

# CHAIRMAN'S INTRODUCTION

Despite the unpredictable challenges of the COVID-19 pandemic in 2020, EVRAZ's response was robust. The Group's employees diligently implemented new workplace safety measures while also focusing on the health and wellbeing of the broader communities in which they and their families live and work. Thanks to the dedication and commitment of its people, EVRAZ maintained operational continuity and made further progress on its environmental agenda despite the unique challenges of 2020.



**Alexander Abramov**  
Non-Executive Chairman

## Health and safety

The EVRAZ Board of Directors remains committed to its long-term goal of achieving zero injuries and fatalities in the workplace. While the Group's health and safety efforts led to significant improvements in this area, there were still five tragic employee fatalities in 2020, which is five too many. As part of its efforts to improve the safety culture, EVRAZ focused on a new approach to engage employees in the process of identifying and mitigating risks. This and other initiatives helped to bring the lost-time injury frequency rate – a key health and safety metric – down to 1.58, which is a sign of considerable progress in the Group's overriding priority of safeguarding its people. In addition, EVRAZ spared no effort in its COVID-19 response to provide safe working conditions for employees while also supporting local hospitals and communities.

From the outbreak of the pandemic, the Board of Directors closely monitored

the work of the EVRAZ crisis management centre and senior executives to mitigate the operational, commercial and financial impact on the Group. Thanks to the safety measures that EVRAZ enacted to protect its people and ensure operational continuity, the COVID-19 pandemic has had a relatively limited impact on the Group's business.

The Board also understands that the unprecedented measures undertaken to prevent the spread of COVID-19 and the mental impact this may have on many people in these trying times requires careful attention to the possible health repercussions of the pandemic.

For more about the support given to employees during this time, see section Impact of COVID-19 on pages 30-31 →

## Environment

In 2020, the Board of Directors approved the Group's new Environmental Strategy, which serves as a roadmap for improving environmental performance by assessing

climate risks, applying best environmental practices and working to meet stakeholder expectations.

For more about the Group's environmental performance, see sections Environmental management and GHG emissions on pages 60-65 →

Throughout the year, the Board strove to better understand the potential longer-term climate-related risks and opportunities facing EVRAZ. The first step was to conduct a qualitative analysis of three climate scenarios envisaging global average temperature increases of ~1.5°C, ~2.0°C and ~4.5°C by the year 2100. This analysis drew on insight into the global physical climate impacts under various climate scenarios developed by the UN's Intergovernmental Panel on Climate Change, as well as Shared Socioeconomic Pathways, which provide outlooks for socioeconomic factors corresponding to the different climate scenarios. The Group used this research to prepare its first Climate Change Report, which serves

as a foundation to continue improving climate risk management at EVRAZ.

The Climate Change Report was prepared following the recommendations of the Task Force on Climate-related Financial Disclosures and outlines the principles underpinning the approach that EVRAZ takes to climate change while providing greater insight for stakeholders on the Group's mitigation actions. The initial findings are summarised in this report and the Group intends to update the Climate Change Report periodically.

Discover more in the Climate Change Report: <https://www.evraz.com/en/sustainability/data-center/climate-change-reports/>

## Governance

The EVRAZ Board of Directors and management team are focused on ensuring that all aspects of the business are conducted in the best interests of the Group, its shareholders and other stakeholders, with particular attention being paid to generating long-term shareholder value.

The Board held its meetings via video conferencing to minimise the disruptions to its business amid the pandemic. The Board received regular updates from management about the impact of COVID-19, as well as the mitigation measures implemented to safeguard people and operations.

While most directors have been serving on the Board since EVRAZ plc's incorporation in October 2011, new

independent non-executive directors have been recruited in recent years to enhance the depth and breadth of the Board's experience. In 2020, the Nominations Committee began searching for suitable candidates to replace those independent non-executive directors who will have served terms of nine years and will be required to stand down at the Annual General Meetings in 2021 and 2022.

Having both served nine years as non-executive directors, and in line with the UK Corporate Governance Code's recommendations on director independence, neither Sir Michael Peat nor Karl Gruber will seek re-election at the forthcoming Annual General Meeting.

In 2020, the Board engaged in an externally facilitated annual evaluation of its conduct, after having undertaken internally evaluated reviews in 2018 and 2019. The Nominations Committee initiated and took part in the review, during which all Board directors received questionnaires for response and comment. The review found the Board's performance in all key areas to be satisfactory.

## Our people

EVRAZ recognises that its operations can only improve alongside the skills and qualifications of an engaged workforce. To this end, the Group continued to improve existing professional development programmes and launched several new initiatives in 2020.

See [pages 68-73](#) for more details →

EVRAZ uses an annual, organisation-wide employee survey as a guide for aligning the Group's culture with its purpose and values, as described on pages 72-73 of the Strategic Report. The Board receives a summary of this survey for review and closely follows the implementation of management efforts undertaken as a result of the survey.

## Dividends

In 2020, the Board approved two interim dividend payments: US\$0.40 per ordinary share, totalling US\$581 million, on 27 March 2020; and US\$0.20 per share, totalling US\$291 million, on 2 October 2020. Prior to each distribution, the Board ensured that the level of distributable reserves within the balance sheet was sufficient to enable the dividend to be paid, in line with the established EVRAZ dividend policy. The Board also considered the impact of COVID-19 on the Group's going concern and cash flow position.

In recognition of the solid performance that EVRAZ delivered in 2020, the Group has announced an interim dividend. On 24 February 2021, the Board of Directors voted to disburse a total of US\$4371 million, or US\$0.30 per share, with a record date of 12 March 2021 and payment date of 7 April 2021.



**Alexander Abramov**  
Non-Executive Chairman