

OUR PEOPLE

2021 HIGHLIGHTS

71,591
Employees at the end of the year

12.4%
Employee turnover rate

Our approach

At EVRAZ, people are our key asset. As such, we consider it vital to provide a positive and healthy working environment where our employees have the opportunity to realise their professional potential. Our programmes and initiatives are based on internal principles focusing on investing in people and maintaining health and safety. All of our human resources (HR) activities are governed by our Supplier Code of Conduct, Diversity and Inclusion Policy, Human Rights Policy and other internal documents.

In 2021, the Group's HR policy focused on the following areas:

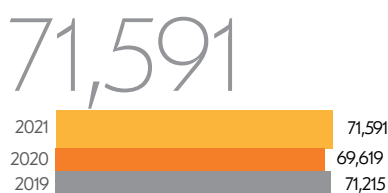
- Improving employee recruitment processes.
- Implementing corporate training programmes.
- Making remuneration more transparent by implementing a targeted pay system.
- Implementing initiatives for attracting and retaining employees.
- Automating processes and integrating IT systems.
- Regularly collecting feedback through various communication channels, including engagement survey.

Recruitment policy and remuneration system

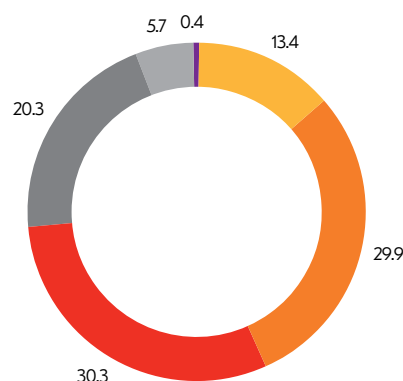
Recruitment policy and attracting people

Our goal is to ensure that our hiring process is consistent with the principles of equal opportunity and is entirely non-discriminatory. EVRAZ adheres to the laws of the countries in which it operates, including regulations governing labour protection, minimum wage levels, annual paid and parental leave, and collective bargaining agreements.

Number of employees, 31 December 2021, thousand people



Breakdown of employees by age, 31 December 2021, %

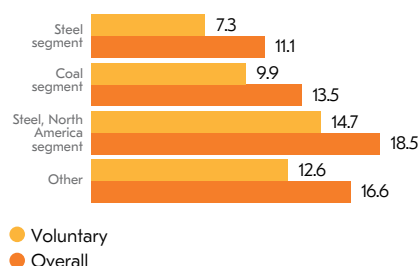


- <20
- 20–29
- 30–39
- 40–49
- 50–59
- >60

To retain its reputation as one of the best employers in the regions where it operates, the Group participates in various employer contests and hackathons each year to demonstrate social responsibility and responsiveness. In addition, we have numerous student programmes. In the reporting period, over 2495 students completed an internship at EVRAZ, and some are now working at the Group.

EVRAZ is constantly improving its employee recruitment processes, and in 2021 we developed and introduced the Staff Attraction and Recruitment Standard, aimed at simplifying and stripping away the bureaucracy from the hiring processes.

Overall and voluntary employee turnover by segment, 2021, %



In 2021, staff turnover increased by 2.7% compared with 2020. Despite this, EVRAZ managed to achieve its recruitment targets in the reporting period.

Remuneration system

EVRAZ endeavours to reward its employees above and beyond the minimum wage requirements. We are also continuously improving our target pay system to ensure clarity and transparency. In 2021, it covered most of our enterprises except for coal assets (EVRAZ NTMK and EVRAZ ZSMK).

We strive to implement a set of rules and principles for the process of remuneration and establish fixed and variable pay depending on the level of performance across all Group entities. In 2021, we introduced an annual review of the remuneration system for each employee specifically in terms of the target pay system and updated the Regulation on

Staff Remuneration and Motivation – the document describing remuneration systems concerning the annual review.

Human rights and diversity

EVRAZ complies with international human rights laws, policies and standards. Its Human Rights Policy aligns with the United Nations Guiding Principles on Business and Human Rights and strictly prohibits any form of slavery (known as modern slavery), such as child labour and forced labour, across all EVRAZ subsidiaries and their suppliers. In addition, we take the process of contracting with partners seriously. The Group policies require sections covering the prevention of corruption and human trafficking to be included in all contracts concluded with partners.

We perform due diligence throughout the lifecycle of our operations and regularly identify actual and potential risks regarding human rights violations, including those related to recruitment and working conditions. We are also monitored by trade unions and representatives from Russia's Presidential Council for Civil Society and Human Rights and other public organisations with the purpose of reducing the risks of legal violations. In addition, we remedy potential risks by using grievance mechanisms for affected stakeholders such as a 24/7 hotline and two separate confidential whistleblowing lines in Russia, Kazakhstan and North America.

