

EVRAZ Modern Slavery Act Transparency Statement for the Financial Year Ending 31 December 2021

INTRODUCTION

This statement provides an update on EVRAZ' progress on implementing the transparency requirements of the UK Modern Slavery Act 2015 (the "**Act**") during 2021 and our plans for further enhancements in coming years.

This statement is made by EVRAZ plc, on its behalf and on behalf of its relevant subsidiaries (collectively, "**EVRAZ**", "**the Group**") in accordance with section 54 of the Act.

BUSINESS AND ORGANISATIONAL STRUCTURE

EVRAZ is a large steel, mining and vanadium business with production facilities in the Russian Federation, the USA, Canada, the Czech Republic and Kazakhstan.

We have three main areas of operations, as follows:

- 1) the Steel segment represented in Russia, the Czech Republic and Kazakhstan
- 2) the Coal segment in Russia
- 3) the Steel, North America segment in the USA and Canada

The Group has customers in 70 countries, among them steel rolling facilities, wholesale companies and traders, railways and rail carriers, industrial and construction companies, steelmaking facilities, and energy transmission operators.

We primarily engage our suppliers for the following goods and services:

- geological exploration, appraisal, mining and mineral extraction services and equipment, transportation of minerals, and manufacturing and sale of our products
- security and facilities management at our offices and the provision of agency and temporary staff

The year 2021 saw no significant changes in the Group's supply chain in terms of the location of our suppliers. The Group unites a community of 13,355 suppliers and contractors working for the good of our customers.

EVRAZ has 71,591 employees worldwide, 94.8% are based in Russia and the CIS, 5% in North America and 0.2% in Europe.

According to the Global Slavery Index, these regions represent low and moderate risk. Our extensive customer and supplier base is, however, more geographically diverse and we acknowledge the positive impact EVRAZ can have on creating transparent business procedures and partnership relations, and we strive to achieve this.

OUR APPROACH

EVRAZ does not tolerate any form of slavery, servitude, forced or compulsory labour, human trafficking or other forms of slavery, and these are strictly prohibited at all Group subsidiaries and by their suppliers.

We are committed to preventing the occurrence of modern slavery and human trafficking at our assets and in our supply chain, regardless of their locations.

We take the process of contracting with partners seriously, hence we carefully observe that our partners respect human rights and business ethics standards. All our contracts with partners include sections covering the prevention of corruption and human trafficking.

We conduct risk assessments to determine which parts of our business and which of our suppliers and subcontractors are at risk of committing modern slavery acts. We engage with our suppliers regarding modern slavery issues to understand better the steps they have taken to prevent any occurrence of modern slavery in their businesses. We will also perform due diligence throughout the lifecycle of our own operations to determine whether remedial action is required.

EVRAZ' commitments are based on the best international standards and practices. We adhere to the principles of the UN Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises in all of our sustainable development activities.

STANDARDS AND POLICIES RELATED TO MODERN SLAVERY

We have several policies and standards in place to guide our approach to business integrity, preventing modern slavery in our business and across our supply chain, and seeking to achieve zero harm to people, society and the environment. These policies and standards, together with several others, are available on the Group's website:

- Health, Safety and Environmental Policy
- Anticorruption Policy
- Code of Business Conduct
- EVRAZ Supplier Code of Conduct
- Human Rights Policy
- Diversity and Inclusion Policy

The ethical norms and rules of the above listed policies apply to all the Group's entities and all business unit levels. Compliance managers, present at every asset, are responsible for monitoring labour relations, vetting prospective partners and checking on the existing ones, managing and resolving conflicts of interest, and supervising labour conditions.

The Group's compliance manager coordinates compliance work on-site, develops EVRAZ' in-house training system, maintains a risk register, and consistently communicates progress of all ongoing efforts to the Audit Committee.

Besides the above policies and regulations, we carefully observe that our partners respect human rights and business ethics standards as we take the process of contracting with partners seriously. All our contracts with partners include sections covering the prevention of corruption and human trafficking. The section obliges the other party to comply with and to ensure the compliance of any subcontractors with all applicable laws and regulations related to modern slavery.

As a global company, we have employees and partners from countries where laws and regulations differ from our policies. When this is the case, we apply the highest available standard in place respecting human rights and mitigating the risk of modern slavery practices.

