

# 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

# 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,

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 m<sup>3</sup>, which is 3.2% reduction the previous year.

In 2021, the GHG emission intensity from the steel segment was 1.90 tCO<sub>2</sub>e/tcs (tonnes of carbon dioxide equivalent per tonne of crude steel). The Group's total energy consumption was 350.8 million GJ.

## 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,

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.

**Aleksey Ivanov**  
Chief Executive Officer