

# HEALTH, SAFETY AND ENVIRONMENT

## Governance and approach

EVRAZ is committed to enhancing occupational and industrial safety, and care for the environment across its operations. It is dedicated to continuously improving HSE management across the Group, which enables the establishment of technologically improved production processes, with a clear system and hierarchy of management and control.

At EVRAZ, health, safety and environment (HSE) are managed at all levels, from the adoption of strategy to issues of operational management. In 2010, the management formed a HSE Committee, which reports to the Board of Directors, to oversee strategy, policy, initiatives and activities in the area. In March 2011, EVRAZ established a new Health, Safety and Environment Policy.

At the executive level, HSE issues are handled by the Management Committee, and a vice-president of HSE has been appointed to coordinate all activities in the area. At individual enterprises, such issues are considered by the sites' HSE services, which report to the sites' management and the vice-president of HSE. Every plant manager is responsible for HSE compliance.

EVRAZ actively participates in the work of the Environmental Policy (EPCO); Technology Policy (TPCO) and Safety and Health (SHCO) Committees of the World Steel Association, as well as the HSE Committees of Russian Steel, a Russia-based non-commercial partnership, and the Russian Union of Industrialists and Entrepreneurs.

## HSE system

All EVRAZ key steel mills are certified with ISO 14001 and OHSAS 18001.

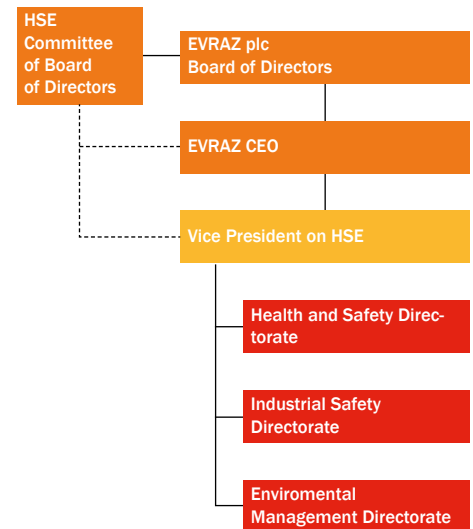
The main functions of the system are to determine the sources of environmental impact and risks to the health and safety of people at all stages of the production cycle, from the purchase of raw materials to the sale of finished products, planning, distribution of resources, and the collection, analysis and submission of information, reflecting emerging trends in indicators.

HSE management is a continuous cyclical process, which includes:

- forecasting and assessment of the main types of HSE risks;
- development and implementation of necessary measures;
- monitoring, review, and investigation of incidents;
- performance analysis, adjustment and establishment of new objectives for HSE strategy.

EVRAZ establishes, measures and assesses key HSE indicators, which are part of KPIs. Monitoring, prompt analysis and adjustment are some of the key elements in continuously improving the system.

## HSE corporate management structure



## HSE reporting system

EVRAZ has developed a HSE reporting system to improve the collection and sharing of appropriate data across the Group. To ensure constant monitoring, subsidiaries submit HSE performance information to the corporate HSE directorates monthly, quarterly and annually.

Internal audits are performed periodically to review compliance with the Group's procedural requirements. External control is exercised by respective government agencies. Any recommendations issued based on the results of inspections are subject to detailed analysis and the appropriate remedial actions are then made.

EVRAZ set of rules regarding accident reporting are universal and applied across the entire organisation. All accidents involving lost time and/or any fatality are recorded and a 'flash report' is immediately circulated among all relevant managers. Further investigations are conducted in standard 'lean' format and lessons learnt are then distributed to relevant parties. Every fatality or serious accident is then reviewed by the Management Committee, which also monitors the completion of all corrective actions.

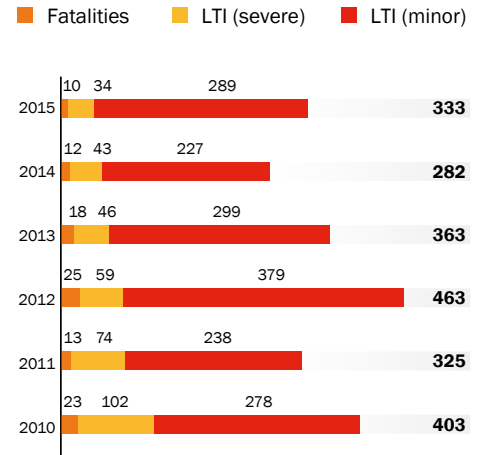
Each month, the HSE function issues a special report on incidents and accidents that occurred during the previous month. It includes related HSE key performance indicators like lost-time injury frequency rate, fatalities and violations of cardinal rules. The reports are made available to all EVRAZ employees.

## Health and Safety

**2015 results** | As for all steelmakers, EVRAZ products are made in an environment that may possess health hazards for some employees and contractors. Risks include excessive temperature (heat), high noise levels, high levels of particulate matter (dust), confined space and ergonomic stress.

The health and safety of employees is of paramount importance for the Group. The industry has inherent risks that need to be managed effectively to ensure a safe working environment. EVRAZ constantly strives to improve its performance by avoiding or mitigating these risks. It is committed to improving HSE performance through the implementation of enhanced production processes, as well as with new management and control systems. The Group strives to create a safe workplace at all enterprises and continues to develop relevant projects, provide employees with personal protective equipment and install cutting-edge safety equipment. EVRAZ also works hard to change employees' mentality and instil a 'safety-first' culture. Regular safety conversations are aimed at increasing safety awareness among miners with regard to themselves and their colleagues.

## Number of incidents<sup>1</sup>



<sup>1</sup>Without contractors

## LTIFR (excluding fatalities) per 1 million hours

