

DIRECTOR'S REPORT

INTRODUCTION

In accordance with section 415 of the Companies Act 2006, the directors of EVRAZ plc present their report to shareholders for the financial year ended 31 December 2021, which they are required to produce by the applicable UK company law. The Directors' Report comprises the Directors'

Report section of this report, together with the sections of the annual report incorporated by reference. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in other sections of the annual report, as indicated below.

The Company was incorporated under the name EVRAZ plc as a public company limited by shares on 23 September 2011 under registered number 7784342. EVRAZ plc listed on the London Stock Exchange in November 2011 and is a member of the FTSE 100 Index.

Dividends	<p>The underlying cash flow generation and continuing success with deleveraging have allowed the Company to continue to pay dividends in line with its dividend policy. For more details, see page 26.</p> <p>The Company paid an interim dividend of US\$0.30 per ordinary share, totalling US\$437 million, on 7 April 2021 to shareholders on the register as of 12 March 2021.</p> <p>The Company paid an interim dividend of US\$0.20 per ordinary share, totalling US\$292 million, on 25 June 2021 to shareholders on the register as of 28 May 2021.</p> <p>The Company paid an interim dividend of US\$0.55 per ordinary share, totalling US\$802 million, on 10 September 2021 to shareholders on the register as of 13 August 2021.</p> <p>The Company paid an interim dividend of US\$0.20 per ordinary share, totalling US\$292 million, on 14 January 2022 to shareholders on the register as of 24 December 2021.</p> <p>The Board of Directors has declared an interim dividend of US\$0.50 per share, totalling US\$729 million, to be paid on 6 April 2022 to shareholders on the register as of 18 March 2022.</p>
Share capital	<p>Details of the Company's share capital are set out in Note 20 to the Consolidated Financial Statements, including details on the movements in the Company's issued share capital during the year.</p> <p>As of 31 December 2021, the Company's issued share capital consisted of 1,506,527,294 ordinary shares, of which 47,837,582 shares are held in treasury. Therefore, the total number of voting rights in the Company is 1,458,689,712.</p> <p>The Company's issued ordinary share capital ranks pari-passu in all respects and carries the right to receive all dividends and distributions declared, made or paid on or in respect of the ordinary shares. There are currently no redeemable non-voting preference shares or subscriber shares of the Company in issue.</p>
Authority to purchase own shares and transfer of treasury shares to Company's Employee Share Trust	<p>The authority given at the 2021 AGM for the Company to make market purchases of 145,687,260 of its shares, representing 10% of the issued share capital (excluding shares held in treasury), expires on the earlier of the 2022 AGM or 30 June 2022. EVRAZ will ask shareholders to give a similar authority at the 2022 AGM. During 2021, no shares were purchased under this authority.</p> <p>Details of the Company's authority to purchase its own shares, which will be sought at the Company's forthcoming Annual General Meeting (AGM), will be set out in the notice of meeting for that AGM.</p> <p>On 13 May 2021, the Company transferred 1,817,109 ordinary shares out of treasury to the Company's Employee Share Trust.</p>
Directors	<p>Biographies of the directors who served on the Board during the year are provided in the Board of Directors section on page 104 to 108.</p>
Directors' appointment and re-election	<p>The Board has the power at any time to elect any person to be a director, but the number of directors must not exceed the maximum number fixed by the Company's Articles of Association.</p> <p>Any person so appointed by the directors will retire at the next AGM and then be eligible for election. In accordance with the UK Corporate Governance Code, the directors are subject to annual re-election by shareholders.</p> <p>For additional information about directors' appointment and resignation, see page 140-153 of the Remuneration Report.</p> <p>Sir Michael Peat, Karl Gruber and Alexander Isozimov will not be seeking re-election as directors at the AGM, having completed their terms of nine years. All of the other directors intend to stand for re-election at the 2022 AGM to be held later this year.</p>

