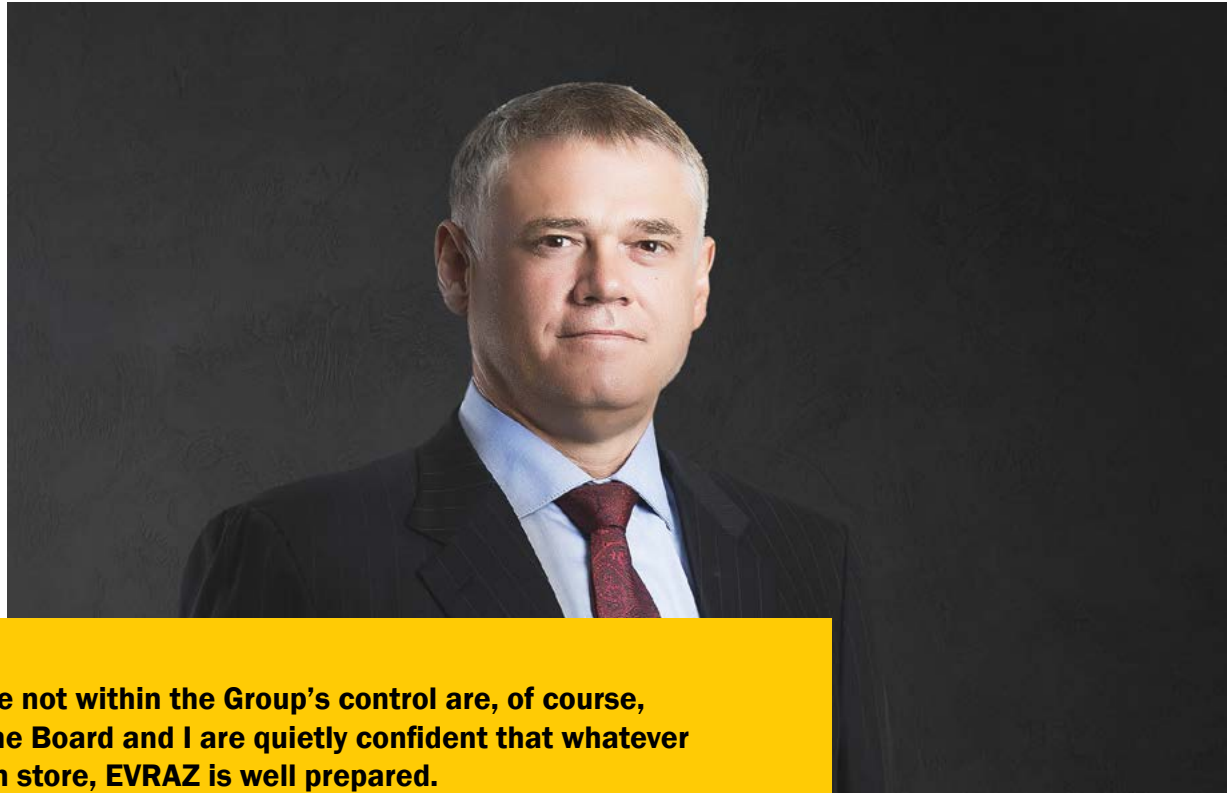


Chairman's introduction



Key factors that are not within the Group's control are, of course, the markets, but the Board and I are quietly confident that whatever the markets hold in store, EVRAZ is well prepared.

Dear shareholder,

Last year was not easy, as EVRAZ and the broader industry faced complex market headwinds. However, thanks to efficiency initiatives, diligent strategic efforts and the hard work of each employee, the Group was able to overcome all the difficulties and achieve resilient results.

For the Board of Directors, 2019 was a year of numerous critical initiatives in the Group. These included a major health, safety and the environment (HSE) drive to implement a new approach to safety by engaging employees more in risk identification and mitigation.

