HEALTH AND SAFETY

Our approach

While performing technological operations, EVRAZ employees are exposed to various risks inherent to the working environment. Potential risks when mining for coal and ore underground include rock collapse, flooding, explosion of dust and gas, and others. Employees engaged in steel production are exposed to risks associated with movement of machinery, transportation of materials, lifting, temperature and harmful gases, among many others. In addition, the Group's enterprises have common risks, including working at height, transportation, electricity, etc.

To prevent possible incidents associated with these risks, EVRAZ identifies the working operations where these risks are present and implements technical solutions to serve as a reliable barrier and mitigate the risks. Where technical solutions are not available, EVRAZ applies organisational controls to manage the risks and reduce their likelihood and possible consequences.

One such solution is a system for teaching workers and contractors safe working methods in the face of inherent risks. The system also includes regular testing of knowledge and skills at training sites.

In addition, the Group continuously reviews the personal protective equipment (PPE) available and ensures that all employees have the necessary PPE.

EVRAZ has set a goal of improving the safety culture of its employees and contractors by making them personally responsibility for safe behaviour and compliance with the necessary rules, as well as engaging each employee in identifying hazards and risks at their workplaces. To this end, the Group has developed a risk management project and started to implement it at its operations.

Results in 2019

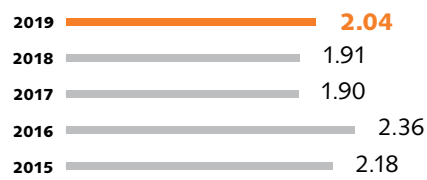
LTIFR

The lost time injury frequency rate (LTIFR) is a strategic KPI that is cascaded down throughout the organisation in individual management performance scorecards. In 2019, the group did not meet its target of 1.67, closing the year with an LTIFR of 2.04. The increase in this key metric was primarily caused by an incident involving a crew bus in February 2019 in which eight colleagues lost their lives and 16 people were seriously injured.

The root cause investigation into this incident has resulted in significant revisions in the permit-to-work system for employees and drivers, including pre-trip medical examinations, work order release, and GPS tracking of vehicles on haul roads. In addition, a programme is being implemented to replace buses carrying workers with structurally reinforced, rollover-resistant crew vehicles. These measures are being introduced at all open pit mines operated by EVRAZ. As part of an existing initiative, the Group also continues to implement the Safe Driving Programme, which is a project to train all drivers involved in employee transportation.

While efforts to reduce injuries in Q2 and Q3 2019 were quite successful, seasonal Slip-Trip-Fall risks led to an increase in minor injuries in November and December, which made it impossible to a lower LTIFR than in the previous year.

LTIFR (excluding fatalities),
per 1 million hours

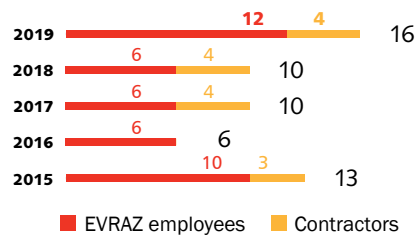


Fatalities

In 2019, EVRAZ lost a total of 16 colleagues:

- Eight employees died in the incident involving a crew bus at an open pit coal mine
- Four employees died in incidents associated with exposure to moving equipment, rock caving and falling loads
- Four contractors were fatally injured due to falling from height, a railway accident and a falling load while preparing for lifting operations

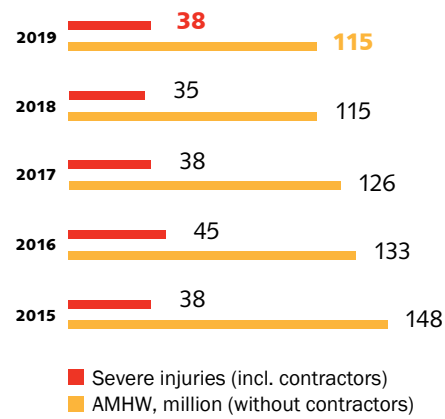
Fatalities



Each month, the HSE Committee reviews and approves preventative measures as a result of all fatalities and serious injuries, and then monitors the implementation and effectiveness of these measures. For each incident, a so-called "90-day plan" is developed to properly eliminate root causes of the incident.