Our managerial and operational functions are responsible for the implementing the Human Rights Policy and report to the Board of Directors. The policy's effectiveness and efficiency is monitored and reviewed regularly.

EVRAZ is committed to diversity, equality and inclusion. Our Diversity and Inclusion Policy expresses zero tolerance for any kind of discrimination. When selecting a candidate, we consider only their professional skills and qualities. We believe that building a diverse environment is vital for driving inclusion and improving productivity across the business.

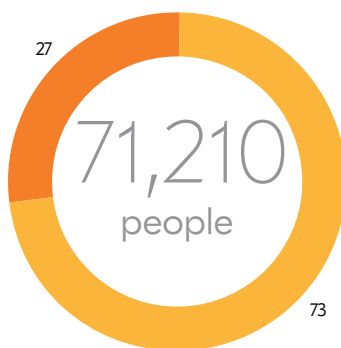
Learning and development

The Group has a multi-level system of HR management aimed at enhancing the professional and personal skills of its people and fostering collaboration with universities and other educational institutions.

In 2021, EVRAZ continued its Top 300 and Top 1,000 corporate management programmes, which focus on developing managerial and leadership skills and competencies. In the year, the Top 3,000 programme was launched at our Siberia and Urals divisions as an extension of existing ones. Employees in more junior positions were coached by graduates of the Top 300 and Top 1,000 programmes.

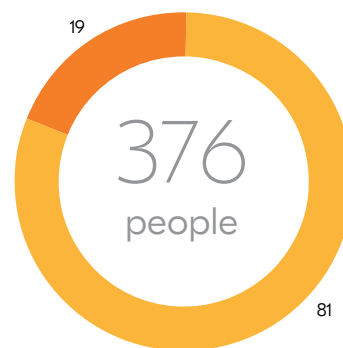
Diversity of employees and senior managers by gender, 2021¹ %

Employees



Men
Women

Senior management



Men
Women

1. For 5 employees gender is stated as "not declared".

In addition, we resumed training courses for newcomers after a break related to COVID-19. Welcome training helps new employees to familiarise themselves with the Group and cultivates a sense of belonging.

Sustainable development training for employees

At present, sustainable development training is implemented under the New Leaders of EVRAZ (NLE) programme. In 2021, delivery was mostly online, and the practice was introduced of inviting representatives of companies that provide environmental technologies. The sessions considered issues including legislative changes, environmental strategy, environmental and climate risks, and environmental technologies (gas cleaning, water).

Employee interaction

Listening to feedback and maintaining transparent communication is vital for preserving a positive working climate and developing the business successfully. To identify and address issues, we aim to interact with our employees regularly through various communication channels, such as the corporate intranet and website, corporate publications, social networks, web conferences and hotlines. For example, we organised a Vaccination Awareness Day and

an employee engagement survey in 2021. The share of employees who took part in the engagement survey was 70%.

In addition, EVRAZ developed a site called Idea Factory 2.0, where employees can report any work issues online and share ideas about improving production processes. After pilot testing was conducted, the site was rolled out to all entities.

To monitor and address any alleged violations or concerns at entities, the Group operates an anonymous 24/7 hotline. Employees and other stakeholders can use it to receive answers to questions, make suggestions and report alleged violations regarding corruption, bribery, human rights, alcohol or drug intoxication and so on.

In 2021, we received 1197 requests through the hotline. The most frequent issues are related to labour relations, including the quality of labour relations (879) and health and safety (165).

COVID-19: protecting our people

COVID-19 remained the overriding concern in 2021, and we undertook extensive measures to combat it. The main priority for us was the health and wellbeing of our employees and contractors, and we strictly followed the recommendations of the World Health Organization throughout the year.

The Group took all of the necessary precautionary measures, such as regularly sanitising premises, workplaces and vehicles, and monitoring the health status of employees and contractors. In addition, in January 2021, we opened a department for treating employees with COVID-19 at the Vladislav Tetyukhin Ural Clinical Treatment and Rehabilitation Centre.

EVRAZ makes every effort to prevent the spread of the disease among employees and contractors.

Interaction with trade unions

The Group signs collective bargaining agreements with trade unions with a view to building long-term mutually beneficial arrangements. In 2021, such agreements covered 87% of the workforce and Tariff Agreements. A large proportion of workers received benefits as members of trade unions.

The process of implementing a target pay system includes negotiations with trade unions regarding all changes to collective bargaining agreements. In the year, all such changes were in compliance with the law and principles of social partnership. As a result, there were no conflicts or collective labour disputes at Group facilities in Russia.

