

# MEMBERSHIPS OF ASSOCIATIONS AND INSTITUTIONS

## GRI 102–13

The Group recognises the importance of contributing to the attainment of sustainable development objectives and collaborates with leading industry and business association and institutions. The Group actively supports sustainability initiatives and events and engages in various roundtables and discussions.

As of 2020, EVRAZ was a member of the following organisations:

- The Russian Managers Association (AMR).
- The Russian Union of Industrialists and Entrepreneurs (RSPP).
- The Association of Industrialists of the Mining and Metals Production Sector of Russia (AMROS).
- The World Steel Association (WSA).
- The Russian Steel Association.
- The Non-Commercial Partnership National Association for Subsoil Use Auditing (NP NAEN).

- The American Railway Engineering and Maintenance-of-Way Association (AREMA).
- The Consumer Council on Operations of OJSC Russian Railways.
- The Steel Construction Development Association (SCDA).
- The Russian Union of Metal and Steel Suppliers.
- The Canadian Chamber of Commerce.
- The Saskatchewan Chamber of Commerce.
- The Canadian Manufacturers & Exporters organisation.
- The Canadian Steel Producers Association.
- The American Iron and Steel Institute.
- The Donors Forum.

And is an associate member of the following organisation:

- The Association of American Railroads.

# TAX LIABILITIES

## GRI 207–1 GRI 207–2

Compliance with tax legislation of the countries where the Group operates is a key principle underlying EVRAZ' approach to taxation. EVRAZ has a low tolerance towards tax risk and seeks to minimise the risk of dispute with the tax authorities by being open and transparent about its tax affairs. Maintaining an open dialogue with representatives of tax authorities at different levels allows EVRAZ to avoid adverse tax consequences and represents an inherent aspect of the Group's tax strategy.

EVRAZ plc has publicly available **UK Tax Strategy** which is reviewed by the Board of Directors on a regular basis.

The Group CFO has ultimate responsibility for tax affairs and delegates daily responsibility to the Group's internal tax departments, which are present in most of the jurisdictions in which the Group operates. Local tax departments are subordinate to local CFOs. The tax departments are staffed by qualified, experienced tax professionals who undertake the majority of tax activities on a day-to-day basis.

EVRAZ seeks to reduce the level of tax risk arising from its operations as far as is reasonably practical by ensuring

reasonable care is applied in relation to all processes which could materially affect its compliance with tax obligations. The Group's approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements and with shareholders' best long-term interests, taking into account operational, economic and reputational factors.

EVRAZ has a robust process in place for identifying and addressing tax risks. The register of tax risk is updated regularly and discussed with the Group's CFO. The Audit Committee of the Board provides oversight in the review of tax risks on a regular basis as part of the financial reporting cycle. Information regarding taxes is verified by independent auditors as part of the audit of the financial statements. The Service Solutions Center, an uniform service company of EVRAZ, performs under contracts tax accounting for all the Group's Russian entities and interacts directly with the Russian tax authorities. The Service Solutions Center works in cooperation with Tax Department of the Management Company, EvrazHolding, in accordance with the adopted internal rules and instructions, which are regularly updated. Training and testing are also provided for the employees of the Service Solutions Center.

As part of the overall improvement of internal tax control system, tax monitoring was implemented in 2020 by the Management Company, EvrazHolding.

EVRAZ has a unified hotline through which any employee can report any situation involving unethical or unlawful behavior, including in the area of taxation. In 2020, there were no reports of violations of tax laws.

## GRI 207-3

As a participant of the industry associations such as the Russian Union of Industrialists and Entrepreneurs (RSPP) and Russian Steel, EVRAZ can draw the attention of other members to any topic in terms of taxes and make a targeted request to the Ministry of Finance or the Federal Tax Service. In 2020, EVRAZ, in cooperation with other sectoral companies, participated in discussions devoted to the issue of possible increase of the mineral tax (iron ore and coal).

Also, in 2021 EVRAZ will continue to evaluate available tax incentives in the framework of its investment projects and work towards sustaining a high level of transparency in terms of tax payments, creating and maintaining an optimal and effective business structure.