

RELATIONS WITH LOCAL COMMUNITIES

APPROACH

EVRAZ has adopted a systematic approach to local community development. All ongoing programmes have long-term planning and aim at improving the quality of life in the communities where the Group operates.

Each year, the Company approves a Social Investment Programme, which sets out the Company's social investment priorities and budgets for the year ahead. As part of the planning process, EVRAZ seeks an active dialogue with local community representatives to identify the most relevant and important projects that comply with the Social Investment Guidelines and EVRAZ priorities. At the end of each year, the Group publicly reports on the implementation of that Social Investment Programme.

EVRAZ has the Social Investment Guidelines, Policy on Charitable Donation and Sponsorship Activity and other related documents that govern the relations with local communities. EVRAZ has two charity funds that operate in Siberia and the Urals that are managed by supervisory boards. When choosing social and environmental projects to support, the funds take into consideration EVRAZ Charity Policy and Social Investment Guidelines and define target areas for support, including funding orphanages and families in need, sponsoring educational, sports and cultural projects, subsidising medical centres and environmental programmes. All of the Company's social investments are aimed at strengthening and further developing EVRAZ business and community partnerships.

According to the Social Investment Guidelines EVRAZ does not support the following:

- Organisations and programmes designed to influence legislation or elect candidates to state or local public offices;
- Political, military, religious and national or local governmental organisations and projects.

US\$ 27 million

were spent on social programmes and infrastructure maintenance in 2018.

Key area of local communities support

KEY AREAS OF LOCAL COMMUNITIES SUPPORT

| | |
|---------------------------------|---|
| For kids | <ul style="list-style-type: none"> ▪ Sponsoring educational programmes for children and young people, providing scholarships ▪ Financing the purchase of necessary school supplies, sport equipment and developing the landscaping around schools ▪ Supporting children in orphanages ▪ Supporting families with children with special needs (children with health limitations and cerebral palsy) |
| For cities | <ul style="list-style-type: none"> ▪ Contributing to the local urban infrastructure improvement ▪ Sponsoring the construction and renovations of playgrounds and workout spaces ▪ Supporting infrastructure projects, including the construction of roads, streets and embankment areas ▪ Sponsoring medical, educational and cultural institutions at federal and local levels |
| For sports | <ul style="list-style-type: none"> ▪ Supporting amateur and professional sports teams ▪ Supporting individual athletes, by sponsoring equipment purchases, training programme and competitions ▪ Financing the purchase of necessary sport equipment and developing the sport landscaping around schools ▪ Supporting corporate sport as a very important part of the corporate social activities and corporate culture |
| Environmental protection | <ul style="list-style-type: none"> ▪ Ensuring better environment in the regions of presence (for more information see Environment chapter) |

KEY PROJECTS IN 2018

Federal level initiatives

EVRAZ actively supports social, sports, environmental and cultural programmes in the cities where it operates, including hosting our own events and joining nationwide and federal level initiatives.

At the federal level EVRAZ provided support for the Rogachev Centre for Paediatric Haematology and Immunology, which is aimed

to improve the treatment for acute myeloblastic leukemia in children. In cultural and educational sphere the Group supports the Documentary Film Centre in Moscow, the Garage Museum of Contemporary Art in Moscow, the Yeltsin Centre in Ekaterinburg and the Novokuznetsk Drama Theatre. In sport sphere EVRAZ supports the men's volleyball club "Dinamo" (Moscow), women's volleyball club "Uralochka-NTMK" (Nizhny Tagil), hockey club "Metallurg"

(Novokuznetsk) and sponsored the Grand Slam international judo competition in Ekaterinburg.

Special attention in 2018 was addressed to the Health and Safety awareness raising campaign. This campaign was organised not only for EVRAZ employees but also for residents of regions and cities of Group's presence. A special social advertising campaign with TV programmes and billboards was developed and successfully implemented.