

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Direct economic value generated and distributed is a metric that indicates the wealth that we create through our operations and the subsequent allocation of our revenue by stakeholder group. Throughout our operational activity we create value for a wide variety of stakeholders, including shareholders, investors, employees, suppliers and contractors, government authorities, and local communities.

The difference between value created and distributed is the economic value retained by EVRAZ, which goes towards further developing our business. We are committed to increasing the value generated and distributed to our stakeholders, as well as to maintaining a high level of transparency and integrity when it comes to information disclosure.

We used information from the audited IFRS Financial Statements of the Group to prepare Table 1 in accordance with GRI recommendations for Disclosure 201-1. In 2018, the value generated by EVRAZ amounted to US\$12,878 million, the value distributed US\$11,708 million, and the value retained US\$1,170 million.

EVRAZ DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED¹, US\$ million

Item	Stakeholder	2018
Direct economic value generated		12,878
Revenue from sale of goods	Wide variety of stakeholders	12,525
Revenue from rendering of services		311
Revenue from financial investments		18
Other operating income		24
Economic value distributed		
Operating expenses	Suppliers and contractors	(7,770)
Wages and other payments to employees	Employees	(1,313)
Payments to providers of capital	Shareholders and investors	(1,915)
payments to shareholders		(1,556)
payments to creditors		(359)
Payments to government	Government authorities	(683)
including income tax expense		(683)
Community investments	Local communities	(27)
Economic value retained		1,170

¹The information from the audited IFRS Financial Statements of the Company were used to prepare the Disclosure 201-1 in accordance with the GRI recommendation. Data are presented on an accrual basis.

