executives. Additionally, EVRAZ launched a promotion campaign that included online meetings, informative articles in corporate publications, and a monetary incentive in form of a lottery for the vaccinated employees. As a result of the initiative, half of our personnel were vaccinated by the summer of 2021, and towards the end of the year, this number rose to 80%. The vaccination was delivered in specially designated rooms that met all requirements of sanitary standards by qualified medical specialists. Currently, EVRAZ is making an emphasis on revaccination, the rate of which now stands at 25%.

CASE STUDY

EVRAZ UNDERTOOK THE FIRST VACCINATION AWARENESS DAY IN 2021

The first COVID-19 Vaccination Awareness Day took place at the Urals division on 2 February 2021. The meeting was opened by Denis Novozhenov, Vice President of the Urals division, who described the current situation with COVID-19 and the actions taken. He also highlighted the importance of vaccination within the divisions. "Preventing a third wave of the COVID-19 pandemic is primary today," Denis added.

Executives of the division and chief medical officers of Kachkanar and Nizhny Tagil medical institutions provided employees with all the necessary information about COVID-19, including the composition of Sputnik V, effects of vaccination and whether the elderly can receive a dose. The participants received some valuable insights from the executives who shared their vaccination experience.

The meeting was held online via the Zoom platform and lasted for about two and a half hours instead of an hour and a half as planned.



EVRAZ has been closely working with both state and private healthcare bodies to monitor the spread of the virus and thus ensure timely and appropriate action to the possible consequences. Measures, such as two-week post-travel self-isolation for employees and contractors, have been put in place since the start of the pandemic and were strictly adhered to throughout 2021. Our facilities have been equipped with thermal imagers and pyrometers at entrance points and the employees have been provided all the necessary equipment to ensure safe access to their workplace, where regular systematic sanitation procedures are carried out. Until 31 March 2021 our employees could consult with doctors in Moscow clinics online free of charge (for registered users) as well as receive professional medical advice via the "Doctor Nearby" mobile app. Furthermore, for greater awareness and more streamlined communication

on coronavirus-related topics, relevant information on our corporate website is always kept up to date, while our hotline service has been modified to address coronavirus-specific questions.

Along with the rest of the world, since the surge of the virus EVRAZ has shifted towards teleworking and has been steadily improving the quality of remote work and training. Today, nearly all communication between our top-level management and employees is conducted online. To guarantee a smooth transition to working online, we have supplied our personnel with best-suited hardware and software and held psychological assistance for our workers and their families.

To address the effectiveness of online training and enhance learning processes, EVRAZ has introduced a new system called EVRAZ-Navigator – the platform contains

tailored online courses and seminars as well as information on upcoming events. Another noteworthy effort is that the major events, which had to be cancelled or postponed in 2020 to ensure employee safety, such as mass business and corporate entertainment events, were held online in 2021. This included an online New Year's celebration and our annual Corporate Award.

Since the beginning of the COVID-19 pandemic, EVRAZ has spent over US\$1.37 million to finance anti-coronavirus commitments and has further plans to uphold and enhance its safety measures in the near future. These plans involve improving our cooperation with healthcare organisations in the communities where our enterprises are located, ensuring quality medical services for our employees and their families.



TAX LIABILITIES

GRI 207–1, 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 where 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 an oversight 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, 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 2021 by the Management Company. EVRAZ has a unified hotline so that any employee can report any situation involving unethical or unlawful behavior, including the taxation sphere. In 2021, there were no claims of tax laws violations.

GRI 207–3

EVRAZ has all the potential to draw attention to any topic of tax matters to other members of the industry by being a member of the Russian Union of Industrialists and Entrepreneurs (RSPP) and Russian Steel. In the reporting period EVRAZ continued 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, 2021¹

GRI 207–4

Indicator	RF	Kazakhstan	USA	Canada	Switzerland	Czech Republic	UK	Luxembourg	Total
Name of legal entities (residents)	EVRAZ Consolidated West-Siberian metallurgical Plant; EVRAZ Kachkanarsky Ore Mining and Processing Plant; EVRAZ Nizhny Tagil Metallurgical Plant; Rapsadskaya; United Coal Company Yuzhkuzbassugol and others ²	Evrz Caspian Steel; EvrazMetall Kazakhstan;	EVRAZ Inc. NA ³	EVRAZ Inc. Canada ⁴	East Metals A.G.; East Metals Shipping A.G.	EVRAZ Nikom, a.s.	EVRAZ North America plc; EVRAZ plc	Evrz Group S.A.	

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, EVRAZ LLC, EvrazService, Evraztekhnik, Ferro-Building, Gurievsky rudnik, Industrialnaya Vostochno-Evropetskaya company, Kachkanarskaya teplosnabzhauschaya company, Kuznetskpozguztrans, Kuznetskteplosbyt, Managing Company EVRAZ Mezhdurechensk, Metallenergofinance, MetService, Mezhegeyugol Coal Company, Mine Abashevskaya, Mine Alardinskaya, Mine Esaulskaya, Mine Osinnikovskaya, Mine Uskovskaya, Mining Metallurgical Company "Timir", Montazhnik Rapsadskoy, MU-Invest, Nizhny Tagil Telecompany Telecon, Novokuznetskmetallopttorg, Olzherasskoye shakhtoprophodcheskoye upravlenie, Osinnikovskiy remontno-mekhanichesky zavod, Promugleproject, Rapsadskaya, Rapsadskaya Coal Company, Rapsadskaya Preparation Plant, Rapsadskaya-Koksovaya, Razrez Rapsadskiy, Regional Media Company, Sibir-VK, Sibmetinvest, 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, CF&I Steel LP, East Metals North America LLC.

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

Indicator	RF	Kazakhstan	USA	Canada	Switzerland	Czech Republic	UK	Luxembourg	Total
Main activities of the Group	Steel production and coal/ ore mining/ trading	Steel production/ trading	Steel production	Steel production	Trading	Producer of ferrovanadium	Holding companies	Holding companies	
Number of employees ¹	64,594	214	1,419	1,362	59	62	15	3	67,728 ²
Revenue from sales to third parties	6,311	296	1,487	890	5,173	2	0	-	14,159
Revenue from intra-group transactions with other tax jurisdictions	4,557	8	17	308	190	143	0	-	5,223
Profit / loss before tax	6,456	31	66	94	149	0	1,818	33	8,647
Tangible assets other than cash and cash equivalents	4,444	46	898	736	439	13	0	0	6,576
Income tax paid	758	0	1	0	0	0	249	-	1008
Income tax accrued on profit/loss	794	0	5	0	13	0	202	-	1014
Total employee remuneration	715	2	138	116	13	2	4	-	990
Taxes withheld and paid on behalf of employees	351	0	44	35	1	0	2	-	433
Industry-related and other taxes or payments to governments	363	0	16	5	0	0	0	3	387
Tax on mining	42	0	0	0	0	0	0	-	42
Property tax	16	0	6	3	0	0	0		25
Other taxes	305	0	10	2	0	0	0	3	320
Significant uncertain tax positions	31	0	0	0	0	0	0	-	31

1. Number of employees is presented according to the Group's HR headcount.

2. Excludes 5 staff members from Unicroft Limited (Cyprus) due to its tax-free area preferences.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The Group generates and distributes direct economic value by its operations which is generated and further allocated by stakeholders. Direct value generated and distributed during the reporting period is shown in the table below. It is evident that some economic values

were retained in the reporting period, this is usually used for further growth of the Group.

The value generated by EVRAZ in 2021 amounted to US\$14,184 million, the value distributed – US\$12,606 million,

and the value retained – US\$1,578 million. In line with the 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 distributed³, US\$ million, 2021

GRI 201–1

ITEM	STAKEHOLDER	2021
Direct economic value generated	-	14,184
Revenue from the sale of goods		13,893
Revenue from providing services		266
Revenue from financial investments	A wide variety of stakeholders	5
Other operating income		20
Economic value distributed	-	(12,606)
Operating expenses	Suppliers and contractors	(7,841)
Wages and other payments to employees	Employees	(1,323)
Payments to providers of capital	Shareholders and investors	(2,029)
Payments to shareholders		(1,823)
Payments to creditors	Creditors	(206)
Payments to the government	Government authorities	(1,378)
Including income tax expenses		(1,007)
Community investments	Local communities	(35)
Economic value retained		1,578

3. Information from the audited IFRS Financial Statements of the Group was used to prepare Disclosure 201–1 in accordance with the GRI recommendations. Data are presented on an accrual basis.

MATERIAL TOPICS

2021 HIGHLIGHTS

Total GHG emissions

42.13 MtCO_{2e}

GHG emissions intensity from the steel segment (Steel segment and Steel, North America segment)

1.90 tCO_{2e}/tcs

Energy intensity

23.3 GJ/tcs¹

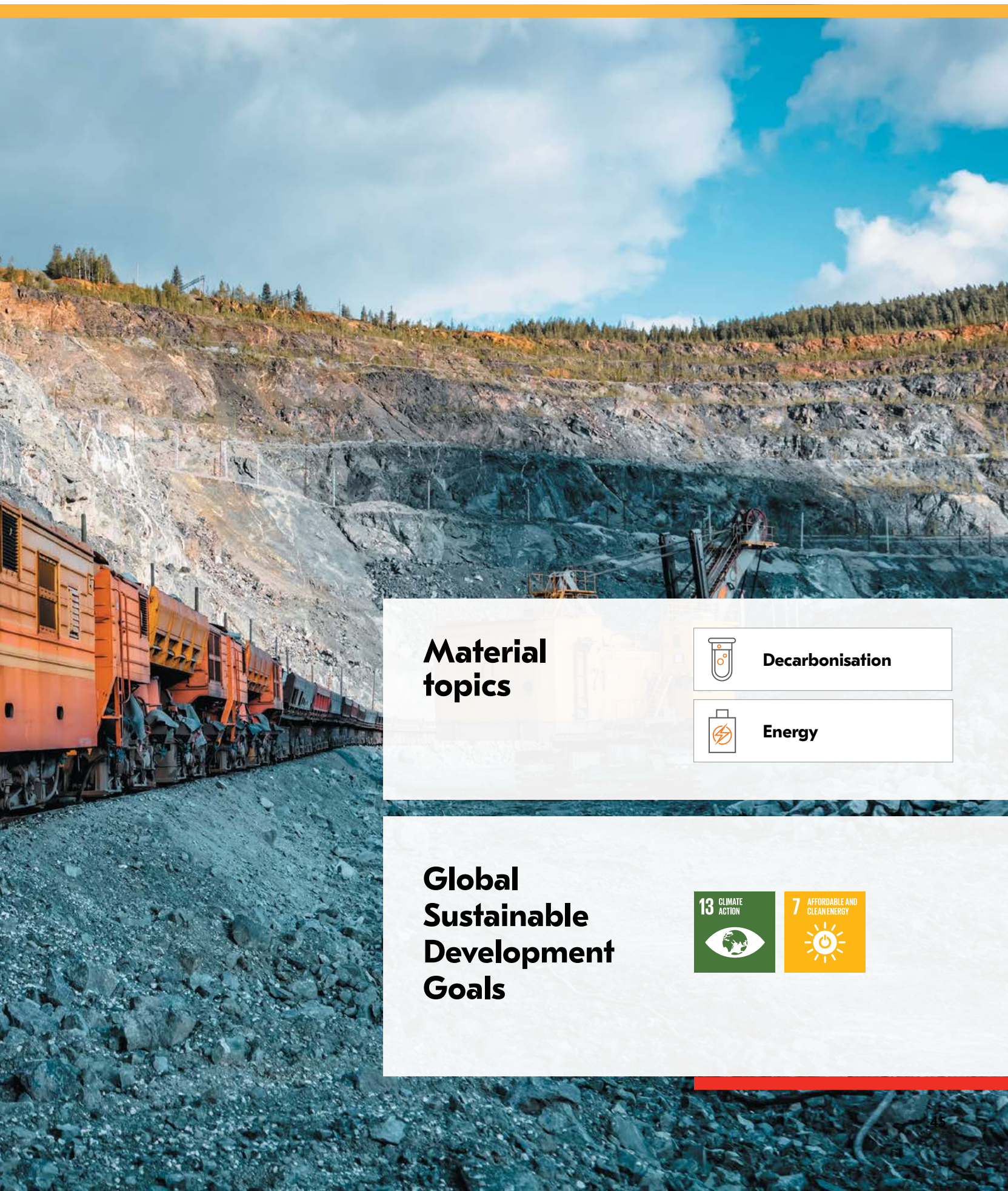
Total energy consumption

350.8 million GJ²

Key events 2021

- Setting up the Sustainability Management Committee at the level of the Management Company, which enables us to pay more attention to sustainability issues, including climate change
- Calculation of Scope 3 GHG emissions
- Installation of methane utilisation units at Alardinskaya and Erunakovskaya-VIII mines
- Installation of a top-pressure recovery turbine at EVRAZ NTMK
- First-ever certification of EVRAZ ZSMK's energy management process for compliance with the ISO 50001 standard





Material topics



Decarbonisation



Energy

Global Sustainable Development Goals



TACKLING CLIMATE CHANGE

CLIMATE RISK AND GHG EMISSION MANAGEMENT

Climate change governance

GRI 103–2

The metallurgical and mining industries are energy intensive and responsible for a large amount of greenhouse gas emissions. EVRAZ sees reducing the negative impact on climate change as an essential task and takes various measures to mitigate the adverse

consequences. The Group believes that businesses should pay more attention to climate issues.

The Board of Directors deals with climate change issues and controls the climate change risk management process. Climate-related issues are also considered by the Sustainability Committee of the Board of Directors.

The key achievement of the reporting year pertaining to increasing energy efficiency and managing climate-related risks is the establishment of the Sustainability Management Committee. Its function is to consider issues related to sustainable development, including climate agenda and carbon footprint reduction, setting GHG emissions targets, and management of climate risks.

Climate-related responsibilities at EVRAZ

RESPONSIBLE BODY	CLIMATE-RELATED RESPONSIBILITIES
Board of Directors (BoD)	<ul style="list-style-type: none"> Exercises informed and strategic oversight over managing climate risks as part of the Group's risk landscape and set the climate risk appetite aligned with the Group's climate change strategy Navigates the climate change challenges and sets targets for governance, strategy, risk management, and environmental matters Meets regularly to further the Group's strategic objectives, establish priorities, set policy and review performance for various areas, including ESG and climate
Sustainability Committee (previously HSE Committee)	<ul style="list-style-type: none"> Oversees group-level policies, processes and strategies designed to manage risks and opportunities related to health, safety, the environment, socio-economic issues, the supply chain and climate change Supports the BoD in identifying the required climate-related policies and initiatives, supervising their implementation, as well as determining the acceptable level of risk associated with climate change Meets on a quarterly basis and whenever required
Audit Committee	<ul style="list-style-type: none"> Charged with oversight of the Internal Audit Directorate, risk management practices, including climate risks, and monitoring implementation of ESG programmes to reflect latest best practices With its terms of reference updated in 2021 to emphasise effective and appropriate co-ordination with the Sustainability Committee, the Audit Committee assists the BoD with reviewing governance, risk and control environment in the Company, including the matters of climate

RESPONSIBLE BODY	CLIMATE-RELATED RESPONSIBILITIES
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> Has an ultimate mandate over addressing climate change risks and challenges for the Group and keeps track of the risk management activities and sustainability programmes Oversees development of the pathway to net-zero carbon and monitors performance regarding climate-related targets on the Group level, which are reported to the Sustainability Committee and the BoD after the CEO's approval
Sustainability Management Committee	<ul style="list-style-type: none"> Oversees various climate change matters, including decarbonisation (with analysing available technology and its possible application), specific asset-oriented measures aimed at helping enterprises to achieve emissions quotas, and analysis of automated emissions accounting systems Includes the CEO, the Vice Presidents for Corporate Strategy and Performance Management, HSE, IT Technologies Development, as well as representatives of the Risk Management Group. Heads of specific departments and production divisions may be invited to report key findings and insights that can factor in the committee's strategy Monitors the Company's sustainability performance and reports its findings to the CEO Meets at least once a month
Vice President, Corporate Strategy and Performance Management (CSPM)	<ul style="list-style-type: none"> As the chair of the Sustainability Management Committee is charged with keeping its agenda in close alignment with the Group's strategy, including sustainability and climate issues, measuring and managing performance
Vice President, Health, Safety and Environment (HSE)	<ul style="list-style-type: none"> Supervises health, safety and environmental issues
Vice President, Technologies Development	<ul style="list-style-type: none"> Navigates the technology side of the net-zero transition
Director, Energy and Climate Management	<ul style="list-style-type: none"> Represents the Company's interests in the field of climate regulation and is responsible for: <ul style="list-style-type: none"> Participating in working groups under governmental bodies, industry associations, committees and commissions Monitoring climate regulation and decarbonisation initiatives Articulating the Company's position concerning climate-related issues Implementing decarbonisation programmes and projects, developing an energy management system and overall eco-efficiency of the Group's production
Risk Management Group	<ul style="list-style-type: none"> Consolidates all results and plays a key role in reviewing, assessing and monitoring climate-related risks and mitigation measures within the Group
HSE function and safety representatives for all EVRAZ operations	<ul style="list-style-type: none"> Put the climate initiatives and programmes into practice making them part of the Company's day-to-day activities and monitor them at the operational level in compliance with the Company's general strategy and the Climate Action Plan Report to the division directors and the management

Climate-related risks and opportunities

GRI 201-2

The Group's management gives a high priority to climate risks. The Group determines relevant physical and transition

climate-related risks according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). EVRAZ annually evaluates climate-related risks to make the business more sustainable through the development and implementation of solutions aimed




at mitigating material risks. The assessment of climate risk materiality is based on the Group's approach, which includes a five-point scale of the impact and a five-point scale of the likelihood of the risks. To identify significant climate risks, the Group uses three scenarios:

LOW-CARBON
DEVELOPMENT SCENARIO
(align with SSP1-2.6)

PARIS-COMPLIANT
SCENARIO
(align with SSP2-4.5)

BUSINESS-AS-USUAL
SCENARIO
(align with SSP5-8.5)

EVRAZ considers the Paris-compliant scenario (corresponds to 2°C increase in the global average temperatures) as the primary scenario for assessing risk materiality and strategic planning. The Group identifies climate risks within short-, medium-, and long-term time horizons:

2021  short-term
 2025  medium-term
 2030  long-term
 2050

Transition risks are the most relevant for EVRAZ for the short- and medium-term time horizons. Regulatory risks were identified as the most critical ones for the short-term — they have very high or high materiality for all the scenarios used and a growing trend of risk exposure for the Group.

Climate-related risks

RISK	DESCRIPTION	KEY RISK MANAGEMENT INITIATIVES
Regulatory risks	Risks related to pricing of GHG emissions, implementing carbon taxes, introduction of national carbon regulation, changes in regulations to meet the Paris Agreement objectives, enhanced emissions-reporting obligations. These risks are constantly increasing, and the Group gives a high priority to them. Risks are relevant for the short-term horizon.	<ul style="list-style-type: none"> Scope 1, 2, 3 GHG emissions assessment Monitoring regulatory changes Setting internal carbon prices Disclosing climate-related information according to the TCFD requirements Decarbonisation initiatives and GHG reduction
Reputational risks	Rising expectations of investors from the Group can make EVRAZ endeavor to comply with them. Investors are interested in information disclosure about climate-related risks mitigation activities of EVRAZ and amounts of GHG emissions of the Group. Reputational risks are relevant for the medium-term horizon.	<ul style="list-style-type: none"> Interacting with investors Disclosing climate-related information
Technology risks	Risks related to the necessity to reduce carbon footprint of production to comply with requirements of consumers. The risks are relevant for the medium-term horizon.	<ul style="list-style-type: none"> Monitoring the new technologies and trends in this area Investing in R&D projects Implementing new technologies to reduce GHG emissions
Market risks	The risk is linked to the tendency of technical upgrades in the direction of less carbon-intensive products; a decline in raw materials demand for production processes; an increase in electricity and thermal energy costs in Russia. The risks are relevant for the medium-term horizon.	<ul style="list-style-type: none"> Monitoring the new market opportunities Seeking to adopt novel technologies to implement decarbonization and resource- and energy-efficiency projects
Physical risks	Physical risks include weather changes and natural disasters, which can lead to equipment breakdowns. Risks are relevant for the long-term horizon and have low materiality for the base climate change scenario.	<ul style="list-style-type: none"> Monitoring the condition of facilities and equipment Considering physical risks in investment process

Read more about climate-related risks and opportunities in the Annual Report & Accounts 2021  on pages 92–96.

The Group has plans for 2022 to conduct a quantitative risk assessment that will provide a better understanding of the financial impact of climate-related risks on EVRAZ's financial stability and performance.

In addition to climate risks, the Group analyses the opportunities emerging because of climate change. EVRAZ considers the following directions as the most relevant opportunities:

In the reporting year, EVRAZ improved its CDP rating (Carbon Disclosure Project) to C by increasing information disclosure quality and improving climate-related risk assessment.

Improving resource efficiency by enhanced use of scrap metal and secondary energy sources, introduction of closed-loop water systems.

Changes in energy sources by transitioning to less carbon intensive and more efficient energy sources, increasing of renewable energy in EVRAZ' energy mix.

Improving resilience by using scenario analyses, assessing climate-related risks, participating in partnership programmes for the development of low-carbon solutions.

Identifying opportunities in new markets and new products related to the low-carbon economy transition and climate change adaptation and mitigation.

EVRAZ seeks to fulfil these opportunities and takes them into account while developing the decarbonisation pathway.

Decarbonisation pathway

SASB EM-MM-110a.2

In 2021, EVRAZ updated its decarbonisation target in keeping greenhouse gas emissions at the level not higher than 2 tonnes of CO₂ equivalent per ton of crude steel, which was initially set in 2017, due to achieving it well in advance. The new target is to reach a 20% reduction in specific GHG emissions

from steelmaking operations (Scope 1, 2) by 2030 compared to 2019. This value will allow the Group to make its contribution to the Paris Agreement (PA) pledges sounded by the parties.

EVRAZ is developing a decarbonisation roadmap, as well as a preliminary decarbonisation plan for EVRAZ ZSMK and EVRAZ NTMK to be achieved by 2060. The decarbonisation pathway will be integrated into daily operations

of EVRAZ to achieve the established emission reduction goals, to mitigate climate-related risks and avoid the negative consequences.

The Group identified the following key areas of focus for three periods by implementing activities that will help EVRAZ to supply steel with reduced CO₂ level:

2022–2025

- To monitor regulatory changes for the effective development of decarbonisation strategy
- To generate renewable energy on-site
- To consume low-carbon energy
- To improve energy efficiency by 18% by 2025 (vs the 2018 level)
- To use waste as coal and coke substitutes

2025–2035

- To examine the possibilities of equipment modernisation, increasing alternative energy usage, implementation of direct reduced iron (DRI) technology
- To increase use of scrap and electric arc furnaces (EAF)

AFTER 2035

- To use DRI if possible
- To use hydrogen in the Blast Furnace-Basic Oxygen Furnace (BF-BOF) route
- Smart carbon usage
- To use carbon capture, utilisation/storage technology (CCUS)

In short-term horizon, the Group gives priority to minimising greenhouse gas emissions through increasing energy efficiency. Specialists are preparing additional measures to modernise technological processes for reducing our carbon footprint in the medium- and long-term horizons. The most aspiring courses of action are technologies for capturing and storing carbon dioxide and the application of recycling blast furnace gases.


EVRAZ joins with customers and other large companies to pursue decarbonisation goals. For instance, the Group signed a memorandum with Russia's largest carrier for the production and use of rail products made of steel with a reduced carbon footprint. During the production of this steel, CO₂ emissions per ton of steel will be 75% lower compared to conventional route. According to the agreement, the delivery of new rail products may begin in 2023.

In collaboration with a major oil company, EVRAZ will evaluate the possibilities of using technologies for capturing and subsequent utilisation or storage of CO₂, as well as assess the potential of converting the Group's metallurgical plants from hydrocarbon fuel to methane-hydrogen mixtures. Hydrogen is considered as a promising source of energy.

