

# Success factors and KPIs



## HEALTH, SAFETY AND ENVIRONMENT



### Strategic goal

One of EVRAZ' top priorities is protecting its employees' health and safety, as well as preserving the environment in its areas of operation. In 2017, the Group's strategic goal remains unchanged: achieving and maintaining a lost-time injury frequency rate (LTIFR) of below 1.0 by 2021. [See page 84.](#)

### Overview

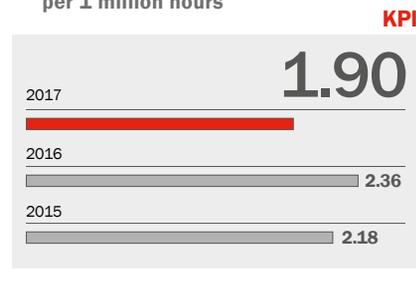
Implementing behaviour safety conversations and standard safe operating procedures are two major initiatives launched in 2017. During the year, the Group's employees conducted half a million safety conversations. We also made

extra efforts to improve the quality of our safety reporting. On the ecological front, we completed three environmental projects and launched four new initiatives last year, mainly in the Urals and Siberia. [See pages 89-92.](#)

### Outlook

In 2018, EVRAZ will begin to implement a contractor safety programme. We will also continue our ongoing efforts to improve the quality of safety conversations and standard safe operating procedures. Two major ecological issues that EVRAZ will proactively manage in 2018 are high sulphur content in iron ore and waste management.

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



Despite the Group's efforts, there were ten fatalities (six employees and four contractors) at its sites in 2017, while the LTIFR dipped to 1.90, compared with 2.36 in 2016.

## CSR review

EVRAZ is a socially responsible company, addressing and monitoring all aspects of corporate social responsibility (CSR) that are relevant to the business.



The CSR section of the annual report on pages 80-105 provides an overview of the Group's policies and performance in 2017 in key areas of CSR.



## HUMAN CAPITAL



### Strategic goal

Engaged, motivated, loyal and competent employees are the key pillar of EVRAZ' business. We strive to continuously improve productivity and establish world-class HR practices. [See page 96.](#)

### Overview

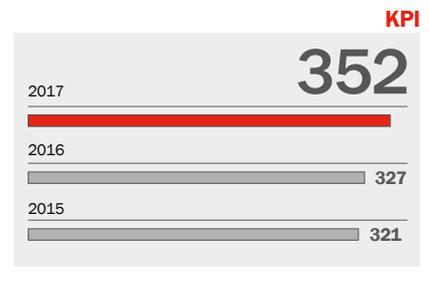
In 2017, the Group focused its human capital efforts on managing its employee engagement programme, developing the key competencies required for operations management, and centralising administrative functions in one shared service centre in Novokuznetsk,

Siberia. Due to ongoing labour productivity improvements and asset divestments, total headcount decreased by more than 7,000 employees last year. During the year, we were also able to improve engagement by an average of 17% at key production sites. [See page 98.](#)

### Outlook

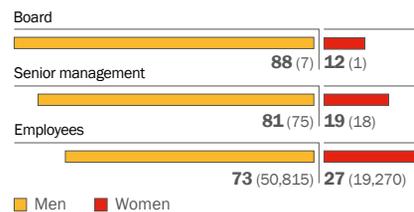
In 2018, the Group will continue its efforts to improve employee engagement, develop a new team framework for specific complex projects at its plants, and implement changes in the staff motivation system.

### LABOUR PRODUCTIVITY, STEEL, tonnes per person



The labour productivity per person for steel products grew by 7.6% to 352 tonnes per person in 2017, compared with 327 tonnes per person in 2016.

### DIVERSITY OF EMPLOYEES, SENIOR MANAGEMENT AND DIRECTORS, % (number of people)



EVRAZ sees diversity as a crucial business driver and strives to ensure that all employees' rights receive equal protection.

## Social and community matters

EVRAZ strives to adhere to international corporate social responsibility principles by making a meaningful contribution to local economies and supporting communities wherever it operates. Everywhere the Group operates, it seeks to build sustainable, positive partnerships with local governments and non-government organisations, as well as with business, media and other partners. [See pages 100–103.](#)

## Human rights

The Group's commitments are based on internationally recognised standards and respect for all human rights, including civil, political, economic, social and cultural rights. EVRAZ seeks to develop and maintain a work environment that is free from discrimination. Child labour, bonded labour, human trafficking and other forms of slavery (known as modern slavery) are strictly prohibited at all Group subsidiaries and by their suppliers. [See page 82.](#)

## Anti-corruption and anti-bribery

EVRAZ is fully committed to strict compliance with the Law of the Russian Federation no. 273 "On Preventing Corruption," the UK Bribery Act, the US Foreign Corrupt Practices Act and other relevant local legal equivalents. EVRAZ has implemented and further developed policies and procedures that define compliance managers' day-to-day efforts. [See pages 104–105.](#)