

# ADDITIONAL INFORMATION

## TCFD COMPLIANCE STATEMENT AND INDEX

### Compliance statement

In accordance with LSE Listing Rule 9.8.6(8) R we present our 2021 TCFD compliance index and confirm that we have in this Report made climate-related financial disclosures for the year ended 31 December 2021 which are:

(a) consistent with the following TCFD Recommendations and Recommended Disclosures<sup>1</sup>:

- Governance - (a) and (b);
- Strategy - (a) and (c);

- Risk management – (a), (b), (c);
- Metrics and Targets - (b) and (c).

(b) partially consistent with the following TCFD Recommendations and Recommended Disclosures:

- Strategy - (b);
- Metrics and Targets - (a).

In the table below, we include cross-references to disclosures made elsewhere within the Report and explain the reasons for partially complying with the certain of the TCFD Recommendations

and Recommended Disclosures. EVRAZ is set to cover most of the partially consistent disclosures in 2022.

In assessing compliance with LSE Listing Rules 9.8.6(8) R, we took into consideration the documents referred to in the guidance notes to the Listing Rules, as well as considering on a voluntary basis the updated guidance on Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures published in October 2021.

TCFD DISCLOSURE	CROSS-REFERENCE FOR THE DISCLOSURE IN THE REPORT	SUMMARY OF THE CLIMATE-RELATED FINANCIAL DISCLOSURES	COMMENTS FOR NON-COMPLIANCE	FUTURE STEPS
<i>Governance</i>				
a. Describe the board's oversight of climate-related risks and opportunities.	p. 58-60	Issues related to climate risks and opportunities are reviewed and considered at BoD meetings 10–12 times per year.		
b. Describe management's role in assessing and managing climate-related risks and opportunities.	p. 58-60	Management reviews and considers issues related to climate change, climate-related risks, and decarbonisation opportunities. Management monitors the Company's climate-related performance and progress against targets.		In 2022, we are planning to include climate-related and decarbonisation KPIs for the Vice Presidents of EVRAZ. The Group is currently aligning its remuneration process with decarbonisation goals and targets.

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<i>Strategy</i>				
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	p. 92-96	We have identified time horizons as long (2050), medium (2030) and short (2025) for each climate risk identified.  The results of the qualitative risk assessment is presented in section "Climate change risks"		
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p. 92-96	EVRAZ considers the environmental impact of its operations as well as the potential consequences of climate-related risks during strategic planning. The Company continuously researches opportunities to improve its business and product lines sustainably. EVRAZ has developed the Environmental Strategy 2030 and is developing the Decarbonisation pathway roadmap based on thorough research of industry-specific measures and best practice initiatives over the short, medium and long-term time horizons.	Currently, we are not able to describe the impact of climate-related issues on our financial performance and financial position due to not completing a financial analysis of climate-related risks and opportunities.	In 2022, we plan to incorporate climate-related risks into financial models and conduct financial analysis to assess how climate risks will affect our financial stability. The quantitative analysis will include a description of the process and methodologies used.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 92-96	All risks, including climate-related risks, are closely monitored and considered when planning the Group's strategy. If a significant change affects the risk assessment results, EVRAZ is set to adjust its strategy accordingly.		In 2022, we plan to incorporate climate-related risks into financial models and conduct financial analysis to assess how climate risks will affect our financial stability. The analysis will include the potential effects of climate scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5, particularly the 2°C or lower scenario. We will further analyse the resilience of our strategy against risks and opportunities in accordance with climate scenarios.

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<b>RISK MANAGEMENT</b>				
<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p>	p. 92-96	<p>EVRAZ determines climate risks by following the Group's approach. The assessment process identifies risks in relation to all major divisions of the Company.</p> <p>The risk identification process is in line with three climate scenarios (SSP1–2.6, SSP2–4.5, and SSP5–8.5) and focus on long time horizons (2050), medium (2030) and short (2025).</p>		<p>In addition, we are planning to report on the internal carbon price used for developing our Group strategy and budgeting.</p>
<p>b. Describe the organization's processes for managing climate-related risks.</p>	p. 92-96	<p>All risks are assessed annually to ensure that they are appropriately documented and that timely risk management procedures have been developed throughout the Group and at operational levels. For each climate-related risk we analyse mitigation measures (accept, avoid, transfer or mitigate).</p>		
<p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	p. 92-96	<p>EVRAZ identifies, assesses, and manages climate-related risks according to the overall Group's risk management approach. As part of its risk management process, the Group has developed a unified framework to detect, assess and manage climate-related risks at the corporate and operational levels. The framework encompasses all business processes and day-to-day activities. The method used to categorise risks as either principal or non-principal is also applied to managing climate-related risks.</p>		

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<i>Metrics and Targets</i>				
<b>a.</b> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p. 62-64	EVRAZ monitors GHG emission, carbon intensity of the key product categories, primary energy consumption and energy intensity. For the risk management purposes, we apply internal carbon price and analysis of KPIs against targets.	Currently, we are unable to provide an internal carbon price. EVRAZ has set an internal carbon price, however the methodology for establishing the metric is being revised.	EVRAZ has set an internal carbon price that will continue to be used for budgeting and planning its operations and being an additional metric considered when assessing investment projects and mitigating regulatory risks. EVRAZ plans to disclose information upon this metric in future disclosures.
<b>b.</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	p. 62-64	EVRAZ reports on Scope 1 and Scope 2 greenhouse gas (GHG) emissions and the related risks on a yearly basis.		We are planning to publish the Scope 3 calculations in the public reports and press releases in 2022.  We will be updating the accounting and monitoring practices for energy consumption. As well as, undertaking investments and operational measures aimed at improving energy efficiency, developing internal power generation capacity, using renewable energy sources and upgrading equipment.
<b>c.</b> Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 62-64	All emissions are calculated, however targets are set on specific processes.  EVRAZ intends to reduce the intensity of Scope 1 and 2 GHG emissions from steel making operations by 20% and reach 75% utilisation of methane (CH4) emitted while degassing coal mines by 2030, against a 2019 baseline.		