

# Health and safety

## OUR APPROACH

As a vertically integrated company, EVRAZ' employees and contractors work in an environment that has inherent safety and health risks. Starting deep underground, the risks associated with extracting coal and iron ore include the possibility of a sudden rock collapse, flooding, exposure to rock and coal dust, mine de-gasification and the ventilation of methane, use of explosives as part of the extraction process. In steelmaking, the risks include but are not limited to large moving machinery, movement of material with large-capacity cranes, excessive heat, the manipulation of molten metal, confined spaces.

Providing a safe and healthy work environment to ensure all those working in the Group's facilities return home to their families and friends every day, alive and uninjured, is one of EVRAZ' main core values.

This begins with eliminating identified risks through investment in engineered solutions, which is a priority in the Group's continuing efforts, especially as related to identified corrective measures following previous incidents. When engineering controls are not immediately available, organisational controls are implemented. The group is consistently finding improved methods to train employees and contractors on identified risks, established safety and health regulations, and task-specific safe work practices. Once trained, an extensive testing process is used to verify knowledge retention. Finally, and as a last resort, new personal protective equipment is constantly being evaluated and issued when risks cannot be eliminated, but instead must be guarded against. The Group takes every effort to manage and

effectively mitigate the risks typical within its various divisions, including contractors.

The daily decisions that managers, employees and contractors make determine the level of safe or, in some cases, unsafe behaviour. The management is consistently being challenged to lead by example and hold employees to the highest level of accountability for their actions and non-actions related to HSE. The Group continuously strives to move the culture in a personal ownership direction by constantly challenging all employees and contractors through a focused communication programme on identified risks and behaviour observations. This is followed by immediate conversations to provide coaching and counselling and, as the culture improves, praise and reward for safe actions.

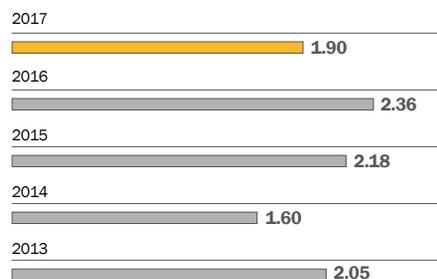
### Results in 2017

#### LTIFR

The lost time injury frequency rate (LTIFR) is a strategic KPI that is cascaded down throughout the organisation in individual management performance scorecards. The group saw a 19% year-on-year reduction from the 2016 LTIFR of 2.36 to an LTIFR of 1.90 in 2017. This was mainly due to a significant improvement in the LTIFR of the Coal division, which experienced a 22% year-on-year reduction in 2017. For more information about how EVRAZ ensures safe underground mining conditions, see page 86.

The Group has continued its efforts related to behaviour safety conversations, hands-on practical employee training, and standard operating procedures, which were contributing factors in this improvement.

#### LTIFR (excluding fatalities), per 1 million hours



#### FATALITIES

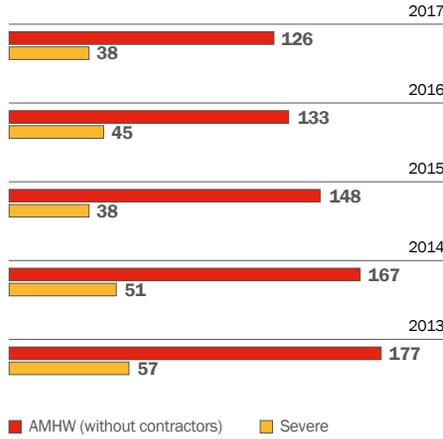


**Fatalities**

EVRAZ experienced six employee fatalities in 2017. The main critical risk categories identified were fall from height, electrical shock, and rock fall, as well as three involving employees who were struck by mobile equipment. The group has ongoing focused fatality prevention campaigns in each of these critical risks areas to eliminate future repeated root causes. In addition to the employee fatalities, there were four additional fatal incidents involving contractors. The four risk categories involved in the contractor fatalities included the common factors of fall from height and struck by mobile equipment, along with exposure to carbon monoxide and a fall due to a structural failure.

The HSE Committee reviews every fatality and severe injury to determine root causes and corrective actions. Identified risk factors are addressed via the HSE initiatives launched by

**➔ NUMBER OF SEVERE INJURIES (INCL. CONTRACTORS)**



the corporate block and operational divisions in 2018, including falling from height prevention, traffic management and safety routes, gas safety, contractor management, and electrical safety, among others.

**Treatment of occupational diseases**

EVRAZ is legally mandated to provide insurance against work-related accidents and occupational diseases that covers treatment for all occupational illnesses. Temporary disability benefits are provided to cover treatment costs for employees with occupational illnesses. Employees may also receive financial assistance from the Group, based on their medical condition and other circumstances. Employees who need prolonged medical treatment are also eligible to be compensated for moral harm, although these funds may not be used to arrange independent medical treatment.

**➔ TRAINING ON HEALTH AND SAFETY STANDARDS**

Each of the Group's business divisions has its own training centres where 100% of staff attend regular training. Every employee is tested annually on their knowledge of working instructions and HSE regulations, and engineering and technical specialists are certified by commissions on their knowledge of safety rules, annually on HSE, and on emergency response.

Additionally, both employees and contractors routinely test their practical skills using specialised simulators, as well as an electronic system that verifies their knowledge.

As a good practice, more than 800 employees in the Coal segment fill out a daily questionnaire before each shift that covers their knowledge of safe working methods for various operations associated with high levels of risk. In 2018, the division plans to implement 100% daily testing.

**Practical tests for electricians at EVRAZ ZSMK**



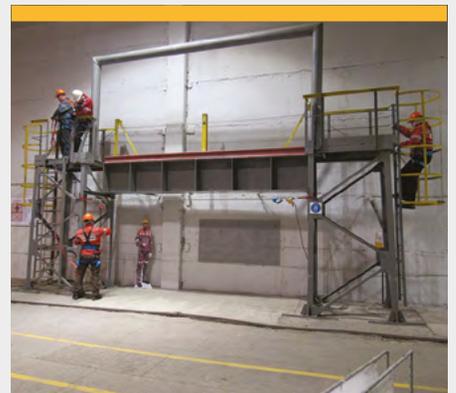
**1,124** workers were trained in the Siberia division

**The Coal division uses training courses and practical tests on simulators with real equipment**



**9,869** workers were trained in the Coal segment

**Safe working at height simulator**



**3,562** workers were trained in the Siberia division