Directors' interests	Information on share ownership by directors can be found in this Report and in the Remuneration Report. See page 150 of the Annual Remuneration Report.
Directors' indemnities and director and officer liability insurance	As of the date of this report, the Company has granted qualifying third-party indemnities to each of its directors against any liability they may face in defending proceedings brought against them, to the extent permitted by the Companies Act. In addition, directors and officers of the Company and its subsidiaries have been and continue to be covered by director and officer liability insurance.
Powers of directors	Subject to the Company's Articles of Association, UK legislation and to any directions given by a special resolution, the Company's business is managed by the Board, which may exercise all the powers of the Company. The Articles of Association contain specific provisions concerning the Company's power to borrow money and provide the power to make purchases of any of its own shares. The directors have the authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company. Further details of the proposed authorities are set out in the notice of the AGM.
Major interests in shares	Notifiable major share interests of which the Company has been made aware are set out in this Directors' Report.
Research and development	EVRAZ is constantly engaged in process and product innovation. The research and development centres located at the Company's production sites improve and develop high-quality steel products to better meet customers' needs and to ensure that EVRAZ remains competitive in the global and local markets. For examples of the Company's efforts in research and development in different operations, see the Sustainable R&D on pages 79-82
Sustainable development	The Corporate Social Responsibility section of this report focuses on the health and safety, environmental and employment performance of the Company's operations, and outlines the Company's core values and commitment to the principles of sustainable development and the development of community relations programmes. For more details on the Company's policies and performance, see the Sustainability section on pages 54-78 .
Payments to governments	EVRAZ published its 2020 report on payments to governments in June 2021. The report provides citizens, authorities and independent users with information on payments made to governments where the Company conducts its extractive activities. The report is prepared in accordance with the requirements of the Disclosure Guidance and Transparency Rules. Instrument 2014 "Report on payments to governments", issued by the UK Financial Conduct Authority. The report is available on the Company's website at www.evraz.com .
Political donations	No political contributions were made in 2021.
Greenhouse gas emissions	In 2021, in accordance with the requirements of the Companies Act 2006 (Strategic and Directors' Report), Regulations 2013, and Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, EVRAZ undertook to assess full emissions of greenhouse gases (GHGs) from facilities under its control. For more details, see the Sustainability section on pages 62-66 .
Employees	Information regarding the Company's employees can be found in the Our People section on pages 71-73 .
Overseas branches	EVRAZ does not have any branches. A full list of the Group's controlled subsidiaries is disclosed in Note 34 of the Consolidated Financial Statements.
Financial risk management and financial instruments	Information regarding the financial risk management and internal control processes and policies, as well as details about hedging policy and exposure to the risks associated with financial instruments can be found in Note 28 to the Consolidated Financial Statements, the Corporate Governance Report and Risk Management and Internal Control section on pages 114-121, 122-123 and the Financial Review section on pages 36-47 .
Going concern	The financial position and performance of the Group and its cash flows are set out in the Financial Review section of the report on pages 36-47 . Based on the currently available facts and circumstances, the directors and management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For more details, see Note 2 to the Consolidated Financial Statements on page 189 .
Auditor	The Audit Committee conducted a tender for the Group's external audit in July 2016. Since then Ernst & Young LLP have continued as auditor, following a review of performance each year by the Audit Committee on behalf of the Board. The Board intend to run a full tender process during the summer of 2022 to consider whether to replace the auditor for the audit of the 2023 financial year end. Ernst & Young LLP has indicated its willingness to continue conducting audits and a resolution seeking to re-appoint it will be proposed at the forthcoming AGM.
Future developments	Information on the Group and its subsidiaries' future developments is provided in the Strategic Report on pages 6-101 .