Some projects in area of climate-related goals achievement have already been started. These initiatives are integrated into the business strategy and daily operations of EVRAZ:

- **Setting internal carbon prices.**
In 2021, the Group made a forecast of an average carbon price based on the prices in the EU to use this value in a decision-making process on internal investment projects as an additional criterion. It allows to look at all projects from different angle and plan budget and operations more accurately, considering all pros and cons. EVRAZ has plans to disclose information upon this metric in future disclosures

- **Energy efficiency.** The Group implements projects both in generation of own energy and in effective consumption of energy resources
- **Renewable energy use.** EVRAZ considers entering contracts with low-carbon suppliers (Nuclear power plants, Hydroelectric power plants (HPPs)), the development of its own generation using renewable energy sources (Solar/wind power plants, Micro HPPs). In addition, the possibility of using alternative fuel with a lower carbon footprint at the existing EVRAZ combined heat and power plants (CHPPs) is being studied. Currently, the Group's efforts are focused on concluding long-term contracts. In 2021, EVRAZ signed a contract with Rosatom for the supply of low-carbon energy from nuclear power station for EVRAZ NTMK and EVRAZ KGOK, making it possible to reduce CO₂ emissions from purchased electricity of these enterprises
- **Circularity of resources.** The Group is in search of ways to prolong the lifecycle of raw materials and recycle waste from the own production, for example, by involvement of carbon-containing industrial and domestic waste in the coking charge

[Read more about EVRAZ' decarbonisation pathway in Annual report & accounts 2021  on page 63–65]

GHG emission reduction performance

The Group discloses data about its greenhouse gas emissions in tCO₂e (tonnes of carbon dioxide equivalent). In 2021 there was an upgrade in the methodology regarding Global warming potentials used – they were taken from IPCC Fifth assessment report (AR5), instead of potentials from the Fourth assessment report (AR4). The quality of data used for calculations in the reporting year was improved in terms of excluding double-counting and uncertainties in material flows values.

EVRAZ uses methodology for Scope 1 and 2 GHG emissions calculation in compliance with the GHG Protocol Corporate Accounting and Reporting Standard requirements and the 2006 IPCC Guidelines for National greenhouse gas inventories.

Scope 2 GHG emissions were calculated using location-based method and emission factors specifically developed for the country, if available, or otherwise factors provided by UK Defra or given in National Inventory Reports. For enterprises in the Russian Federation the values of Scope 2 emissions factors were taken from official source of Russian energy exchange as the most relevant for this region than the information from the study report "Development of the electricity carbon emission factors for Russia" by EBRD & Lahmeyer, which was used before.

The Group has calculated Scope 3 GHG emissions for 2020. The calculations were performed using the methodology of Corporate Value Chain (Scope 3) Standard, GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard).

In 2021, the Group managed to reduce GHG emissions by 3.1% due to lower steel production at EVRAZ ZSMK, decrease of methane emissions at some coal mines, equipment modernisation and a successful energy efficiency policy. The steel segment (Steel segment and Steel, North America segment) accounted for the largest GHG emissions (68% of EVRAZ's total GHG emissions). Because of methane utilisation, low-carbon energy purchase, increase in energy efficiency, the Group reduced Scope 1&2 GHG emissions by 1.35 million tCO₂e in 2021 compared to 2020.

EVRAZ' GHG emissions structure, 2019–2021, million tCO₂e

GRI 305-5, GRI 305-1, 305-2, SASB EM-MM-110a.1

	2019	2020	2021
Direct (Scope 1) ¹	40.76	41.21	40.17
<i>Consisting of:</i>			
CO ₂	28.22	28.06	27.55
CH ₄	12.48	13.09	12.57
N ₂ O	0.06	0.05	0.06
PFC and HFC	0.00002	0.00012	0.00003
SF ₆	—	—	—
NF ₃	—	—	—
Indirect (Scope 2)	2.38	2.27	1.96
TOTAL GHG EMISSIONS	43.14	43.48	42.13

SASB EM-MM-110a.2

One of the prospective lines of work for the Group is the reduction of methane emissions released into the environment during coal mining operations. As part of its Environmental Strategy until 2030, EVRAZ has set a goal of utilising 75% of methane

emitted in the process of degassing by 2030 with 2019 as a baseline year. Due to the high flammability and explosiveness of methane the Group carries out the degassing for the purpose of safety. In this respect, EVRAZ strives to implement

promising new technologies to reduce emitted methane's impact on the climate and to make the mining process safer and more environmentally friendly.

CASE STUDY

METHANE UTILIZATION UNITS AT MINES

The Group started utilising methane at Alardinskaya and Erunakovskaya-VIII mines. The first four utilisation units were installed and put into operation in 2021. EVRAZ constructed the chain of degassing wells combined with utilisation units.

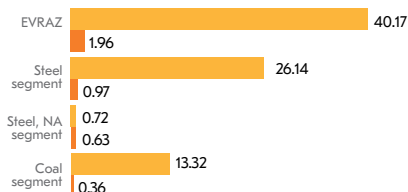
Each unit can utilise up to 50 cubic meters of methane-air mixture per minute. Currently unit's capacity is about 12 cubic meters of methane per minute. EVRAZ plans to increase the capacity in the future.

The Group intends to put into operation a gas boiler, which will use methane as fuel. The thermal energy will heat the air supplied to the mine workings. If it proves successful, the experience will be extended to other facilities. Uskovskaya and Raspadskaya mines are also included in the methane utilisation programme.

1. Scope 1 data includes emissions in tonnes of carbon dioxide equivalent from the combustion of fuel and from other sources that are owned or controlled by the Group.

EVRAZ' GHG emissions by segment in 2021¹, million tCO₂e

GRI 305-1, 305-2, SASB EM-MM-110a.1

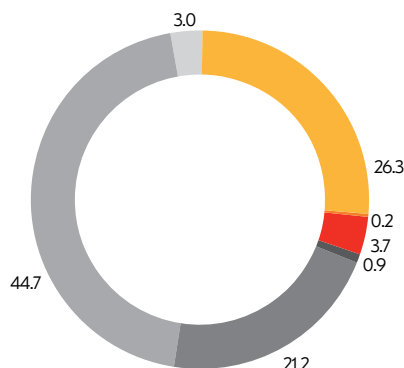


- Direct emissions (Scope 1)
- Indirect energy emissions (Scope 2)

GRI 305-3

EVRAZ' Scope 3 GHG emissions for 2020 were 22.8 million tCO₂e. The largest share belongs to categories «10. Processing of sold products» and «1. Purchased goods and services».

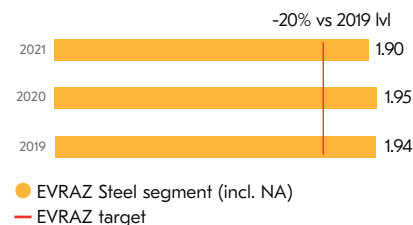
EVRAZ's Scope 3 GHG emissions by emission category in 2020, %



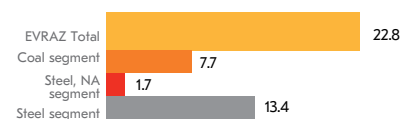
- 1. Purchased goods and services
- 2. Capital goods
- 3. Fuel- and energy- related activities not included in Scope 1 or Scope 2
- 4. Upstream transportation and distribution
- 9. Downstream transportation and distribution
- 10. Processing of Sold Products
- 12. End-of-life treatment of sold products

GHG emissions intensity (Scope 1, 2) from the steel segment, tCO₂e per t of crude steel²

GRI 305-4



EVRAZ's Scope 3 GHG emissions by segment, million tCO₂e



1. Here and below: EVRAZ does not have any production facilities in the UK, only an office. Data for the UK office as well as data for offices located in Russia and North America were not included in the graphs, since the volumes of consumed power are not material in terms of overall energy consumption within the Group.

2. Tonnes of CO₂ equivalent (Scope 1 and 2 GHG emissions) divided by tonnes of crude steel. Only steelmaking enterprises are included into the calculation.

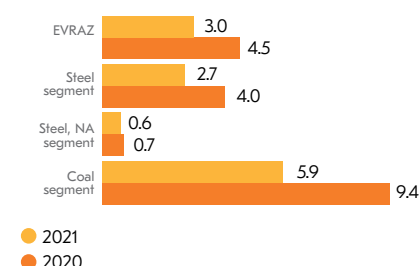
EVRAZ carbon intensity (Scope 1, 2) from the steel segment³, tCO₂e per tcs

GRI 305-4

INDICATOR	2019	2020	2021
<i>Scope 1 carbon intensity</i>			
per t of crude steel and sold pig iron	1.80	1.80	1.75
per t of crude steel	1.85	1.87	1.82
<i>Scope 2 carbon intensity</i>			
per t of crude steel and sold pig iron	0.09	0.08	0.07
per t of crude steel	0.09	0.08	0.08
<i>Scope 1+2 carbon intensity</i>			
per t of crude steel and sold pig iron	1.88	1.88	1.83
per t of crude steel	1.94	1.95	1.90

EVRAZ's GHG emissions per net revenue in 2021 vs. 2020, kgCO₂e/US\$

GRI 305-4



This year it was decided to disclose one more intensity figure that better reflects performance of the steel segment and takes into account volumes of pig iron produced by steel mills and sold to 3rd parties.

BOOSTING ENERGY EFFICIENCY

GRI 103-2

Boosting energy efficiency is a key focus of the Group's decarbonisation efforts. Energy effective technologies require fewer resources and produce less greenhouse gas emissions. EVRAZ uses modern technologies and modernises equipment to improve energy efficiency and cut the emissions and operational costs.

EVRAZ has a comprehensive system of energy consumption and energy efficiency management. The energy management system of the Urals and Siberia Divisions' enterprises is certified for compliance with the international standard ISO 50001:2018 by an independent company Bureau Veritas. The Group regularly conducts internal audits of the energy management system of plants and production workshops using a uniform methodology developed based on the requirements and recommendations of the ISO 50001 standard. Internal audits allow enterprises

to prepare for external supervisory and recertification audits in compliance with ISO 50001.

The Group seeks to improve the efficiency of its energy management structure and maximise the involvement of employees from both the energy shops (energy generation and distribution) and the production shops (energy consumption). The Urals and Siberia Divisions are characterised by the presence of the Energy Managers. The Group has a position of Energy Efficiency Business Process Development Manager. Teams of experts in the energy management system trained according to the ISO 50001 standard have been formed at EVRAZ ZSMK and EVRAZ NTMK, the most energy-intensive enterprises of the Group with a combined share of energy consumption exceeding 85%. Those teams monitor energy consumption to minimise energy intensity and reduce energy costs. In 2021, EVRAZ transferred responsibility

for energy management from the Group level to the Division Vice Presidents. This is expected to improve the efficiency of on-site energy management. There are plans to develop and approve appropriate energy consumption KPIs for the Vice Presidents in the future.

In 2021 EVRAZ developed a set of internal documents in energy saving and energy efficiency:

- The Group drafted a special standard for energy-efficient design of production facilities and will launch the process of its implementation in 2022.
- In 2021, the Group developed and approved a policy for the use of energy-efficient power distribution transformers. The policy contains energy efficiency criteria to be considered by EVRAZ's enterprises when purchasing transformers.

3. Includes Steel segment and Steel, North America segment.

CASE STUDY

GENERATING NEW IDEAS AND TRAINING IN ENERGY EFFICIENCY

EVRAZ employees participate in special events, such as the Idea Factory, where workers can propose their projects and improvements. The best ideas are implemented. One more activity is the New EVRAZ Leaders project, which allows workers to improve operational processes by researching and adopting their innovations.

Every year the Group holds Growth Points activity, which focuses on energy efficiency issues. During this activity the employees of divisions can offer innovative ideas to enhance the efficiency of production processes. In 2021, the topic of discussion was the production of green steel. The participants proposed to consider the possibility of direct reduction technology usage at the sites. Another exciting concept suggested is to decrease the usage of carbon-containing materials, for instance, in charges. The organizers of the Growth Points have processed all the ideas and presented the green steel development concept to the Group CEO.

In the reporting year, teamwork based on the Energy Management Platform in accordance with the Production Energy Efficiency Programme was carried out in the divisions. In 2021, the staff responsible for energy management completed training in Energy Transition 4.0. The workers learned about key technical elements of energy transition, possible future scenarios of development and use of renewable energy. Preparing for ISO 50001 certification, employees completed an educational programme according to this standard.



EVRAZ aims to reduce the energy intensity of steel production by 20% by 2025 compared to 2018. This goal is planned to be achieved through the implementation of measures of the five-year energy efficiency programmes at the enterprises. Initiatives of these programmes are aimed to:



Minimise losses of energy during production processes



Optimise the energy consumption at production sites



Use secondary and renewable energy sources



Optimise the blend of furnace charge, coking coal, and process fuel



Digitalise energy supply systems



Introduce energy-efficient automation solutions

In 2021, the Group implemented 350 energy efficiency activities, which resulted in energy savings of

GRI 302-4

7.6 million GJ **and** US\$ **44** million¹.

1. The indicated values for the implemented energy efficiency measures and their effects differ from those previously published in the Annual Report due to their clarification.

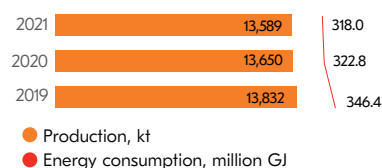
An important focus area for EVRAZ is accounting of energy resources within the workshops. In 2021, the level of unaccounted energy consumption was lowered, with unmetered inter-shop energy flows reduced from 25% to 15% — this helped to take account of energy consumption in a more proper manner and to minimise energy losses.

GRI 302–1, GRI 302–3, SASB EM-MM-130a.1

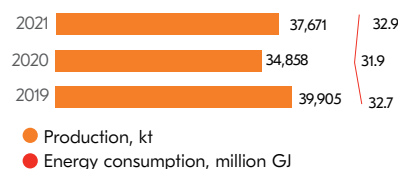
In 2021, the total energy consumption of the Group reduced by 2.0% compared to 2020. The reduction resulted from the effective energy efficiency policy. Total energy consumption in the reporting year was 350.8 million GJ. The share of purchased electricity in total energy consumption was 6.3%.

EVRAZ total energy consumption and production output, 2019–2021¹

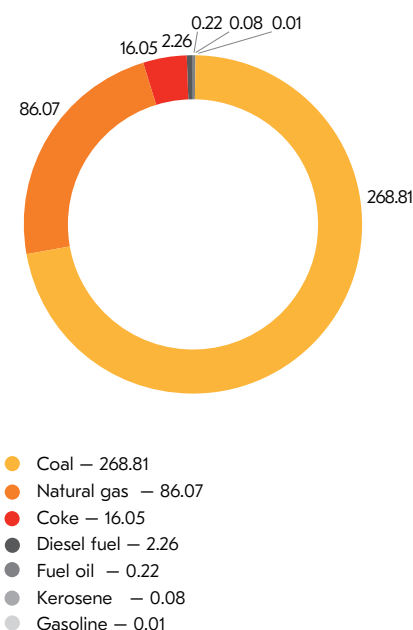
EVRAZ total energy consumption, steelmaking operations and production, 2019–2021^{2,3,4}



EVRAZ total energy consumption, mining operations (coal and iron ore) and production, 2019–2021^{5,6}



Total fuel consumption within the organisation from non-renewable sources in 2021, million GJ

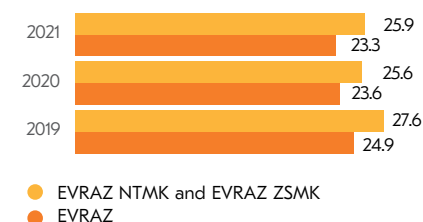


one billion roubles were saved. EVRAZ NTMK and EVRAZ KGOK also showed compliance with ISO 50001. The auditors noted the competent organisational management structure and the availability of all the necessary documents. Due to the effective management system, plants achieved cost savings in energy procurement.

At EVRAZ NTMK numerous measures were taken to reduce energy consumption.

For example, communication feeders were replaced, the lighting system was modernised (a notable result is a reduction in energy consumption for crane lighting by replacing the light source). NTMK also started to use one pump instead of two to supply water to the heat exchangers. A frequency inverter was installed on the electric motors — this reduced electricity consumption of pumping units.

EVRAZ's energy intensity, 2019–2021^{7,8}, GJ/tonne of crude steel



EVRAZ NTMK uses secondary sources to generate electricity. The construction of a gas top pressure recovery turbine has been completed in 2021. The turbine is fully automated and hardly requires human intervention. This measure will allow NTMK to improve energy efficiency by increasing generation of its own electricity with reducing on the same amount purchased electricity.

Steel segment

The Group successfully passed certification procedures in compliance with ISO 50001 requirements for EVRAZ ZSMK. Experts recommended the level of implementation of the energy management system at the plant. The energy management system was implemented at EVRAZ ZSMK in 2019, and this measure had a tangible economic effect — more than

There were also many technical innovations at EVRAZ ZSMK in the reporting year. The productivity of a coke oven battery was increased. Oxygen consumption on the converter was decreased. The heating system was switched from steam to hot water.

At EVRAZ ZSMK, modern oxygen production facilities built according to international environmental standards were put into operation. The energy

1. 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).

2. The steelmaking segment includes EVRAZ NTMK, EVRAZ ZSMK, EVRAZ Nikom, EVRAZ Caspian Steel, EVRAZ Inc. NA, EVRAZ Inc. NA Canada, EVRAZ Vanady Tula.

3. Energy consumption in million kWh: 96,212 in 2019; 89,661 in 2020; 88,324 in 2021.

4. The data on total energy consumption (steelmaking operations and production) for 2019–2020 was recalculated due to clarification of energy consumption by EVRAZ Inc. NA and EVRAZ Inc. NA Canada.

5. The mining and coal segment includes EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK), Rospadskaya Coal Company, Evrazruda.

6. Energy consumption in million kWh: 9,079 in 2019; 8,852 in 2020; 9,134 in 2021.

7. The figure includes data on the Steel segment (EVRAZ ZSMK, EVRAZ NTMK), Steel, North America segment (EVRAZ Portland, EVRAZ Pueblo, EVRAZ Regina, EVRAZ Camrose, EVRAZ Calgary, and EVRAZ Red Deer).

8. Energy intensity of EVRAZ in kWh/tcs: 6,929 in 2019; 6,542 in 2020; 6,469 in 2021. Energy intensity of EVRAZ NTMK and ZSMK in kWh/tcs: 7,655 in 2019; 7,114 in 2020; 7,182 in 2021.

efficiency of modern equipment is 30% higher than the efficiency of the equipment used in the oxygen production before. EVRAZ ZSMK also developed a system for automatic control of energy consumption, which allows to quickly obtain data on the power consumption of the aggregate and to adjust its operation.

The specialists of EVRAZ KGOK focused on equipment modernisation. Measures implemented by EVRAZ KGOK in 2021 are mainly aimed at reducing the volume of purchased electricity and natural gas (for example, in 2021, ventilators were upgraded, highly efficient separators were put into operation, incandescent lamps were replaced with LED). EVRAZ KGOK also carried out a series of initiatives in the area of digital transformation of energy supply systems, which made it possible to reduce the volume of energy consumption and obtain significant savings in energy costs. Among the activities performed in this direction, there are optimisation of pump control, optimisation of dredge pump operation mode, introduction of the Advanced Analytics project. Other notable energy-saving activities taken by EVRAZ KGOK during the reporting period include increasing power generation, reducing pump running time in winter, and replacing the existing fleet of locomotives with more efficient ones.

Coal segment

In 2021 Raspadskaya Coal Company implemented a number of significant initiatives to optimise energy consumption. The system of technical electricity accounting was installed at Osinnikovskaya mine with the specialists turning off auxiliary power units during periods of the highest cost of kilowatt-hours. It allows energy consumption to be managed more efficiently. The operating modes of drainage systems were also optimised.

At Raspadskaya mine, a reactive power compensation device was replaced to reduce energy consumption. This measure was taken to minimise energy losses. An important achievement of the reporting year was the recovery of the full operability of reactive power compensation devices at Erunakovskaya-VIII mine. Additional 19 actions to reduce energy consumption or installed equipment capacity were taken by Raspadskaya Coal Company, that saved US\$0.6 million in energy costs and reduced energy consumption by 47.1 thousand GJ. Also, five initiatives were carried out to install frequency control systems or soft starter systems for electric motors, resulting in cumulative effects of US\$0.2 million and 15.3 thousand GJ.

CASE STUDY

REDUCTION IN NATURAL GAS CONSUMPTION AND INCREASE IN BLAST FURNACE GAS USE AT EVRAZ ZSMK

Blast furnace gas, coke oven and natural gases, as well as solid fuel, are burned in the steam-blowing power plant at EVRAZ ZSMK. The proportion of natural gas used as fuel balance is 27%, and there is an ambitious target to reduce natural gas consumption to zero.

When the blast furnace gas is supplied, the volume of flue gases increases, so that they should be removed from the boiler. To operate the boiler in gas mode, bypass flue gas ducts were installed on five boilers. The bypass flue gas ducts direct the flue gases through scrubber units and allow for additional blast furnace gas supply.

Power engineers replaced old air heaters with new ones, that helped to increase the use of blast furnace gas by an average of 11 thousand cubic meters per hour. In the future, it is planned to reconstruct all boilers to increase the combustion of blast furnace gas to 100 thousand cubic meters per hour.

Steel, North America segment

EVRAZ Pueblo purchases renewable energy from Bighorn solar power plant, which is the project of Lightsource BP company. The plant capacity is 300 MW, and there are 750 thousand solar panels in the territory. EVRAZ Pueblo intends to be the largest consumer of solar energy produced by the company.

EVRAZ Pueblo uses an electric furnace for steelmaking. The products are manufactured in line with the global low-carbon agenda. EVRAZ Pueblo has a challenging goal to become one of the most environmentally friendly steel producers in the world.



OUR PEOPLE

2021 HIGHLIGHTS

71,591

employees at the year end

12.4%

employee
turnover rate

27.4%

female
employees

Key events 2021

- Implementation of the Target Remuneration System continued
- Staff Attraction and Recruitment Standard documents were developed
- Personal Candidate Website Account was launched
- TOP-1000 programme extended to the whole Group
- Personnel assessment system updated



Material topics



Employment



Training and education



Diversity and equal opportunities

Global Sustainable Development Goals



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH

OUR APPROACH

GRI 103-2

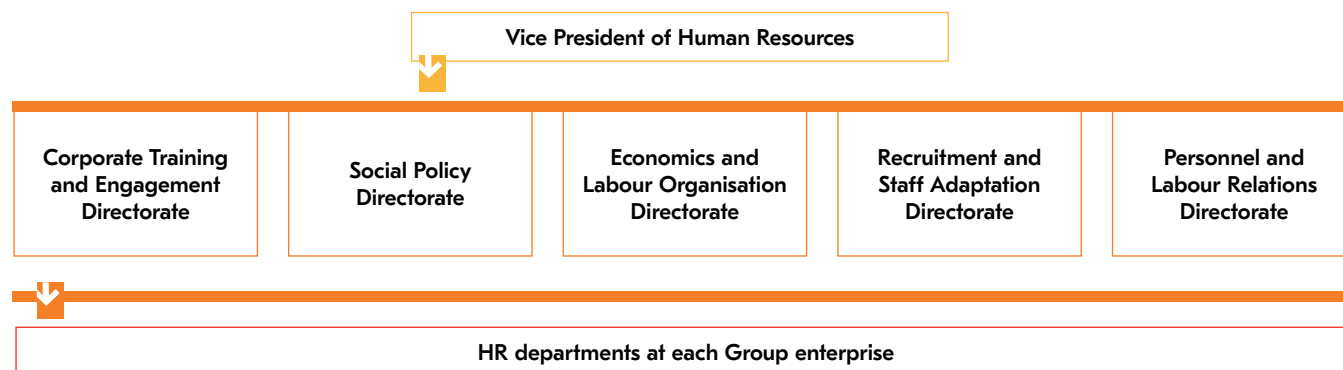
At EVRAZ we firmly believe that our people are key to our success. With this in mind, our goal is to build a positive, healthy, and inclusive environment where our employees have an opportunity to reach their full potential. We conduct a variety of internal programmes initiatives to improve professional and personal skills of our people and support their health and well-being.

In this regard, the Group's policy in the reporting period was aimed at improving the following areas:

- Developing the Human Rights Policy.
- Increasing the transparency of the remuneration through implementing the Target Remuneration System.
- Improving the employee recruitment processes.
- Implementing initiatives for attracting and retaining employees.
- Implementing new training programmes.
- Regularly collecting feedback via various communication channels.
- Processes automation and IT systems integration.



