

## Our approach



EVRAZ views corporate social responsibility as an integral part of its business and strives to address and monitor all relevant matters in this area. The corporate social responsibility section of this annual report provides an overview of the Group's policies and performance in 2019 in key areas, including human rights, health and safety, the environment, human capital management and community engagement, as well as an outline of how EVRAZ intends to improve its performance in the years ahead. The Group considers these policies appropriate and effective.

EVRAZ follows the OECD's Guidelines for Multinational Enterprises to ensure a uniform approach to business standards across its global operations.

# Health, safety and environment

## Governance

A core part of the Group's sustainability activities and long-term success is occupational health and safety (OHS).

Employee safety is a key priority of the business principles that EVRAZ adheres to, and every practicable effort is undertaken to continuously improve in this area.

The Group has implemented a multi-stage health, safety and environment (HSE) management system that encompasses everything from strategic decisions down to daily operations. The HSE Committee of the Board of Directors is responsible for coordinating HSE policies and monitoring the implementation of strategic HSE initiatives.

The EVRAZ HSE Management Committee consists of the CEO and vice presidents. Its remit includes approving annual HSE KPIs, goals and initiatives, as well as considering all serious incidents and corrective actions on a monthly basis.

Each of the Group's divisions also has monthly HSE Committee meetings to review HSE incidents and approve corrective actions to prevent them from reoccurring in future.

A three-stage HSE management system is in place at EVRAZ enterprises in accordance with the OHS Management System that covers all management levels, from line managers to enterprise managers. This multi-tiered system helps the Group to ensure strict compliance with HSE requirements.

EVRAZ is also an active partner in local and international industry organisations, including the World Steel Association's Environmental Policy (EPCO), Technology Policy (TPCO) and Safety and Health (SHCO) committees, as well as the HSE committees of Russian Steel, a Russia-based non-commercial partnership, and the Russian Union of Industrialists and Entrepreneurs.

## HSE system

The Group adopted its HSE Policy in March 2011 and has updated it regularly since then, most recently in February 2018. The HSE Policy enshrines five basic safety principles:

- All incidents are preventable
- Do not start work if it cannot be performed safely
- EVRAZ managers at all levels are directly responsible for the safety of employees, as well as contractors and visitors
- EVRAZ managers at all levels should be an example and role model for compliance with all HSE rules and principles
- All EVRAZ employees are personally responsible for complying with HSE standards and regulations

The HSE management system's most important function is to identify potential environmental hazards and risks to employees' life and health in the production process, from planning and procurement to the sale of finished products to customers.

The Group's HSE management system consists of the following phases:

- Identify and assess risks
- Develop and implement HSE risk management initiatives
- Investigate incidents and identify systemic causes to prevent future reoccurrence
- Analyse HSE metrics, update and set new safety targets

The HSE management system at EVRAZ metallurgical plants is certified in accordance with the OHSAS18001 international standard and is being prepared for recertification in accordance with ISO 45001 in 2020.

## Emergency response

All EVRAZ enterprises have action plans in place to respond to emergencies and accidents. The plans are coordinated with local emergency response units and are regularly inspected during joint exercises to develop procedures for the localisation of and response to accidents and incidents.

Some EVRAZ operations, including the mines of the Coal division, have auxiliary mine-rescue teams to act as first responders to incidents and help to evacuate personnel ahead of the arrival of professional rescue teams. Members of the auxiliary teams are specially selected, trained and regularly re-trained.

The Group's commitments are based on internationally recognised standards and respect for all human rights, including civil, political, economic, social and cultural rights. EVRAZ fully endorses the provisions of the United Nations' Universal Declaration of Human Rights.

In accordance with its internal Code of Business Conduct, EVRAZ seeks to develop and maintain a work environment that is free from discrimination. The Group is committed to providing every employee with equal opportunities. All personnel and applicants are assessed according to their professional skills, qualities, experience and abilities. Decisions made on grounds unrelated to an individual's job performance (eg related to the person's

race, ethnic origin, sex, religion, political views, nationality, age, sexual orientation, citizenship status, marital status or disability) are discriminatory and prohibited by the law and the principles accepted in the Group.

Child labour, bonded labour, human trafficking and other forms of slavery (known as modern slavery) are strictly prohibited at all EVRAZ subsidiaries and their suppliers. Modern slavery is an abuse of human rights and is a criminal offence in the UK and other jurisdictions. The Group is committed to acting ethically and requires suppliers to conduct business within the same ethical framework.

Respect for others is one of EVRAZ overriding principles. In the cross-cultural environment

in which the Group operates, all cultures must be treated with respect. EVRAZ rules prohibit the use of abusive, harassing, discriminatory, degrading or aggressive speech or written comments, verbal or physical demonstrations of a sexual nature, and actions or speech that insult the honour or dignity of an individual.

In the event of an incident, an emergency warning system is activated to inform local residents and authorities. For example, Rospadskaya has a commission to prevent and respond to emergencies and to ensure fire safety. The commission coordinates and warns of natural and technological disasters, manages emergency response assets and works to reduce the damage from incidents.

### HSE reporting system

The Group has developed and adheres to an Incident Management Standard, part of which is a system for instantly reporting all incidents. Within 24 hours from the moment of an incident, the HSE Information System sends a Flash Report describing the circumstances of the incident and rapid response measures to ensure that other departments are prepared to prevent such incidents.

Data from the HSE Information System are also used to analyse HSE performance. The Group relies on its HSE reporting system to collect and share appropriate data throughout the organisation with an aim to continuously improve the process. The corporate HSE functions monitor subsidiaries using monthly, quarterly and annual HSE performance reporting.

Internal audit specialists perform regular audits of all EVRAZ enterprises. In addition, the Group's operations are continuously monitored by government regulators. Committees at the appropriate levels review all recommendations received as a result of audits and measures are implemented in accordance

with these recommendations to improve the effectiveness of controls.

The internal audit function regularly assesses EVRAZ compliance with HSE policies, which is supplemented by external monitoring from government authorities. The Group conducts a detailed analysis of any recommendations resulting from the inspections to ensure that remedial actions can be taken, where needed.

In addition, the "A3 problem solving" tool is used for all incident and injury investigations to identify systemic causes and develop all possible measures to prevent the recurrence of such incidents. Each month, the HSE Committee reviews such events and approve reports on all fatalities and severe injuries. The Committee also monitors the implementation of preventative measures and their effectiveness.

In recent years, EVRAZ has been consistently implementing measures to prevent the concealment of the circumstances of all incidents and to ensure maximum transparency of the information system, including by creating a hotline via which employees can anonymously report any HSE problems.

The Group's incident reporting transparency policy has created a system to receive reliable information, including potential incidents and dangerous actions, and to use this information to implement preventative measures.

EVRAZ distributes a monthly report that includes HSE results and KPI performance, including LTIFR.

### HSE corporate management structure

