

SOCIAL POLICY

EVRAZ develops, implements and maintains a social policy aimed at improving the level of working conditions and raising employees' living standards. The Group pays special attention to insurance, recreation issues, and working with trade unions.

Work with trade unions

In order to ensure effective cooperation, senior management meets with trade union representatives at all Group facilities at least once a week. In 2018 there were no conflicts or collective labour disputes at the Russian companies of the Group. One of EVRAZ social policy objectives is entering into long-term

collective agreements with trade unions. Until recently long-term contracts were not concluded, hence the Group and trade unions negotiated wages annually. However, in 2018, it was decided to sign a sectoral agreement on wage growth rates for the next three years. The new agreement covers guaranteed minimum wage growth, which is not dependent on performance results. These changes were made in EVRAZ KGOK, EVRAZ NTMK, and EVRAZ Vanady Tula. Thus the Group has ensured the social stability for employees in these regions for the immediate period. EVRAZ has plans to sign similar agreements in other companies.

In order to preserve social benefits and to protect employees, in cases of outsourcing a tripartite

agreement is signed between the Group, the outsourcer, and the main trade union. Under this agreement, if a service or the result of outsourcing affects EVRAZ employees, then trade unions become full participants in the tender procedures.

➡ For more information, see page 85 of the Annual Report.

Under collective agreements, unique benefits are granted to EVRAZ employees. The kindergartens at EVRAZ NTMK should be noted separately: the Group compensates for the additional education of children in kindergartens (provided as compensation to employees).

GOALS FOR 2019 AND MIDTERM PERIOD

- One of EVRAZ priorities in 2019 is to improve the health management system. First, the Group plans to set-up a so-called doctor maintenance facility, where doctors will treat members of senior management. The results of check-ups will be consolidated and recommendations made on future examinations and treatment. Second, EVRAZ plans to integrate all existing medical programmes into a single IT-based system, which will serve to improve employees' healthcare.
- In 2019 the Group plans to begin a two-year project to complete changes to the EVRAZ payment system.
- The Group plans to expand the Top-300 programme to include production facility managers and higher positions.
- EVRAZ plans to develop a production mentorship programme within the Group. This will begin with the implementation of new mentorship approaches at West-Siberian CHP, and then in all subdivisions of EVRAZ ZSMK, EVRAZ NTMK, and Rapsadskaya Coal Company.

