

OUR PEOPLE

2020 highlights

Average headcount

69,619

Employee turnover rate

9.8%

Approach

EVRAZ is always seeking to improve the professional and personal skills of its employees, understanding that this represents an investment in the Group's future achievements. That is why it is of great importance to create a working environment where all employees can fully realise their potential.

With this in mind, the Group continued to work actively in the following key areas of HR policy during the reporting period:

- Enhancing staff recruitment processes.
- Continuously improving the KPIs system.
- Enrolling employees in various professional courses and programmes.
- Implementing a targeted pay system.
- Developing Human Rights Policies.

- Regularly collecting feedback via a variety of communications channels. EVRAZ does not tolerate discrimination of any kind, whether based on gender, social status or class, or any other factors not directly related to an employee's professional qualities. It is crucial for the Group to comply with international human rights laws, hence it has internal documents ensuring such compliance, such as the Code of Ethics and the Code of Conduct. These documents guarantee equal employment opportunities for everyone. Child labour, forced labour, human trafficking, and other forms of slavery (known as modern slavery) are strictly prohibited at all EVRAZ subsidiaries and their suppliers.

The Group endeavours to do its utmost to comply with international human rights legislation. In order to reduce the risk of legal violations, the treatment of workers is monitored by public organisations, including trade unions active in the Group's operations, as well as regional and federal trade union associations and representatives from Russia's Presidential Council for Civil Society and Human Rights.

The Group holds its partners to equally high standards of human rights and business ethics. EVRAZ' policies require that all contracts with partners contain sections governing the prevention of corruption and human trafficking.

Case study

Human rights

During the reporting period, EVRAZ prepared and published two documents: Human rights policy and Diversity and inclusion policy, both of which were adopted by the Board of Directors on 16 April 2020.

The Human Rights Policy conforms with recommendations set forth in international documents and standards granting fundamental rights to all people, such as: The Universal Declaration of Human Rights and The International Covenant on Civil and Political Rights. The Diversity and Inclusion Policy was elaborated in accordance with international guidelines and standards, which address diversity and inclusion issues: The Universal Declaration on Cultural Diversity, The United Nations Global Compact and others.

EVRAZ' employees can expect to be treated with respect, enjoy the safest working conditions possible, receive support to help develop their competencies and skills, have open and constructive discussions about the results of their work, receive recognition and respective performance-based financial rewards.

EVRAZ understands the benefits of diversity and inclusion in the Group. The Diversity and Inclusion Policy sets out key principles in the following areas:

- Having a diverse Board of Directors.
- Recruitment and employment.
- The rights of disabled people.
- Empowering women.
- Development and training.
- Zero tolerance towards bullying and harassment.

The Group requires that suppliers and contractors run their businesses in such a way that they respect the values and principles of these policies.

Personnel profile

Headcount

As at 31 December 2020, EVRAZ had a total of 69,619 employees. Compared to 2019, the Group saw an over 2% decrease in headcount.

Number of employees, 31 December 2020, people



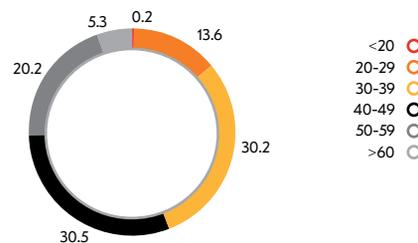
Diversity

EVRAZ sees diversity as being beneficial in terms of business and cultural development. The goal is to ensure that

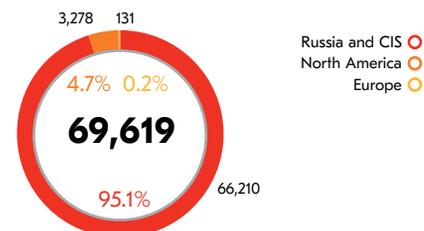
all employees receive equal protection, irrespective of race, nationality, gender, age, sexual orientation, religion, political or other opinion, national or social origin, property, birth or other status.

The Group believes that diversity fosters employee engagement and development, as it nurtures different ideas and approaches within the business.

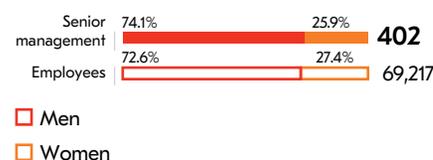
Breakdown of employees and top management by age, 31 December 2020, %



Breakdown of employees by region in 2020, %



Diversity of employees in 2020 by gender, broken down by senior management and employees, %



Staff recruitment and reduction

EVRAZ pays particular attention to identifying and addressing human rights risks, including those related to recruitment and working conditions. The Group embraces the principle of equal

opportunity when hiring and prohibit all forms of discrimination. Staff recruitment is conducted in full compliance with the laws of the countries in which the Group operates, including respective regulations

governing labour protection, minimum wage levels, annual paid and parental leave, collective bargaining agreements, health insurance, pensions and personal data protection.