ORGANISATIONAL STRUCTURE OF EVRAZ HR MANAGEMENT SYSTEM



PERSONNEL PROFILE

HEADCOUNT

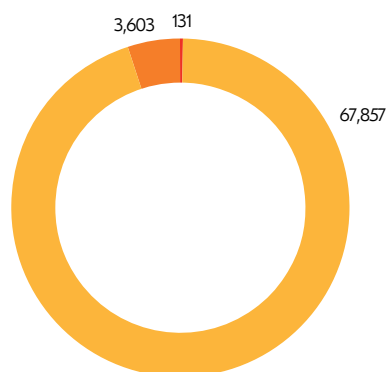
GRI 102-7

As of 31 December 2021, EVRAZ had a total of 71,591 employees — a rise of 2.7% compared to 2020.

Number of employees, 31 December 2021, people¹

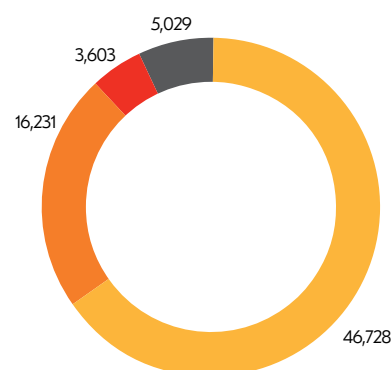


Number of employees as of 31 December 2021, broken down by regions, people



- Russia and CIS
- North America
- Europe

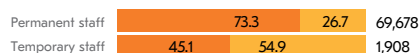
Number of employees as of 31 December 2021, broken down by segments, people



- Steel segment
- Coal segment
- Steel, North America segment
- Other

Permanent and temporary staff as of 31 December 2021, broken down by gender, 2021, %²

GRI 102-8



- Men
- Women

Full-time and part-time employees as of 31 December 2021, broken down by gender, 2021, %²

GRI 102-8



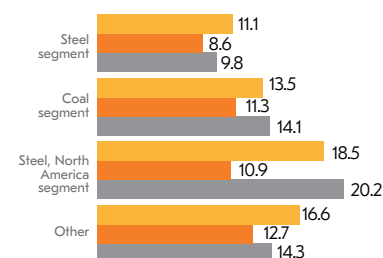
- Men
- Women

EMPLOYEE TURNOVER

GRI 401-1

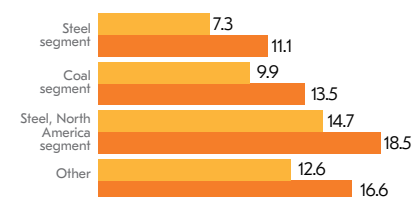
In 2021, staff turnover rates increased compared to 2020. Nevertheless, the Group reached its recruitment goals in the reporting period.

Overall employee turnover broken down by segments, 2019–2021, %



- 2021
- 2020
- 2019

Overall and voluntary employee turnover broken down by segment, 2021, %



- Voluntary
- Overall

1. For 2021 graph also includes five employees whose gender and age were stated as “not declared”.
2. For five employees gender is stated as “not declared”. They were not included in the graph.

HUMAN RIGHTS AND DIVERSITY

SASB EM-MM-210a.3

EVRAZ complies with international human rights laws and policies. All the Company's activities related to human resources are governed by our Employee Business Conduct Policy, Diversity and Inclusion Policy, Human Rights Policy, and other internal documents ensuring compliance. We take the process of contracting with partners seriously, hence we carefully observe that our partners respect human rights and business ethics standards. All our contracts with partners include sections covering the prevention of corruption and human trafficking.

The Group's managerial and operational functions oversee the implementation of the Human Rights Policy and report to the Board of Directors. To reduce risks of violations and non-compliance with international legislation in the field of human rights, the treatment of our employees is monitored by third parties, such as representatives from Russia's Presidential Council for Civil Society and Human Rights and unions, including both trade unions active in Company's operations and regional and federal associations of union. We also undergo due diligence to understand the human rights risks involved in our processes and operations and take appropriate actions if necessary.

EVRAZ is convinced that a diversity of our workforce plays a vital role in improving productivity and achieving a better professional performance. Our Diversity and Inclusion Policy expresses zero tolerance towards any kind of discrimination. The Group

pays considerable attention to inclusion and seeks to create a positive and diverse environment across all divisions and enterprises. We also comply with government regulations and follow the quota system for the employment of people with disabilities. In 2021, we hired 30 people of this social category.

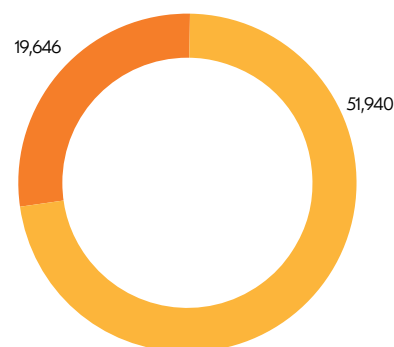
The relatively low percentage of women among our employees is a factor of the industry that EVRAZ operates in — there are certain legislative restrictions related to women working in hazardous conditions. However, we strive to do our utmost to ensure diversity and support women by allocating various positions, including board positions, and providing relevant social benefits such as financial support for childcare.

GRI 408-1, 409-1

Our Company is committed to diversity, equity, and inclusion, which is why we do not tolerate any kind of discrimination based on gender, social status, disabilities, or any other factors. When choosing a candidate, only their professional skills and qualities are considered. We believe that building a diverse environment is key for driving inclusion across the business and improving productivity. All forms of slavery (known as modern slavery), such as child labour and forced labour, are strictly prohibited across all the EVRAZ subsidiaries and their suppliers. No assets of the Group are associated with significant risks of using child or forced labour. In 2021 zero cases of using child or forced labour were registered in the Company's operations.

Number of employees as of 31 December 2021, broken down by gender, people²

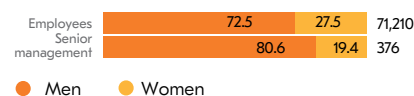
GRI 102-8



● Men
● Women

Diversity of employees by gender as of 31 December 2021, broken down by senior management and employees, 2021, %²

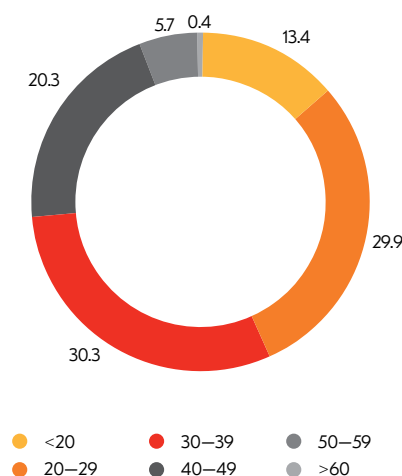
GRI 405-1



● Men ● Women

Employees and top management as of 31 December 2021, broken down by age, 31 December 2021, %²

GRI 405-1



● <20 ● 30-39 ● 50-59
● 20-29 ● 40-49 ● >60

RECRUITMENT POLICY AND REMUNERATION SYSTEM

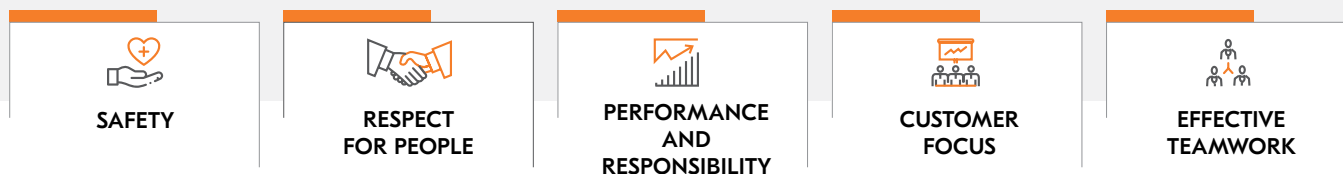
RECRUITMENT POLICY AND TALENT ATTRACTION

We seek to ensure that our hiring process is consistent with the principles of equal opportunities and prohibits all forms of discrimination. EVRAZ complies with the laws of the countries where it

operates, including respective regulations governing labour protection, minimum wage annual paid and parental leave, collective bargaining agreements, health insurance, pensions, and personal data protection.

We also endeavour to identify and mitigate any possible risks related to human rights, recruitment and working conditions.

EVRAZ adheres to the following recruitment principles:



Even though EVRAZ strives to hire most of its employees on permanent employment contracts, there is still a group of contractors working for the Company comprised of university students, interns, etc. We provide the same remuneration both for permanent and temporary workers, excluding university students undergoing practical training and some others. When it comes to hiring for permanent positions, we give preference to employees with fixed-term contracts who have the required qualifications and educational backgrounds.

The Group continuously improves the employee recruitment processes. In 2021, we developed and introduced

Staff Attraction and Recruitment Standard to simplify the hiring process. In addition, some operations were computerised to provide an electronic document flow. For example, in 2021 EVRAZ introduced the Personal Account for the Candidate — a website allowing better candidate-recruiter interaction. This service allows applicants to track the stages of the recruiting processes and learn more about the Group. Applicants can save time and become familiar with all the required documents before signing the contract in person.

EVRAZ has a reputation as one of the best employers in its regions of presence. To demonstrate its social responsibility

and responsiveness and attract new talent, EVRAZ constantly sends its employees in various professional contests, including hackathons.

We always do our utmost to attract and retain employees. We want them to enjoy the working process and provide conditions that satisfy their requirements.

EVRAZ also carries out a lot of work with students through numerous student programmes, and in the reporting period over 2,495 students completed internships at EVRAZ, with some of them working for the Group now.

REMUNERATION SYSTEM

GRI 102-36

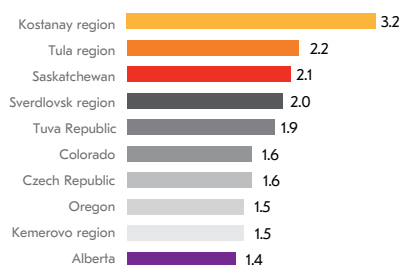
EVRAZ seeks to extend the boundaries of its responsibilities in terms of employee remuneration and think beyond minimum salary requirements. In addition, providing a clear and transparent remuneration system that fully rewards employees' efforts are very important to us.

In 2021, EVRAZ continued implementing the Target Remuneration System throughout the Group to make the remuneration system more open and transparent. Most enterprises were included in the project except for Coal assets (EVRAZ NTMK, EVRAZ ZSMK, and others).

We strive to implement a set of rules and principles for the process of remuneration and establish fixed and variable pay depending on the level of performance across all the Group entities. We have introduced an annual review of the remuneration system for each employee, specifically in terms of the Target Remuneration System. In 2021, we updated the Regulation on Staff Remuneration and Motivation, which describes remuneration systems with regard to the annual review.

Ratios of EVRAZ standard entry-level wage vs local minimum wage, 2021¹

GRI 202-1



CASE STUDY

EVRAZ APPEARED IN A FORBES RANKING

Forbes and KPMG collaborated to prepare a rating list of Russia's best employers, and, as a result, EVRAZ was listed in the Gold category owing to its ESG policies.

In 2021, Forbes considered companies' ESG initiatives for the ranking, with employer performance in social and environmental spheres becoming the focus of attention. The rating included 104 companies divided into four groups depending on the points they scored. 11 got Platinum, 53 got Gold, 35 got Silver, and four got Bronze.

EVRAZ makes a large contribution to the development of the regions where it operates and undertakes large-scale environmental programmes. The Group is also focused on employees' learning and development tracks and continuously introduces latest technologies and R&D solutions into its business processes.

CASE STUDY

EVRAZ IS IN THE HEADHUNTER'S LIST OF TOP EMPLOYERS

HeadHunter provides one of the most respected independent employer branding assessments in Russia. Based on the 2021 data, HeadHunter ranked the Group among Russia's 50 best employers with headcount of 5000 employees and more.

While ranking companies, HeadHunter considered the following criteria:

- Company Attractiveness for the candidates
- Level of employees' satisfaction
- Expert evaluation of HR department's work in the company

According to the candidates' survey, EVRAZ took 7th place within its industry.

1. When determining the local minimum wage in the Russian Federation, regional coefficients and allowances were not taken into account.

CASE STUDY

AGREEMENT WITH ALFA INSURANCE

EVRAZ launched a collaborative Employee Health Management programme with Alfa Insurance in the Urals division in April 2021. The programme is focused on detecting, preventing, and treating diseases of our workers. It includes diagnostics, special treatment, and health KPIs.

In 2021, 5,952 people underwent periodic medical examinations through the insurance company, after which risk groups were formed. The results showed that a poor diet and smoking are the main illness risks for employees. A deeper examination was carried out for 237 employees.

EVRAZ is set to continue this programme to obtain better medical examination results, monitor the employees' health condition, and keep the database on the result of analysis.

PERFORMANCE MANAGEMENT

For assessing our employees' productivity, we use KPIs included in the staff motivation system. This system is continuously reviewed and revised. Different KPI targets are a part of management scorecards, including lower-level managers. All KPIs comply with best industry practices and are supervised by the CEO of EVRAZ.

In addition, in 2021 we updated the personnel assessment system to evaluate each employee's work individually instead of considering the accomplishments of a particular position or workgroup.

RETENTION

GRI 401-2

A key element of ensuring a sustainable growth at EVRAZ is retaining our talent. We support our employees by providing a variety of social benefits.

Our non-financial compensation package includes:

- Voluntary health insurance.
- Additional voluntary insurance against accidents at work.
- A non-state pension programme.
- A programme that offsets part of the interest paid on mortgages.
- Free wellness leave vouchers for employees and their families.
- Partial compensation for meals in enterprises' canteens.

This package goes beyond minimum statutory requirements and contributes to the employees' total remuneration.

The Group provides social assistance to the different categories of workers (junior specialists, women, retired persons, etc.) For instance, in 2018 we created the Veterans of EVRAZ Siberia organisation, which is aimed at involving our retired workers in socially beneficial, educational, leisure, and other activities and providing them with measures of social support and protection.

EVRAZ also looks after the families of its workers. We have a collective bargaining agreement that offers additional leave for childbirth, weddings, and funerals of close relatives. In addition, we consider different kinds of requests and provide material assistance in challenging circumstances and on special occasions.

Furthermore, Mentoring and Buddy programmes were introduced in 2019. They both help newcomers join the Company and get introduced to the work processes in a comfortable way. The Buddy mobile app contains all the necessary options and information that joiners need: a task management system, requirements, Company rules, etc. In addition, it allows new employees to maintain contact with their mentors and supervisors. In 2021, EVRAZ resumed training courses for newcomers after a break due to COVID-19. Onboarding helps new employees get acquainted and feel like part of the Company.



LEARNING AND DEVELOPMENT

GRI 404-2

Since professional development is a priority for EVRAZ, we take the processes of employees' learning and development very seriously. The Company has a multi-level system of human resources management aimed at enhancing the professional and personal skills of our people and fostering collaboration with universities and other educational institutions. In addition, we endeavour to provide our employees, especially newcomers and junior specialists, with quality education tools.

Average number of training hours per year per employee, 2019–2021



In 2021, we continued our TOP-300 and TOP-1000 corporate management programmes focused on developing managerial and leadership skills and competencies. In the reporting period, the TOP-1000 programme was spread to the entire Group as an extension of already existing programmes in the Siberia and Urals divisions. The TOP-3000 corporate management programme was launched in 2021 at the Siberia and Urals divisions as an extension of the existing programmes. It was adopted for employees at lower positions guided by coaches trained internally at TOP-300 and TOP-1000 programmes.

In the reporting period EVRAZ New leaders programme continued and was related to digital transformation and sustainable development. In October 2021, the Company launched a new stream of programmes dedicated to sustainable development, and ESG practices specifically. Working groups were looking

CASE STUDY

INTERNAL LEARNING MANAGEMENT SYSTEM FOR CORPORATE LEARNING AND DEVELOPMENT

The Group runs EVRAZ Navigator, our own online platform that makes available for workers online lessons by different government and commercial organisations. It helps tailor individual development plans and quickly and easily join refresher courses. Each employee can get access to the system anytime via the Internet.

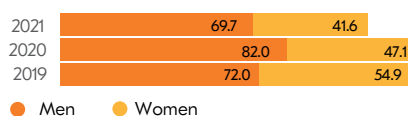
EVRAZ Navigator contains everything required for learning and development – e-courses and an e-library, a catalogue of development activities, a dictionary of all the specific terms used within the Company, and others. In addition, the system facilitates all the monotonous but essential work – checking tests and homework, collecting statistics, and preparing reports.

for new solutions and practices that contribute to the sustainability strategy of EVRAZ.

Professional development is a priority for us. We endeavour to provide our employees, particularly new and junior specialists, with useful tools for education.

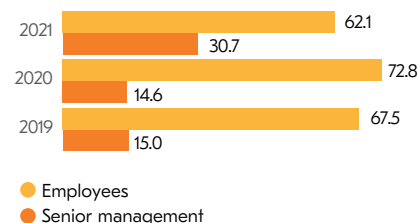
Average number of training hours per year per employee, by gender, 2019–2021

GRI 404-1



Average number of training hours per year per employee, by employee categories 2019–2021¹

GRI 404-1



● Employees
● Senior management

1. The data on senior management training hours in 2020 has been adjusted, since previously in Centr Servisnykh Resheniy, all types of managers were taken into account in the number of senior management.

INTERACTION WITH EMPLOYEES

GRI 407-1

In EVRAZ we endeavour to provide competitive remuneration as well as comfortable working conditions and motivating career development opportunities. We invest in personal and professional development by continuously developing our motivation system and approaching each employee individually.

Work with trade unions

GRI 102–41, SASB EM-MM-310a.1

There is a three-tier system of our relations with trade unions: federal, regional, and enterprise-level. The head office is responsible for the federal and regional tiers and provides methodological support at the level of enterprises.

We do not prevent our employees from joining organisations, which support their interests and rights. EVRAZ makes collective bargaining agreements with trade unions with the ambition of maintaining these relations in the long term. In the reporting period, 87% of employees were covered by union agreements. All workers, being members of trade unions, received corresponding benefits.

Implementation of the Target Remuneration System which required significant changes was achieved through negotiations with trade unions. These changes to the collective bargaining agreements comply with the laws and principles of social partnership, hence we have no conflicts or collective labour disputes at the Group's operating facilities in Russia in 2021.

Employee engagement

We believe that listening to our employees is essential for helping the Company grow and progress. That is why workers are always welcome to contribute their ideas and engage in the processes of development within the Group. For this purpose, EVRAZ initiated the Idea Factory 2.0 project, where employees can report any work issues and suggest their ideas online for improving production processes. Pilot tests of the site was conducted in 2020 and then the project was rolled out to all entities of the Group. In 2021, 100,027 ideas were submitted, 56,611 of which approved by experts and 40,252 implemented in the reporting period.



The Group conducts biennial employee engagement surveys to identify key employee engagement trends and measure the emotional well-being of workers. In 2021, we held an employee engagement survey called We Are Together. In total, 45,165 people took part in it. The level of employee engagement was slightly (2%) lower than in 2019 and equalled 57%. Focus groups based on the survey results were held afterwards in December 2021 to discuss the main problems identified and prepare a development plan for 2022–2023. Employees shared their opinion on strengths of the Company and made various suggestions for the Company's further development.

The study revealed that employees are satisfied with improvement of the Company's approach to communication and feedback processes, renovation of premises, and extra measures taken to ensure safe working conditions. Moreover, in 2021, employees noted improvements in communication with their managers, who began giving quality feedback more often and were always open to discuss important issues with subordinates. Workers also trust the professionalism of their colleagues and feel high team cohesion. Additionally, the research showed that measures should be taken to reduce employees' anxiety at work and eliminate a feeling of being overwhelmed by the rapid development of the Company that they should adjust to. For these purposes, EVRAZ will implement a project for employees called Trust Without Fear, work on revealing the causes of fears and develop methods to cope with them. Besides, according to the results of the survey of the focus groups, employees do not fully understand how the Target Remuneration System works and would like it to be more transparent and comprehensive. EVRAZ will continue conducting a promotion campaign for workers to clarify the specificity of the new system.

CASE STUDY

DEVELOPING A DIGITAL MEDIA ECOSYSTEM OF EVRAZ

Nowadays, more and more people prefer getting information using gadgets. Technological progress drives the Company to implement new digital channels of communication and convert existing ones to an electronic format. In 2021, EVRAZ worked hard at developing its own digital media ecosystem:

- The Company was actively developing a EVRAZ corporate app for engaging with employees. New functions, such as a comment section under the Group's latest news or an option of suggesting ideas on improving existing working processes, were added.
- Moreover, news became daily instead of weekly, and employees now have access to them at any place anytime.
- EVRAZ launched a corporate Telegram channel where it regularly posts updates on new products, Company reports, and the latest industry and corporate news, including those on sustainable development.

Hotline

EVRAZ takes seriously all violations that take place within its entities; hence we have in place a completely anonymous hotline. Employees of the Group, former employees, customers, and others stakeholders may access the hotline and require the feedback to their questions, making suggestions, and reporting alleged violations regarding corruption, bribery, human rights, alcohol or drug intoxication, and so on.

All requests are processed with an IT system and sent to the responsible business units (HSE, HR, Security,

etc.), where they are investigated. In complicated and sensitive cases, requests are additionally considered by the Internal Audit Department, Vice President for Corporate Communications, Internal Audit Director, and Internal and External Communications Director as members of the Hotline Committee.

In 2021, we received 1,196 requests via the hotline. Most were associated with labour relations, including their quality (879), and health and safety (165).

HEALTH AND SAFETY

2021 HIGHLIGHTS

The Group's LTIFR was¹

1.21_x
per 1 million hours

Fatal incidents in 2021²

8

172

cases of occupational illness

100%

of EVRAZ employees covered
by the Health and Safety
management system³

Key events 2021

- Successful implementation and audit of the "Risk Management" project
- Follow-on development of the Hunt for Risk mobile application
- Commencement of HSE processes transformation

1. The values of the indicator have been recalculated to include contractors and are different from those presented in the Annual report 2020 and the Sustainability report 2020. The data is presented excluding fatalities.

2. Six incidents occurred with employees and two with contractors.

3. Managers and production personnel at enterprises.



TY

Material topics



Health and Safety

Global Sustainable Development Goals



OUR APPROACH

GRI 103-2

Ensuring the occupational health and safety, preserving the life and health of employees and contractors, and protecting the environment are the absolute priorities EVRAZ has set for itself. The Company continually improves its HSE management system, reviews and updates the existing mechanisms on a regular basis and develops new innovative solutions to ensure a safe working environment at EVRAZ. To keep introducing innovative ideas and solutions into the HSE management system development, EVRAZ regularly monitors best international practices and current trends, which help to continually identify new ways for development and improvement within the Company.

Most of the Group's enterprises are certified as compliant with the requirements of the OHSAS 18001/ISO 45001 occupational health and safety management and ISO 14001 environmental management standards. The Company is currently aligning the occupational health and safety management system for relevant facilities to certify them under the ISO 45001-2018 standard as the validity period of OHSAS 18001 gradually expires.

GRI 403-1, 403-3, 403-4, 403-8

The Group recognises that the engagement of senior executives in the HSE management process is a crucial element in the plan to enhance the effectiveness

and improve the functionality of its HSE management systems. HSE issues are considered at every corporate level, including our line and senior management. In 2021, EVRAZ established two governing bodies within its organisational structure to bolster our HSE management systems and foster a safety culture.

In December 2021, the Board of Directors established a specialised Sustainability Committee. It plays a key role in managing HSE issues at the Board level and is responsible for setting the Company's strategy in this area.

In August 2021, EVRAZ established the Sustainability Management Committee at the executive level. The Group's Corporate Strategy and Performance Management Vice President chairs the Committee, and the CEO and heads of business units regularly attend its meetings. The Committee's tasks include driving improvements in the safety culture by setting and revising relevant goals and approving annual KPIs for line managers. At the level of the Group's enterprises, local HSE departments supervise HSE issues.

For HSE governance structure please refer to the "Approach to sustainability management" section [on page 18](#).

EVRAZ actively engages with industry associations on matters related to occupational health and industrial safety, such as the World Steel Association's Safety and Health Committee, as well as the HSE committees of Russian Steel (a Russia-based non-commercial partnership) and the Russian Union of Industrialists and Entrepreneurs. We evaluate and formulate proposals on various legislative initiatives and work to develop a common position among the associations' members.



