

# STATEMENT IN ACCORDANCE WITH S172 OF THE COMPANIES ACT

The EVRAZ Board has considered in detail the Company's business model outlined on pages 14-15 of this report, which identifies, and explains why it identifies, the Company's stakeholders as:

- Shareholders and investors.
- Employees.
- Customers.
- Suppliers and contractors.
- Local communities.
- Government and regulatory authorities.
- Media.
- Industry organisations.

The Board recognises the benefit of clear and precise engagement with the Group's stakeholders. Value is generated through the Group's core activities as outlined in the discussion of its business model on pages 14-15.

Throughout 2021, the Board continued to consider the impact of the COVID-19 pandemic on all stakeholders.

The Group's dividend policy anticipates dividend payments to shareholders of US\$300 million per annum, provided

that the Group's net debt/EBITDA ratio remains below 3x. In addition, the Board may consider further distributions of free cash flow available after implementing its investment programme to support the business. The Board reviewed and considered that, despite the impact of COVID-19 on the operational results of the Group and the economy, the underlying strength of the business was sufficient to continue paying dividends relating to the 2021 financial year.

The Group has an active IR programme to enable shareholders to engage with the Company and the Board, both on business issues and on any governance concerns that they might have.

For the investment community, a capital markets day is held each year, and it covers both the current performance and future plans of the Company, as well as governance issues. Due to the pandemic, an in-person event was not possible in 2021, but a virtual meeting was well attended, and an in-person meeting is planned for 2022.

All shareholders are normally welcome in person at the AGM, where all directors are available to discuss any issues that they might wish to raise. In 2021, while not all Board members could attend because of COVID-19 restrictions, the meeting proceeded for UK shareholders.

During the year, supported by the CFO, the CEO held conference calls and briefed analysts and institutional investors fully after the publication of the Group's half-year and full-year results, and after the announcement of the coal demerger. Additionally, supported by the director for investor relations, the CFO held a series of online meetings with institutional investors.

Engagement with employees remains key, and the Board closely monitors the results of the annual engagement survey, which indicate satisfactory levels of improvement. Two independent non-executive directors have taken responsibility for engaging with employees in the businesses in North America and Russia, respectively, and they do so by attending key staff briefing events and town hall meetings. Throughout

the year, senior management attend the Group's Board meetings to present the annual budget for their respective business units and key investment projects that require the Board to approve significant capital expenditure.

All presentations made to the Board consider both the benefit to shareholders of proposals and the impact on other key stakeholders. The Remuneration Committee receives detailed presentations from the Vice President of HR, which outlines remuneration and incentive plans at each level across the whole business. A whistleblowing arrangement is in place that allows staff to raise issues in confidence, and responses to them are routinely monitored by the Audit Committee, which escalates key issues with the Board.

Since 2011, the Board has had in place a Health, Safety and Environment Committee to help it to monitor the Group's performance in the area and management

initiatives to improve this. In addition, it considers the planned actions necessary to reduce the Group's impact on the environment, including the reduction of greenhouse gas emissions. During 2021, the HSE Committee considered its terms of reference and workload, and made suggestions to the Board about how it could best monitor the Company's ESG performance. These were adopted, and the plan of work will be introduced across 2022 and reported on in that year's report. To reflect the committee's wider role, the decision was taken to rename it as the Sustainability Committee.

The Board considers the interests of all stakeholders by taking a long-term view of how the business needs to develop in its markets (see principal decisions taken by the Board **on pages 115-118**). The Board evaluates technological developments to ensure that its assets remain competitive and makes the necessary financing requirements to implement strategic

projects available over the medium to long term. When development plans for projects are in their early stages, management engages key customers to ensure that the products manufactured meet their specific requirements.

All suppliers are treated in line with agreed contract terms, and when new opportunities become available, the Group has transparent tendering procedures to ensure that new contracts are awarded on a fair basis. The full range of EVRAZ stakeholder engagement is detailed **on pages 124-125**.

These actions assist the directors in performing their duties under S172 of the Companies Act 2006, and the analysis will confirm to the Board that management consider the impact of business plans on all stakeholders when developing initiatives for Board approval.