

CORPORATE GOVERNANCE REPORT

INTRODUCTION

EVRAZ is a public company limited by shares incorporated in the United Kingdom. It is a premium-listed company on the Main Market of the London Stock Exchange and is a member of the FTSE 100 Index. EVRAZ is committed to high standards of corporate governance and control.

COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

The Group's approach to corporate governance is based on the UK Corporate Governance Code published by the Financial Reporting Council (FRC) in July 2018 and the Listing Rules of the UK Financial Conduct Authority.

During the year to 31 December 2020, EVRAZ complied with all the principles and provisions of the 2018 UK Corporate Governance Code (the Governance Code is available at www.frc.org.uk), with the following exceptions:

- Provision 9: The chairman was non-independent on appointment, as he was and remains a significant shareholder, and had previously served as a CEO and chairman of the Group prior to listing in 2011. The Board considers that he brings independence of judgement to the Group's activities, as well as extensive experience and expertise of the Group's key markets. The Board also considers that the current Board structure provides a suitable level of protection for minority

shareholders, as it operates in accordance with the Relationship Agreement currently in place (read **page 143**).

- Provision 19: The Chairman has been in post since the IPO in October 2011 and has therefore served in excess of nine years. The Board has considered this situation and as explained in the previous comment, the Board considers that he has extensive experience and expertise of the Group's key markets. The Board also considers that during a period of transition of Board members, his remaining in post also retains the necessary stability for the Group.
- Provision 37: The Company does not operate clawback arrangements. An explanation for this non-compliance is set out in the Remuneration Report on **page 130**.

An explanation of how the Company has complied with the UK Corporate Governance Code, including how it has applied the principles contained

therein, is set out within this Corporate Governance Report, the Strategic Report and the Directors' Report. In particular, the following pages will be most relevant in enabling shareholders to evaluate how these principles have been applied:

- Board Leadership and Company Purpose — please read at Corporate Governance Report on **pages 106-112**.
- Division of Responsibilities — please read at Corporate Governance statement on **pages 106-112**.
- Composition, Succession and Evaluation — please read at Nominations Committee Report on **pages 124-125**.
- Audit, Risk and Internal Control — please read at Audit Committee Report on **pages 118-123**, Risk Management and Internal Control on **pages 113-115** and Principal Risks and Uncertainties on **pages 92-95**.
- Remuneration — please read at Remuneration Committee Report on **pages 128-139**.

BOARD RESPONSIBILITIES AND ACTIVITIES

The Board and management of EVRAZ aim to pursue objectives in the best interests of the Group, its shareholders and other stakeholders, and particularly to create long-term value for shareholders.

In 2020, despite the significant operational impact of the COVID-19 pandemic, disruptions to the Board's activity were minimal as meetings were moved to video format with little loss of efficiency.

Throughout the early stages of the pandemic, the Board was updated on a weekly basis by the management about the impact of COVID-19 on both the business and employees, as well as the steps that management was taking to ensure all necessary precautions were in place.

The Board of EVRAZ is responsible for the following key aspects of governance and performance:

- Financial and operational performance.
- Strategic direction.
- Major acquisitions and disposals.
- Overall risk management.
- Capital expenditure and operational budgeting.
- Business planning.
- Approval of internal regulations and policies.