

# 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, 2021<sup>1</sup>

## 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; Rospadskaya; United Coal Company Yuzhkuzbassugol and others <sup>2</sup>	Evrax Caspian Steel; EvrazMetall Kazakhstan;	EVRAZ Inc. NA <sup>3</sup>	EVRAZ Inc. Canada <sup>4</sup>	East Metals A.G.; East Metals Shipping A.G.	EVRAZ Nikom, a.s.	EVRAZ North America plc; EVRAZ plc	Evrax Group S.A.	

- Some of the indicators disclosed in the table do not coincide with the IFRS data, since the methodology for calculating these indicators is different.
- 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 Rospadskoy, MU-Invest, Nizhny Tagil Telecompany Telecon, Novokuznetskmetalloptorg, Olzherasskoye shakhtoprokhodcheskoye upravlenie, Osinnikovskiy remontno-mekhanichesky zavod, Promuglepoject, Rospadskaya, Rospadskaya Coal Company, Rospadskaya Preparation Plant, Rospadskaya-Koksovaya, Razrez Rospadskiy, 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
- 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.
- 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
<b>Main activities of the Group</b>	<b>Steel production and coal/ ore mining/ trading</b>	<b>Steel production/ trading</b>	<b>Steel production</b>	<b>Steel production</b>	<b>Trading</b>	<b>Producer of ferrovanadium</b>	<b>Holding companies</b>	<b>Holding companies</b>	
Number of employees <sup>1</sup>	64,594	214	1,419	1,362	59	62	15	3	67,728 <sup>2</sup>
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.