

INTERACTION WITH EMPLOYEES

EVRAZ understands the value of receiving feedback and addressing employee concerns across the organisation, and regularly interacts with employees via the corporate intranet and website, corporate publications, social

networks and web conferences, as well as Q&A and townhall meetings with members of senior management. General meetings, in addition to satisfaction and engagement surveys, are regularly held to identify key issues.

In 2020, two non-executive directors took part in meetings dedicated to raising awareness surrounding prevalent trends and concerns.

WORK WITH TRADE UNIONS

GRI 102-41 **GRI 407-1**

EVRAZ seeks to establish long-term collective bargaining agreements with trade unions. We interact with trade unions by signing collective bargaining agreements, which covered 88% of employees in 2020. Furthermore, EVRAZ's Social Production Council is attended by chairmen of trade union committees, who seek to foster constructive and effective dialogue.

The Group has in place a three-level system of relations with trade unions, which takes in federal, regional, and enterprise level. The head office is responsible for the federal and regional levels. In cases

of conflicts or difficult negotiations, the head office intervenes as part of crisis management procedures.

2020 saw the implementation of a Target Remuneration System. Since all changes in working conditions must be reflected in collective agreements, we have been negotiating with trade unions for all enterprises changes related to the implementation of Target Remuneration System. This year we negotiated with three trade unions, and changes were made to all collective bargaining agreements.

This year saw extensions to the Coal Industry and Steel Industry Tariff Agreements in line with relevant Russian legislation, with the active participation of the Group.

In 2020 there were no conflicts or collective labour disputes recorded at the Group's Russian operating facilities. All changes and updates to collective agreements were constructive, and in strict accordance with the law and the principles of social partnership. This year the Council of Social Work met twice; both meetings discussed the implementation of the Target Remuneration System.

EMPLOYEE ENGAGEMENT

In order to identify main employee engagement trends, management closely reviews engagement data from surveys. The We are Together employee engagement survey was held annually until 2019, when it was decided that it would be held once every two years. The fourth We are Together survey in 2019 outlined the need to increase employee awareness surrounding what is happening at the Group.

Based on the survey results, companywide improvement plans were announced. Raising employee awareness surrounding Group activities, including vis-à-vis short- and long-term goals, development plans, and working conditions, were identified as the main areas for further development. Focus groups are held, and after each meeting an enterprise elaborates a plan to eliminate problem areas. Numerous

events are held annually, based on the survey results.

In addition, the Coal segment conducts an annual satisfaction pulse-survey on social and living conditions at the enterprise. A special mobile app has been developed, where various questionnaires are posted.

Case study

EVRAZ introduces multifunctional employee feedback app

In October 2020 EVRAZ introduced a multifunctional app, RUK EKO, whose main purpose is to optimise the process of collecting feedback from employees. This is done through the Survey function, which enables pulse-surveys to be conveniently conducted and feedback to be promptly collected.

Additional functions of the app include Idea Factory, which allows proposals on how to improve working conditions to be submitted; and News, where the latest Group news get posted. Employees receive PUSH-notifications whenever news, deadlines for applying for trips, information about important events, etc. are posted.

PERFORMANCE AS AN EMPLOYER

EVRAZ takes the issue of social performance management very seriously, and annually participates in contests that confirm its status as a socially responsible employer. In 2020 the Group won awards in the Personnel Development category

at the 17th annual metals and mining industry contest, held by the Russian Metallurgists Association and the Central Council of the Russian Mining and Metallurgical Union.

This year EVRAZ began planning its employer brand development strategy. We began creating a communications campaign and specifying our actions for 2021 in pursuit of becoming the best recruiter in the regions where we operate.

EVRAZ HOTLINE

One of the main channels for employee feedback at EVRAZ is an anonymous 24-hour hotline. The Hotline helps track employee satisfaction levels and records incidents at the Group's production facilities. Queries are processed with the help of an IT system, and the process is governed by the EVRAZ Hotline Statutes. Enquiries are broken down by the responsible business unit (HSE, HR, Security, etc.), and then investigated and addressed. All employee grievances are investigated by the internal audit department, and difficult, contentious,

or sensitive cases are reviewed by members of the Hotline Committee, which includes the vice president for corporate communications, the internal audit director, and the internal and external communications director. Random quality control reviews are carried out on a quarterly basis.

For details see section Whistleblowing hotline of this Report, p. 15 →.

This year an extra hotline was set up, in the wake of the COVID-19 pandemic. The Steel and Coal segments operate 24/7 corporate hotlines, which employees can refer to with their questions and issues. EVRAZ North America employs external providers for this purpose.

In 2020 the hotline received 1,096 requests. The most frequent issues related to labour relations, including the quality of labour relations (496), public services (151), and labour compensation (69).

COVID-19

The absolute priority of the Group is the life and health of its employees, and in this regard measures were taken in 2020 to protect personnel from COVID-19.

The working hours of office staff were altered in order to reduce the number of mass gatherings. EVRAZ moved the majority of office employees to a remote working format. New laptops were purchased and additional equipment and software installed, which facilitate efficient and safe remote working conditions. All meetings are now held remotely using modern conference and video call applications, and all mass business, sporting, and entertainment corporate events were postponed or cancelled. Canteen schedules were altered, and the number and format of shift meetings at production facilities are currently being optimised.

Also, EVRAZ has been providing staff and their families with necessary psychological assistance during the COVID-19 pandemic. EVRAZ carefully assesses potential mental health impacts related to the preventative measures being undertaken as a result of the pandemic.

HR functions conduct regular employee surveys in order to learn about employees' experiences of working remotely. The surveys determined that one of the main factors helping employees remain engaged and motivated is knowing they are doing an important job and generating value for the Group.

Most survey respondents also indicated that EVRAZ is doing an excellent job of organising remote work.

Over 4,500 employees are currently working remotely. All staff remuneration plans have been implemented, including the payment of annual bonuses based on 2019 results and salary indexation.



Case study

EVRAZ creates app to prevent spread of COVID-19

EVRAZ created an app, called Antivirus, to promptly alert employees of possible exposure to the COVID-19 virus. The app is based on the Stop Corona app, which was developed jointly by Accenture and the Austrian Red Cross to more effectively identify symptoms of the novel coronavirus infection.

Antivirus will offer a checklist developed by EVRAZ in case of COVID-19 infection, as well as general recommendations based on Rospotrebnadzor requirements. The app will anonymously and automatically exchange data with employees' devices located nearby (via Bluetooth). If an employee suspects they might have contracted COVID-19, all their contacts can be alerted via the app and instructed to self-isolate – this will help break the chain of virus transmission.

For more information on impact of COVID-19 on the Group and our response measures, please, see, the information in Annual Report: <https://ar2020.evraz.com/en/strategic-report/impact-of-covid-19>. →