HEALTH AND SAFETY MANAGEMENT

APPROACH

GRI 103-2, 403-1, 403-3

As one of the world's largest metallurgical and mining companies EVRAZ is aware of the nature and scale of impact of its activities, considering it a duty to create and maintain safe working conditions for our employees, contractors, and partners. The Company takes a proactive and structured approach in managing occupational health and safety issues, focusing on the ongoing improvement of internal processes, implementing best international practices and instilling safe working methods and safety culture into every employee.

EVRAZ shows an unwavering commitment to follow all legal requirements in its regions of operation as well as internal corporate rules, regulations and standards on health and safety protection that are often even stricter than the rules prescribed by legal bylaws.

The Company operates HSE management system to manage risks in occupational health and safety related to its operational activities. The HSE management system is a set of interrelated actions to help identify potential hazards that may arise during production activities and develop appropriate mitigation measures. It is based on a risk-oriented approach allowing EVRAZ to prevent and avoid cases that could potentially lead to harmful consequences for our employees and contractors.

The basis of EVRAZ HSE management system is the Health, Safety and Environmental Policy, a fundamental document regulating the occupational health and safety issues. The Policy

formalises the basic principles that the Group has set for itself as well as the employees' commitments and expectations in terms of occupational health and safety.

The Company regularly updates, develops, and implements latest HSE regulations and standards containing requirements aimed at ensuring safe conditions and protecting the employees' at work. All EVRAZ activities are carried out in accordance with the following documents governing the occupational health and safety, and fire safety issues:

- Health, Safety and Environmental Policy.
- Policy Relating to Alcohol, Narcotic Drugs and Tobacco.
- Cardinal Safety Rules.
- Fundamental Environmental Requirements.
- Standard Incident Reporting Rules.

In 2021, a number of corporate HSE documents were revised and amended due to significant changes in occupational health and safety legislation. The changes affected the safety rules for working at heights, operating power units, handling operations and some other areas. In terms of core internal documentation, some changes were made to the Standard Incident Reporting Rules. The Cardinal Safety Rules were also updated and a new lockout, tagout (LOTO) procedure was added that prohibits working without safety locks.

EVRAZ strives to comply with all international standards on occupational health and safety. OHS management system has been adopted at all

the Group's production facilities.

The Company is focused on seeing to it that all the Group's enterprises are certified in accordance with the ISO 45001:2018 latest international standard.

The Siberia Division that passed the initial ISO 45001 certification in 2020 was subject to inspection control during the reporting period. Its results showed that the declared certification area conforms to the activities carried out by EVRAZ ZSMK, the integrated management system meets the ISO 45001 requirements, is effectively implemented and able to achieve the goals set by the Company's policy.

In 2021, EVRAZ NTMK was certified under ISO 45001:2018 and underwent a supervisory audit as well. The audit results confirmed that EVRAZ NTMK met the requirements of the ISO 45001:2018 international standard, with respective acknowledgement by the Bureau Veritas Certification Rus certification body.

EVRAZ plans to continue certification under ISO 45001 for other projects of the Group. This initiative will be implemented before the expiration of the OHSAS18001:2007 certificate. In addition, the Company continues to regularly confirm compliance with the requirements of the standard at those enterprises that have already received the ISO 45001:2018 certificate.

HS INITIATIVES AND PROJECTS 2021

Risk management

GRI 403–7

In the reporting period, the active phase of the Risk Management project was successfully completed. The project is aimed at creating a systematic approach to changing the employees' attitude to their own safety. It helps to duly identify risks, minimise them, and prioritise budgeting.

At the end of 2021, the project underwent an audit that revealed its strengths and weaknesses. The project assessment showed that the majority of heads of business units considered the project to be an integral part of HSE management systems. We are pleased to see our employees perceive the risk management tools as part of standard daily operations. We regard this as an example of how all the EVRAZ facilities successfully implement the dynamic risk assessment measures.

During the reporting period, EVRAZ trained over 23,000 employees under the Risk Management project. In addition, the employees of the Company's contracting organisations commenced their risk management training through specially developed internal programmes.

Next year, several processes for working in terms of contractor management are planned to be realised as well. They

will be fully integrated into the corporate HSE management system within the implemented project.

Hunt for Risk mobile app

GRI 403–2

EVRAZ continued to extensively implement the innovative Hunt for Risk mobile application in the field of occupational safety, that was developed under the Risk Management project. The application helps to identify and eliminate workplace risks in a convenient way, and to increase the level of personnel safety culture. The app functions in two ways: standard — enabling one to record the risks identified by experts in an electronic system, and mobile — providing access to Hunt for Risk on employee's phones and giving the opportunity to report the risk at any time. Also, all volunteers who have joined the ranks of the Hunters get access to the reward system exchanging the points gained for active use of the application for valuable prizes. In 2021, the Company also rolled out the Hunt for Risk app for the employees of contracting organisations giving them the opportunity to use the app to increase their interest in workplace safety. However, the employees

of contracting organisations are not able to use the incentive system as the direct managers of contractors are responsible for their rewards.

Hunt for Risk was originally launched in 2020, and by the end of the reporting period the number of users totalled to 1,280. In 2021, the Company conducted the specialised training that allowed its employees to master simple and comprehensible skills in using the application. As a result of the active implementation of this programme over 70,000 potential hazards were identified in 2021 as such. This indicator exceeded the anticipated result by almost two times, which speaks for the incredible success of the app.

Transformation of HSE processes

In 2021, EVRAZ reviewed a number of its business processes related to occupational health and safety followed by developing the recommendations for their automation and central administration. This coincided with the debureaucratisation initiative carried out earlier on in the Company. The analysis of the existing processes also revealed the need for a revision of the safety management operational model which is scheduled for 2022.

DEVELOPING THE SAFETY CULTURE

GRI 403-5

EVRAZ adheres to its unchanged goal – development and maintenance of an effective safety culture. Our employees can openly discuss all issues related to safety, they also have the right to suspend any operation that represents a potential risk to the occupational health and safety. We are trying to ensure the maximum level of employee engagement, and this has become possible by virtue of the ongoing initiatives in the field of occupational safety, such as the Risk Management project and innovative application for risks identification. These programmes are aimed at encouraging employees to take an increasing interest in their own safety.

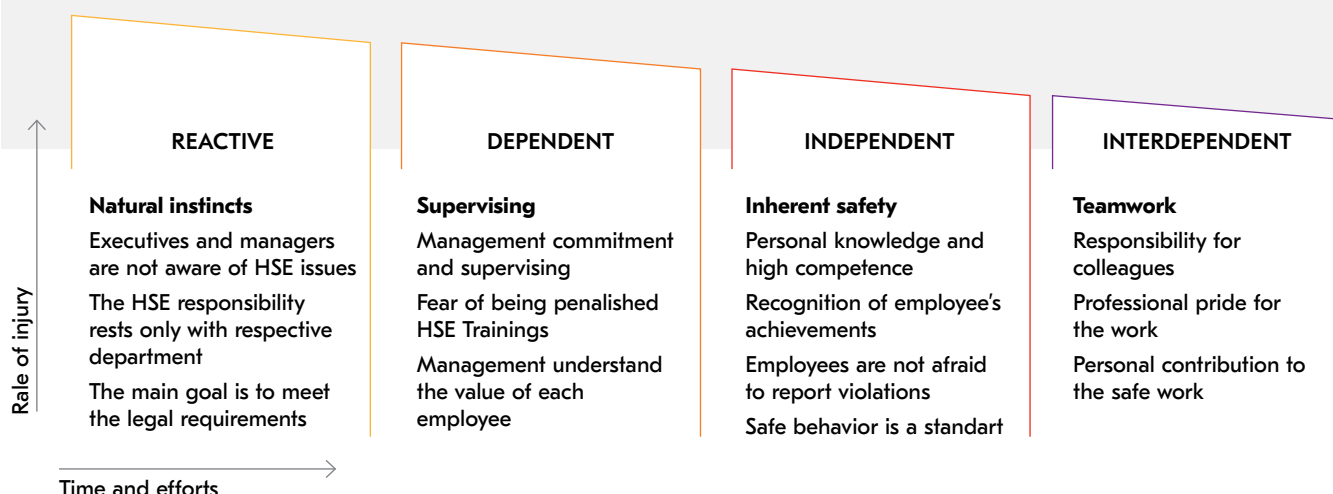
During the reporting period, the primary diagnostics and self-diagnostics of the safety culture current

status were carried out in the Ural division. According to the results of diagnostics by an independent expert organisation, the safety culture level conforms to the transitional level from the reactive (first) to the dependent (second) level on the Bradley Scale. Based on the diagnostic results, certain recommendations were obtained that will provide for achieving a stable dependent (second) level of safety culture. The Company realises that too fast a pace of change may have the opposite effect, therefore it pays attention to consolidating and maintaining the results achieved.

In the Siberia division in 2021, a self-diagnostics of the safety culture was carried out as well. In the course of it, about 12,000 employees of various workshops were surveyed. The analysis of the answers

given to open-ended and closed-ended questions showed that the perception of the safety culture by the employees of the Siberia division was at a stable Dependent level on the Bradley Scale. Moreover, around 90% expressed their satisfaction with the current safety situation. Senior managers expressed particular concern about the safety issues. The conducted self-diagnostics showed not only the existing situation in the division but also identified the key problem areas from the employees' perspective and, respectively, the areas for development.

The Bradley Scale of safety culture development



OCCUPATIONAL INJURY PREVENTION

GRI 403-9

In carrying out its activities, EVRAZ adheres to its priority of protecting the life and health of employees from harmful and dangerous factors. Despite the tremendous efforts made to achieve this goal, it is impossible to achieve the absolute safety in the real world, therefore, in the process of work the EVRAZ employees and contractors remain exposed to health and safety risks.

In 2021, the following major harmful and dangerous factors that represent the highest danger were identified:

- Moving, rotating equipment, mechanisms and flying objects.
- Hitting by external object.
- Dropped or collapsed objects, materials, etc.
- Fire, flame or smoke exposure.

- Traffic accidents.
- Fall from height.
- Electric shock.
- Exposure to extreme temperatures, and other natural factors.

To reduce potential danger from harmful and dangerous factors of the production environment, EVRAZ conducted an analysis of all production processes. This made it possible to identify all major risk areas subject to development and implementation of technical and organisational measures to reduce harmful impact on the employees. It is also mandatory for all employees of the Group to have all the necessary personal protective equipment (PPE) that can reduce the impact of potentially harmful factors.

The Company actively engages its employees in the process of risk identification and analysis. First of all, this initiative has a positive effect on the safety culture improvement as each and every employee wants to come back home safe and sound and is well aware that employees' own safety depends on themselves.

To assess the effectiveness of the applied measures of protection against dangerous factors, every year EVRAZ monitors the major safety indicators, including the frequency of time-loss injuries (LTIFR) and the number of deaths. Monitoring these indicators not only helps assess the existing protection measures but also contributes to identifying the areas for development for the next period.

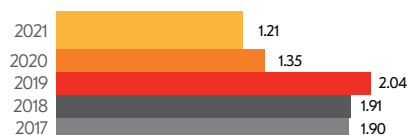


LTIFR

GRI 403–9

On an annual basis, EVRAZ carries out assessment of the working conditions at its facilities. The leading indicator reflecting the effectiveness of HSE management systems is the lost-time injury frequency rate (LTIFR). Starting from 2021, the Company has been tracking the indicator values both towards its contractors.

Lost-time injury frequency rate¹

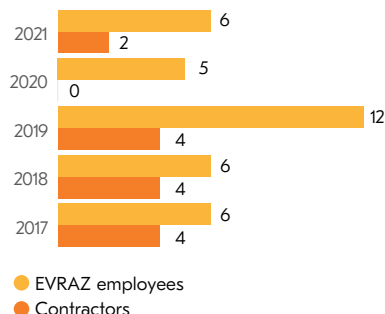


Fatalities

GRI 403–9, SASB EM-MM-320a.1

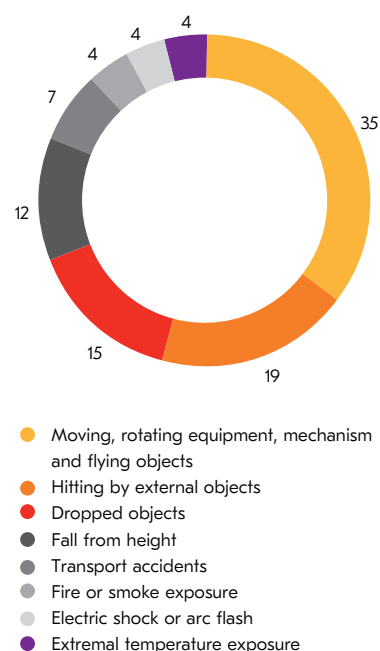
EVRAZ makes every effort to ensure there are no fatalities, yet we regret to report eight fatalities in 2021, including two cases among our contractors.

Work-related employee fatalities



All accidents in the Company are subject to a mandatory investigation. Prompt identification of critical factors and root causes of incidents helps identify systemic shortcomings and develop the necessary measures to minimise dangerous factors more accurately. The Sustainability Management Committee is responsible for the implementation of such initiatives, both within the Group and in individual divisions. Each initiative implemented by the Sustainability Management Committee is regularly monitored and assessed to determine its effectiveness.

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



1. The values of the 2020 indicator have been recalculated to include contractors and are different from those presented in the Annual Report 2020 and Sustainability Report 2020. Since 2021, the value of the indicator is being tracked with consideration to contractors. The data is presented excluding fatalities.

HEALTH PROTECTION

GRI 403-6, GRI 403-10

To preserve the health of employees, EVRAZ strives to create comfortable working conditions at their workplace. To preserve the health of employees and prevent the occurrence and spread of occupational diseases, the Company conducts all types of medical examinations: mandatory preliminary examinations - upon admission to work, and periodic medical examinations - for employees engaged in work with harmful and (or) dangerous working conditions. EVRAZ also provides employees with the means of individual and collective protection that contribute to the prevention of exceeding the permissible threshold values of harmful factors at workplace.

On an annual basis, EVRAZ monitors the statistics of occupational diseases occurrence. 172 cases of occupational

diseases were documented during 2021 at EVRAZ facilities, which was 1.7% lower than in 2020, which saw 175 cases. The structure of registered occupational diseases suffered no changes during the reporting period. Most frequent types of occupational diseases for 2021 are:

- Diseases of the hearing organs (49%)
- Diseases of the musculoskeletal system (39%)
- Respiratory diseases (12%)

The Company has the occupational disease prevention programmes that minimise the risks to the employees' health. Most programmes are aimed at preventing diseases of the hearing organs and musculoskeletal system as it is these diseases caused by difficult working conditions that occur most frequently with workers.

According to Russian legislation and best international practices of the world community, EVRAZ has arranged insurance against industrial injuries and diseases for all its employees. In the case of detecting any disease resulted from the exposure to harmful or dangerous factors in the working environment, EVRAZ covers all costs incurred in disease treatment, and an employee receives a compensation for his temporary disability. Moreover, the Company provides additional financial assistance to its employees, depending on their personal circumstances and health status.

TRANSPORT SAFETY

EVRAZ uses many vehicles in its activities. These are used not only for the Company's operational activities but also for the employees' transportation. In this regard, EVRAZ pays great attention to the transport safety. We continually carry out modernisation and replacement of the vehicles, and all our employees comply with the transport safety regulations in effect.

In 2021, EVRAZ carried out the modernisation of its railway transport, that is over 10 km of railway tracks, switches and wagons underwent major repairs. In addition, there was accomplished the final stage of the construction of an automatic train approaching notification system for the personnel operating the railway tracks. The Company also updated its fleet of diesel locomotives, repairing the existing ones and purchasing new diesel locomotives and traction units.

In addition to the rail transport, a number of initiatives aimed at improving the road transport safety were implemented

in 2021. A training stand was purchased in the Siberia division as a head-on collision simulator that is designated for conducting training tests for all drivers. A new brake stand was installed at EVRAZ KGOK at the technical inspection point to check the braking systems of cars. To improve the transport safety, certain specialised classes were held with drivers under the "Road Safety" programme, and there was arranged a meeting with the traffic police inspectors who conducted a seminar on the road rules changes.

In 2021, EVRAZ carried out a number of planned overhauls of transport, purchased new comfortable buses and automobiles, and equipped a number of its vehicles with tachograph control.

Contractor engagement

Contractors play an important role in ensuring EVRAZ's day-to-day activities, therefore their skills and competencies

are of key importance for providing for the overall safety. The Company has developed a management manual for contractors that sets requirements to their work.

Every year EVRAZ endeavours to more and more involve its contractors in the HSE-related issues. In the reporting period, the Company commenced additional training in risk management project tools for its contractors. The training is planned to be continued and expanded in 2022. In addition, the contractors were provided with an access to the Hunt for Risk application in demo mode. The application enables the contractors to independently record the risks identified during work, thereby increasing a personal interest in ensuring the safe working conditions.

Another innovation during the reporting period was that the Company included its contractors in the LTIFR indicator for the first time.

EMERGENCY PREVENTION AND RESPONSE

All the EVRAZ facilities are equipped with modern means of responding to various emergencies. The Company complies with all the requirements of the national legislation and sees to it that all the facilities have their approved action plans for the localisation and elimination of the consequences of accidents, as well as contemporary warning systems that, when appropriate,

send sound alerts across the facility and transmit an emergency signal to a district duty station to warn residents and authorities as along with specialised rescue services.

EVRAZ regularly conducts trainings and emergency drills in accordance with the elaborated emergency response plans. The Company is interested

in ensuring that its employees are always appropriately prepared for any emergency situations.

In 2021, the Company directed its special focus on mine and underground mining, hence a quarterly rating of mines in terms of their readiness for emergency situations was compiled.





PROTECTING OUR NATURAL ENVIRONMENT

2021 HIGHLIGHTS

2.9%

reduction of total air emissions
from steel production

105%

non-mining waste recycling
and reuse rate

Key events 2021

- HSE Policy was expanded in line with the environmental challenges
- Corporate rules on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) were updated
- The biodiversity roadmap was developed
- The water treatment facilities were upgraded at Alardinskaya mine
- Several significant initiatives within the Clean Air federal programme were enacted
- A dust suppression programme in coal storages at Raspadskaya washing plant was piloted



NG URAL NT

Material topics



Environmental management



Biodiversity



Water



Waste stewardship



Air quality

Sustainable development goals (the Global Goals)



ENVIRONMENTAL MANAGEMENT

GRI 103-2

One of the Group's strategic goals is to ensure sustainable business activities. Our environmental work includes, among other activities, protecting the biodiversity in our regions of operation, optimising our water use, mitigating waste-related risks, and reducing air emissions in line with our approach to environmental management as defined in the EVRAZ Business Strategy and HSE Policy (see the Health, Safety and Environmental Governance section, [page 70](#)). In 2021, we revised our current HSE Policy to expand on current issues and commitments that match our 2030 Environmental Strategy. The new policy introduces the following crucial aspects: favourable living conditions for future generations; contribution to global efforts to achieve the goals of the Paris Agreement by decarbonising our emissions; minimising the impact on the environment through energy and resource efficiency; increasing recycling and reuse share of waste, and biodiversity protection. All our enterprises use an environmental management system (EMS) based on the plan-do-check-act

model. The EMS is a framework that facilitates the minimisation of environmental risks and coordination of the Group's environmental compliance.

GRI 307-1

Compliance with the applicable environmental requirements is a priority for EVRAZ. As part of our internal audits, we conduct risk assessments and evaluations of our HSE management systems. Our facilities are regularly audited by state and third-party agencies to ensure that we adhere to the environmental requirements.

No significant environmental incidents or claims were made against the Group's assets over the period covered by this report. The Group was fined and penalised for a total of US\$3.1 million in 2021, which is lower than US\$5.8 million in 2020.

The Group strives to ensure compliance with all relevant environmental requirements. In 2021, we completed updating our corporate rules

on the registration, evaluation, authorisation and restriction of chemicals (REACH) to ensure that the Group's assets strictly comply with REACH for products supplied from or manufactured in the European Economic Area by the Group's assets.

When developing new projects and operations, we perform special environmental and social impact assessments (ESIA) that evaluate possible indirect and direct effects of our activities on the local environment and communities. We are also developing plans to reduce these impacts and manage them through engagement with local stakeholders, including regional authorities, enterprises and host communities.

To maintain a high level of environmental awareness and competence among our employees, we provide training on waste management approaches, HSE practices and other relevant topics.

EVRAZ FUNDAMENTAL ENVIRONMENTAL REQUIREMENTS



It is forbidden to shut down environmental control systems without proper authorisation and notification.



It is forbidden to discharge any chemical products (oil, acids, alkali, and other liquid products, which are prohibited to be discharged under our technological requirements), both into sewage systems and on the ground.



It is forbidden to burn or dump production and consumption waste outside designated areas.

In 2021, EVRAZ invested US\$71.2 million in respective projects to improve the Company's environmental performance, and US\$30.5 million — to support

environmental compliance procedures. The Group is expected to conduct a variety of environmental protection initiatives between 2021 and 2026. The estimated

costs associated with implementing these initiatives totalled to US\$197.5million by 31 December 2021, down from US\$226.2 million as of 31 December 2020.

CASE STUDY

ENVIRONMENTAL STRATEGY

EVRAZ developed an environmental strategy based on sustainable business and environmental protection principles are integrated into all stages of our value chain.

In 2021, the Group clarified its new goal for the period up to 2030 (with 2019 as the baseline year), covering the air emissions aspect. We underlined that the indicator for dust emissions from coal mining applies to social dust only (dust that affects local population during coal transportation and storage near by the residential areas).

The following key indicators were achieved in 2021:

AREA	GOAL (2019–2030)	2021 STATUS
Water	Zero wastewater ¹ discharges from steel production	63.5 million m ³
Waste	Utilise 95% of waste from metal production and general waste	105% ²
	Recycle 50% of mining waste	30.9%
Air pollutant emissions	Reduce total atmospheric emissions from steel production by 33%	2.9% reduction year-on-year
	Reduce dust emissions from coal mining by 1.5 times	10.8% increase due to higher production volumes

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.

2. Above 100% due to the processing of old dumps owned by enterprises.

BIODIVERSITY

GRI 304-1, SASB EM-MM-160a.1

We acknowledge our responsibility to conserve biodiversity in general and local species and their habitats. Our assets are not located within World Heritage Sites or specially protected natural areas or areas of high biodiversity value. EVRAZ assesses risks on biodiversity and aims to minimise potential impacts at all stages of asset's life cycle. We focus on risks and impacts mitigation starting from project design stage.

Biodiversity is being one of priorities for EVRAZ. Acknowledging that biodiversity degradation and losses is the global problem, our company aims to apply best practices. To follow this comprehensive goal company started time-phased plan for its realisation. The Group aims to ensure a rational and prudent approach to conserving biodiversity. We are also actively involved in communication with local communities regarding biodiversity issues.

The Group takes its obligations to restore land disturbed during mining operations seriously. To achieve this, we undertake environmental activities and rehabilitation projects.

Activities and rehabilitation projects in 2021

In 2021, with the financial support of EVRAZ, the research was conducted with the aim of safeguarding the population of aquatic salmon species, particularly Siberian taimen, in the Khabarovsk Territory's Tuguro-Chumikansky district. The work was conducted in collaboration with the Federal State Budgetary Scientific Institution "All-Russian Research Institute of Fisheries and Oceanography" and LLC "shTurMan-2". Overfishing by unlicensed fishing teams and poaching are the primary

threats to Russia's salmon species. One solution is to establish sports and amateur fishing, in which the flow of fishers is regulated through the granting of "caught and released" and "caught and seized" licences. The catch-and-release method has grown in popularity in several nations over the last 30–40 years, and numerous scientific studies have been conducted to demonstrate its usefulness as a fish protection technique.

EVRAZ supported the research project "Determining Siberian taimen mortality during recreational fishing in the Tugur river basin." In particular, test recreational fishing trips for amateur anglers were conducted, and observations of taimen were taken for which quotas were secured. This enabled scientists to determine how many of the released fish survive and what factors contribute to the mortality of the remaining animals. The project activities should contribute to the preservation of the unique natural complex of the Konin and Tugur rivers' water areas, organisation of scientific, cultural, and educational work on the study of salmon and aquatic fish species in the rivers of the Tugur-Chumikansky district of the Khabarovsk Territory, and promotion of development and implementation of measures to mitigate human impact on natural ecosystems.

