Risk	Description	Risk management actions
Human rights risks	Risks related to violations of human rights	• Informing employees about the principles stipulated in the Group's Code of Conduct • Compliance with all applicable laws and regulations • Yearly disclosure of a Modern Slavery Transparency Statement • Inserting a framework clause in contracts that obliges Group suppliers to comply with the Group's Code of Business Conduct and which allows the Group to unilaterally terminate a contract if a supplier engages in modern slavery • Operation of whistleblowing lines
Quality	Risks related to product quality	• Regular monitoring of customer satisfaction levels • Meetings and feedback sessions with clients/EVRAZ management • Site visits to production assets • Production and quality improvement programmes

STAKEHOLDER ENGAGEMENT

EVRAZ places a strong emphasis on building honest and supportive relationships with our stakeholders on our path towards sustainable development. In all business processes we strive to accommodate the interests and concerns of stakeholders, be in compliance with Russian legislation, contractual obligations, and sector regulations, and uphold and respect human rights.

Our main stakeholders are persons or entities whose actions, interests, or safety may be affected by or have a potential impact on the Group's activities.

Various departments of the Group are engaged in the stakeholder engagement process, according to their function.

Communication channels and mechanisms

In order to be sure that our stakeholder engagement approach covers all stakeholder groups and at the same time facilitates two-way communication and feedback, we make use of various communication channels. Despite the fact that our channels of communications vary, we promote a policy of having a unified information field, and strive to express our vision and values to a broad range of stakeholders.

MAIN STAKEHOLDERS AND THEIR IMPORTANCE TO EVRAZ

Shareholders and investors
Shareholders and the investment community finance and determine the Group's overall direction of development

Employees
The attainment of EVRAZ goals is possible only if we have a high-skilled and motivated team

Customers
Client satisfaction and loyalty drive our performance in the long term

Industry organisations
To implement planned sectoral development initiatives we need to enlist the support of the industrial community

EVRAZ

Suppliers and contractors
The quality and timeliness of products and services directly influence the efficiency of our operations

Media
Proactive engagement with the media boosts the quality and transparency of information about the Group

Local communities
The health and well-being of local populations are vital to ensure the sustainable growth of EVRAZ

Government authorities
Maintaining an active dialogue with government authorities facilitates operational stability

TYPES OF COMMUNICATION CHANNELS

Internal channels

- Corporate TV
- Corporate newspaper
- Internal portal for employees
- EVRAZ Hotline
- Mobile app for employees
- Annual staff engagement surveys
- Interpersonal communication with employees
- Town Hall meetings and other Group-wide events

External channels

- The media
- Social media
- Official website
- EVRAZ Hotline
- Annual reports
- Face-to-face communication with external stakeholders

Case study

CUSTOMER FOCUS

During the reporting period EVRAZ was actively developing the customer focus project, which is aimed at identifying and promoting new ideas to further enhance client services. As part of the project we launched in 2018 quarterly meetings between clients and EVRAZ senior management and the CEO, with a view to boosting the level of trust towards the Group, and to give clients an opportunity to have direct dialogue with EVRAZ top management.

In the reporting year EVRAZ continued our work to improve existing communication channels, both for external and internal stakeholders.

To ensure open communication for all stakeholders, EVRAZ has set up a whistleblowing hotline *(8-800-555-88-88)*, as well as an e-mail address *(vopros@EVRAZ.com)* available on the official website of the Group *(http://rus.EVRAZ.com/contacts/hotline)*. Using these channels any stakeholder can leave a message or call to discuss an area of concern.

Information regarding concerns raised in 2018 is available in the section Ethics and business conduct, see pages 16-17.

Feedback collection

In order to ensure the continuous improvement of the Group's stakeholder engagement process, we also concentrate our efforts on collecting feedback from both internal and external stakeholders. We focus our attention on three main areas:

- An annual reputational survey of external stakeholders (reputational audit)
- Customer satisfaction surveys
- The We Are Together employee engagement survey

Reputational audit

In order to get an accurate understanding of EVRAZ image and to plan activities and events in the sphere of stakeholder engagement, EVRAZ commissions an annual evaluation (a reputational audit conducted by a third-party), which involves seeking feedback from our main external stakeholders. Government authorities (both federal and regional), reporters, clients, counterparties, and industry associations are asked to provide feedback on a number of aspects, which we deem important for our image.

An individual level of importance is attached to each criteria. We actively track the results of the evaluation, in order to be able to constantly improve our performance and to satisfy the needs

RESULTS OF THE REPUTATIONAL AUDIT BROKEN DOWN BY TYPE OF EVALUATOR, 2017–2018

Total
- 8.2
- 8.2

Business
- 6.9
- 7.4

Clients
- 8.2
- 8.6

Media
- 8.7
- 8

■ 2018
■ 2017
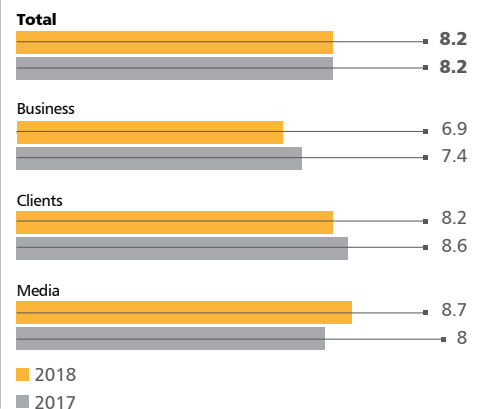
CRITERIA INCLUDED IN EXTERNAL EVALUATION

Business development success	Financial efficiency	Management efficiency
Quality of products and services	Informational transparency	HR capacity
Ethical business conduct	Attractive employer	Social responsibility

and expectations of our stakeholders. In addition, attaining positive evaluation results is a KPI for PR Department employees. Based on the results of the reputational audit, events and projects are planned, which must be approved by the Vice President and CEO of EVRAZ at a Management Committee meeting.

