

EVRAZ BUSINESS MODEL

1 OUR VISION

EVRAZ is a leader in infrastructure steel products globally and in the Russian coking coal market.

2 STRATEGIC PRIORITIES

To be a leader EVRAZ is implementing the strategy based on five success factors each of which is of crucial importance.

3 MARKET OVERVIEW

Market demand and dynamics are the key inputs to our strategy and initiatives pipeline and have direct immediate impact on our financial results. To maintain leading market positions in domestic geographies as well as the global market place EVRAZ maintains a continuous effort to develop new products and increase the share of high-value-added products in our portfolio.

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EVRAZ has changed one of its success factors from growth to asset development, highlighting the shift from external business expansion to cost efficiency.

Health, Safety & Environment

Encouraging 100% safe working conditions and 100% environmental compliance

Human Capital

Appreciating the Group's people by providing professional development and career growth opportunities

Customer Focus

Responding to the evolving needs of our customers, providing tailored services and developing new products

Asset Development

Maintaining cost leadership, applying new technologies and optimising asset configurations

EVRAZ Business System

Continuous operational improvements and implementing a culture driving for change

See pages 14-17

SUPPORTING BUSINESS PROCESSES

6 | Environment

See pages 87-92

7 | Safety

See pages 84-86

8 | Health

See pages 84-86

9 | Human resources

See pages 95-101

EVRAZ's strategy is to be at the forefront of the industry with a world-class product portfolio and sustainable low-cost position.

BUSINESS SEGMENTS

Steel



Steel segment of EVRAZ is mainly focused on steel production in the CIS from closely located raw materials to serve the domestic infrastructure and construction market while maintaining export flexibility. EVRAZ steelmaking business is self-covered in iron ore by 85%. Processing vanadium slag from steelmaking operations also decreases production cost and is the base for the EVRAZ vanadium business.

- Iron ore mining
- Steelmaking
- Rolling
- Logistic & sales
- Customers

See pages 54-65

Steel North America



The North American steel segment business model serves premium markets of Western United States and Western Canada with high value-added steel products for infrastructure, rails and LD/OCTG pipes. Being vertically integrated in scrap and re-rolling slab from Russian steel operations also helps protect margins.

- Scrap recycling
- Steelmaking
- Rolling
- Customers

See pages 66-73

Coal



EVRAZ Coal segment not only supplies own steel mills with necessary raw material but also provides coking coal to major Russian coke and steel producers and serves export markets with its own sea port. Being the largest coking coal producer in Russia EVRAZ is able to capture additional margins due to an attractive product portfolio and a low-cost position.

- Coal mining
- Coal washing
- Logistic & sales
- Customers

See pages 74-79

COMPETITIVE ADVANTAGES



Our competitive advantages provide lasting, group-wide benefits which are critical to our ability to generate, sustain and capture value over the long-term.

1. Leader in infrastructure steel products

Premium portfolio of railway, construction and tubular products with firm footprint in Russian, North American and global markets

2. Strong position in coking coal market

Largest coking coal producer in Russia with attractive portfolio of hard and semi-hard coking coal grades

3. Vertically integrated low-cost operations

Sound base of steel and coal assets in the first quartile of the global cost curve

See pages 4-51

10 | EVRAZ BUSINESS SYSTEM and Quality management

See pages 50-51

11 | Corporate governance

See pages 103-149

12 | Risk management

See pages 115-117