HSE

The overriding priority of the EVRAZ Board of Directors has been and continues to be achieving and maintaining zero injuries and fatalities in the workplace. Despite the Group's efforts, however, there was a substantial increase in fatalities during the reporting period. Half of these occurred in a single February 2019 incident that caused the death of eight employees and the serious injury of another 16 people. Overall, as a result of occupational safety and risk management shortcomings, the EVRAZ team suffered the loss of 12 employees and four contractors during

2019. To avoid a repeat of these tragedies, the Group is placing paramount importance on undertaking measures to improve its safety culture, beginning with improved employee engagement in identifying and mitigating risks. Please, **read CSR report on page 78 for more details.**

To spearhead the efforts to improve safety performance, we decided to conduct the safety culture assessment and develop a roadmap for its improvement. Recognising the urgency of climate change, it also tasked the committee with identifying possible ways to reduce the Group's greenhouse gas



Audit Committee report
Read more on 120-125.



HSE Committee report
Read more on 128-129.



Nominations Committee report
Read more on 126-127.

emissions and develop an implementation strategy. In addition, the Board requested that the HSE Committee review the control measures that EVRAZ uses to mitigate the risks associated with its largest tailing dams. The information on dam safety issues has been publicly disclosed on EVRAZ website at the following link: <https://www.evraz.com/en/sustainability/tailings-storage-facilities/>

Governance

The Board continues to work to ensure that the Group operates in accordance with international best practices and complies with the guidelines laid out in the UK Corporate Governance Code. The only non-compliances reported are related to EVRAZ particular situation, they were as follows:

- The Company does not operate clawback arrangements on bonus payments on the basis that such arrangements would not be enforceable under the Russian Labour Code. A further explanation for this non-compliance is set out in the **Remuneration Report on page 131**.
- The 2018 Code now treats individuals such as myself, a significant shareholder, as no longer independent on appointment as chairman.

As part of its commitment to support the interests of all stakeholders, the Board takes a long-term view of how the business needs to develop within its industry and geographical markets. The EVRAZ business and operational model, which are explained in detail **on pages 12-15**, shows how value is created for all stakeholders; and the Governance report demonstrates how this important engagement is monitored. Please read Statement in accordance with S172 of the Companies Act **on page 41**.

In April 2019, EVRAZ published its first comprehensive report on sustainability performance, making a logical step in the Group's continuous efforts to improve

the economic, social and environmental aspects of the company's operations and reporting.

At its January 2020 meeting, following the annual review of Board Performance effectiveness, the Board agreed on an action plan for 2020, which continued and developed the review and approval function of the management's strategy proposals.

Our people

EVRAZ understands the vital importance of regular employee engagement, which allows the Group to hear and incorporate employee opinions throughout the organisation. This invaluable bottom-up insight helps to attract and retain impactful employees, who in turn play critical roles in ensuring that the Group achieves its vision and strategy. This workforce feedback loop, which EVRAZ has practiced for many years, also helps to foster informative decision taking in all aspects of the business. One important employee engagement effort is an annual survey that seeks to take the pulse of the workforce as a whole on various matters. In previous years, this survey helped to generate numerous initiatives focused on employees, as well as to determine ways to improve overall employee engagement going forward. Following each annual survey, the Board reviews the results to ensure that it is informed of important trends, comments and concerns.

During 2019, two Board members met with employees and learned what is important to them. Alexander Izosimov visited Rospadskaya Coal Company in Novokuznetsk, Russia, and Laurie Argo visited EVRAZ Portland's rolling mill in North America for town-hall meetings.

In addition, Board members reviewed the results of the annual reputation audit, engaging businesses, clients, media, government representatives and local communities. The Group's efforts to build sustainable partnerships with key stakeholders were rated

as satisfactory. EVRAZ reputation index shows sustainably high performance over the last three years.

Dividends

In 2019, the Board approved the payments of: an interim dividend of US\$0.40 per ordinary share, totalling US\$577.3 million, on 29 March 2019; and an interim dividend of US\$0.35 per share, totalling US\$508.2 million, on 5 September 2019.

In consideration of EVRAZ performance in 2019, the Group has announced an interim dividend. On 26 February 2020, the Board of Directors voted to disburse a total of US\$580.8 million, or US\$0.40 per share. The record date is 6 March 2020 and payment date is 27 March 2020.

Alexander Abramov Non-Executive Chairman




Remuneration report
 Read more on 130-139.