

Case study



## 2018 HR MATURENESS ANALYSIS

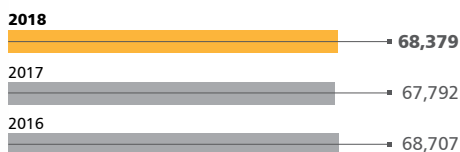
In 2018, the HR function of EVRAZ underwent an independent assessment of its maturity. Within this procedure, each HR process was assessed on the following criteria: reporting system, departments' functions, automation level, regulation of the current process, planning and evaluation models, organisational structure of the HR function, allocation of duties. The assessment covered strategic and managerial aspects as well as the processes delegated to the multifunctional HR-centre responsible for transactional processes of the Group.

According to the results, EVRAZ HR function was generally defined as mature, which corresponds to the industry standard practices. The most advanced HR processes are recruitment, selection and adaptation of staff as well as staff training, career development and planning. The least mature are the aspects of HR analytics, employee experience management and IT-systems in HR.

## PERSONNEL STRUCTURE

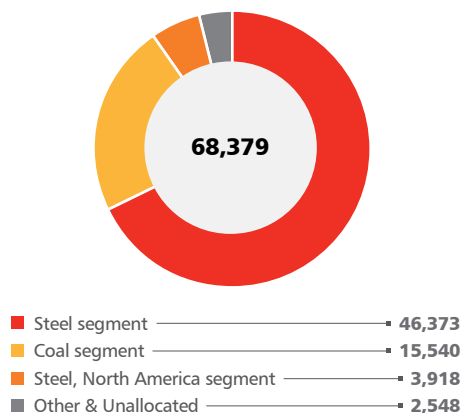
The number of EVRAZ employees in 2018 reached 68,379. Compared to 2017, the Group saw an almost 1% rise in headcount.

### NUMBER OF EMPLOYEES AS OF 31 DECEMBER IN 2016–2018, people<sup>1</sup>



<sup>1</sup> The data for 2016-2018 exclude EVRAZ DMZ and assets in Ukraine divested in 2018.

### NUMBER OF EMPLOYEES, 31 DECEMBER 2018, BROKEN DOWN BY SEGMENTS, people



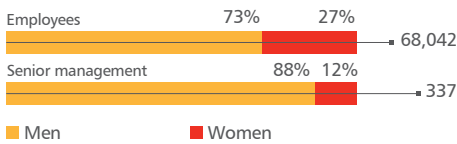
## Diversity

For EVRAZ, diversity is one of the most important factors in business development. Therefore, the Group ensures the equal protection of all employees' rights, irrespective of their race, nationality, gender, age, or sexual orientation. The EVRAZ Code of Conduct establishes a culture of non-discrimination, so that every employee has the opportunity to contribute to our results and to realise their abilities and potential. All employees and applicants are assessed according to their professional skills and qualities, experience, and abilities. Decisions made on grounds unrelated to an individual's job performance (for example a person's race, ethnic origin, sex, religion, political views, nationality, age, sexual orientation, citizenship status, marital status, or disability) are discriminatory.

and prohibited by law as well as the principles that prevail in the Group. Child labour, bonded labour, human trafficking and other forms of slavery (known as “modern slavery”) are strictly prohibited at all EVRAZ enterprises and among their suppliers. We are committed to acting ethically and, in so far as we can reasonably do so, to require that our suppliers run their businesses within the same ethical framework.

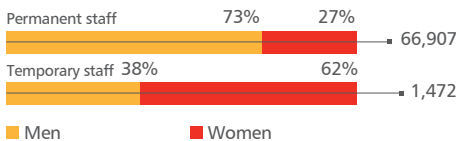
The ratio of men to women in the number of employees and senior management was unchanged compared to the previous year. The low percentage of women in the structure of employees is due to legislative restrictions related to women working in hazardous industries.