In 2019, the Group used the results of a key risk assessment as a basis for reviewing and updating its cardinal safety rules to prevent the most dangerous types of employee activity. These rules must be followed by all employees and contractors.

Number of severe injuries (incl. contractors)



Current cardinal safety rules

	It is forbidden to be on the territory of enterprises in a state of alcoholic and/or narcotic intoxication
	It is forbidden to override protective interlock equipment and security systems without prior authorisation
	It is forbidden to hide and distort the circumstances of HSE incidents
	When working at heights, it is forbidden to not use safety systems for work at height included in the work permit, as well as personal protective equipment against falls
	It is forbidden to not use a seat belt in personal transport on the territory of enterprises and motor vehicles of the employer
	It is forbidden to smoke and/or use open fire in coal mines and other places where explosive hazards are present
	It is prohibited to use explosive materials for purposes other than those specified in the Permit-to-Work, or not to return to the warehouse the remnants of explosive materials after blasting operations, as well as to change the designs of the detonator
	It is prohibited to use machines and equipment not intended for these purposes to transport people

Treatment of occupational diseases

Consistent with all applicable legislation, EVRAZ provides all its employees with insurance against work-related injuries and illnesses. A system of regular medical check-ups helps to identify potential occupational diseases and undergo timely treatment.

Employees may also receive financial assistance from the Group, based on their medical condition and other circumstances. Employees who need prolonged medical treatment are also eligible to be compensated for moral harm, although these funds may not be used to arrange independent medical treatment.

In 2019, a total of 237 cases of occupational diseases were registered at EVRAZ facilities worldwide, compared with 256 cases in 2018. The Group continues to closely examine working conditions and strives to eliminate the highest-risk workplaces in terms of employee health.

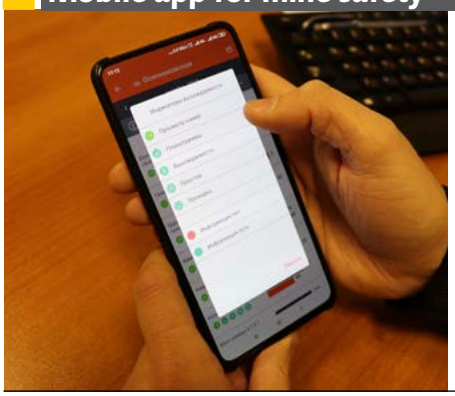
In addition, there are ongoing efforts at all EVRAZ facilities to properly treat occupational illnesses in an effort to preserve and improve employee health. To determine the risk group and evaluate fitness to work, every worker undergoes an annual medical check-up. Employees are compensated in accordance with legislative requirements. When occupational illnesses are registered, additional payments are made from the social security fund, including pension supplements. Personnel who are prone to occupational illness also receive free treatment at therapeutic resorts. The Group also strives to proactively improve working conditions in an effort to reduce the likelihood of occupational illnesses occurring.

Fighting fires in virtual reality

In 2019, EVRAZ NTMK and EVRAZ KGOK, both of which are part of the Urals division, began to use a virtual reality firefighting trainer. It was built to order for EVRAZ, and the Group's employees helped to design it.

By putting on a 3D helmet, an employee finds themselves in a virtual office or production facility where a fire has broken out. Using a pair of joysticks, they learn how to act in the presence of heavy smoke, as well as burning fuels, lubricants and electrical appliances. In virtual reality, they can move, pick up items they need and rescue unconscious people. The simulator helps to teach employees to take the right decisions during emergency situations.

Mobile app for mine safety



In 2019, the IT department at Raspadskaya updated the RUK MPU mobile app, which works on both the Android and iOS platforms, and is also available online.