Events since the reporting date	The major events after 31 December 2021 are disclosed in Note 33 to the Consolidated Financial Statements on page 261.
Annual general meeting (AGM)	The 2022 AGM will be held later this year in London. At the AGM, shareholders will have the opportunity to put questions to the Board, including the chairmen of the Board committees. Full details about the AGM, including explanatory notes, are contained in the notice of the AGM, which will be distributed at least 20 working days before the meeting. The notice sets out the resolutions to be proposed at the AGM and an explanation of each resolution. All documents relating to the AGM will be available on the Company's website at www.evraz.com .
Electronic communications	A copy of the 2021 annual report, the notice of the AGM and other corporate publications, reports and announcements will be available on the Company's website at the following link: https://www.evraz.com/en/investors/ . Shareholders may elect to receive notification by email of the availability of the annual report on the Company's website instead of receiving paper copies.
Corporate governance statement	The Disclosure Guidance and Transparency Rules (DTR7.2) require that certain information be included in a corporate governance statement set out in a company's Directors' Report. As many companies do, EVRAZ has an existing practice of issuing a Corporate Governance Report within its annual report that is separate from its Directors' Report. The information that fulfils the requirement of DTR7.2 is located in the EVRAZ Corporate Governance Report (and is incorporated into this Directors' Report by reference), with the exception of the information cited in DTR7.2.6, which is located in this Directors' Report.
Section 172 Statement	The Company's Section 172 Statement can be found in the Strategic Report on page 98-99.
Employee engagement	Details of how the Company engages with its workforce can be found in the Strategic Report on page 8, 57, 73.
Stakeholder engagement on key decisions	Details of the Board's key decisions and discussions during the year and the main stakeholder inputs into those decisions are set out in the Corporate Governance Report on page 115-118.

MAJOR SHAREHOLDINGS

The Company's issued share capital as of 31 December 2021 was 1,506,527,294 ordinary shares, of which 47,837,582 shares are held in treasury. Therefore, the total number of voting rights in the Company is 1,458,689,712.

As of 31 December 2021, the following significant holdings of voting rights in the Company's share capital were disclosed to the Company under Disclosure and Transparency Rule 5. On 16 February 2022, the Company has received a notification under Disclosure and Transparency Rule 5 that Greenleas International Holdings Ltd has reduced its shareholding to 0% and Mr. Roman Abramovich subsequently increased its shareholding to 28.64%.

	NUMBER OF ORDINARY SHARES	% OF VOTING RIGHTS
Greenleas International Holdings Ltd ¹	417,767,314	28.64
Abiglaze Ltd ²	281,870,003	19.32
Crosland Global Limited ³	140,723,705	9.65
Kadre Enterprises Ltd ⁴	83,751,827	5.74
Amereus Group Pte. Ltd	43,872,001	3.01

1. The Company understands that Roman Abramovich has an indirect economic interest in the 417,767,314 shares held by Greenleas International Holdings Ltd.
2. The Company understands that Alexander Abramov has an indirect economic interest in the 281,870,003 shares held by Abiglaze Ltd.
3. The Company understands that Alexander Frolov has an indirect economic interest in the 140,723,705 shares held by Crosland Global Limited.
4. Includes shares held by Gennady Kozovoy directly. The number of shares is as per TR-1 Form: Notification of major interest in shares dated 6 February 2013.

The Company is aware of the following individuals who each have a beneficial interest in three percent or more of EVRAZ plc's issued share capital (held indirectly in each case, except for Gennady Kozovoy) as of 31 December 2021:

	Number of ordinary shares	% of voting rights
Roman Abramovich	417,767,314	28.64
Alexander Abramov	281,870,003	19.32
Alexander Frolov	140,723,705	9.65
Gennady Kozovoy	83,751,827	5.74
Maxim Vorobyev	43,872,001	3.01

On 1 February 2022, the Company issued 848,188,421 deferred shares of US\$9.66766321843 each which were subsequently cancelled on 8 February 2022 further to a Court-approved reduction of capital. There have been no other changes in the Company's issued share capital from 31 December 2021 through 24 February 2022. On 16 February 2022, the Company has received a notification under Disclosure and Transparency Rule 5 that Greenleas International Holdings Ltd has reduced its shareholding to 0% and Mr. Roman Abramovich subsequently increased its shareholding to 28.64%.