CASE STUDY

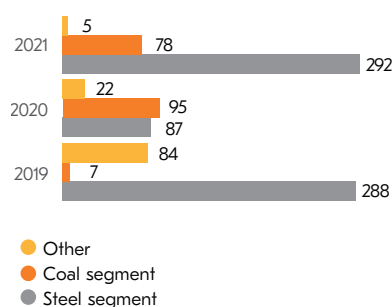
LAND REHABILITATION AND RECLAMATION PRACTICES

In 2021, the project for land reclamation was completed at the Abagur plant (Novokuznetsk), serving the Mines «Sheregeshskaya», «Tashtagolskaya» and «Kazskaya». The Company allocated US\$61,000 for its implementation. The restoration work commenced in 2020 and included two stages of reclamation: technical and biological. A plot with a total area of 1.85 hectares was covered with fertile soil, bio-fertilizers, and sawdust, and grass seeds were planted.

Reclamation contributed to the recovery of the lands to a safe state for the environment and the community, as well as restoring their value and soil fertility, making them suitable for further use in economic activities.

EVRAZ regularly releases various species of fry into water bodies. Our approach to preserving the biodiversity involves an intent to maintain the quality of the aquatic ecosystems and the existing biodiversity. In 2021 we released 375,000 various species of fish into water bodies, compared with 204,000 in 2020.

EVRAZ released fish fry into water bodies, 2019–2021, thousand

GRI 304-3

CASE STUDY

PROTECTING BIODIVERSITY

In 2021, the Group contributed to landscaping and biodiversity support through several measures.

Environmental specialists from Mine «Raspadskaya» released 78,000 fish fry into the rivers of the Ob-Irtysh basin in Siberia

The fish fry was raised in a special reservoir at the Tomsk Research and Production Fish Breeding Complex. As soon as the juveniles reach a weight of one and a half grams they are released into the river. Every year the employees carry out activities for restoring the biological resources in water bodies.

In addition, over 3,300 young grass carp, silver carp and carp were released into the Tagil Pond. These are herbivorous reclamation fish. They purify the pond by eating plant debris and harmful microalgae, that negatively affect the condition of the pond.

As regards tree planting, EVRAZ planted 757,000 trees in 2021 as part of its strategy, 99% of those were contributed by EVRAZ KGOK, which restored almost 250 hectares of forest in the Sverdlovsk region (at the territories of the Verkhotursky and Novo-Lyalinsky forestries, near the villages of Staraya Lyalya and Chernichny) under the obligation to replenish the territories that were included in the first stage of the Sobstvenno-Kachkanarskoye field (SKM) development. As a result, around 750,000 conifers were planted.



WATER

GRI 303-2, 303-5

Water is a vital component of our operations. To manage the mine water and fresh water rationally and sustainably, we strive to use the most effective water management methods and best practices. EVRAZ has invested a concerted effort to decrease water usage as part of its commitment to health, safety, and the environment. Water-related goals and tasks are addressed by our HSE Policy, which includes the Board of Directors dealing with water risk management challenges, among other responsibilities set out for the executive management. As regards the environmental water-related concerns, EVRAZ is a member of the Russian

Union of Industrialists and Entrepreneurs (RSPP). We make significant efforts to treat our effluents in order to reduce our reliance on fresh water.

The mining and steel industries require significant amounts of water. As part of our climate risk assessment, we have recognised that circular water use within our facilities enables us to manage physical risks like water scarcity, droughts and the increasing frequency of extreme weather events.

GRI 303-1

The majority of the Group's activities are not located in water scarcity areas. Any significant risks to the availability of water resources, but it is our goal to minimise any possible negative effects our activities may have on the environment by lowering water intake. The water we take comes from surface water bodies, groundwater wells, and public water networks, and is used for a variety of functions.

Our primary water-related operations are:



Mining operations



Production processes



Equipment and ventilation cooling demands



Fire safety



Offices, workshop, laboratories



Drinking needs



Most of the overall fresh water intake for manufacturing purposes is related to three major steel mills: EVRAZ NTMK, EVRAZ KGOK, and EVRAZ ZSMK (including Evrazruda). Surface water, such as that from rivers, lakes, and reservoirs, accounts for around 90% of these industries' fresh water intake. Total fresh water consumption for production purposes was 196.22 million m³, which is 6.56 million m³ less than in 2020.

EVRAZ fresh water intake for production needs¹, 2019–21, million m³

GRI 303–3



The Group strictly complies with all applicable legislation on water discharges. Total volume of water discharged in 2021 was 121.49 million m³, which is 3.77 million m³ less than in 2020.

Water consumption by sources, EVRAZ total and by segments², 2021, %

GRI 303–3



- Surface water sources
- Ground water
- Public network
- Other sources

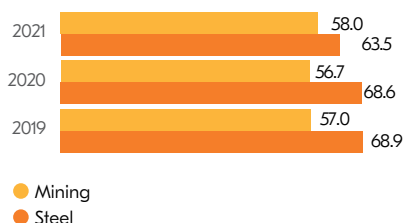
At our coal and ore mining sites, we also pump mine water (quarry water) for safety purposes. Mine water is generated when groundwater from several aquifers mixes and interacts with the air in the mine area and exposed rocks during mining

excavations. As this water is a natural phenomenon we cannot totally regulate or estimate its volume. Despite our efforts to utilise mine water for production instead of fresh water, our mining assets require less water amount than the one available with us. There is no way to distribute excess water to other consumers as most of our mines are located in remote areas. In 2021, we used 20.6 million m³ (31.9%) of mine water instead of fresh water. The remaining volume, 43.9 million m³ (68.1%) of the total amount was dumped in bodies of water. Our water-related Environmental strategy goal specifies that mine water is treated to remove pollutants occurred during mining.

Water discharge regulations are rigorously enforced at our facility. There was a 3.8 million m³ decrease in the volume of water discharged in 2021, to 121.5 million m³, compared with 125.3 million m³ in 2020. It is part of the EVRAZ Environmental policy to limit the amount of water discharged, which helps to reduce water intensity. Mine water discharge cannot be controlled, as previously stated, due to the necessity of pumping groundwater out of mines in order to ensure workers' safety. The water discharge intensity for steel production was 4.68 m³ per tonne of crude steel cast. We also focus on industry median when planning our water discharges reduction measures.

Total water discharged³, million m³

GRI 303–4



Water discharge intensity (steel segment, including North America), 2019–2021, m³ per tonne of crude steel cast

GRI 303–4



EVRAZ fresh water withdrawal intensity, 2019–2021, m³/US\$ thousand revenue

SASB EM-MM-140a.1



Fresh water withdrawal intensity, 2019–2021, m³ per tonne of crude steel cast



In 2021, we were seeking the ways to cut back on water withdrawals at our sites while still moving forward with other initiatives that have already been identified for implementation. To meet our water-related goals and tasks, this will enable us to reduce our overall consumption while also improving our efficiency.

1. The indicator "Data for total fresh water intake for production needs" in the current Report differs from the data in the Sustainability Report 2020 due to the following reasons: the volume of fresh water for enterprise needs mistakenly included recycled water, which is used by Kuznetskaya CPP for production needs, and the volumes of recycled.
2. 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 factors of their natural origin.
3. 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.

CASE STUDY

ZERO DISCHARGE

EVRAZ implements measures to mitigate water-related risks across its assets. In 2021, EVRAZ ZSMK completed the first stage of the circulating water supply system modernisation project. Specific equipment was installed to remove impurities and petroleum products from wastewater at this stage.

The implementation of the second stage is planned for 2022 and will comprise the installation of filters. The project is expected to be completed in 2023. As a result, it will be possible to end the discharge of wastewater into Lake Uzkoe and to use treated water in production.

EVRAZ NTMK continued to carry out the project to convert to a closed water supply cycle. Throughout the year, water protection equipment was repaired, including the cooling towers, conduits, and filters, as well as certain work was done to clean the settling tanks of the rolling shops' mixed circulation cycle.

THE WATER TREATMENT FACILITIES AT MINE «ALARDINSKAYA»

The water treatment facilities of Raspadskaya Coal Company that controls the EVRAZ coal assets were upgraded in 2021 at Mine «Alardinskaya». The project cost is US\$3.87 million allocated by the Company for implementation. A large-scale reconstruction was carried out at the facility for the first time and lasted for almost three years. The amount of water treated increased nearly threefold, from 550 m³ to 1,380 m³ per hour after the work was completed at the pumping and filtering station.

The volume of discharges into water bodies and rivers has been reduced by 40% in the last three years as a result of the installation of modern treatment facilities.

Mine «Alardinskaya»'s wastewater and mine water treatment is based on the patented DIKLAR dynamic clarifier technology. Water from the drainage system enters the disinfection tank after being treated with reagents and cleaned on clarifiers to remove mechanical and colloidal pollutants. Part of this water is used for the mine's technological needs.

BIOTECHNOLOGIES IN WATER PURIFICATION

EVRAZ ZSMK conducted experimental tests for the rehabilitation of the Konobenikha River by planting water hyacinths in the hydroash removal pond. These natural filters are a great alternative to wastewater treatment plants. In a few months, plants can completely purify and restore the water in a pond. EVRAZ ZSMK is implementing a large-scale environmental programme that, among other things, includes projects to reduce and prevent the discharge of pollutants into water bodies.

At EVRAZ NTMK additional purification of water was carried out using biotechnologies:

- higher aquatic plants eichhornia and pistia, which are natural biological filters, were planted in clarifier ponds
- chlorella microalgae was released, which saturates water with oxygen, removes organic and inorganic substances and enriches water with nutrients

WASTE STEWARDSHIP

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

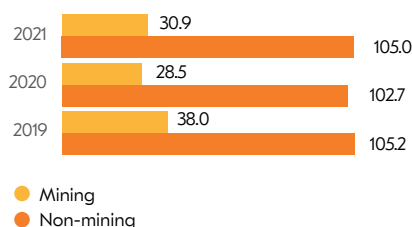
In its business activities, EVRAZ produces large volumes of general and metal production waste (not related to mineral extraction), as well as mining waste, such as overburden, tailings and barren rock. The Group uses the best available practices of waste management methods in this area to make rational use of natural resources and reduce waste generation. These are the components of our waste management approach, listed in order of priority on the right.

The amount of waste and by-products generated at our enterprises in 2021 totalled to 195.7 million tonnes, including 8.6 million of non-mining waste.

EVRAZ strives to increase the amount of recycled and reused waste in accordance with its Environmental strategy. In 2021, 66.8 million tonnes of waste (including mining waste) were recycled. Non-hazardous mining waste is used for land restoration and the construction of dams and roads.

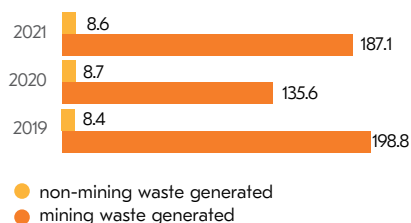
Mining and non-mining waste recycling and reuse rate, 2019–2021, %

GRI 306-3, SASB EM-MM-150a.2



EVRAZ mining and non-mining waste generated, 2019–2021, million tonnes

SASB EM-MM-150a.1



Minimise at the source

- Improve technological processes to enhance product quality
- Secure by-products without generating waste

Reuse

- Reuse main types of waste from metal production: slag, clinker and tailings, including from old dumps

Recycle

- Develop new products that feature various types of waste
- Use inert waste to reshape land plots and to build dams or roads

Burn as fuel / Generate heat

- Generate heat from hot slag; use waste for heating (local boilers)

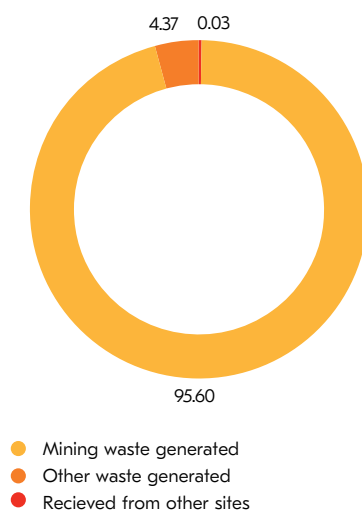
Store

- Store waste that cannot be used today safely, retaining the option
- of using the locations as industrial sites in the future

Burn

- It is forbidden to: "burn production and consumption waste without special facilities or dump it outside designated areas" (EVRAZ Fundamental Environmental Requirements)

EVRAZ waste generated and received, 2021, %



EVRAZ considers the safety of tailings storage facilities (TSFs) a priority, as their use poses significant environmental risks. The Group owns three metallurgical TSFs located at EVRAZ ZSMK and EVRAZ KGOK. The dam safety management system ensures compliance with the relevant legislation and covers all stages of TSF service life: design, construction, operation and closure. Safety is continually monitored, and our TSFs are regularly reviewed by both internal and external specialists and regulators.



CASE STUDY

WASTE ROCK PROCESSING INTO NEW TYPES OF CRUSHED STONE AT EVRAZ KGOK

EVRAZ Kachkanarsky Ore Mining-and-Processing Integrated Works (EVRAZ KGOK) began processing waste rock into five new types of crushed stone in compliance with state requirements. This investment initiative has become part of an environmental strategy aimed at increasing the volume of recycled mining waste.

In the plant's area, a crushing and screening complex and a crushed stone screening unit were constructed, a productive loader was obtained, and a modular structure for staff was equipped. The new facility will manufacture crushed stone fractions ranging in size from 5 to 40 millimetres. The project received almost the US\$2.72 million investment. There were created 19 new positions.. The facility has an annual production capacity of 1.8 million tonnes of fractional crushed stone. Crushed stone is in high demand in the road building industry, particularly for its high strength qualities.

CASE STUDY

DRY WASTE DISPOSAL AT EVRAZ ZSMK

EVRAZ ZSMK is implementing a project for the dry disposal of waste from the processing plant of the by-product coke production. EVRAZ's environmental strategy calls for a rise in the amount of industrial waste that is recycled, and this initiative strives to achieve that goal. The waste that is generated after coal enrichment is dehydrated and will be used as a raw material to produce a finished product. The factory's output will be used for infrastructure development, such as road backfilling and land reclamation. Due to this, the amount of waste in the sludge storage will be reduced by 60%.

The investment in the factory is expected to be around US\$12.22 million. The project will be completed in 2022. The implementation of the project will reduce the load on the arrival of the rock and extend the service life of the sludge storage for another 15 years. As part of the project, the plant will carry out technical re-equipment of the coal preparation shop install additional new dewatering equipment and conveyors. A dry waste disposal bunker and a conveyor gallery will be constructed, and various pulp pumping stations will be upgraded.

A new landfill was constructed on the site of a former slag heap adjacent to the rail platform. Throughout the duration of operation, up to 3 million tonnes of solid non-recyclable waste classified as hazard classes 4 and 5, or low-hazard and non-hazardous waste will be disposed of there. The new polygon covers an area of 85 thousand square metres.

The landfill was constructed in accordance with all applicable environmental requirements. A two-meter layer of crushed blast-furnace slag was laid, followed by sand and a 1.5-mm waterproof barrier—a unique geomembrane. It will ensure that ground and subsurface waters are not contaminated; over US\$6.79 million invested in the landfill's construction.



AIR QUALITY

GRI 305-7

Our environmental programmes are being implemented as a matter of priority. As a result of our efforts, the project team has grown in capability. We have refined our approach to air quality in the light of both specified environmental targets and long-term environmental impacts. The level of control by the Group's management was raised as well in 2021. We believe that these improvements in our approach will lead to concrete results as we keep adapting our strategy to become more integrated, considering the interconnected nature

of the environment, our employees' health, and the wellness of the communities in which we operate.

As part of its business operations, EVRAZ acknowledges that it generates a significant amount of air pollutants, with the potential to have adverse consequences for the environment as well as human health. Pollutant emissions are unavoidable throughout the steelmaking process. Carbon monoxide (CO), sulphur oxides (SOx), nitrogen oxides (NOx), particulate matter (dust), and volatile organic compounds (VOCs) are the key pollutants

released during steel manufacturing (VOCs). Fuel combustion is the primary source of carbon dioxide and nitrogen oxides. During the blast furnace manufacturing process, large amounts of carbon monoxide are also produced. Oxidation of sulphur in ore or coking coal releases sulphide oxides as an exhaust gas component. Coal mining produces dust mostly during the transportation and storage of coal but also at all phases of metallurgical processing (sintering, blast furnace, steelmaking, rolling production). Coke manufacture is the primary source of volatile organic compounds.

DUST EMISSIONS

In our operations, we implement the most cutting-edge technology and keep our equipment up to date on a regular basis while also closely monitoring all emissions

for any violations of permitted limits. Our Environmental strategy includes air emission reduction goals, which call for a 33 % decrease in steel manufacturing

emissions and a 1,5-fold reduction in dust emissions during coal transportation and storing.

CASE STUDY

DUST SUPPRESSION UNIT

CWP Raspadskaya was equipped with the SPD-90 dust suppression unit, which sprays the smallest water particles (up to 30 microns) to generate natural fog that coagulates dust particles that are deposited on the coal storage.

The unit is autonomous and mobile. The range of its fog jet is up to 90 meters, the coverage of one unit is up to 24, 000 square metres. The water "cannon" rotates by 320 degrees.



Dust suppression programme in coal storages

RUK COMPANY	NUMBER OF DUST SUPPRESSION UNITS		
	2020	2021	TOTAL
WP Raspadskaya	1	1	2
Raspadskaya Koksovaya			
CWP Abashevskaya		1	1
CWP Kuznetskaya			
Mine "Alardinskaya"			
Mine "Osinnikovskaya"			
Mine "Uskovskaya"			
TOTAL	1	2	3

In 2021, we carried out additional activities to reduce dust emissions such as watering of roads, also with reagents, covering coal carrying trucks with sheets.

Key air emissions

Sulfur oxide (SOx), nitrogen oxide (NOx), volatile organic compounds (VOCs), and particulate matter (dust) are among our key emissions. In 2021, total air emissions from steel production decreased by 2.9% against the 2020 level due to the reduction in production at ZSMK and re-equipment of gas cleaning facilities at KGOK.

EVRAZ total air emissions (including key emissions) from steel production, 2019–2021, kt

GRI 305-7, SASB EM-MM-120a.1



EVRAZ air emissions (including key emissions) from coal production (excluding methane), 2019–2021, kt

GRI 305-7, SASB EM-MM-120a.1



EVRAZ methane emissions from coal production, 2019–2021, kt



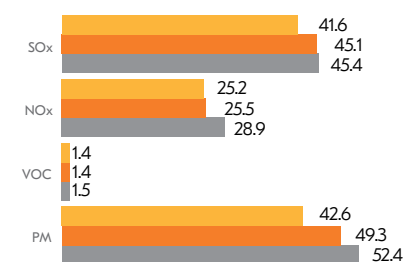
EVRAZ key air emissions, 2019–2021, kt

GRI 305-7, SASB EM-MM-120a.1



EVRAZ key air emissions breakdown, 2019–2021, kt

GRI 305-7, SASB EM-MM-120a.1



2021
2020
2019

A wide range of actions and investments are being carried out by EVRAZ in order to achieve the environmental strategy objectives. These include activities and investments carried out under the framework of the Clean Air project, part of the Ecology national project in Russia. As part of the execution of the Clean Air federal initiative, EVRAZ is taking considerable steps to increase the efficiency of its gas treatment facilities.

CASE STUDY

CLEAN AIR PROJECT

As of the end of 2021, EVRAZ ZSMK had decreased its total emissions by 16,900 tonnes. To reduce emissions of sulphur dioxide (SO₂) and specific coke production, EVRAZ ZSMK plans to implement the following measures in 2021–2024:

- Constructing a modern facility for flue gas desulphurisation at the sintering plant, which will contribute to a 58% reduction in emissions of key pollutants for Novokuznetsk by 2024.
- Decommissioning the cooling tower for the final cooling of coke gas at the coking plant, which will reduce emissions in hazard classes 1 and 2 from coke production by 76%.

EVRAZ NTMK is also involved in the Clean Air project. The initiatives that it has implemented have made it possible to reduce emissions by 7,400 tonnes. To reduce emissions of harmful pollutants and address public concerns, the following measures are planned for 2021–2024:

- Decommissioning the cooling tower for the final cooling of the coke gas at the coking plant.
- Constructing a new biochemical facility at the coking plant.
- Introducing new technology for pitch production (replacing old equipment).

CASE STUDY

ENVIRONMENTAL PROJECTS IN THE URALS

Following commissioning at EVRAZ NTMK, a large aspiration unit was installed in the converter shop's mixing compartment. This is one of the enterprise's most significant measures within the Clean Air federal programme.

US\$5.3 million was invested in the project by EVRAZ. The new system will capture at least 95% of the iron overflow emissions in the mixing compartment, resulting in a reduction of more than 32 tonnes of particulate matter (dust) per year. The aspiration system consists of two exhausters and energy efficient motors, over 200 filters and sealed receiving bins. The equipment removes fine particles from approximately 1 million cubic metres of air per hour. The dust is collected and used to make iron flux, which is added throughout the iron manufacturing process. When contaminated air with a dust content of 2 g/m³ enters the aspiration unit, a residual dust concentration of no more than 0.02 g/m³ is achieved.

In 2021, the EVRAZ KGOK agglomeration plant overhauled the electrostatic precipitators of sintering machine No. 1 and calcining machine No. 4. We modernised the aspiration of the housing for the loading bins of the agglomeration shop. As a result, emissions decreased by 1,300 tonnes.

In 2022, our work on the modernisation of dust and gas cleaning equipment will continue. Also, EVRAZ KGOK performed an audit of the quarry treatment facilities, installed a modern system for the collection and disposal of quarry water at the new Sobstvenno-Kachkanarskoye field, and strengthened the existing tailings dams. During the summer, EVRAZ KGOK carried out dust suppression activities at the tailings and open pits.



PUBLIC-ENVIRONMENTAL EVENTS

EVRAZ employees participate in activities to address environmental issues included planting of trees and shrubs. More than 700 seedlings are planted annually, some trees and shrubs are preserved from open-pit mining sites as part of the "Second Life for Trees" campaign.

EVRAZ also participated in the following events:

- EVRAZ supported the international "Earth Hour" initiative.
- The "Green City" project was implemented to draw green spaces on an interactive map.

- An agile team at EVRAZ ZSMK developed effective measures to reduce the negative impact on the wastewater disposal system of the plant and the Vodokanal network.
- EVRAZ environmentalists also perform educational activities, organize environmental lessons in schools.

CASE STUDY

LAUNCHING THE GEOECOLOGY CENTRE AND THE DIGITAL COMPETENCE CENTRE

EVRAZ earmarked over US\$596,000 for setting up the Geoecology Centre and the Digital Competence Centre at the Siberian State Industrial University in Novokuznetsk. In 2021, the centres accepted their first students. The setting up of the Geoecology Centre allows students to develop new skills in the field of ecology, and a corresponding mindset. The centre includes laboratories to test the environmental condition of water and air basins, recycling technologies, as well as a laboratory to carry out chemical research.



EVRAZ planted 757,000 trees in 2021 as part of its strategy, 99% of those were contributed by KGOK, which restored almost 250 hectares of forest in the Sverdlovsk region. As a result, around 750,000 conifers were planted.



CASE STUDY

300 LINDENS IN HONOR OF THE 300TH ANNIVERSARY OF KUZBASS

The first 150 linden trees were planted in Novokuznetsk's Zavodskoy District. Young trees have taken root and transformed the area into a nice alley. Another 70 linden trees were planted along Zaporozhskaya Street's bypass route. The trees create a natural green buffer zone between the road and the residential area. Lindens produce a dense crown and are excellent at absorbing and filtering dust. Each season, an adult tree absorbs approximately 20 kg of dust. EVRAZ ZSMK invested more than one million rubles in the planting and maintenance of 300 lime plants. The city's greening will continue next year.

CASE STUDY

GREENING OF THE MESHCHERSKY PARK BY EVRAZ

Trees were planted at Meshchersky Park under the initiative of EVRAZ. From the side of the Skolkovo Highway, forty saplings of bird cherry and cherry trees graced the park. In addition to making the park look better, the trees added to the park's unused area strengthened the soil, making it more resistant to landslides.



