

CORPORATE SOCIAL RESPONSIBILITY

HEALTH, SAFETY, AND ENVIRONMENT

2020 highlights

The Group's LTIFR was
1.58

Employees received Risk Management Project training
40,000

Approach to HSE management

Environmental safety and protecting the health and safety of employees and contractors have always been priorities at EVRAZ. The Group is committed to enhancing its health, safety, and environment (HSE) management system and endeavours to provide its employees and contractors with safe working conditions at all its assets, while also protecting local environments.

Health, occupational, and environmental safety considerations are at the core of EVRAZ' operations. The Group has adopted a four-phase HSE management system that covers all levels of the business, from development strategies to daily operational issues.

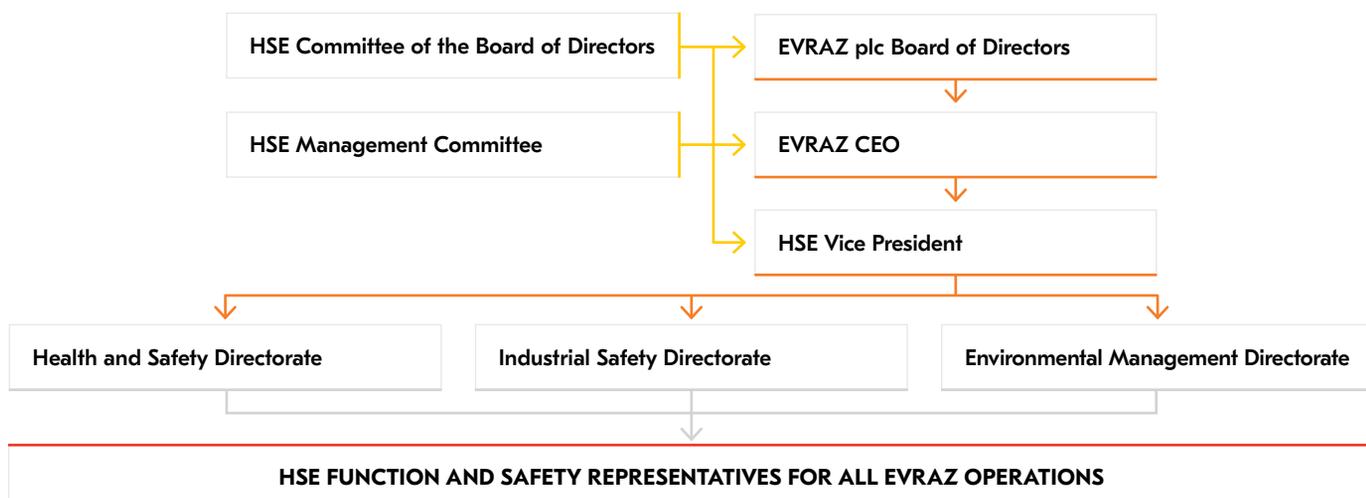
Governance

The Group understands the importance of having strong leaders and strives to involve executives and managers in HSE management processes. In 2010, the HSE Committee at the Board of Directors level was created in order to improve the HSE strategy and to analyse the impact of HSE measures on the Group. In 2018, the EVRAZ HSE Management Committee was established to boost the level of engagement level of management and enhance the safety culture within the Group. This strategic body, which consists of the EVRAZ CEO and vice presidents, is authorised to set HSE goals, approve relevant annual KPIs and take other measures.

While the HSE Committee deals with HSE issues at the executive level, each EVRAZ facility has its own HSE unit subordinated to a local management team, with the vice president supervising the overall workstream.

EVRAZ closely adheres to the guidance of the World Steel Association's Environmental Policy (EPCO) and the Technology Policy (TPCO) and works actively with Safety and Health (SHCO) committees, as well as the HSE committees of Russian Steel (a Russia-based, non-commercial partnership) and the Russian Union of Industrialists and Entrepreneurs.

EVRAZ HSE management structure



HSE system

The fundamental purpose of the HSE management system is to ensure the safety and health of employees by identifying potential hazards in workplaces and facilities and to find and evaluate sources of potential environmental pollution and prepare mitigation measures.

The primary HSE document is the EVRAZ HSE Policy, which was implemented in 2011 across the Group and amended in 2018. The policy sets out basic HSE principles, identifies the health and safety of employees as a priority, determines expectations for employees and sets out EVRAZ' commitment to implementing leading environmental management practices as part of sustainability efforts.