In 2018 the evaluation results demonstrated that EVRAZ corresponds to the level of 2017 year – 8.2 points.

Customer satisfaction survey
In order to maintain customer services at a high level, EVRAZ annually conducts a client satisfaction survey for the whole Group.

One of the largest metals trading companies in the Group, EVRAZ Metall Inprom (EMI), also conducted a 5th client satisfaction survey in 2018. Over 800 customers throughout Russia, with a combined share of 22% of EMI sales, took part in the survey, which was conducted by an independent agency through personal phone interviews. The overall result was a satisfaction level of 91% – a 7% increase on 2016. EMI did not conduct a survey in 2017, in order to concentrate on implementing and developing programmes to boost client satisfaction.

Employee engagement survey We Are Together
The Group also places special emphasis on the workplace environment, and with this in mind we conduct the annual staff engagement survey We Are Together. The survey is conducted by an independent agency anonymously, in order to obtain the most objective and honest results. One of the main survey goals is to identify development areas and plan initiatives and events accordingly for implementation in the following year. In 2018, over 43,000 (more than 60%) employees participated in the survey. In general, the survey results indicated that the engagement level is climbing and that we are moving in the right direction.

During the ongoing process of engaging with stakeholders we implement a variety of instruments aimed at meeting their expectations.

Case study

2018 CLIENT SATISFACTION SURVEY

Based on the results of the 2018 survey, EVRAZ scores highly in client satisfaction: 9.01 points out of 10 compared to 8.98 points in 2017. EVRAZ will continue to work actively to increase client satisfaction. Improving clients' personal webpages on the EVRAZ website and further developing the product range are key priorities in this area for 2019.

SUSTAINABILITY APPROACH
Employees
Health, safety and environment

Community relations
Supply chain
Appendices

STAKEHOLDER ENGAGEMENT MECHANISMS IN EVRAZ

Stakeholder groups	Expectations of stakeholders	Engagement instruments	Where to find out more about key projects/initiatives
Shareholders and investors	- Stable growth in economic indicators - An increase in EVRAZ value - The Group maintaining a good reputation	- Disclosure of relevant financial and non-financial information - Participation in Russian/international investment conferences - The regular hosting of Investor Days - Organising site visits - Day-to-day and ad-hoc engagement	*The section Corporate governance report in the Annual Report, p. 108*
Employees	- Equal treatment and a favourable workplace environment - Safe and healthy working conditions - A decent compensation package - Opportunities for professional development and career growth	- Development of safety culture - Educational programmes to develop the professional skills of our employees on a regular basis - Regular interaction with trade unions - An internal portal for employees - Annual staff engagement monitoring - Corporate newspapers - Hotline	*The sections Employees, p. 26-35; Health and Safety, p. 40-45*
Customers	- Fair and reasonable pricing - High-quality Group products - Uninterrupted deliveries	- Regular monitoring of customer satisfaction levels - Meetings and feedback sessions with clients/EVRAZ management - An electronic platform for clients - Site visits to production assets	*EVRAZ website, URL: http://www.evraz.com/clients/ (available only in Russian)*
Suppliers and contractors	- Fulfilment of contractual agreements - Transparent selection process - Maintaining an ethical approach to doing business	- Negotiating with potential suppliers - Electronic platform for suppliers - Educational programmes for contractors to ensure a high level of workplace safety	*The section Supply Chain, p. 64-68*
Government and regulatory authorities	- Adherence to regulations and making timely tax payments - Social and economic development of regions - Reducing harmful impacts on the environment	- Disclosure of information concerning the Group's social, economic, and environmental performance - Agreements on the socio-economic development of the regions - Regular meetings with representatives of the government and regulatory authorities at federal, regional, and local levels	*The section Communities, p. 54-63*
Local communities	- Jobs for the local population - Assistance in resolving social, environmental, and economic issues - Minimising negative impacts on the environment	- Implementing a variety of social, infrastructural, and environmental projects based on the needs of local communities - Organising social events for the populations of regions - Holding direct dialogues with local communities	*The sections Supply Chain, p. 64-68; Communities, p. 54-63*
Industry organisations	- Cooperation and support through joint initiatives - Proactive participation in conferences/forums	- Organising and participating in conferences as well as other industry events - Initiating and supporting a variety of social, economic, educational, and environmental projects	*The section Memberships of associations and institutions, p. 24*
Media	- Maintaining an open dialogue and active interactions - Timely and sufficient responses to requests from the media	- Hosting regular press conferences - Supporting and initiating mutual communication projects - Supporting regional TV channels/newspapers - Organising site visits	*EVRAZ website, URL: http://www.evraz.com/media/*