LISTING RULE DISCLOSURES

For the purposes of LR 9.8.4CR, the information required to be disclosed by LR 9.8.4R can be found in the following locations:

Interest capitalised	Note 9 to the Consolidated Financial Statements
Publication of unaudited financial information	Not applicable
Details of long-term incentive schemes	Note 21 to the Consolidated Financial Statements, Remuneration Report
Waiver of emoluments by a director	None
Waiver of future emoluments by a director	None
Non pre-emptive issues of equity for cash	None
Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings	None
Parent participation in a placing by a listed subsidiary	None
Contract of significance in which a director is interested	None
Contracts of significance with a controlling shareholder	Relationship Agreements section below
Provision of services by a controlling shareholder	None
Shareholder waiver of dividends	None
Shareholder waiver of future dividends	None
Agreements with controlling shareholder	Relationship Agreements section below

SIGNIFICANT CONTRACTUAL ARRANGEMENTS

Relationship agreements

Due to the changes in the Company's shareholder structure that took place on 16 February 2022, particularly, the transfer of the Company's shares from Greenlease International Holdings Ltd to the personal account of Roman Abramovich, the Company has terminated the previous relationship agreements entered with each of Greenlease International Holdings Ltd., Abiglaze Ltd and Crosland Limited as controlling shareholders and entered into new relationship agreements (the "Relationship Agreements") with each of Roman Abramovich, Abiglaze Ltd and Crosland Global Limited (the "Controlling Shareholders") that regulate the ongoing relationship between the Controlling Shareholders and the Company. This ensures that the Company is in compliance with the provisions of the Listing Rules and capable of conducting its business independently of the Controlling Shareholders, and ensures that any transactions and relationships between the Company and the Controlling Shareholders are at arm's length and on normal commercial terms.

The Relationship Agreements terminate if the Controlling Shareholders cease to own or control (directly or indirectly) in aggregate at least 30% of the issued ordinary shares in the Company (or at least 30% of the aggregate voting rights in the Company).

Under the Relationship Agreements, the Controlling Shareholders and the Company agree that:

- The Controlling Shareholders have the right to appoint the maximum number of non-executive directors that may be appointed while ensuring that the composition of the Board remains compliant with the UK Corporate Governance Code for so long as the Controlling Shareholders hold an interest of 30% or more of the Company in aggregate (or hold 30% or more of the aggregate voting rights in the Company) with each appointee being a "Shareholder Director".
- The Controlling Shareholders and their associates shall not take any action that would have the effect of preventing the Company from complying with its obligations under the Companies Act, the Listing Rules and the Disclosure Guidance and Transparency Rules.
- Neither the Controlling Shareholders nor any of their associates shall propose or procure the proposal of any shareholder resolution that is intended or appears to be intended to circumvent the proper application of the Listing Rules.
- Transactions, relationships and agreements between the Company and/or its subsidiaries (on the one hand) and the Controlling Shareholders shall be entered into and conducted on arm's length terms and on a normal commercial basis, unless otherwise agreed by a committee comprising the Company's non-executive directors whom the Board considers to be independent in accordance with the UK Corporate Governance Code (the "Independent Committee").
- The Controlling Shareholders shall, insofar as they are legally able to do so, exercise their powers, and shall procure that each member of the respective Controlling Shareholder group does the same, so that the Company is managed in accordance with the principles of good governance set out in the UK Corporate Governance Code, save as agreed in writing by a majority of the Independent Committee.
- The Controlling Shareholders shall, and shall procure (as far as is reasonably possible) that each member of the respective Controlling Shareholder group shall, treat as confidential all information (subject to certain exceptions) acquired relating to the Company and its subsidiaries.
- The provision of, access to and use of information pursuant to the Relationship Agreements shall be governed by applicable laws relating to insider information, including, without limitation, the Disclosure Guidance and Transparency Rules.
- The Controlling Shareholders shall not, and shall procure, insofar as they are legally able to do so, that each member of the respective Controlling Shareholder group shall not, take any action that precludes or inhibits the Company and/or any of its subsidiaries from conducting its business independently of the Controlling Shareholders or any member of the respective Controlling Shareholder group.
- The quorum for any Board meeting of the Company shall be three, of which at least one must be a Shareholder Director appointed by Roman Abramovich, at least one must be a Shareholder Director appointed by Abiglaze Ltd and/or Crosland Global Limited and at least one must be a non-executive director whom the Board considers to be independent in accordance with the UK Corporate Governance Code.
- The Controlling Shareholders shall not, and shall procure, insofar as they are legally able to do so, that each member of the respective Controlling Shareholder group shall not, exercise any of their voting or other rights and powers to procure any amendment to the Memorandum and Articles that would be inconsistent with, undermine or breach any of the provisions of the Relationship Agreements, and shall abstain from voting on, and shall procure that the Controlling Shareholder Directors abstain from voting on, any resolution to approve a transaction with a related party (as defined in the Listing Rules) involving the Controlling Shareholders or any member of the respective Controlling Shareholder group.
- In any matter that, in the opinion of an independent director, gives rise to a potential conflict of interest between the Company and/or any of its subsidiaries (on the one hand) and the Shareholder Directors, the Controlling Shareholders or any member of the respective Controlling Shareholder group