EVRAZ strives to adhere to all respective local HSE laws, the Group's internal regulations and all HSE policy principles. In addition to technical regulations, the operational activities of the Group are governed by the following HSE documents:

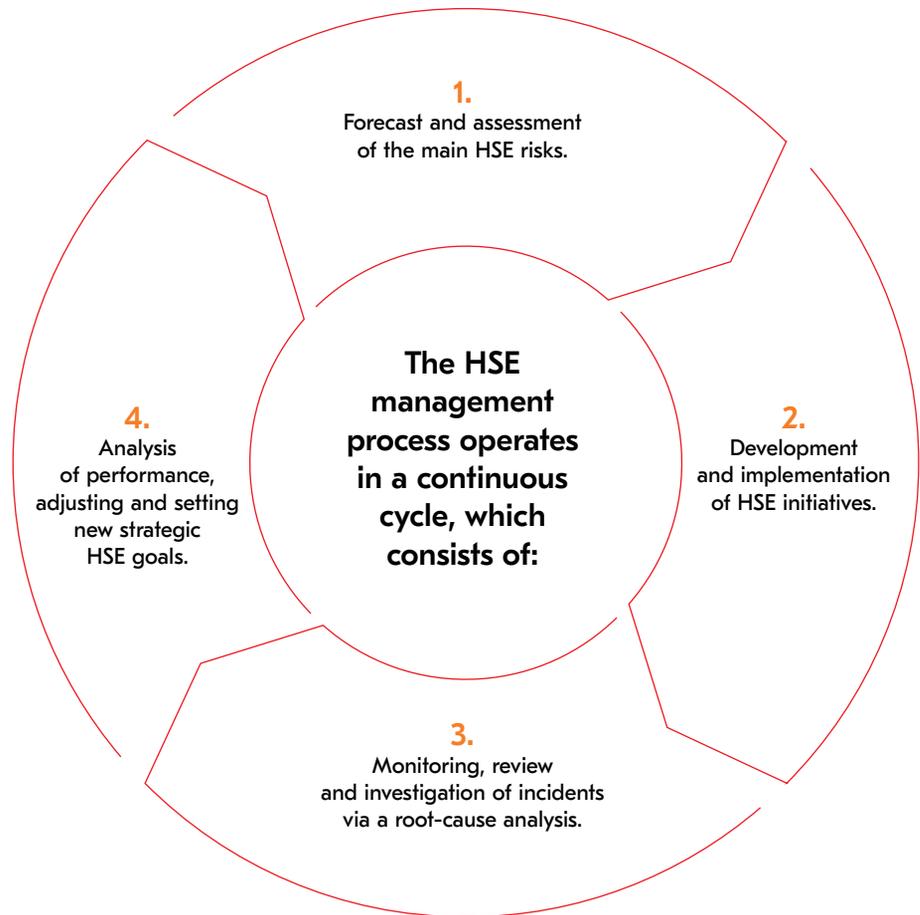
- The HSE Policy.
- The Cardinal Safety Rules.
- The Fundamental Environmental Requirements.
- The Standard Incident Reporting Rules.

The HSE management system at EVRAZ' metallurgical plants is certified under OHSAS 18001 and major steel entities are certified under the ISO 14001 standard. In 2020, Bureau Veritas Certification RUS carried out a recertification audit at the EVRAZ ZSMK facility as part of meeting the requirements of the ISO 45001 international standard.

HSE reporting system

Standard incident reporting rules, which form part of the Incident Management Standard, have been adopted across the Group, in line with the principle of making continuous improvements to the HSE management system. If an incident occurs, a flash report, containing all of the details and circumstances of the incident, as well as response actions taken, is issued within 24 hours. The report is distributed immediately to all relevant managers. The local HSE department conducts an investigation and disseminates the key findings in order that all employees can learn from these incidents.

The Group requires all incidents to be investigated. In 2020, EVRAZ revised



the internal regulation of incident investigations to strengthen the practise of root cause identification and to facilitate the integration of Risk Management Project tools into the investigation process. In addition, the A3 problem solving tool is used in all investigations of incidents to determine the key causes of incidents. This analysis helps users gain a deeper understanding of issues and allows them to present their ideas on preventive measures using a single sheet of A3-sized paper.

HSE functions also monitor subsidiaries using monthly, quarterly, and annual HSE performance reports based on data collected through the corporate HSE reporting system.

Each fatality, serious injury, or significant environmental incident is reviewed by the HSE Management Committee, which also verifies the completeness and appropriateness of all remedial actions taken.

EVRAZ requires that its employees do not conceal or misrepresent the circumstances surrounding an incident. Violations in this area can lead to dismissal. To help prevent any concealment of data and information, several HSE KPIs have been implemented for managers and executives. In addition, EVRAZ employees can use a hotline to report any operational hazards or HSE gaps.

The Group is committed to conducting regular internal and external audits to verify whether the HSE management system is functioning properly and to monitor the effectiveness of remedial measures being taken. All audit results are used to develop corrective actions and eliminate violations. State supervisory bodies also perform external inspections and all recommendations made as a result of these are carefully analysed to ensure the necessary remedial measures are taken.