First launched in 2018, the initial version of the app made it possible to monitor targeted versus actual figures for mining, tunnelling and loading work, as well as key performance metrics for the mine and processing plants, coalface performance and methane content.

The updated app includes information about the causes of downtimes. With a current sensor, employees can monitor the work of tunnelling machines. Users can also receive warnings when methane content exceeds safe levels. In addition, they can view online footage from the underground surveillance cameras at all Raspadskaya operations.

Key projects in 2019 and objectives for 2020

Corporate-wide initiatives in 2019 were mainly focused on cultural change through improving the safety behaviour of employees and contractors.

Contractor safety

EVRAZ continues to integrate contractors into its HSE management system. In 2019, the Contractor Management Standard was revised. This resulted in clarifications to the contractor pre-qualification requirements for work at the Group's enterprises, the system of motivation and fines to incentivise rapid adjustments to the organisation of work, the requirements for planning safety measures and the permit-to-work system.

Further improvements to the contractor management system in 2020 will include rating contractors on their HSE performance, which aims to increase responsibility for failing to organise safe working conditions, as well as motivate compliance with the EVRAZ HSE system requirements.

Risk management

In 2019, EVRAZ reviewed its risk management system to maximise employee engagement in the process of identifying and mitigating risks.

The Group's enterprises have been assessed using the existing risk management system to identify areas for improvement. As a result of this assessment, senior management has held a session to review the EVRAZ HSE management system and found that the main elements of the system requiring development were Leadership and Risk Management.

To improve these elements, the Group has decided to implement a Risk Management project and, during the year, developed a set of risk management tools. These simple but effective methods for determining hazardous conditions and actions have been tested in pilot workshops and mines. The Risk Hunting and Dynamic Risk Assessment tools help to determine "What could go wrong?" and implement measures to stop work that threatens life and health, or to mitigate the risks. The risk assessment matrix was also revised and a risk passport form was developed.

To implement the project, teams of risk managers and internal trainers were created in the Group's divisions, and the standard work of line managers and enterprise managers was revised. The project's tools have been integrated into the existing HSE documentation and work schedules.

In 2020, implementing this project will be EVRAZ primary HSE initiative. As part of these efforts, all Group employees will be trained to use the risk identification, assessment and mitigation tools. The plan includes creating a system to receive risk warnings from employees, as well as to improve behavioural safety conversations between line managers and employees so that the workforce is more engaged in the routine dynamic risk assessment process on the job.

The goals that EVRAZ has set for the Risk Management project in 2020 include engaging employees and receiving at least one risk warning for every two employees who received training. The project's other goal is to create "red risk passports" based on the key risk management barriers identified while compiling comprehensive maps of the risks present at our employees' workplaces.

Hazardous area warnings

Lock-out systems are being installed to protect people from moving equipment and tunnelling faces at the Mezhegeyugol mine and other EVRAZ mines. The main component of the STRATA Hazard Alert system is a magnetic field generator, which is installed on a piece of equipment and creates an electromagnetic field around it. Before entering the mine, employees receive a personal signalling device that detects these fields.

If an employee comes within three metres of the equipment, it slows down, and light and siren alarms warn of the danger. When a person enters a hazardous area, the equipment shuts down completely.

Defensive driving training

In 2019, EVRAZ KGOK held a defensive driving training programme for 155 drivers of passenger transport convoys that aimed to teach them a new way to assess risks on the road. After years of driving on the same route, drivers can stop regarding traffic as a potential threat. The training helped drivers to reconsider their usual approach, focusing on maximum safety.

The defensive driving style is a model that makes it possible to prevent an accident regardless of the actions of other road users, as well as road and weather conditions. As part of the training process, attendees comment about the situation on the road and their actions, predict where danger might come from and explain how they might react. The primary aim is to develop skills to ensure complete control of the situation on the road. After the 10-day training programme, most participants felt that their ability to predict traffic situations had grown markedly. Maintaining a level of concentration that gives a margin of time for manoeuvre helps to minimise risks.