EVRAZ adheres to the following recruitment principles:

safety



performance and responsibility



customer focus



respect for people



effective teamwork



EVRAZ tries to recruit most employees on permanent employment contracts. However, on occasions, fixed-term employment contracts are necessary. Employees working under such contracts

are in a favourable position when it comes to hiring for permanent positions that arise that suit their qualifications and educational backgrounds. Remuneration is the same for both fixed-term and permanent

employees, with the exception of university students undergoing practical training and some others. Fixed-term contracts are used in certain cases such as: practical training of university students, internship etc.

Case study

EVRAZ redesigns The HuntFlow system

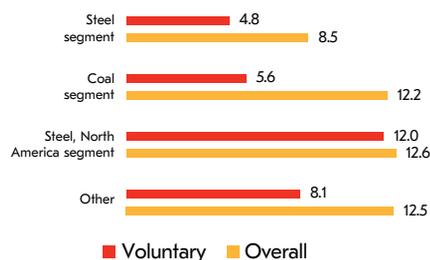
In 2020, the Group paid special attention to boosting the efficiency of HR processes. The HuntFlow system was redesigned, and EVRAZ automated a number of routine processes. In the HuntFlow system, recruiters can see that a candidate is already at the interview stage, which eliminates

the possibility of different departments hiring the same professional. Also, recruiters from different departments are able to exchange useful information in cases when a candidate is more suitable for an open position that is not the same as the one for which they originally applied.

EVRAZ has a mentoring programme, as well as a Buddy programme, introduced in 2019, and updated in 2020 as it was transitioned to an online format. In addition, EVRAZ implemented the Buddy mobile app, which allows new hires to stay in touch with supervisors. It also helps keep track of tasks, useful information, requirements and Group rules. There is also a Buddy app available for mentors, which enables them to conveniently track their student's activity.

The Group occasionally has to implement staff reduction measures linked to continuous efficiency improvements. As a socially responsible company, EVRAZ deals with personnel dismissals in the most appropriate manner, as guided by an internal document adopted in 2012, the Socially Responsible Layoff Programme.

Overall and voluntary employee turnover broken down by segments, 2020, %



In cases where temporary layoffs do happen, collective bargaining agreements contain clearly defined and specific measures to support workers and preserve jobs: changing work schedules, introducing shorter workdays or work weeks, creating temporary jobs, transferring employees to other jobs (with their consent) and elaborating a social adaptation programme for workers with the participation of a trade union.

As a part of the Group's work with trade unions, detailed employment-related sections are included in collective bargaining agreements and industry tariff agreements. All decisions regarding staff reductions are discussed with the trade union organisation. In addition, in compliance with Russian law, the following categories of employees have additional guarantees against being dismissed as a result of downsizing measures: single mothers, parents who are the sole breadwinner

for a child with a disability or for a child younger than three years, women who are pregnant, etc.

In addition, the Group has sought to expand the range of people that are granted priority rights to retain employment beyond categories of employees specified under Russian law, including: single fathers, people with disabilities, people whose spouse is retired or unemployed, and others.

EVRAZ endeavours to retain its production staff. When downsizing, the Group offers employees vacant positions and, if necessary, also makes available training for new professions. If needed, EVRAZ organises employee relocations to other Group facilities, working with employment centres in the regions where it operates. EVRAZ also provides training and financial assistance to discharged employees considering starting their own business.

Learning and development

The development of its people is a top priority for EVRAZ. The Group has a multi-level system of human resource management in place, geared towards improving the engineering and personal skills of employees, and fostering collaboration with educational institutions.

In 2020, EVRAZ continued its "Top 300" corporate management programme, and a total of 101 people took part in the third wave (September). Each programme participant is mentored by one of the Group's senior executives.

In 2020, the "Top 1,000" corporate management programme was launched,

as an extension of the "Top 300" programme, which aimed at managing employees of lower positions. Its participants received instruction in such management practices as target-setting performance dialogues, feedback, delegation and the development of subordinates. More than 230 employees participated in the programme this year.

Case study

EVRAZ receives awards for Personnel Development

EVRAZ NTMK and EVRAZ KGOK received awards in the Personnel Development category at the 17th Annual Metals and Mining Industry contest held by the Russian Metallurgists Association and the Central Council of the Russian Mining and Metallurgical Union. The Group hosts retraining

and professional development programmes for its employees, compensates them for the cost of higher education for in-demand professions and encourages their participation in scientific conferences.

Particular attention is paid to students and junior specialists. In 2020, over 240 students performed internships at EVRAZ and over half of these are already working for the Group. Junior specialists participate in scientific and technical conferences, professional skill competitions and in all-Russian competitions.

