

# Statement in accordance with S172 of the Companies Act

The Board has considered in detail the Company's business model outlined on pages 12-15 of this report, which identifies the Company's stakeholders as:

- Shareholders and investors
- Employees
- Customers
- Suppliers and contractors
- Local communities
- Government and regulatory authorities
- Media
- Industry organisations

The Board of EVRAZ recognises the benefit of clear and precise engagement with the Group's stakeholders. Value is generated through the Group's core activities as outlined in the discussion of its business model on page 13.

The Group's dividend policy anticipates dividend payments to shareholders of US\$300 million per annum, provided that the Group's net debt/EBITDA ratio remains below 3x. In addition, the Board may consider further distributions of free cash flow available after implementing its investment programme to support the business.

The Group has an active IR programme to enable shareholders to engage with the Company and the Board, not only on business issues but also any governance concerns that they might have. A capital markets day is also held each year for the investment community, which covers both the current performance and future plans, as well as governance issues. Sir Michael Peat, the senior independent non-executive director and chairman of the Nominations Committee, attended Capital Markets Day in October 2019 and presented on the Company's corporate governance structure as well as meeting with

investors; other independent non-executive directors were in attendance. All shareholders are welcomed at the AGM where all directors are available to discuss any issues that they might raise. The CEO, supported by the CFO, held conference calls and briefed analysts and institutional investors fully after the publication of the Company's half-year and full-year results. Additionally, the CFO, supported by the director for investor relations, held a series of in-person meetings with institutional investors during the year.

Engagement with employees remains key, and the Board closely monitors the results of the annual engagement survey which has seen satisfactory levels of improvement. Two independent non-executive directors have taken responsibility for engaging with employees in our businesses in North America and Russia, respectively, and this is undertaken by their attendance at key staff briefing events and town hall meetings. Throughout the year, senior management attend the Group's board meetings to present the annual budget for their respective business units, and to present key investment projects which require the Board to approve significant capital expenditure sums. All presentations made to the board consider both the benefit to shareholders of the proposal and the impact on other key stakeholders. The Remuneration Committee receives a detailed presentation from the Vice President of HR, which outlines remuneration and incentive plans across the whole business at each level. A whistleblowing arrangement is in place which allows staff to raise issues in confidence, and the responses to the issues are routinely monitored by the Audit Committee who escalate key issues to the Board.

The Board established a Health, Safety and Environment Committee in 2011 to help

it to monitor the Group's Health, Safety and Environment performance, as well as the initiatives designed by management to improve the Group's performance in that area. In addition, it considers the planned actions that are necessary to reduce the Group's impact on the environment, including the reduction of greenhouse gas emissions. More details are available on pages 81-87.

The Board considers the interests of all stakeholders by taking a long-term view of how the business needs to develop within its economic market. The Board has considered the technological developments in the market to ensure that its assets are improved to remain competitive, and that the necessary financing requirements will be available over the medium to long term to implement strategic projects. When development plans for projects are in their early stages, the management engages key customers to ensure that the products produced meet their specific requirements. All suppliers are treated in line with agreed contract terms, and when new opportunities come available then the Group has transparent tendering procedures, to ensure new contracts are awarded on a fair basis. The Board is introducing a stakeholder impact analysis for all proposals brought to its attention and will include an analysis in the annual strategy plan. The full range of EVRAZ Stakeholder engagement is detailed on pages 118-119.

These actions assist the directors in performing their duties under S172 of the Companies Act 2006 and the analysis will confirm to the Board that the impact of business plans on all stakeholders is being considered by management when developing initiatives for Board approval.