

Sustainalytics raises Severstal's ESG rating

Sustainalytics, a leading independent global provider of ESG and corporate governance research and ratings to investors, has increased Severstal's rating from 54 to 70 points (out of a possible 100) in 2018, placing the Company in 8th position out of 42 metallurgical companies from around the world. Sustainalytics also placed "Severstal" in the "Leader" category.

This is the latest in a series of ESG rating upgrades Severstal received throughout 2018 in recognition of continuous improvements to its ESG performance and disclosure.

Alexander Shevelev, CEO of Severstal, commented:

"Severstal stands by the principles of sustainable development. We have made significant efforts not only to conform to established legislative norms, but to set new industry standards and also to contribute meaningfully to the future of the communities of which we are a part. In 2019 we will significantly increase our investment in environmental projects, with a planned budget of more than 825 million rubles. Increasingly investors are including analysis of ESG issues in their company appraisals, and transparency is one of the areas they are particularly focused on. Last year, Severstal began disclosing additional ESG information with our operating results, and in October 2018 the Board of Directors approved the Company's long-term goals for labour protection, industrial safety and environmental protection. Our improved positions in a number of both international and Russian ESG ratings is a reflection of the Company's strong performance and continued progress in the area of ESG."

A number of agencies revised Severstal's Sustainability ratings upwards in 2018:

RobecoSAM DJSI, an international company with a focus on investing in sustainable development, awarded Severstal 36 points in its 2018 Annual Review, up from 15 points a year earlier.

World Wildlife Fund (WWF) of Russia and the UN Environment Programme (Russian Mission) both awarded Severstal with 7th place in their rankings, up from 16th and 17th places in 2017 respectively.

In the Corporate Transparency rating of Russia's largest companies, RCC raised Severstal from 22nd place in 2017 to 14th in 2018, and the Company rose from 106th to 101st place in Interfax-ERA's Environmental and Energy Efficiency rankings.

Institutional Shareholder Services (ISS), the world leader in providing investors with information about companies focused on investments in sustainable development, revised Severstal's rating in three criteria: "Ecology" (from 4 to 3 points, where 1 is the best), "Social" (from 5 to 4 points, where 1 is the best), "Corporate governance" (from 4 to 1 point, where 1 is the best). Independent ratings agency Oekom Research upgraded the Company's rating from D+ (2017) to C-.

Russian Agency AK&M also awarded Severstal 7th place in its "Social efficiency of the largest Russian companies (among metallurgical/mining companies)" rating.