Environmental conferences and forums

- International forum "Clean Country", during which EVRAZ outlined ambitious plans for the development of environmental projects at its core entities – EVRAZ NTMK and EVRAZ ZSMK.
- At the "Green Living Room" annual environmental forum, the Company's strategy for reducing greenhouse gas emissions was presented.
- "Points of Growth" session on the topic "Green Steel".
- III International Forum "Ecology of Mining, Metallurgy, and Oil Production – 2021" covered the visits to various debate platforms and trips to the Chelyabinsk Pipe Rolling Plant.
- IV Siberian Ecological Forum as well as a round table discussion on the Federal Clean Air Project's execution. EVRAZ ZSMK received two letters of appreciation under the forum.

ESG media coverage

- EVRAZ has enhanced the newsflow and the media coverage of its ESG activities and programmes addressing both global and local agenda.
- A bi-weekly ESG communications workshop has been organised, headed by VPs for corporate communications and HSE.
- The Company's new environmental strategy – 2030 is thoroughly pitched with leading media.
- EVRAZ collaborated with Forbes Russia to create a vivid online project "Industry of the Future" on the Company's sustainable development.
- EVRAZ's news from SPIEF 2021, the main international investment forum in Russia, were focused on the low-carbon agenda, "green" steel development and environment-friendly technologies.
- Federal and local authorities visited the Company's sites to witness progress in the EVRAZ's environmental activity.



PLAYING OUR RO IN SOCIET

2021 HIGHLIGHTS

US\$ **35** million
earmarked for social
and social infrastructure
maintenance expense in 2021

More than
US\$ **217** thousand
in grants to the 56 winning
projects of the annual EVRAZ City
of Friends – City of Ideas contest

Key events 2021

- Further development of EVRAZ for Kids, EVRAZ for Cities and EVRAZ for Sports programmes
- Providing support for the City Clinical Hospital construction
- Creating a Healthy Lifestyle project for children with special health care needs

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Material topics



Indirect economic impacts



Local communities

Global Sustainable Development Goals



MANAGEMENT APPROACH

GRI 103-2

The well-being of local communities is the main target pursued by EVRAZ in all activities. This goal is achieved by enhancing economic growth in our regions of operation, that is, by providing quality jobs, contributing significant tax revenue, and investing in social projects. The Group highly appreciates productive relationships with all stakeholders including local and federal authorities, non-governmental organisations, the media, and business and local communities.

The sustainability of our business practices is ultimately linked to the fulfilment of local communities. The fundamental principles of corporate social responsibility maintained by the Company facilitate the procedures of contributing

to the growth and development of the cities and towns of operation. In 2021 EVRAZ earmarked US\$14 million for city infrastructure development programmes.

GRI 413-1

EVRAZ has in place 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. The GR and PR departments of EVRAZ entities are in charge of the key engagement responsibilities of implementing and supporting local programmes

at regional level. 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.

EVRAZ operates two charity funds in Siberia and the Urals, which are managed by Supervisory boards. The charity funds set target investment objectives and follow the EVRAZ Charitable Donation and Sponsorship Policy and Social Investment Guidelines.

The following key policies govern the Group's relationship with local communities:

Key documents

SASB EM-MM-210b.1

DOCUMENT	DESCRIPTION
<u>Code of Business Conduct</u>	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 to facilitate their development and well-being.
<u>Charitable Donation and Sponsorship Policy</u>	The Policy is the major document establishing the general principles and requirements that EVRAZ companies should be guided by when making a charitable donation or sponsorship contribution.
<u>Social Investment Guidelines</u>	Our local community engagement approach. Outlines the Group's priorities and eligibility criteria for social investments.
<u>Anti-Corruption Policy (incl. 4.2 Charitable Donations and Sponsorship)</u>	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.
<u>Human Rights Policy</u>	Creating shared values and respecting the human rights, views and traditions of people in our regions of operation are among the Company's core principles. EVRAZ will avoid the involuntary displacement of families and communities.
<u>Diversity and Inclusion Policy</u>	The Group greatly values people and endeavours to create a working environment where our employees, business partners, local communities and other stakeholders can fully realise their potential.
<u>HSE Policy (EVRAZ Health, Safety and Environment Policy)</u>	The Policy aimed at creating better future for the people, including local communities, and taking mitigation measures for minimizing negative impact on the environment and society.

Entities within the EVRAZ Group should also refer to their own local Charitable Donation and Sponsorship Policy to ensure that their contributions comply with such policies and applicable laws. All applications are meticulously reviewed in terms of legitimacy and transparency of purpose, amount requested and reputation of the potential counterparty.

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. Representatives from local communities can leave their feedback on the Company's activities through the anonymous hotline.

The following are the Company's main priority areas for investment:

- Youth: initiatives and projects which promote the development of young people.
- Education: providing opportunities for people of all ages to gain new knowledge, abilities, and skills.
- Citizenship: fostering favourable neighbourhood values and safe environments in local communities.

EVRAZ seeks an active dialogue with the residents of the areas where EVRAZ plants are located to discuss

concrete projects within the selected priority areas and in accordance with the Social Investment Programme generally.

In appropriate cases, the Company will establish local supervisory boards including representatives from the local community, who will be asked to decide which of several potential projects should receive funding. These local boards will be asked to consider each of the alternative proposals on its merits to determine which would be most appropriate for the local community, while keeping in mind the above criteria and the relevance of each project to the Company's social investment goals, as set out in the Social Investment Programme for the relevant year.

In 2021 EVRAZ earmarked US\$35 million for social and social infrastructure maintenance expenses.



LOCAL COMMUNITY SUPPORT PROJECTS

EVRAZ recognises that development and further improving connections with local communities is a win-win process and therefore a strategic priority. The Group supports regional and federal conferences

and initiatives, as well as numerous cultural and social activities, including environmental protection and sports projects.

COMMUNITY ENGAGEMENT

In 2021 an array of regional events took place with the support of EVRAZ. These included the sixth cross-divisional risk management symposium for risk managers from the Urals, Siberia and Coal divisions; the Minute of Technofame contest of innovative ideas for students and undergraduates from top universities

in the Urals; and the 59th EVRAZ “Your Challenge” Scientific and Technical Conference to name but a few.

We also participated in the following events at the federal level:

- The Innoprom 2021 international expo in Yekaterinburg.

- The WorldSkills Hi-Tech Championship 2021.
- The RAISE RANEPa All-Russian accelerator for social initiatives.
- The CompTech 2021 winter school.
- The St Petersburg International Economic Forum.
- The Community Forum organised by the Russian Civic Chamber.

CHARITY AND SPONSORSHIP PROJECTS

The Group has several major programmes that invest in local communities, including EVRAZ for Kids, EVRAZ for Cities and EVRAZ for Sports. In addition, we promote various other initiatives, such as the EVRAZ City of Friends – City of Ideas grant contest, as well as regular volunteer activities within the EVRAZ volunteer’s project.

EVRAZ for Kids

EVRAZ actively collaborates with academic institutions. Together they carry out numerous federal youth programmes. Moreover, other important steps are made by the Group such as purchasing essential school supplies and sports equipment, awarding scholarships, providing vocational guidance for students, offering training

under the WorldSkills methodology, and organising study sessions for students and internships for graduates. Special attention is paid to the projects of providing support to children with special needs and in orphanages; for example, the assistance and rehabilitation programmes for children with cerebral palsy are implemented because of the Group’s financial support.

CASE STUDY

PEOPLE OF THE FUTURE

EVRAZ in partnership with the city administration launched a new educational project in Novokuznetsk and Mezhdurechensk aimed at the development of children's project initiatives, called People of the Future. The idea is to teach high school students crucial skills such as social design and to involve teenagers in the development of their hometowns. Twenty-eight educational institutions of Novokuznetsk and Mezhdurechensk participate in the programme. Teams of high school students were selected from each school to take online courses under the guidance of school curators and turn socially significant initiatives into projects. The experts at regional and federal levels provide online trainings to the teams.

The following key activities were supported within the EVRAZ for Kids programme:

- The Outreach rehabilitation project in the Sverdlovsk region, called Live Baby aimed at organising rehabilitation classes at home.
- Modern equipment for adaptive physical education was purchased, including the Stabilomer complex for children with disabilities in Nizhniy Tagil.
- A modern assembly hall, a playground with outdoor exercise equipment, as well as a summer day camp for children with disabilities were organised in Kachkanar school for special kids.
- The Group financed the publication of the 45 sets of polysensory books for children with visual impairments in the Kemerovo region and the 50 sets in the Tula region.
- The Group provided financial support to the 18th All-Russian Open Field Olympiad for Young Geologists which was held online for teams from Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Belarus.

EVRAZ for Cities

The major investments made by EVRAZ are directed towards renovating urban infrastructure in the cities and towns of the Company's operation. The results of joint efforts of the Company and local authorities include the upgrading of medical, educational, and cultural infrastructures in local communities leading to a significant improvement in the quality of life for citizens.

EVRAZ participated in the following activities under the EVRAZ for Cities programme:

- The Group transported crushed and building stone to the city of Kachkanar for road reconstruction and infrastructure improvement in the Kemerovo region.
- The Company employees planted 300 trees in Novokuznetsk's Zavodskoy and Central districts as part of the region's 300th-anniversary celebrations.
- Medical equipment (5 ventilators, 20 patient monitors, 19 functional beds, 160 thousand units of PPE) and X-ray diagnostic and portable complexes were provided for the hospitals in Nizhniy Tagil.
- The building structure of Platinskaya Comprehensive School in Nizhnyaya Tura (Sverdlovsk area) was restored with the support of EVRAZ.
- In Kachkanar, the facades of city facilities were restored, the civil registration office was repaired, and the design work for a pathway to the Zvyozdochka ski-roller track was completed.

CASE STUDY

CONSTRUCTION OF THE CITY CLINICAL HOSPITAL NO. 8

In 2021, EVRAZ became one of the sponsors for the charity project. The Company allocated US\$3.12 million as well as supplied rolled metal for the construction of the Bessonenko City Clinical Infectious Diseases Hospital No. 8 in Novokuznetsk. The hospital complex consists of 12 buildings with a total area of 27.8 thousand square metres. There are 99 wards designed for 270 hospital beds.

EVRAZ for Sports

A healthy lifestyle is a priority for EVRAZ and therefore employees, their families and individuals of nearby communities are encouraged to exercise. We invest in improvements to sports infrastructure, support amateur and professional teams and sponsor federal and regional sports activities.

We took part in the following events within the scope of the EVRAZ for Sport programme:

- In Novokuznetsk, EVRAZ assisted in arranging the Russia-wide ski race Ski Track of Russia, the Cross the Nation National Running Day, the track and Kuznetsk Fortress – 1618 field race, the Russian Azimuth Russia-wide orienteering campaign, and city sports days for people with disabilities.
- EVRAZ continued to sponsor the Uralochka professional volleyball club, the Ural Football Club and the Metallurg hockey team.
- The Group supports the Olimp sports school in Kachkanar in participating in different mini-football competitions and organising Russian-wide competitions in this sport.
- EVRAZ became a sponsor of the Arsenal football team in Tula. Moreover, EVRAZ sponsored the training activities for Paralympic athletes from Tula to participate in skiing races.

EVRAZ: City of Friends – City of Ideas

The annual EVRAZ: City of Friends – City of Ideas grant contest is another component of the Group's contribution to local communities. Under the auspices of this programme social activists are empowered with the resources and skills to implement meaningful projects related to improving public spaces and protecting the environment:

- Within the Health at Home programme, elderly and disabled residents of Novokuznetsk's Central District receive physiotherapy and rehabilitation at their homes.

CASE STUDIES

THE 7TH HIGH-FIVE! CORPORATE RACE

EVRAZ social networks broadcasted the 7th High-Five! corporate race, which took place across the Urals and Siberia. The event attracted about 2,000 adults and 700 children. During the epidemic, the participants' health was given special consideration. Participants could prepare for the event by enrolling in an online marathon with athletic challenges, live broadcasts, and awards, and by adding online records to their list of accomplishments.

RUSSIAN CHAMPIONSHIP IN THAI BOXING

With the support of EVRAZ, young athletes from the Vostok, Tula's School of Olympic Reserve successfully performed in the Russian Thai boxing championship. Tula residents won silver and bronze medals in their weight category, as well as a place in the European championship. For several years, the Group has supported the school by contributing funding for required equipment and training to promote a healthy lifestyle.

- The Ecology of Industrial Heritage with Good Hands and Modern Technology grant project will be undertaken by volunteers on the territory of the Old Demidov Plant eco-industrial techno-park of the Gornozavodskoy Ural in Nizhniy Tagil.
 - Providing computer literacy trainings for elderly and disabled people in the Zavodsky district.
 - School No. 26 in Novokuznetsk has opened a new sports hall for children with disabilities.
 - ART-Living Room project – the construction of a modern creative exhibition place for residents' cultural enjoyment.
 - Development of the Exploratorium – an interactive natural science and educational platform.
- Other key projects of the EVRAZ: City of Friends – City of Ideas grant programme:
- Blogger's Day – a two-days forum held at the Siberian State Industrial University.

CASE STUDY

GRANT COMPETITION

The EVRAZ: City of Friends – City of Ideas contest has been running since 2017 and takes place in Novokuznetsk, Mezhdurechensk, Nizhny Tagil, Kachkanar, and Tashtagol. In Siberia, 197 applications were submitted, compared to 165 in Ural. As a result, 56 projects were selected, and the winners were awarded with certificates worth a total of US\$217 thousand. Notably, 104,000 people voted for the projects while 140,000 people visited the City of Friends – City of Ideas website.

EVRAZ VOLUNTEERS

The EVRAZ volunteers project is another important project that concerns assisting vulnerable individuals and social entities, as well as organising sports and cultural activities in local communities. It operates and develops without any special policies and on an entirely voluntary basis.

Ecology in the focus of communications

For instance, EVRAZ partnered with the Vedomosti for the Green is the New Black campaign: in that special issue of the newspaper, corporates and independent experts discussed what businesses and communities could do to reduce greenhouse gas emissions and improve the environmental situation in the relevant regions. In partnership with Forbes, we launched the Industry of the Future special project, showcasing EVRAZ's cutting-edge technologies and the unique beauty of the Siberian and Urals ecosystems that we want to preserve for a better future.

CASE STUDIES

SUPPORTING SPECIAL KIDS

In Novokuznetsk, a new inclusive gym was opened at school No. 26. For more than 15 years, EVRAZ has supported families raising children with disabilities. To establish an inclusive environment, the Accessible Sport – A Healthy Lifestyle project was developed in the school. Thanks to this initiative, children with special health requirements may now engage in sports, play, and communicate with other kids.

Employees of EVRAZ ZSMK have been and still provided support to two children's homes for almost 70 years: No. 95 and Island of Hope. In 2021, the plant's women's social organisation, in collaboration with management and the primary trade union organisation, continued to help orphans and children left without parental care to adapt effectively. The youngsters are taught how to run their own household, how to cook, and sew. Also, career counselling workshops, sports games and contests, and cultural events are organised.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

2021 HIGHLIGHTS

42.8 %

is a share of expenditure on local
suppliers against total costs

Key events 2021

- Revision of the Policy on the Basic Principles of Procurement Activities
- Introduction of the internal marketplace
- Launch of the TOP-100 programme
- Launch of the ESG certification of suppliers
- Launch of the environmental screening of new suppliers across the Russian Federation

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Material topics



Procurement practices

Global Sustainable Development Goals



8 DECENT WORK AND ECONOMIC GROWTH



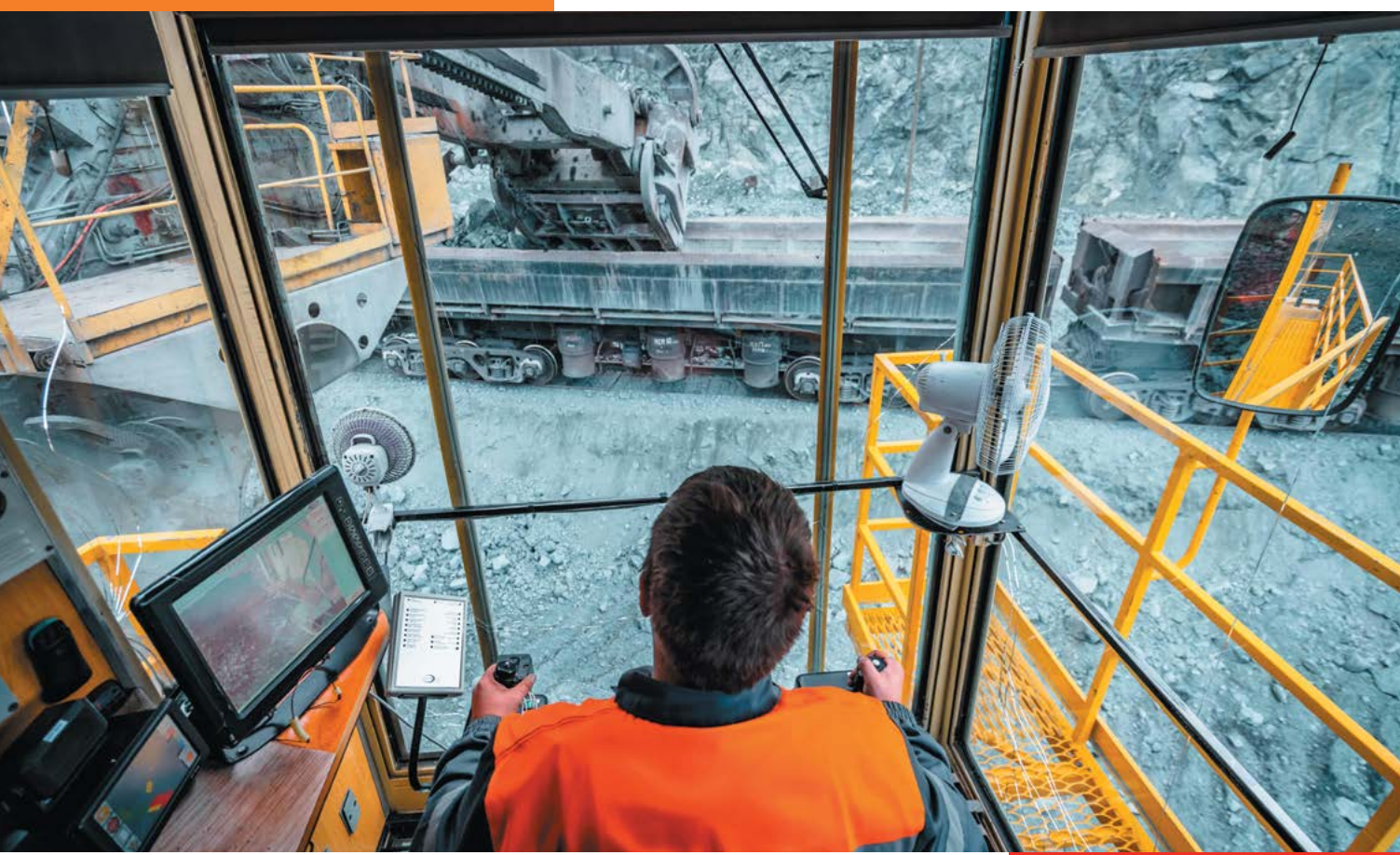
17 PARTNERSHIPS FOR THE GOALS

THE GROUP'S SUPPLY CHAIN

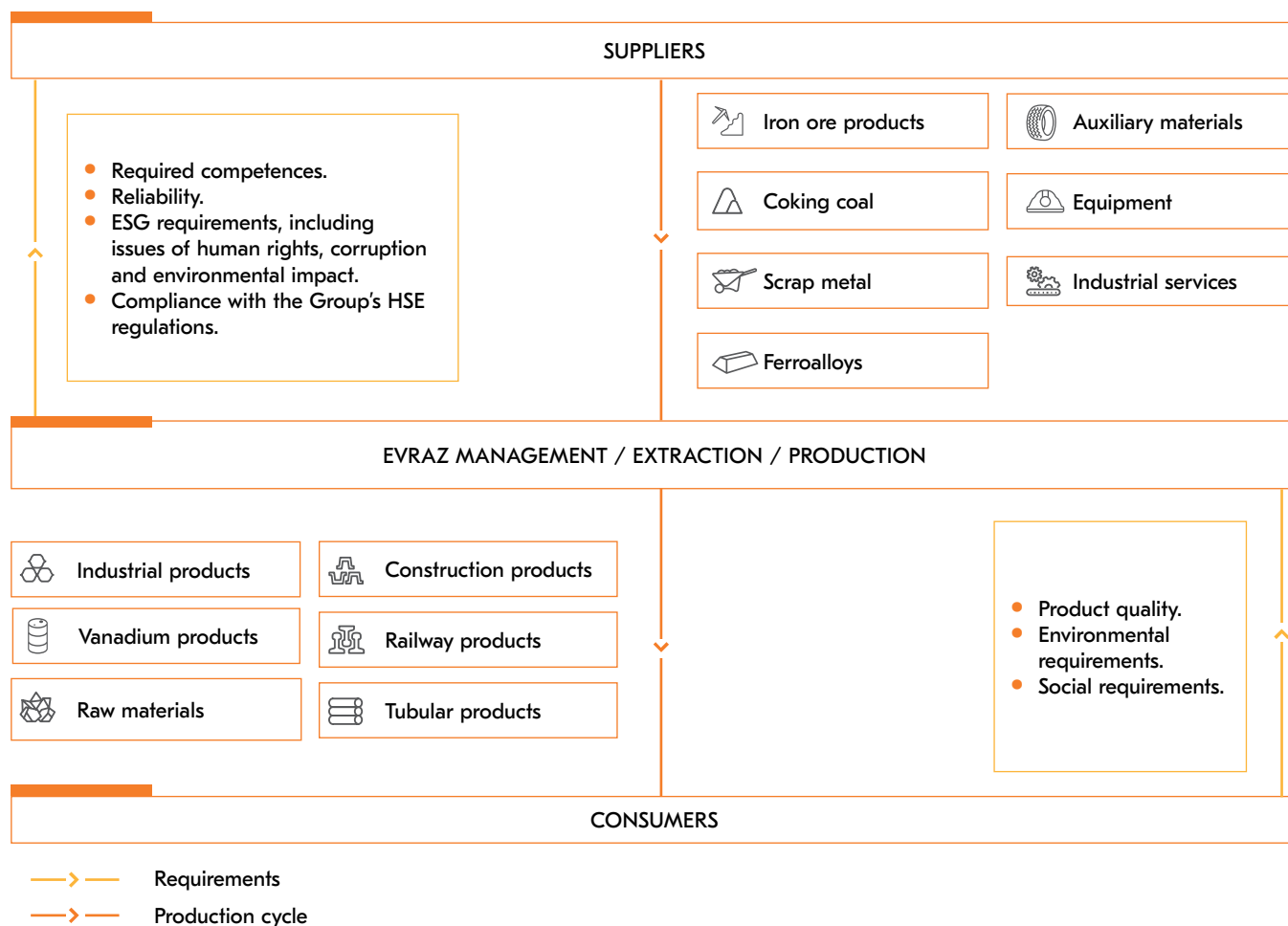
EVRAZ is a global steelmaking, mining and vanadium business with a majority of its assets located in Russia. The Group's main lines of activity are the extraction of raw materials (to satisfy its own demands and to sell the materials to other companies) and the production of steel and steel products. Mining activities mostly cover

the Company's internal needs for coking coal and iron ore, which form the basis for the steelmaking process. Thus, EVRAZ benefits from the inclusion of mining assets and maintenance of high-quality standards at every stage of production, including the manufacturing of raw materials. We cooperate with leaders in different areas

such as provision of industrial services, equipment manufacturing, procurement of auxiliary materials and many others, constantly striving to expand our expertise and develop technology. We are proud to deal with partners who have repeatedly confirmed their exceptionally high reputation.



EVRAZ SUPPLY CHAIN



Due to the geographical features of the Group, most of our suppliers are located in Russia, China, Canada, and Europe. Such geographic proximity allows us to share our core values and support mutual development, especially under the circumstances dictated by the current times.

Geographical coverage of the location of suppliers and contractors of EVRAZ enterprises around the globe encompasses Europe, the Russian Federation, the USA, Canada, Kazakhstan, and China.

