

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

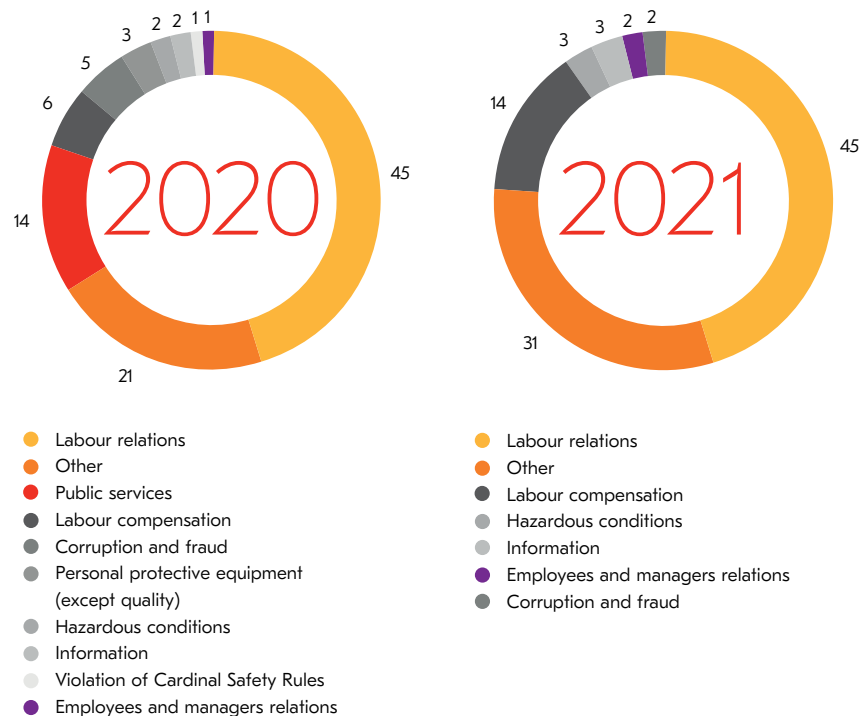
3. Responsible executives

- 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, %

