

RECRUITMENT POLICY AND REMUNERATION SYSTEM

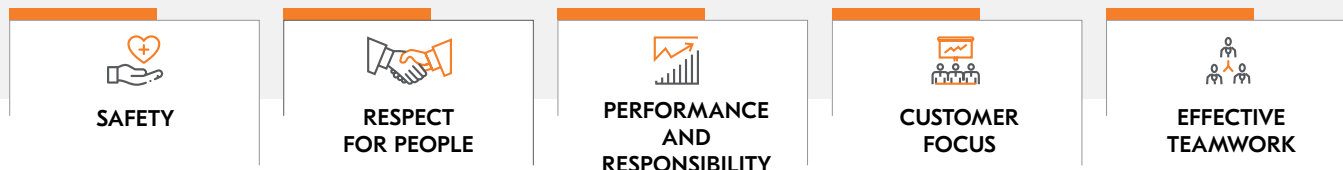
RECRUITMENT POLICY AND TALENT ATTRACTION

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

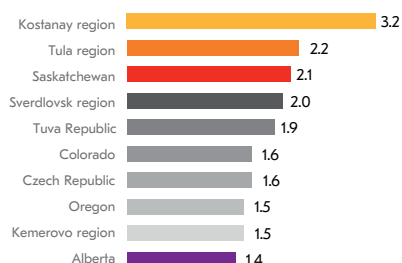
EVRAZ seeks to extend the boundaries of its responsibilities in terms of employee remuneration and think beyond minimum salary requirements. In addition, providing a clear and transparent remuneration system that fully rewards employees' efforts are very important to us.

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.