The Group unites a community of 13,355 suppliers and contractors working for the good of our customers.

The extent of our cooperation is clearly represented by total payments to third parties which amounted to US\$3,834 million in 2021, US\$1,639 million or 42.8% of which were spent on local suppliers.

Amount of procurement from local suppliers 2021 by region of operation

REGION OF OPERATION	ENTERPRISE(S) OF THE GROUP	AMOUNT OF PROCUREMENT FROM LOCAL SUPPLIERS AND CONTRACTORS, US\$ MILLION	SHARE OF PROCUREMENT FROM LOCAL SUPPLIERS AND CONTRACTORS AGAINST TOTAL AMOUNT OF PROCUREMENT
The Russian Federation	EVRAZ ZSMK EVRAZ KGOK EVRAZ NTMK Raspadskaya Coal Company EVRAZ Vanady Tula	1,124	37.4%
Kazakhstan	EVRAZ Caspian Steel	19.7	81%
The Czech Republic	EVRAZ Nikom	14.2	81%
North America	EVRAZ Camrose EVRAZ Red Deer EVRAZ Calgary EVRAZ Regina EVRAZ Portland EVRAZ Pueblo EVRAZ Recycling	481.52	61.4

EVRAZ enterprises across the Russian Federation encompass a total of 8,527 suppliers and contractors, 3,781 of which started working with the Group in 2021. Categories of the provided services and materials include raw materials such as iron ore, coal, scrap and ferroalloys, auxiliary materials and equipment for investment projects, and industrial services. Notably, a significant deterioration in logistics for shipments from China for EVRAZ enterprises in the Russian Federation related to busy border crossing points and lack of railcars considerably extended delivery times for some categories of commodities and, in some cases, led to a switch from Chinese to local suppliers.

EVRAZ Caspian Steel, a Group's steel segment enterprise in Kostanay, Kazakhstan, has been dealing with a total

of 549 suppliers and contractors. EVRAZ Caspian Steel purchases everything necessary for the Company's operation that includes fuel and lubricants, cable products, spare parts and materials, tools, rolling mill rolls, shaft fittings, fixtures, and personal protective equipment (PPE). While preference is given to the suppliers from Kostanay region, there are also suppliers from industrially developed regions of Kazakhstan, Nursultan and Karaganda, as well as from the regions of the Russian Federation.

Another steel enterprise located in the Czech Republic, EVRAZ Nikom, arranged procurement of materials and spare parts from a total of 309 suppliers and contractors in 2021. EVRAZ Nikom buys auxiliary materials for ferro-vanadium (FeV) production: Al, MgO, cement, Fe scrap, CaO₂, materials and spare parts

for industrial machinery and equipment. Its suppliers and contractors are located in Central Europe.

EVRAZ steel enterprises across North America that operate in the territories of the USA and Canada were dealing with a total of 3,970 suppliers and contractors in 2021.

Spending on local suppliers by business segments, 2021, %



MANAGEMENT APPROACH

The Group's investments in procurement are now fully managed by the Procurement Directorate and Project Procurement Department. Documents that form the core of EVRAZ's procurement policy – the Supplier Code of Conduct and the Policy on the Basic Principles of Procurement Activities – are available on the corporate website via the [link](#).

In addition, EVRAZ adopted an updated version of the Uniform Regulations on the Procurement of Goods, Works and Services in 2021. The regulations now incorporate a section on procurement-related investments among other changes.

Adhering to our dedication to sustainability principles, we address HSE issues not only to the business units of the Group but also to current and potential partners. The documents which regulate supplier engagement were updated in 2021 and are continually amended in line with international best practices.

KEY DELIVERABLES

Recognising the importance of soft skills, EVRAZ also contributes to building a robust professional network and willingly shares its expertise through development programmes. EVRAZ offers various contractor training and retraining courses, including several apprenticeship programmes. The Group holds joint meetings and conducts regular training of contractors' employees on the topics of HSE. As part of those activities, supplier training sessions were held at 179 enterprises across Ural and Siberia regions in 2021, involving a total of around 4,020 people. The topics of such sessions included "Occupational Health and Safety Requirements When Working at Height", "Industrial Safety Requirements in the Metallurgical Industry", "Fire Safety", "Labour Protection", and others.

Furthermore, the Company held the "Supplier in the EVRAZ Marketplace online shop" training, engaging 14 of its counterparties that was designed

to enhance their unique experience with the marketplace and arranged specifically for EVRAZ's industrial counterparties.

Furthermore, EVRAZ actively improves the efficiency of the procurement staff by providing training on applications software such as SAP, SRM, MDG, and Excel, as well as by conducting an ongoing training for managers as part of the Top-100 programme. A shared knowledge library with videos on Excel, MDG, SAP applications has been created, and regular webinars on updates are held.

EVRAZ undertakes to support local communities to bolster the socio-economic development of the regions where the Group operates. The Group also successfully carries out various measures to involve more local suppliers in the production processes. In 2021, EVRAZ established a local contractor development programme with a guaranteed scope

of work over the medium- to long-term horizon of one to three years. The action proved to be successful and resulted in the increase of the share of local suppliers in the total volume of suppliers.

In 2021, EVRAZ continued its work on the supply chain transformation. The Group implemented automatic generation of orders under long-term contracts, created a unified and standardised procurement processes for all divisions, and transferred repetitive operations to the back office. Performance benchmarking for the back office was established.

The Group was also involved in upgrading the functionality of its online platforms and expanding related offerings. This included extending the list of categories of materials and equipment available for purchase from its online marketplace, which have now reached 17, compared to the 12 categories of last year.

PROMOTING SUSTAINABILITY THROUGHOUT THE SUPPLY CHAIN

GRI 204-1

As a global company, EVRAZ has committed to follow the principles of sustainability, promote environmental protection goals, support activities aimed at achieving the international ESG agenda and champion HSE standards. We have a comprehensive approach to looking for partners, which covers HSE issues.

We not only follow ESG principles ourselves, but also encourage our environmentally conscientious suppliers to adhere to them as well. We strive to produce high-quality products and work

in a material- and energy-efficient manner. Once the Group enters into contract with supplies, it starts continuously monitoring their activities by collecting information on the results of on-site inspections and supplier audits. Non-compliance with HSE regulations is one of the grounds for rejecting a partnership. When prequalifying suppliers, EVRAZ controls that the suppliers follow HSE requirements as outlined in the HSE Contractor Management Standard. For this purpose, a pass/fail assessment system is put in place.

In 2021, EVRAZ enterprises across the Russian Federation, to include EVRAZ ZSMK, EVRAZ KGOK, EVRAZ NTMK and Rapsadskaya Coal Company, pioneered in launching the process of environmental screening of new suppliers across the region and screened six vendors.

For more information about the EVRAZ requirements for our current and prospective suppliers, see the EVRAZ Supplier Code of Conduct.

ESG CERTIFICATION OF SUPPLIERS

GRI 308-1

EVRAZ is committed to sustainable development and the UN SDGs. Consequently, corporate social responsibility is a cornerstone of all activities performed by the Company, and all material issues in this area are carefully considered. To achieve the best results, our values should be reflected through the value chain. Hence, our cooperation with suppliers is based on shared principles. The ESG (Environmental, Social, Governance – Environment, Social Development and Good Governance) criteria are the basis for determination of the sustainability level.

EVRAZ made a breakthrough in this area in autumn 2021, when a supplier ESG certification service was launched. Currently, EVRAZ is taking part in largescale ESG certification of counterparties carried out by the company Bidzaar. Bidzaar, together with the National Research University Higher School of Economics, was a pioneer of designing a methodology for a quick assessment of companies for compliance with ESG principles in Russia. This methodology combines international standards for disclosing non-financial information (GRI, SASB, etc.) and common ESG valuation principles, while also considering Russia's specifics.

The procedure is carried out on the Bidzaar procurement service platform, where 86 major private Russian companies place orders, and over 27,000 suppliers take part in the selection. All our suppliers are required to obtain ESG certificates. This approach to cooperation helps us both significantly contribute to sustainability of our business and do good for the planet. Notably, EVRAZ remains one of the few companies in the industry that adhere to ESG values throughout the value chain so far. This has been achieved thanks to said innovation.

More information regarding ESG screening procedure can be obtained via the [link](#).

ACHIEVING THE TARGET STATE OF THE SUPPLY FUNCTION

In 2021, EVRAZ made substantial contributions to achieving the targets for supply functions through focusing on various supply chain management aspects.

- As part of the Strategic Procurement Management aspect, most of material and service procurement costs are now being controlled by category managers.
- Within the Supplier Relations Management aspect, the Group created its corporate website where all ongoing procurement procedures are published in a centralised manner. Also, EVRAZ automated its HSE prequalification process for contractors.
- As part of the Operations Management aspect, a supply management mobile app was developed featuring functions that include delivery status, provision of workwear and PPE, a reclamation database, and an online shop.
- Within the Performance Management aspect, dashboards with automatically updated reporting indicators were implemented.
- As part of the Knowledge and Information Management aspect, an internal supply portal was developed.





ADDITIONAL INFORM



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APPENDIX 1:

ABOUT THE REPORT

GRI 102-46, 102-52, 102-54

APPROACH TO REPORTING

The EVRAZ Sustainability Report (hereinafter referred to as the Sustainability Report and Report, EVRAZ or the Group) discloses information on the performance of the key sustainability and social responsibility management practices for 2021, as well as the Company's medium- and long-term plans. The Sustainability Report is published in Russian and English.

GRI 102–50

The Sustainability Report provides information on EVRAZ's performance from January 1 to December 31, 2021, on the economic, social and environmental impact in the regions where it operates, as well as the way it engages with all parties.

Since 2004, the Company has published integrated reports disclosing non-financial information on an annual basis, including an extended chapter on corporate social responsibility (CSR). Since 2018, EVRAZ has started issuing separate sustainability

reports, with non-financial information disclosure according to the world's leading practices. The Group's latest

reports, as well as additional information on sustainability performance, are available on the official EVRAZ [website](#).

The main resources used to prepare the 2021 report were the following standards and guidelines:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Sustainability Accounting Standards Board (SASB)
- Business Reporting on SDGs

As well as the following documents:

- The UN Global Compact
- Basic performance indicators in line with RSPP recommendations on governance practices and corporate non-financial reporting

REPORT BOUNDARIES

GRI 102–45

The information provided in this report discloses the sustainability performance of the following EVRAZ assets, unless otherwise stated in the body of the report.

Assets included in the Report boundaries

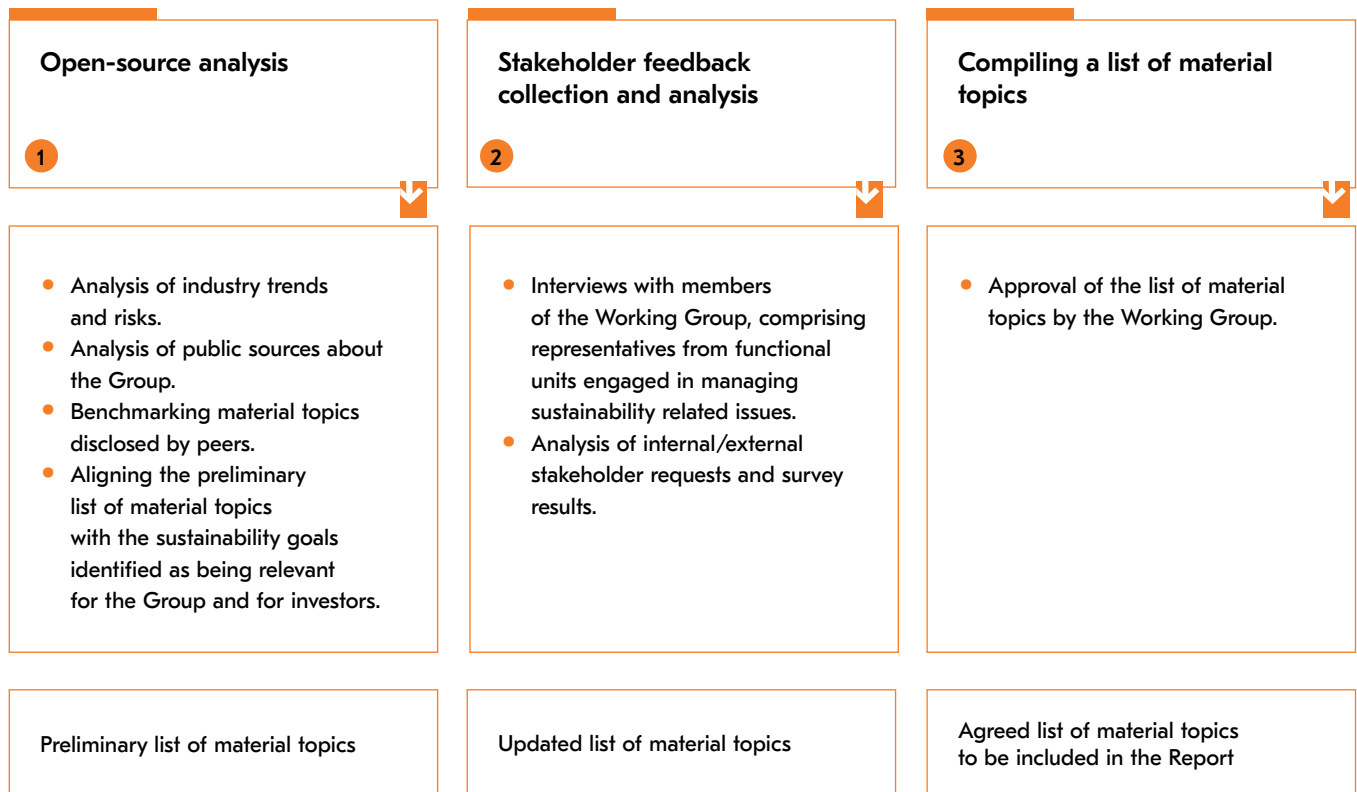
SEGMENT	ENTERPRISE (REFERENCED IN THE REPORT)
Steel segment	EVRAZ Consolidated West-Siberian Metallurgical Plant (EVRAZ ZSMK) (including Evrazruda) EVRAZ Nizhny Tagil Metallurgical Plant (EVRAZ NTMK) EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK) EVRAZ Caspian Steel EVRAZ Vanady 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

THE PROCESS OF IDENTIFYING MATERIAL TOPICS

GRI 102–46

To identify material sustainability topics, their relevance to the Company was analysed from two perspectives, the materiality of economic, environmental and social impacts, and the extent to which these impacts influence the assessments and decisions of all stakeholders.

APPROACH TO IDENTIFICATION OF MATERIAL TOPICS

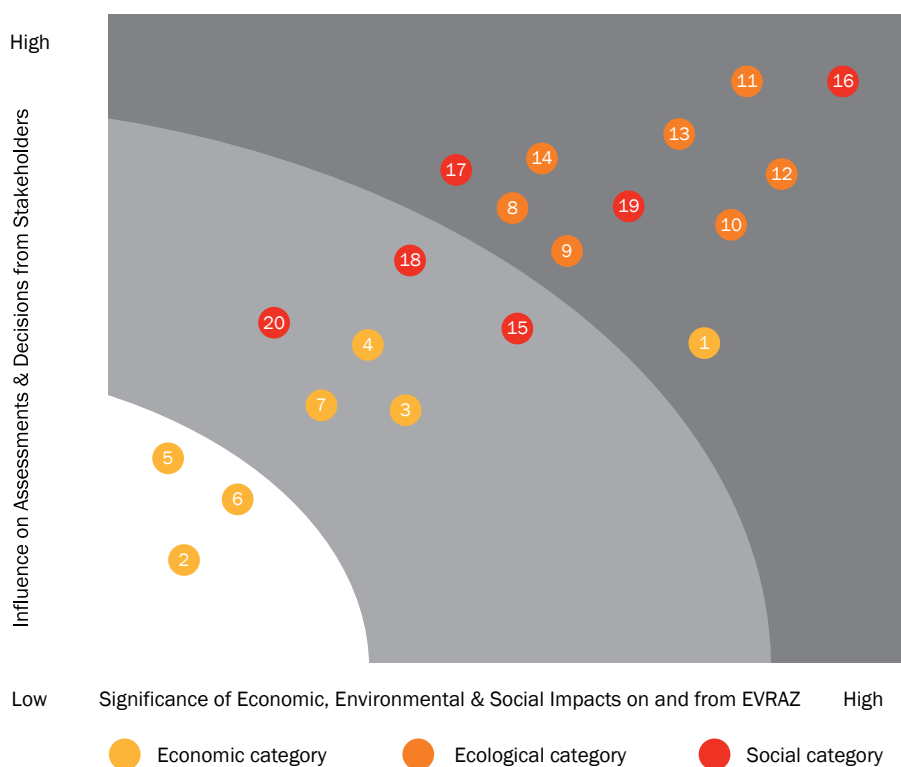


Materiality matrix

GRI 102–47

As a result of the materiality analysis and stakeholder survey, 20 topics were selected for disclosure in the ESG Report. High and medium priority topics are the most fully disclosed in the Report. Low priority topics are included in the “Other relevant topics” sections and described at the top level.

MATRIX OF MATERIAL TOPICS OF THE REPORT



Material topics

CATEGORY	Nº	TOPIC	PAGE NUMBER	WITHIN THE GROUP	OUTSIDE THE GROUP
Economic	1	Economic performance	43	V	V
	2	Market presence	65	V	V
	3	Indirect economic impacts	100	V	V
	4	Anti-corruption	25	V	V
	5	Procurement impacts	104	V	V
	6	Taxes	41	V	—
	7	Risk management	34	V	V
Environmental	8	Energy	53	V	V
	9	Water and Effluents	86	V	V
	10	Biodiversity	84	V	V
	11	Emissions	91	V	V
	12	Waste	89	V	V
	13	Environmental compliance	82	V	—
	14	Carbon and energy management	44	V	V
Social	15	Employment	58	V	V
	16	Occupational health and safety	70	V	V
	17	Training and education	67	V	—
	18	Diversity and equal opportunity	63	V	V
	19	Local communities	100	V	V
	20	Freedom of association and collective bargaining	68	V	—

DATA PREPARATION METHODOLOGY

The data provided in this report has been compiled exclusively from official reporting forms provided annually to the state statistics authorities, as well as from management accounts, and in accordance with non-financial reporting disclosure methods and the recommendations of GRI, SASB and RSPP Standards.

In this Report, all data are presented in tables following the chapters on each aspect of sustainable development. Where detailed information on indicator calculation methods and changes are available, they are provided in the respective chapters of the Report.

ASSURANCE

GRI 102-56

The Group engaged EY¹ to provide independent assurance of the Sustainability Report in order to ensure the quality, accuracy, and completeness of the reported data (see Independent Assurance Statement on page 138).

The information reported in the Sustainability Report has been independently assured by EY and the quality, accurateness and thoroughness has been certified.

CONTACT INFORMATION

GRI 102-53

Contacts for investors and analysts

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1. TSATR — Audit Services LLC (former Ernst & Young LLC): renamed in April 2022.

APPENDIX 2

CONTENT INDEXES

GRI CONTENT INDEX

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
<i>GRI 102 General disclosures</i>			
<i>1. Organisational profile</i>			
GRI 102–1	The name of the organisation	Company profile, p. 6	
GRI 102–2	Activities, brands, products, and services	Company profile, p. 8	
GRI 102–3	Location of headquarters	Company profile, p. 6	
GRI 102–4	Location of operations	Company profile, p. 6	
GRI 102–5	Ownership and legal form	Company profile p. 6	EVRAZ plc.
GRI 102–6	Markets served	Company profile, p. 6	
GRI 102–7	Scale of the organisation	Company profile, p. 7	
GRI 102–8	Information on employees and other workers	Our people, p. 62	Total number of employees by employment contract (permanent and temporary) is disclosed by gender only.
GRI 102–9	Supply chain	Responsible supply chain management, p. 106	
GRI 102–10	Significant changes to the organisation and its supply chain	Responsible supply chain management, p. 106	
GRI 102–11	Precautionary Principle or approach	Sustainability risk management, p. 34	
GRI 102–12	External initiatives	Sustainability governance, p. 21	
GRI 102–13	Membership of associations	Sustainability governance, p. 23	
<i>2. Strategy and analysis</i>			
GRI 102–14	Statement from senior decision-maker	Message from the CEO, p. 4	
<i>3. Ethics and integrity</i>			
GRI 102–16	Values, principles, standards, and norms of behavior	Ethics and business conduct, p. 25	
GRI 102–17	Mechanisms for advice and concerns about ethics	Sustainability governance, p. 24	

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
<i>4. Governance</i>			
GRI 102–18	Governance structure	Sustainability governance, p. 19	
GRI 102–19	Delegating authority	Sustainability governance, p. 19	
GRI 102–20	Executive-level responsibility for economic, environmental, and social topics	Sustainability governance, p. 19	
GRI 102–21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder engagement, p. 33	
GRI 102–26	Role of highest governance body in setting purpose, values, and strategy	Sustainability governance, p. 19	
GRI 102–30	Effectiveness of risk management processes	Sustainability risk management, p. 34	
GRI 102–36	Process for determining remuneration	Our people, p. 65	
<i>5. Stakeholder engagement</i>			
GRI 102–40	List of stakeholder groups	Stakeholder engagement, p. 33	
GRI 102–41	Collective bargaining agreements	Our people, p. 58	
GRI 102–42	Identifying and selecting stakeholders	Stakeholder engagement, p. 33	
GRI 102–43	Approach to stakeholder engagement	Stakeholder engagement, p. 33	
GRI 102–44	Key topics and concerns raised	Stakeholder engagement, p. 33	
<i>6. Identified material aspects and boundaries</i>			
GRI 102–45	Entities included in the consolidated financial statements	Appendix 1 – About the Report, p. 115	
GRI 102–46	Defining report content and topic boundaries	Appendix 1 – About the Report, p. 114	
GRI 102–47	List of material topics	Appendix 1 – About the Report, p. 117	
GRI 102–48	Restatements of information		<p>Due to recalculation some indicators have been slightly changed compared to disclosures in the Annual Report 2021. Relevant footnotes have been added to the text of the Report.</p> <p>In addition to this, 2019 and 2020 GHG indicators have been recalculated with usage of new coefficients. See section “GHG emission reduction performance” for more details.</p>
GRI 102–49	Changes in reporting		No significant changes from previous reporting periods in the list of material topics and topic Boundaries were made.