**DIVERSITY OF EMPLOYEES IN 2018 BY GENDER, BROKEN DOWN BY SENIOR MANAGEMENT<sup>1</sup> AND EMPLOYEES, %**

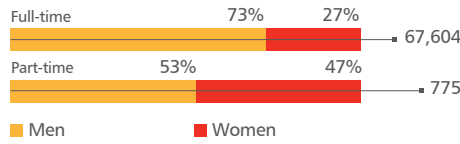


The ratio of men and women in the number of employees working on a permanent and temporary basis are as follows: the majority of permanent employees (73%) are men, while the majority of temporary employees are (62%) women – this is because while women are in parental leave their posts are occupied by other women working on temporary employment contract. Nevertheless, regardless of the type of vacancy, when one occurs temporary employees are prioritised for permanent positions that match their respective qualifications, education, and work experience.

**BREAKDOWN OF PERMANENT AND TEMPORARY STAFF BY GENDER, 2018, %**

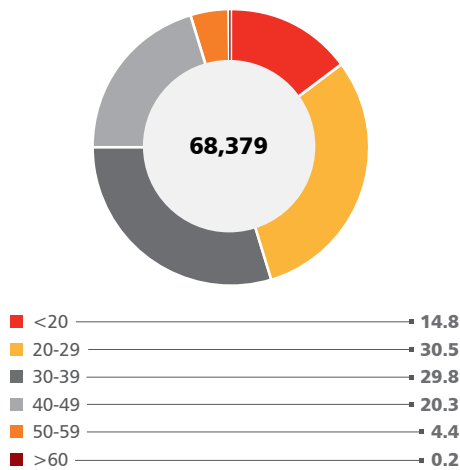


**BREAKDOWN OF FULL- AND PART-TIME EMPLOYEES BY GENDER, 2018, %**

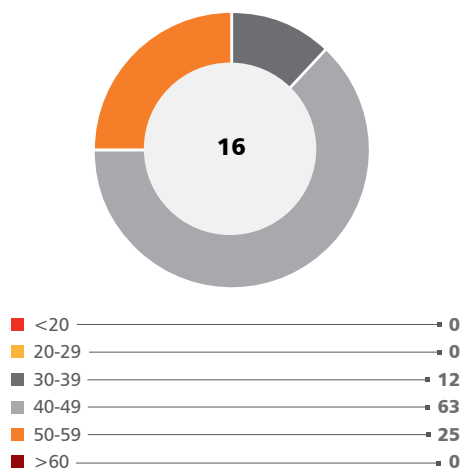


Compared to 2017, the ratio of employees by age group was unchanged.

**BREAKDOWN OF EMPLOYEES BY AGE, 31 DECEMBER 2018, %**



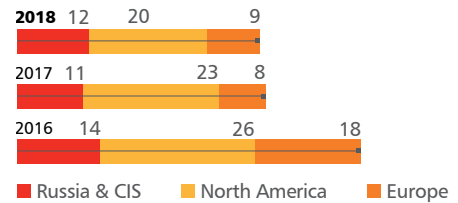
**BREAKDOWN OF TOP-MANAGEMENT BY AGE, 31 DECEMBER 2018, %<sup>2</sup>**



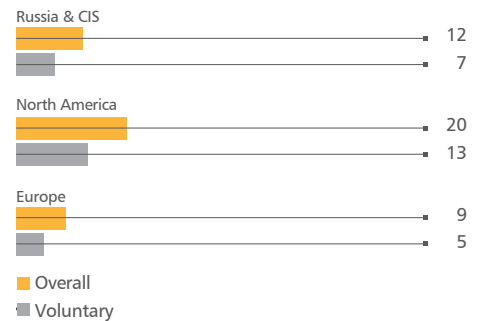
**Employee turnover**

In 2018, compared to 2017, the percentage of resignations was unchanged. However, the percentage of employees that voluntarily quit their jobs rose by 1%.

**OVERALL EMPLOYEE TURNOVER BROKEN DOWN BY REGIONS, 2016-2018, %**



**EMPLOYEE OVERALL AND VOLUNTARY TURNOVER BROKEN DOWN BY REGIONS, 2018, %**



<sup>1</sup> This group comprises CEO, Vice Presidents, directors of production division departments and the directors of all other functions.  
<sup>2</sup> This group comprises CEO and Vice Presidents.