(on the other), such matter must be approved at a duly convened meeting of the Independent Committee or in writing by a majority of the Independent Committee.

- For so long as Roman Abramovich (and his affiliates) holds an interest of 25% or more in the Company in aggregate, Roman Abramovich undertakes that his will not become, and will use his reasonable endeavours to procure that no other member of his group becomes, involved in any competing business (subject to certain exceptions) in Russia, Ukraine or the CIS without giving the Company the opportunity to participate in the relevant competing business.
- For so long as Abiglaze Ltd and Crosland Global Limited (and their respective affiliates) hold an interest of 25% or more in the Company in aggregate, Abiglaze Ltd and Crosland Global Ltd undertake that they will not become, and will use their reasonable endeavours to procure that no other member of the respective Controlling Shareholder group becomes, involved in any competing business (subject to certain exceptions) in Russia, Ukraine or the CIS without giving the Company the opportunity to participate in the relevant competing business.

The Board is satisfied that the Company is capable of conducting its business independently of the Controlling Shareholders and that the Board makes its decisions in a manner consistent with its duties to the Company and stakeholders of EVRAZ plc.

Significant contractual arrangements between EVRAZ and Raspadskaya

Demerger Agreement

On 15 December 2021, EVRAZ and Raspadskaya entered into a Demerger Agreement to effect the Demerger of EVRAZ' coal business govern the post-Demerger obligations of the two parties in respect of, among other matters, their respective indemnity obligations. Under the Demerger Agreement, Raspadskaya and

EVRAZ warrant to each other that all assets and losses pertaining to the coal and steel businesses are held by Raspadskaya Group and EVRAZ (respectively).

EVRAZ and Raspadskaya have agreed to ensure that, following the Demerger, historical liabilities (as well as any future liabilities from events that occurred before the completion of the Demerger) relating to the steel and coal businesses are to be borne by the post-Demerger EVRAZ and Raspadskaya (respectively). Such mutual indemnity undertakings are capped at US\$100 million for each party.

Strategic Cooperation Deed

On 15 December 2021, EVRAZ and Raspadskaya entered into a Strategic Cooperation Deed to acknowledge that they will continue providing certain services and supplying certain goods to each other, pursuant to the agreements entered into between them before the Demerger.

Under the Strategic Cooperation Deed, EVRAZ and Raspadskaya will, and acknowledge that their respective subsidiaries will, up to and including 31 December 2022, supply services and perform certain other agreements between them in accordance with their terms. Unless the parties agree otherwise, both shall endeavour to terminate all such service and other arrangements by 1 January 2023 (unless Raspadskaya requires the earlier termination of any arrangements, in which case the parties shall endeavour to terminate the respective agreements as may be so requested).

Under the Strategic Cooperation Deed, any potential liability of each party is capped at US\$20 million. This cap is independent of the parties' liabilities under the respective underlying agreements.