An EVRAZ team took part in the national championship WorldSkills Hi-Tech 2020, which was held using a partially remote format. The team competed in multiple skillsets and won seven medals: four golds, one silver and two bronzes, including employees aged over 50 and junior categories.

Motivation

EVRAZ strives to provide the best possible working conditions and opportunities for professional development. It approaches each employee individually, continuously improving the motivation system.

Financial motivation

EVRAZ endeavours to look beyond compliance with minimum wage requirements, with a view to ensuring that it fully compensates staff for their efforts. It also strives to ensure that the remuneration system at Group enterprises is transparent and easily understandable for employees.

In 2020, EVRAZ completed the implementation of a target remuneration system based on a grading system for employees at all of the enterprises of the Steel segment in Russia: EVRAZ NTMK, EVRAZ KGOK, EVRAZ ZSMK and at EVRAZ Vanady Tula, covering 43,500 employees.

The aim of the project is to elaborate and implement a uniform set of fair and transparent rules and principles for setting remuneration across the Group's enterprises, and to harmonise fixed and variable pay so that amounts and growth dynamics depend on the performance of an employee, team, and department, ensuring a focus on constant improvements and achievement of ambitious goals.

The implementation of the target remuneration system for production assets' employees below the level of shop heads and mine directors is the main stage in the deployment of EVRAZ' unified remuneration system, which intends to cover all of the Group's employees in Russia.

Non-financial incentives

The non-financial compensation package offered by EVRAZ to employees exceeds minimum statutory requirements and contributes to their total remuneration. The package includes:

- Voluntary health insurance.
- Additional voluntary insurance against accidents at work.
- A state pension programme.
- A programme that offsets a portion of interest paid on mortgages.
- Free wellness leave vouchers for employees and their families.

Other categories of employees who fall under EVRAZ' non-financial assistance include former employees who have worked for 10 or more years at the Group, employees who have been merged into public organisations and young professionals. The Group congratulates employees and their families on holiday occasions and organises cultural, entertainment and sporting events in the regions where it operates.

EVRAZ' collective bargaining agreements also prescribe additional leave for childbirth, weddings and the funerals of close relatives. There is also a programme that provides financial assistance to employees in challenging circumstances.

Performance management

The staff motivation system at EVRAZ includes KPIs to assess staff productivity. The KPI system is continuously reviewed and refined. Technical KPIs are in line with the best industry practices and are monitored by the Group's CEO. Corresponding KPI targets are included in management scorecards, down to the level of shop managers.

In 2021, EVRAZ plans to update the personnel assessment system so that each worker's accomplishments are viewed individually, rather than as accomplishments within a certain position or group. This assessment will be held every year.

As a part of the HR strategy, in 2021, EVRAZ implemented an HR-analytics project allowing the shops heads and mine directors to monitor the HR metrics of their departments and understand how their actions may impact certain indicators.

Employee interaction

EVRAZ acknowledges the value of receiving feedback and addressing employee concerns across the organisation, and regularly interacts with employees via the corporate intranet and website, corporate publications, social networks and web conferences, as well as Q&A and townhall meetings with members of senior management. General meetings as well as satisfaction and engagement surveys are regularly held to identify key problems. In addition, townhall meetings with employees were held. Two non-executive directors were involved in the meetings dedicated to raising awareness surrounding prevalent trends and concerns.

Work with trade unions

EVRAZ endeavours to establish long-term collective bargaining agreements with trade unions. The Group interacts with trade unions through the signing of collective bargaining agreements, which covered 88% of employees in 2020. The majority of the Group's employees are members of trade unions and provided with unique benefits.

In 2020, the Group worked on implementing a target pay system. Since changes had to be made in working conditions, it negotiated respective changes in collective agreements with trade unions at all Group facilities.

The year also saw extensions to The Coal Industry and Steel Industry Tariff Agreements with the active participation of the Group.

In 2020, there were no conflicts or collective labour disputes at the Group's Russian operating facilities. All changes and updates to collective agreements were constructive and in strict accordance with the law and the principles of social partnership. During the year, the Council of Social Work met twice; both meetings discussed the implementation of the target pay system.

Employee engagement

In order to identify the main employee engagement trends, management closely reviews engagement data from surveys. The We Are Together employee engagement survey was held annually until 2019, when it was decided that the survey would be held once every two years. The fourth We Are Together survey, carried out in 2019, outlined the need to increase employee awareness surrounding what is happening at the Group. In 2019, employee engagement survey response rate was 80%.

Based on the survey results, companywide improvement plans were announced. Raising employee awareness surrounding Group activities, including through short- and long-term goals, development plans and working conditions, is the main area for further development. Focus groups are held and after each meeting an enterprise develops a plan to eliminate problem areas.

In addition, the Coal segment conducts an annual satisfaction pulse-survey on social and living conditions at the enterprise. A special mobile app has been developed, on which various questionnaires are posted.

