

About this Report

APPROACH TO REPORTING

The 2018 Sustainability Report (“the Report”) covers the key results of EVRAZ sustainability performance between 1 January 2018 and 31 December 2018, and includes the Group’s plans for 2019 and the medium term.

EVRAZ began preparing annual reports in 2004, and these reports incorporated an extended chapter on Corporate Social Responsibility (CSR). However, for 2018 EVRAZ took the decision to publish a separate

report dedicated to sustainability. The Group’s most recent reports, together with additional information about its sustainability performance, can be accessed on EVRAZ official website:

➔ http://www.Evraz.com/ru/investors/annual_reports

In 2018 the Report was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards: Core option (“GRI Standards”). In order to ensure compliance with GRI Standards, the

Group’s internal procedures relating to the Report’s preparation were reviewed.

The Report describes EVRAZ sustainable development management practices and was prepared in accordance with the interests of the investment community and other stakeholders. The Sustainability Report is published in both the English and Russian languages.

REPORT BOUNDARIES

The sustainability information contained in this Report covers the performance of the following EVRAZ assets, unless otherwise indicated in the text of the Report or in Appendix 3:

Segment	Company (referenced in the Report)
Steel segment	EVRAZ Vanady Tula EVRAZ Caspian Steel EVRAZ Nikom EVRAZ Palini e Bertoli Italy EVRAZ Stratcor EVRAZ Consolidated West-Siberian Metallurgical Plant (EVRAZ ZSMK) (including Evrazruda) EVRAZ Nizhny Tagil Metallurgical Plant (EVRAZ NTMK) EVRAZ Kachkanarsky Mining-and-Processing Integrated Works (EVRAZ KGOK) Sales, services, and logistics companies
Coal segment	Raspadskaya Coal Company (Mezhdurechensk and Novokuznetsk sites) Mezhegeyugol Coal Company
Steel, North America segment	EVRAZ Inc. NA (including, EVRAZ Portland, EVRAZ Pueblo) EVRAZ Inc. NA Canada (including EVRAZ Camrose, EVRAZ Red Deer, EVRAZ Calgary, EVRAZ Regina)

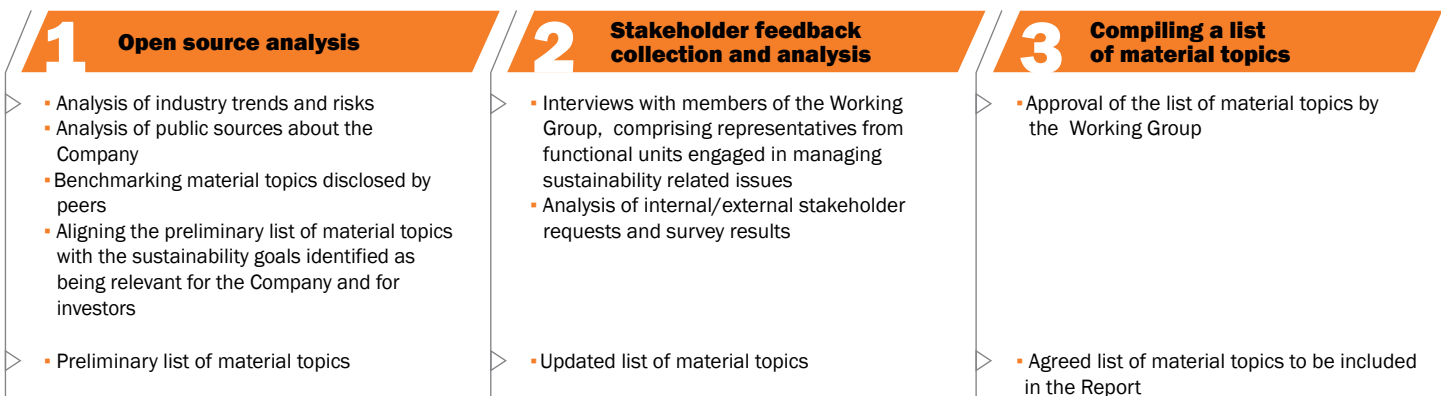
IDENTIFICATION OF MATERIAL TOPICS

In order to determine and include the most significant content in the Report we conducted a materiality assessment, which was developed in accordance with the requirements of GRI Standards (including using such criteria as “Influence on stakeholder assessments and decisions” and “Significance of economic, environmental and social impacts”).

Based on the results of the analysis, 14 significant topics were identified and approved, including in relation to economic, environmental, and social categories. These topics were also prioritised through a survey of members of the Working Group about the preparation of the Report, held in December 2018.

GRI disclosure requirements were met equally for all topics, irrespective of the priority level. At the same time, topics with a high level of materiality were given special attention in terms of the level of additional detail provided in the Report.

APPROACH TO IDENTIFYING MATERIAL TOPICS



MATERIAL TOPICS

Category	Topic	Page number	Within the Group	Outside the Group
Economic	Economic performance	19, 25, 51	V	V
	Market presence	31	V	V
	Indirect economic impacts	57-63	V	V
	Anti-corruption	16-17	V	V
Environmental	Energy	52	V	-
	Water	46-49,52-53	V	V
	Biodiversity	46-48, 52-53	V	V
	Emissions	46-48, 51-52	V	V
	Effluents and waste	46-50	V	V
	Environmental compliance	46-48	V	-
Social	Employment	27-30	V	V
	Occupational health and safety	38-44	V	V
	Training and education	28, 32-34	V	-
	Local communities	56-57	V	V

DATA PREPARATION METHODOLOGY

The calculation, collection, and consolidation of economic, environmental, and social indicators presented in the Report were carried out in accordance with the GRI Standard reporting principles and requirements and on the basis of the current procedures in place for collecting and preparing management information in the Group.

Financial information is presented in US dollars. If amounts were in Russian roubles,

for conversion purposes the average US dollar exchange rate for 2018 adopted by the Central Bank of Russia was used.

Performance indicators, as well as data on sustainable development, are presented in units of the International System of Units (SI).

Sources of information related to personnel management, labour protection, industrial safety, and environmental protection are mandatory

state statistical forms. On an annual basis relevant departments report via these forms to local governments and the Group's management.

In order to ensure the comparability of data, the most significant indicators related to the Company's activities are presented for the previous three years.

ASSURANCE

The Group engaged EY to provide independent assurance of the Sustainability Report in order to ensure the quality, accuracy, and completeness of the reported data.

See Appendix 5. Independent Assurance Report on page 78.

CONTACT INFORMATION

The Group considers and carefully analyses feedback from stakeholders on the completeness, objectivity, and materiality of information disclosed in its sustainability reports, which helps improve our sustainability performance and non-financial reporting processes. We always welcome your suggestions about the

Report and our performance. Please send any questions and suggestions you have to:

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