

Health, safety and environment

Governance and approach

EVRAZ is devoted to improving occupational and industrial safety, as well as to protecting the environment wherever it operates. The Group aims to never stop improving HSE management at its assets by implementing technological improvements to its production processes, with a clear management and control system and hierarchy.

EVRAZ manages health, safety and environment (HSE) at every level of its business, from adopting strategy to responding to operational management issues. In 2010, the management created a HSE Committee that reports to the Board of Directors and is responsible for monitoring all HSE strategies, policies, initiatives and activities. In March 2011, EVRAZ introduced its Health, Safety and Environment Policy. In March 2016, EVRAZ revised its Health, Safety and Environment Policy and added a fourth cardinal rule to the all-Company safety rule list.

The HSE Committee deals with HSE issues at the executive level, and has appointed a vice-president of HSE to coordinate all activities in the area. Each individual enterprise has an HSE team to consider such issues that reports to the sites' management with a dotted line to the vice president of HSE. HSE compliance is the responsibility of each and every plant manager.

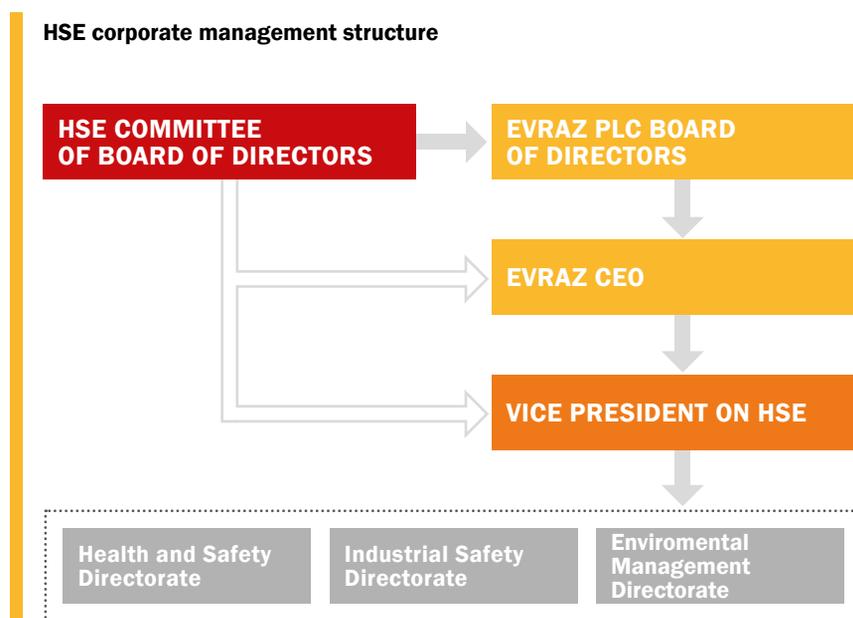
EVRAZ plays an active role in the World Steel Association's Environmental Policy (EPCO), Technology Policy (TPCO) and Safety and Health (SHCO) committees, as well as the HSE committees of Russian Steel, a Russia-based non-commercial partnership, and the Russian Union of Industrialists and Entrepreneurs.

HSE system

EVRAZ has achieved certification in its main steel mills under the ISO 14001 and OHSAS 18001 standards.

The HSE system's primary functions are to identify potential sources of environmental harm, as well as health and safety risks to personnel throughout the production cycle, from raw material purchases to finished

HSE corporate management structure



product sales, as well as planning, distributing resources, collecting, analysing and submitting information, and reflecting emerging trends in indicators.

The HSE management process operates in a continuous cycle that includes:

- forecasting and assessing primary HSE risks;
- developing and implementing required measures;
- monitoring, reviewing, and investigating incidents;
- analysing performance, adjusting and establishing new HSE strategy objectives.

EVRAZ establishes, measures and assesses the primary indicators for HSE KPIs. The system is continuously improved by monitoring, promptly analysing and adjusting where needed.

HSE reporting system

EVRAZ' HSE reporting system is tasked with improving the collection and sharing of appropriate data organisation-wide. Constant monitoring is ensured by subsidiaries submitting monthly, quarterly and annual HSE performance data to the corporate HSE functions.

Periodic internal audits are undertaken to assess the Group's HSE policy compliance. Government agencies also perform external control functions. Any recommendations that follow from the inspections are analysed in detail to allow the necessary remedial actions to be taken.

EVRAZ' incident reporting rules are applied universally organisation-wide. All injuries involving any lost time and/or fatalities are recorded and a 'flash report' is immediately distributed to all affected managers. Standard 'lean' format investigations are then conducted and lessons learnt are subsequently disseminated to concerned parties. Every fatality, severe injury or serious incident is then reviewed by the HSE Committee, which also monitors the completion of all respective corrective actions.

HSE releases a monthly special report regarding the past month's injuries and incidents that includes relevant HSE KPIs like the lost-time injury frequency rate, fatalities and cardinal rule violations. The reports are distributed to all EVRAZ employees.