RECRUITMENT

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 prohibits all forms of discrimination. Staff recruitment is conducted in full compliance with the laws of the countries in which the Group operates, including relevant regulations governing labour protection, minimum wage levels, annual paid and parental leave, collective bargaining agreements, health insurance, pensions and personal data protection.

In this regard, the Group's policy in the reporting period was aimed at increasing the transparency of the remuneration through implementing the Target Remuneration System, improving the employee recruitment processes, implementing new training programmes, processes automation and IT systems integration.

Where we engage suppliers to recruit employees, we ensure that strict compliance checks are carried out on all prospective candidates. We have in place a process to undertake due diligence and verify the identity of each worker and their right to work before engaging with them.

TRAINING AND AWARENESS

As a part of onboarding process, every employee completes our training on labour protection. This covers such topics as human rights and diversity, the prohibition of any form of child labour, bonded labour, human trafficking and other forms of slavery, conflicts of interest and other ethical issues.

In 2021, 1,303 employees in the US and Canada once again familiarised themselves with anti-corruption and related ethical business conduct policies, while 2,200 managers of Russian assets received online training on anti-corruption and ethical business conduct.

Every meeting with more than 15 participants begins with a “five-minute-safety-alert”, where the speaker provides a run-down of EVRAZ’ safety rules and principles, including the strict observance of safe and equitable labour conditions and prohibition of any form of slavery.

MONITORING

There are several functional teams at EVRAZ that are responsible for ensuring our compliance with all laws and regulations, including those designed to prevent modern slavery as well for ensuring the transparency of our business processes. These include the Legal, Compliance, HR and Internal Audit teams, all of which monitor compliance with our processes and continuously review and update our policies to reflect international best practices.

Based on the results of our risk assessments, we conduct due-diligence investigations of our suppliers. We also seek to ensure that all high-risk suppliers are familiar with obligations to comply with legal requirements to eliminate modern slavery in their businesses and to self-report any breaches to us.

Additionally, our compliance managers, present at every asset, are responsible for monitoring labour relations, vetting prospective partners and checking on the existing ones, managing and resolving conflicts of interest, and supervising labour conditions. The Group’s compliance manager coordinates compliance work on-site, develops EVRAZ’ in-house training system, maintains a risk register, and consistently communicates progress of all ongoing efforts to the Audit Committee and eventually to the Board of Directors.

REPORTING

EVRAZ encourages employees and stakeholders to adhere to the principle of transparency and to report cases of misconduct or issues that they find concerning or suspicious, using a 24/7 whistleblowing hotline which guarantees anonymity. The Group operates two separate whistleblowing hotlines:

- the Corporate Whistleblowing hotline for all major assets, including the Siberia Region (Steel and Coal segments), the Urals Region (Steel segment), EVRAZ Vanady Tula, and EVRAZ Metall Inprom
- the EVRAZ North America (“ENA”) hotline

Incoming reports are registered in the IT system and then allocated to relevant specialist department (e.g. HR, HSE, Security), depending on the subject of the report. The relevant experts then analyse the report and take specific measures to resolve the issue. If the report is not anonymous and the person has provided contact details, the Group informs them about the status of the report as well as any relevant measures taken. All complex, controversial, or sensitive issues are handled by the Hotline Committee (for the Corporate Whistleblowing hotline) and the Hotline Team (for the ENA whistleblowing hotline), which include senior executives,

providing the Group with confidence that all appropriate measures will be taken to address any reports. Year by year the confidence in whistleblowing hotline is growing among employees of the Group, its partners and contractors. In 2021, 1,169 reports were submitted via the Corporate Whistleblowing hotline and 27 via the ENA hotline. During the reporting period zero cases of using child or forced labour had been registered in the Company's operations.

OUR PLANS FOR THE FUTURE

Amid the UK sanctions imposed against EVRAZ, we remain committed to eradicating modern slavery, human trafficking and child labour in our Group and supply chain. We will continue to work in partnership with the international businesses, to the extent possible and permitted by the UK Government, to identify and address modern slavery risks across our partners, suppliers and customers.

This statement has been made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes EVRAZ' Slavery and Human Trafficking Statement for the financial year ended 31 December 2021.

This statement was approved by the Board of EVRAZ plc on 27 June 2022.



Aleksey Ivanov
Chief executive director
27 June 2022