Performance as an employer

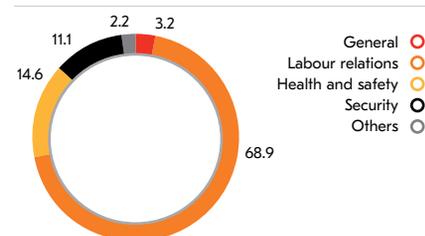
EVRAZ takes the issue of social performance management very seriously and participates annually in contests that confirm its status as a socially responsible employer. In 2020, the Group won awards in the category of Personnel Development at the 17th Annual Metals and Mining Industry contest held by the Russian Metallurgists Association and the Central Council of the Russian Mining and Metallurgical Union.

In 2020, EVRAZ began planning its employer brand development strategy. The Group launched a communications campaign and detailed actions for 2021 in pursuit of becoming one of the best recruiters in the regions where the Group operates.

EVRAZ Hotline

One of the main channels of communication at EVRAZ is an anonymous, 24-hour Hotline. The Hotline tracks employee satisfaction levels and records incidents at the Group's production facilities. Queries are processed with the help of an IT system and the process is governed by EVRAZ Hotline Statutes. Enquiries are broken down by the responsible business unit (HSE, HR, Security, etc.), and then investigated and addressed. All employee grievances are investigated by the internal audit department, and difficult, contentious, or sensitive cases are reviewed by members of the Hotline Committee, which includes the vice president for corporate communications, the internal audit director, and the internal and external communications director. Random quality control reviews are carried out on a quarterly basis.

Breakdown of hotline enquiries, 2020, %



In 2020, the hotline received 1,096 requests. The most frequent issues related to labour relations, including the quality of labour relations (496), worker transportation (84), and labour compensation (69).

In 2020, an extra hotline was set up due to the COVID-19 pandemic. The Steel and Coal segments have 24/7 corporate hotlines, which employees can address with questions and problems. EVRAZ North America employs external providers for this purpose.

COVID-19

The absolute priority of the Group is the life and health of its employees. In 2020, measures were taken to protect personnel from COVID-19.

The working hours of office staff have been adjusted in order to reduce the number of mass gatherings. EVRAZ has moved most office employees to a remote working format. New laptops were purchased and additional equipment and software

installed, which facilitate efficient and safe remote working conditions. All meetings are held remotely using modern conference and video call applications. All mass business, sporting and entertainment corporate events were postponed or cancelled. Canteen schedules were adjusted and the number and format of shift meetings at production facilities are currently being optimised.

In addition, EVRAZ has been providing staff and their families with necessary psychological assistance during the COVID-19 pandemic. EVRAZ assesses the potential psychological impacts related to the preventative measures being undertaken as a result of the pandemic.

See more details in the Impact of COVID-19 section on **pages 30-31**

Case study

EVRAZ releases app to prevent the spread of COVID-19

EVRAZ is rolling out an app, called Antivirus, to promptly alert employees of their possible exposure to the COVID-19 virus. The app is based on the Stop Corona application, which was developed jointly by Accenture and the Austrian Red Cross to more effectively identify symptoms of the novel coronavirus infection.

Antivirus will offer a checklist developed by EVRAZ in case of COVID-19 infection, as well as general recommendations based on Rospotrebnadzor requirements. The app will anonymously exchange data with employees' devices located nearby (automatically via a Bluetooth connection). If an employee suspects that they might have COVID-19, all their contacts will be alerted via the app and instructed to self-isolate, helping to break the chain of virus transmission.

Outlook for 2021 and the medium term

Learning and development

The Group plans to launch LMS — the Learning Management System. The system will incorporate all types of training and development courses and aim to make the learning and development process transparent and accessible for all personnel, from managers to employees.

In 2021, EVRAZ will continue with efforts to develop internal coaches, as well as standard competency and skills development programmes.

Performance as an employer

EVRAZ has plans to create an employer brand. In 2021, it will establish a communications campaign and outline the development strategy.

Motivation

In 2021, EVRAZ will develop and introduce unified salary merit increase principles for production assets' employees below the level of shop heads and mine directors based on multi-factor assessment of each employee's performance. This approach will allow the assessment of the individual contributions and efforts of each employee, increasing the transparency of the relationship between performance and pay rises and boosting the transparency and reliability of communications between the employee and the employer.

Other goals for 2021 include:

- Continuing to implement the grading system in the Coal segment.
- Completing the transition of all divisions to the unified pay system.

Social policy

EVRAZ will also continue to roll out its programme to promote healthy lifestyles and healthcare in the Urals division and extend this programme to the Siberia division.

Other goals for 2021 include:

- Adjusting the strategy for collective bargaining agreements.
- Unifying social business processes and pooling them into one portal.