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
Report profile			
GRI 102–50	Reporting period	Appendix 1 – About the Report, p. 114	
GRI 102–51	Date of most recent report		April, 2021.
GRI 102–52	Reporting cycle	Appendix 1 – About the Report, p. 114	
GRI 102–53	Contact point for questions regarding the report	Appendix 1 – About the Report, p. 119	
GRI 102–54	Claims of reporting in accordance with the GRI Standards	Appendix 1 – About the Report, p. 114	
GRI 102–55	Content index	Appendix 2 – Content Indexes, p. 120	
GRI 102–56	External assurance	Appendix 6 – Independent assurance statement, p. 138	
Management approach			
GRI 103–1	Explanation of the material topic and its Boundary	In each “Material topic” of the Sustainability report	
GRI 103–2	The management approach and its components		
GRI 103–3	Evaluation of the management approach		
Material topics			
GRI 200 Economic			
GRI 201 Economic performance			
GRI 201–1	Direct economic value generated and distributed	Direct economic value generated and distributed, p. 48	
GRI 201–2	Financial implications and other risks and opportunities due to climate change	Tackling climate change, p. 44	
GRI 202 Market presence			
GRI 202–1	Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration system, p. 65	
GRI 203 Indirect economic impacts			
GRI 203–1	Infrastructure investments and services supported	Playing our role in society, p. 100	
GRI 203–2	Significant indirect economic impacts	Playing our role in society, p. 100	
GRI 204 Procurement practices			
GRI 204–1	Proportion of spending on local suppliers	Responsible supply chain management, p. 110	
GRI 205 Anti-corruption			
GRI 205-1	Operations assessed for risks related to corruption	Sustainability governance, p. 25	
GRI 205–2	Communication and training about anti-corruption policies and procedures	Sustainability governance, p. 26	
GRI 205–3	Confirmed incidents of corruption and actions taken	Sustainability governance, p. 26	

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
<i>GRI 207 TAX 2019</i>			
GRI 207–1	Approach to tax	Tax liabilities, p. 41	
GRI 207–2	Tax governance, control, and risk management	Tax liabilities, p. 41	
GRI 207–3	Stakeholder engagement and management of concerns related to tax	Tax liabilities, p. 41	
GRI 207–4	Country-by-country reporting	Tax liabilities, p. 41	
<i>GRI 300 Environmental</i>			
<i>GRI 302 Energy</i>			
GRI 302–1	Energy consumption within the organisation	Tackling climate change, p. 56	Energy consumption is disclosed for a limited number of enterprises that are stated in the text of relevant section.
GRI 302–3	Energy intensity	Tackling climate change, p. 56	Energy intensity is disclosed for a limited number of enterprises that are stated in the text of relevant section.
GRI 302–4	Reduction of energy consumption	Tackling climate change, p. 56–57	
<i>GRI 303 Water</i>			
GRI 303–1	Interactions with water as a shared resource	Protecting out natural environment, p. 86	
GRI 303–2	Management of water discharge-related impacts	Protecting out natural environment, p. 86	
GRI 303–3	Water withdrawal	Protecting out natural environment, p. 87	Water withdrawal is disclosed as a specific indicator per US\$ thousand revenue and per tonne of crude steel cast.
GRI 303–4	Water discharge	Protecting out natural environment, p. 87	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	Protecting out natural environment, p. 87	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.
<i>GRI 304 Biodiversity</i>			
GRI 304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting out natural environment, p. 84–85	
GRI 304–3	Habitats protected or restored	Protecting out natural environment, p. 84–85	
<i>GRI 305 Emissions</i>			
GRI 305–1	Direct (Scope 1) GHG emissions	Tackling climate change, p. 50–53	
GRI 305–2	Energy indirect (Scope 2) GHG emissions	Tackling climate change, p. 50–53	

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
GRI 305—3	Other indirect (Scope 3) GHG emissions	Tackling climate change, p. 52	
GRI 305—4	GHG emissions intensity	Tackling climate change, p. 52-53	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 305—5	Reduction of GHG emissions	Tackling climate change, p. 50-51	
GRI 305—7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Protecting our natural environment, p. 92-93	Key air emissions of EVRAZ include SO _x , NO _x , VOC, PM.
<i>GRI 306 Effluents and waste</i>			
GRI 306—1	Waste generation and significant waste-related impacts	Protecting our natural environment, p. 89	
GRI 306—2	Management of significant waste-related impacts	Protecting our natural environment, p. 89	
GRI 306—3	Waste generated	Protecting our natural environment, p. 89	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	Protecting our natural environment, p. 89	
GRI 306—5	Waste directed to disposal	Protecting our natural environment, p. 89	
<i>GRI 307 Environmental compliance</i>			
GRI 307—1	Non-compliance with environmental laws and regulations	Protecting our natural environment, p. 82	
<i>GRI 308 supplier environmental assesment</i>			
GRI 308-1	New suppliers that were screened using environmental criteria	Responsible supply chain management, p. 110	
<i>GRI 400 Social</i>			
<i>GRI 401 Employment</i>			
GRI 401—1	New employee hires and employee turnover	Our people, p. 62	Employee turnover (overall and voluntary 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	Our people, p. 66	EVRAZ provides the same benefits both to full-time and part-time employees.

GRI INDICATOR	DISCLOSURE	CHAPTER/ PAGE NUMBER	COMMENTS/ OMISSIONS
<i>GRI 403 Occupational health and safety</i>			
GRI 403–1	Occupational health and safety management system	Health, Safety and Environment p. 70, Health and Safety management, p. 72-73	
GRI 403–2	Hazard identification, risk assessment, and incident investigation	Health and Safety management, p. 74	
GRI 403–3	Occupational health services	Health, Safety and Environment, p. 72-73	
GRI 403–4	Worker participation, consultation, and communication on occupational health and safety	Health, Safety and Environment, p. 72	
GRI 403–5	Worker training on occupational health and safety	Health, Safety and Environment, p. 75	
GRI 403–6	Promotion of worker health	Health, Safety and Environment, p. 78	
GRI 403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety and Environment, p. 74	
GRI 403–8	Workers covered by an occupational health and safety management system	Health, Safety and Environment, p. 72	
GRI 403–9	Work-related injuries	Health, Safety and Environment, p. 76-77	
GRI 403–10	Work-related ill health	Health, Safety and Environment, p. 78	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.
<i>GRI 404 Training and education</i>			
GRI 404–1	Average hours of training per year per employee	Our people, p. 67	
GRI 404–2	Programmes for upgrading employee skills and transition assistance programmes	Our people, p. 67	
<i>GRI 405 Diversity and equal opportunity</i>			
GRI 405–1	Diversity of governance bodies and employees	Our people, p. 63	
<i>GRI 407 Freedom of association and collective bargaining</i>			
GRI 407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people, p. 68	
<i>GRI 408 Child labor</i>			
GRI 408–1	Operations and suppliers at significant risk for incidents of child labor	Our people, p. 63	
<i>GRI 409: Forced or compulsory labor</i>			
GRI 409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our people, p. 63	
<i>GRI 410 Security practices</i>			
<i>GRI 413 Local communities</i>			
GRI 413–1	Operations with local community engagement, impact assessments, and development programmes	Playing our role in society, p. 98, 100	

SASB CONTENT INDEX

SASB INDICATOR	DISCLOSURE	REPORT SECTION	PAGE.
<i>Activity metrics</i>			
EM-MM-000.B	Total iron ore production	Performance dashboard	10
<i>Environmental aspect</i>			
<i>Greenhouse Gas Emissions</i>			
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Tackling climate change	51
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Tackling climate change	51
<i>Air Emissions</i>			
EM-MM-120a.1	Air emissions of the following pollutants: <ul style="list-style-type: none"> CO NOx (excluding NO) SOx particulate matter (PM10) manganese (MnO) lead (Pb) volatile organic compounds (VOCs), and polycyclic aromatic hydrocarbons (PAHs) 	Protecting our natural environment	92
<i>Energy Management</i>			
EM-MM-130a.1	<ul style="list-style-type: none"> Total energy consumed percentage grid electricity percentage renewable 	Tackling climate change	56
<i>Water Management</i>			
EM-MM-140a.1	<ul style="list-style-type: none"> Total fresh water withdrawn percentage recycled percentage in regions with High or Extremely High Baseline Water Stress 	Protecting our natural environment	87

SASB INDICATOR	DISCLOSURE	REPORT SECTION	PAGE.
<i>Waste Management</i>			
EM-MM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	Protecting our natural environment	89
EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	Protecting our natural environment	89
<i>Biodiversity Impacts</i>			
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Protecting our natural environment	84
<i>Social aspect</i>			
<i>Security, Human Rights & Rights of Indigenous Peoples</i>			
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Our people	63
<i>Community Relations</i>			
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Playing our role in society	98
<i>Labor Relations</i>			
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by US and foreign employees	Our people	68
<i>Workforce Health & Safety</i>			
EM-MM-320a.1	<ul style="list-style-type: none"> • Total recordable incident rate (TRIR). • Fatality rate, and near miss frequency rate (NMFR) for full-time employees and contract employees. 	Health and safety management	77
<i>Business Ethics & Transparency</i>			
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Sustainability governance	24

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
<i>Human rights</i>			
<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>EVRAZ has the Human Rights Policy that aligns with the United Nations Guiding Principles on Business and Human Rights.</p> <p>The Group is monitored by trade unions, representatives from Russia’s Presidential Council for Civil Society and Human Rights and other public organisations to reduce the risk of legal violations. The Company also performs due diligence throughout the lifecycle of its operations and regularly identify actual and potential risks regarding human rights violations. The hotline operates anonymously 24/7.</p>	<ul style="list-style-type: none"> High employee awareness on human rights issues. A healthy working environment where employees are free of any kind of discrimination. No violations of human rights. Improved efficiency of human rights violations detection due to enhancement in the operation of EVRAZ Hotline. 	Our people, p. 58 Ethics and business conduct, 24

PRINCIPLE	PRACTICAL ACTIONS TAKEN	MEASUREMENT OF CURRENT OR EXPECTED OUTCOMES	SECTION OF THE REPORT FOR MORE DETAILED INFORMATION
<i>Labour</i>			
<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>EVRAZ signs collective agreements with industry tariff agreements.</p> <p>The Group strictly prohibits any forms of slavery (such as child labour and forced labour) and conducts risk assessments to determine which parts of its own business and supplier and subcontractors are at high risk of committing modern slavery acts. EVRAZ has a Diversity and Inclusion Policy that expresses no tolerance for any form of discrimination.</p>	<ul style="list-style-type: none"> • More active and credible interaction of the Group with trade unions. • No child labour or forced labour within the Company. • 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. 58
<i>Environment</i>			
<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 2021 the Group has clarified a new goal for the period up to 2030 (with 2019 as the baseline year), which covers air emissions aspects.</p> <p>We highlighted that the indicator for air emissions only applies to social dust (dust that affects the local population during coal transportation in residential areas).</p> <p>Specifically, the indicator does not apply to all dust, but only to dust that is considered socially significant.</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 storing and transporting coal 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%. • Utilise 75% of methane (CH₄) emitted in the process of degassing carried out during coal mining. 	Protecting our natural environment, p. 80
<i>Anti-Corruption</i>			
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Corruption and bribery at EVRAZ are managed in accordance with the Anticorruption Policy and Anti-corruption Compliance System Policy. Corruption-related risks are analysed systematically at the end of each year by compliance managers. The most vulnerable risks are usually evaluated in a more detailed and comprehensive manner. Overall information about risks is usually further reported to the Audit Committee.	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, 24

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 "Climate risk and GHG emission management", section "Health, safety, and environment" Issues related to climate change are considered at regular meetings of the Board of Directors and Sustainability Committee of the Board of Directors. The Board of Directors oversees the process of managing climate-related risks and opportunities and approves the Group's risk appetite. The Sustainability Management Committee (attended by the CEO, Vice Presidents, heads of business units) considers different climate-related issues, including the analysis of available decarbonisation technologies, asset-oriented measures to achieve emission quotas.
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 "Decarbonisation pathway" EVRAZ considers climate-related risks and opportunities, plans and designs measures to mitigate identified risks to make its business strategy and business model more resilient to the consequences of climate change. The decarbonisation pathway developing is started and will be integrated into operations and planning. Until 2030, decarbonisation initiatives will be mainly focused on energy efficiency, technological upgrade of equipment, and higher production productivity. EVRAZ analyzes long-term possibilities for decarbonisation.
3	Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	Section "Decarbonisation pathway", section "Sustainability governance" Climate-related risk management is integrated into the corporate risk management system. The Group determines relevant climate-related risks for the short, medium, and long term in line with TCFD within the categories of transition and physical risks. The Risk Management Group plays a key role in identifying, assessing, and monitoring climate-related risks and mitigation measures within the Group.
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 "Climate risk and GHG emission management", figures: <ul style="list-style-type: none"> EVRAZ' GHG emissions, 2017-2021, million tCO₂e EVRAZ' GHG emissions by segment in 2021, million tCO₂e Specific Scope 1 and 2 GHG emissions from steel production (the Steel and North America segments), tCO₂e/tcs EVRAZ' Carbon intensity of GHG emissions per t Section "GHG emissions and energy efficiency" targets (by 2030 compared to 2019): <ul style="list-style-type: none"> to reduce specific Scope 1 and 2 GHG emissions from steelmaking operations by 20%, to reach 75%-utilisation of methane emitted while degassing coal mines.

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 5² – ENVIRONMENTAL PERFORMANCE

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
Air Emissions								
Total air emissions (including key emissions) – Steel production	thousand tonnes	396.22	381.57	370.69	-10.88	-2.9	Total Air Emissions – Emissions excluding Coal emissions and CH ₄	
Total air emissions (including key emissions) – Coal	thousand tonnes	403.19	429.69	409.65	-20.05	-4.7	Total Coal Air Emissions — including CH ₄ (98% of total coal emissions)	
Key Air emissions	thousand tonnes	128.13	121.30	110.79	-10.51	-8.7	Key Air emissions: Steel and Coal	
• SOx	thousand tonnes	45.38	45.11	41.62	-3.49	-7.7	Sulfur dioxide (SO ₂)	
• NOx	thousand tonnes	28.85	25.52	25.16	-0.36	-1.4	Sum of Nitric oxides (NOx) as nitrogen dioxide (NO ₂)	
• Dust	thousand tonnes	52.44	49.25	42.58	-6.67	-13.5	Sum of PM10 and PM25	
• VOC	thousand tonnes	1.45	1.42	1.44	0.02	1.4	Volatile organic compounds	
CO	thousand tonnes	272.91	265.53	265.93	0.40	0.2	Carbon Monoxide (CO)	
CH ₄	thousand tonnes	397.78	425.16	404.24	-20.92	-4.9	CH ₄ disclosed in greenhouse gas emissions (in million tonnes CO ₂ e)	
Other	thousand tonnes	3.09	1.49	1.55	0.06	4.0	excl. CH ₄ , see “Greenhouse Gases”	
Greenhouse Gases								
GHG Scope 1	Million tonnes CO ₂ e	40.76 ³	41.21 ⁴	40.17	-1.04	-2.5	Direct GHG emissions; sum of CO ₂ equivalent of CO ₂ , CH ₄ , N ₂ O, PFC, HFC, SF ₆ and NF ₃	Direct GHG emissions are emissions from sources that are owned or controlled by EVRAZ

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

3. Data for 2019 Scope 2 presented in the current Report differs from the data for 2019 Scope 2 presented in the Sustainability Report 2020 due to the following reasons: improved data quality (elimination of double counting for coke stripping at NTMK, inclusion of methane emissions from surface coal mining: +0.26 MtCO₂e), GWP change to potentials from IPCC 5th Assessment Report (+1.43 MtCO₂e).

4. Data for 2020 Scope 2 presented in the current Report differs from the data for 2020 Scope 2 presented in the Sustainability Report 2020 due to the following reasons: improved data quality (exclusion of double counting for coke stripping at NTMK, inclusion of methane emissions from surface coal mining +0.28 MtCO₂e), change in GWP to potentials from the IPCC 5th Assessment Report (+1.45 MtCO₂e).

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
CO ₂	Million tonnes CO ₂ e	28.22	28.06	27.55	-0.51	-1.8	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	12.48	13.09	12.57	-0.52	-4.0	CO ₂ equivalent of methane (CH ₄) emission	
N ₂ O	Million tonnes CO ₂ e	0.06	0.05	0.06	0.01	6.1	CO ₂ equivalent of nitrous oxide (N ₂ O) emission	
PFC and HFC	Million tonnes CO ₂ e	0.00002	0.00012	0.00003	0.00	-77.1	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	
GHG Scope 2	Million tonnes CO ₂ e	2.38 ¹	2.27	1.96	-0.31	-13.7	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 ¹ 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 CO ₂ e	43.14	43.48	42.13	-1.35	-3.1	Calculation perimeter includes the following subsidiaries:	
GHG Steel Segment	Million tonnes CO ₂ e	28.22	28.2	27.11	-1.09	-3.9	EVRAZ NTMK, EVRAZ KGOK, EVRAZ ZSMK, Evrazruda, EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Nikom	
Scope 1	Million tonnes CO ₂ e	26.84	26.86	26.14	-0.72	-2.7		
Scope 2	Million tonnes CO ₂ e	1.38	1.34	0.97	-0.37	-27.2		

1. Data for total fresh water intake for production needs in the current Report differs from the data in the Sustainability Report 2020 due to the following reasons: the volume of fresh water for enterprise needs mistakenly included recycled water, which is used by Kuznetskaya CPP for production needs, and the volumes of recycled water were excluded

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
GHG Steel NA Segment	Million tonnes CO ₂ e	1.42	1.22	1.34	0.12	10.5	EVRAZ Calgary, EVRAZ Camrose, EVRAZ Portland, EVRAZ Pueblo, EVRAZ Red Deer, EVRAZ Regina,	
Scope 1	Million tonnes CO ₂ e	0.77	0.63	0.72	0.09	13.7		
Scope 2	Million tonnes CO ₂ e	0.65	0.59	0.63	0.04	7.0		
GHG Coal Segment	Million tonnes CO ₂ e	12.61	14.07	13.67	-0.40	-2.8	Raspadsкая Coal Company, Mezhegeyugol and Yuzhkuzbassugol	
Scope 1	Million tonnes CO ₂ e	13.15	13.72	13.32	-0.40	-2.9		
Scope 2	Million tonnes CO ₂ e	0.35	0.35	0.36	0.01	3.0		
GHG per t of steel cast	tCO ₂ e per tonne of steel cast	1.94	1.95	1.90	-0.05	-2.5		
GHG per net revenue	kg CO ₂ e / US\$	3.62	4.46	2.98	-1.48	-33.2		
GHG Steel Segment	kg CO ₂ e / US\$	3.47	4.05	2.66	-1.39	-34.2		
GHG Steel NA Segment	kg CO ₂ e / US\$	0.57	0.68	0.58	-0.10	-15.4		
GHG Coal Segment	kg CO ₂ e / US\$	6.68	9.44	5.89	-3.55	-37.6		
<i>Water Management</i>								
Total fresh water intake for production needs ¹	million m ³	201.7	202.79	196.22	-6.57	-3.2		Excluded the volumes of recycled water that are used by the Kuznetsky concentrator for production purposes.
surface water sources	million m ³	175.03	176.60	170.18	-6.42	-3.6		
ground water	million m ³	9.20	8.99	8.86	-0.13	-1.4		
seawater	million m ³	-	-	-	-	-		
public network	million m ³	16.19	15.54	15.47	-0.07	-0.4		
other sources	million m ³	1.28	1.65	1.70	0.05	3.1		
Mine and quarry water usage for production needs	million m ³	21.22	24.29	20.57	-3.72	-15.3		
mine water	million m ³	13.70	15.45	14.97	-0.48	-3.1		
quarry water	million m ³	7.52	8.83	5.60	-3.23	-36.6		

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
Steel segment: fresh water intake for production needs	million m ³	164.66	162.22	155.04	-7.18	-4.4	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Nikom, 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	mlnm ³	148.05	145.72	138.59	-7.13	-4.9		
ground water	mlnm ³	4.74	4.83	4.83	-0.01	-0.1		
seawater	mlnm ³	-	-	-	-	-		
public network	mlnm ³	10.78	10.23	10.34	0.11	1.1		
other sources	mlnm ³	1.09	1.44	1.28	-0.16	-11.0		
Iron Ore: fresh water intake for production needs	mlnm ³	32.13	36.02	36.61	0.59	1.6	EVRAZ KGOK, Evrazruda	
surface water sources	mlnm ³	26.86	30.80	31.46	0.66	2.2		
ground water	mlnm ³	0.54	0.55	0.56	0.01	1.1		
seawater	mlnm ³	-	-	-	-	-		
public network	mlnm ³	4.72	4.65	4.42	-0.23	-5.0		
other sources	mlnm ³	0.01	0.01	0.17	0.16	1,334.1		
Mine and quarry water usage for production needs		8.84	9.91	6.70	-3.21	-32.4		
mine water	mlnm ³	1.88	1.64	1.64	0.00	-0.1		
quarry water	mlnm ³	6.95	8.27	5.06	-3.21	-38.9		
Coal segment: fresh water intake for production needs	mlnm ³	4.9	4.55	4.57	0.02	0.5	Raspadskaya Coal Company, Mezhegeyugol	
surface water sources	mlnm ³	0.13	0.09	0.13	0.04	51.3		
ground water	mlnm ³	3.91	3.60	3.47	-0.13	-3.5		
seawater	mlnm ³	-	-	-	-	-		

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
public network	mlnm ³	0.69	0.66	0.71	0.05	8.0		
other sources	mlnm ³	0.17	0.2	0.26	0.05	26.5		
Mine and quarry water usage for production needs		12.39	14.38	13.87	-0.51	-3.5		
mine water	mlnm ³	11.82	13.81	13.33	-0.48	-3.5		
quarry water	mlnm ³	0.57	0.57	0.54	-0.03	-3.9		
Fresh water withdrawal intensity	m ³ / tonne of steel cast	11.92	11.90	11.43	-0.47	-4.0		
Fresh water withdrawal intensity ¹	m ³ / US\$ thousand revenue	16.94	20.79	13.86	-6.90	-32.2		
Water recycled for use in own operations	%	93.3	93.3	93.6	0.30	0.3 n.n.		
Total water discharge into water bodies	mln m ³	125.91	125.26	121.49	-3.77	-3.0		
Steel segment	mln m ³	68.90	68.58	63.48	-5.10	-7.4	EVRAZ NTMK, EVRAZ ZSMK, EVRAZ Vanady Tula, EVRAZ Caspian Steel, EVRAZ Nikom, EVRAZ Inc. NA (including EVRAZ Portland, EVRAZ Pueblo), EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)	
Iron Ore	mln m ³	12.86	12.47	10.84	-1.63	-13.1	EVRAZ KGOK, Evrazruda	
Coal segment	mln m ³	44.15	44.21	47.18	2.97	6.7	Raspidskaya Coal Company, Mezhegeyugol	

1. Data for fresh water withdrawal intensity in the current Report differs from the data in the Sustainability Report 2020 due to the following reasons: because of changes in fresh water withdrawal data, the "Fresh water withdrawal intensity" indicator has also changed and the "US\$ revenue" indicator was used for the correction of calculations.

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
Waste & By-product Management								
Non-mining waste & by-product generation	k.ton	8,445.4	8,651.4	8,561.4	-90.00	-1.0		
Metallurgical by-product generation	k.ton	6,829.6	6,406.9	6,262.5	-144.40	-2.3		
General waste	k.ton	1,615.7	2,244.5	2,298.9	54.40	2.4		
non-hazardous waste generation	k.ton	1,547.4	2,188	2,172.7	-15.30	-0.7		
hazardous waste generation	k.ton	68.3	56.6	126.2	69.60	123.1		
Non-mining waste & by-product recycled	k.ton	8,881.2	8,886.1	8,987.6	101.50	1.1		
Non-mining waste & by-product non-recycled	k.ton	661.6	751.0	837.9	86.9	11.6		
Non-mining waste recycling or re-use rate	%	105.2	102.7	105.0	2.30	2.3 n.n.		
Mining waste	k.ton	198,827.7	135,625.3	187,131.0	51,505.70	38.0		
Mining waste used	k.ton	75,467.9	38,634.1	57,828.4	19,194.30	49.7		
Mining waste recycling or re-use rate	%	38.0	28.5	30.9	2.40	2.4 n.n.		
Environmental Management								
Environmental commitments	\$M	198.6	226.2	197.5	-28.70	-12.7	A documented and approved by regulator liability to perform corrective actions to comply with environmental requirements applicable to a specific facility	Exchange rate as of December 31 of the report year.

INDICATOR	UNIT	2019	2020	2021	2021 VS. 2020		DEFINITION	COMMENTS
					Δ	%		
Environmental Liabilities (Site Restoration Provisions)	\$M	342	296	200	-96.00	-32.4	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 of the report year.
Environmental Levies and Fines for Non-compliance	\$M	5.0	5.8 ¹	3.1	-2.70	-47.3		
Cost of environmental compliance	\$M	30.3	32.9	30.5	-2.40	-7.1		
Investments to improve environmental performance	\$M	28.8	56.9	71.2	14.30	25.0		
Material environmental incidents	cases	-	-	-	-	-		
Public complaints	cases	31	11	10	-1.00	-9.1		
Compliance with REACH requirements	cases of non-compliance	-	-	-	-	-		

1. In the current Report adjustment of environmental non-compliance fee in 2020 was made based on the results of reconciliation with Rosprirodnadzor.

APPENDIX 6 – INDEPENDENT PRACTITIONER'S ASSURANCE REPORT



Совершенствуя бизнес,
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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 2021 or for 2021 (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 recommendations of the Sustainability Accounting Standards Board, recommendations of 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 chapter '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;



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- ▶ 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, and charitable activities etc. 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
TSATR - Audit Services LLC

28 April 2022

Details of the independent practitioner

Name: TSATR - Audit services LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: 77, Sadovnicheskaya Nab., bld. 1, Moscow, 115035, Russia.
TSATR - Audit services LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR - Audit services LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: EVRAZ plc
Entered in the Registrar of Companies for England and Wales 13 October 2011 and assigned registration number 7784342.
Registered address and location: 2, Portman street, London, W1H 6DU, United Kingdom.