Coal Offtake Agreements

On 1 November 2021, EVRAZ NTMK and EVRAZ ZSMK entered into separate Coal Offtake Agreements with Raspadskaya, to take effect immediately on completion of the Demerger and until 31 December

2026. Pursuant to the Coal Offtake Agreements, EVRAZ NTMK and EVRAZ ZSMK will purchase certain grades of coal from Raspadskaya, accounting for up to approximately 60% of the EVRAZ' post-Demerger coal requirements for the purposes of steelmaking. The price to be paid by EVRAZ NTMK and EVRAZ ZSMK will be determined in accordance with an agreed formula linked to global coal index prices, over which EVRAZ has no control, and taking into account foreign-exchange movements and quality.

On 8 November 2021, Raspadskaya, as the Seller, and EMAG, the trading subsidiary of EVRAZ, as the Buyer, entered into an agreement for the sale of bituminous coal. Pursuant to the agreement, the coal is shipped to South Korea, China, Japan, Taiwan, Vietnam, Slovakia, Turkey, Romania, Serbia, Poland, Lithuania, the Czech Republic, Ukraine and India. It is anticipated that arrangements agreement will continue until 31 December 2022, with a possible extension to 31 March 2023.

More information about the Demerger Agreement, Strategic Cooperation Deed and Coal Offtake Agreements that have been entered into between EVRAZ and Raspadskaya can be found in the Circular to Shareholders at <https://www.evraz.com/files/en/demerger/circular.pdf>

Other agreements

The change of control provisions contained in several loan agreements with a total principal amount of US\$1,766 million outstanding as of 31 December 2021 specify that if a change of control occurs, each lender under these agreements has a right to cancel their commitments and request repayment of their portion of the respective loans ahead of schedule.

ARTICLES OF ASSOCIATION

The Company's Articles of Association were adopted at a General Meeting held on 11 January 2022 and contain, among other things, provisions on the rights and obligations attached to the Company's shares, including redeemable non-voting preference shares and subscriber shares.

Changes made to the previous Articles of Association of the Company (adopted in June 2012) include amendments allowing the Company to make a dividend payment in specie and, if appropriate, hold a hybrid annual general meeting.

The Articles of Association may only be amended by a special resolution at a general meeting of the shareholders.

SHARE RIGHTS

Without prejudice to any rights attached to any existing shares, the Company may issue shares with rights or restrictions as determined by either the Company by an ordinary resolution

or, if the Company passes a resolution, the directors. The Company may also issue shares that are, or are liable to be, redeemed at the option of the Company or the holder, and the directors may

determine the terms, conditions and manner of redemption for any such shares.

VOTING RIGHTS

There are no other restrictions on voting rights or transfers of shares in the Articles other than those described in these paragraphs.

Details of deadlines for exercising voting rights and proxy appointment will be set out in the notice of the 2022 AGM.

At a general meeting, subject to any special rights or restrictions attached to any class of shares on a poll, each member present in person or by proxy has one vote for every share that he/she holds.

A proxy is not entitled to vote in cases where the member who appointed the proxy would not have been entitled to vote on the resolution had he or she been present in person. Unless

the directors decide otherwise, no member shall be entitled to vote either in person or by proxy or to exercise any other right in relation to general meetings if any sum that he/she owes the Company in respect of that share remains unpaid.

The trustee of the Company's Employee Share Trust is entitled, under the terms of the trust deed, to vote as it sees fit with respect to the shares held in trust.

TRANSFER OF SHARES

The Company's Articles stipulate that transfers of certificated shares must be effected in writing and duly signed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The transferor shall remain the holder of the shares

concerned until the name of the transferee is entered in the Register of Members with respect to said shares. Transfers of uncertificated shares may be effected by means of CREST unless the CREST Regulations provide otherwise.

The directors may refuse to register an allotment or transfer of shares in favour of more than four persons jointly.

AUDIT INFORMATION

Each of the directors who were members of the Board as of the date of the approval of this report confirms that:

As far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware.

He/she has taken all the reasonable steps that he/she ought to have taken as a director to make himself/herself

aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The EVRAZ Directors' Report has been prepared in accordance with applicable UK company law and was approved by the Board on 24 February 2022.

By the order of the Board

Aleksey Ivanov
Chief Executive Officer
EVRAZ plc

24 February 2022