

Disclosure form on Severstal tailings management system and risk management

The safe functioning of Severstal's hydro technical facilities is ensured by a multi-level control system.

The monitoring system operates on several levels:

- Internal monitoring, enforced by a dam exploitation service – daily;
- Inspection supervision, run by public supervisions bodies – twice a year;
- Geodesic control, run by Severstal's own specialists – once a year.

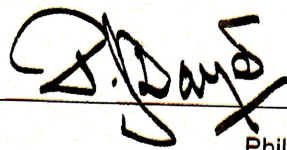
The monitoring covers all the hydro technical facilities, systems influencing their safety: stand-pipe, draining, hydro transportation and closed-loop water supply. The monitoring includes a system of visual and instrument examinations.

The technical condition of all hydro technical facilities is assessed as safe both by in-house specialists and externally. There are no settlements in the flood hazard areas of any of Severstal 's tailings facilities.

1. "Tailings Facility" Name/identifier	1. Karelsky Okatysh tailing dam hydro technical facility (Russian Register id GTS 202860000646700)
	2. Olcon tailing pond, iron ore processing waste storage (Russian Register id GTS 202470000052600)
	3. Vorkutaugol Pechorskaya tailing dam hydro technical facility (GTS 4.87.11.C.9.25.14.0061)
	4. a) Cherepovets Steel Mill sludge pond №1 at Sheksna river (GTS 2.08.19.0.00.02010.00) b) Cherepovets Steel Mill sludge pond №2 at Koshta river (Section 1: 2.08.19.0.00.02019.00; Section 2 2.08.19.0.00.04312.00)
2. Location	1. N 64°41'06", E 30°54'41" 2. N 68°06'09", E 33°09'32" 3. N 67°30'36", E 63°42'57" 4. a) N 59°14'00", E 37°91'00" b) N 59°08'47", E37°45'22"
3. Ownership	Owned and operated – for all (as of May 2019)
4. Status	Active – for all
5. Date of initial operation	1. Phase I – 1982, phase II – 1983, phase III – 1984 2. 1955 3. Phase I – 1993, phase II – 2009 4. a) Phase I – 1969, phase II – 1974, phase III – 1975 b) Section 1. Phase I – 1978, phase II – 1984, phase III – 1998. Section II - 2013
6. Is the Dam currently operated or closed as per currently approved design?	Yes – for all
7. Raising method	1. Downstream hillside, one section. The barrier dam is alluvial. 2. Downstream, two sections. The barrier dam is land formed. 3. Downstream beaming. The barrier dam is land formed.

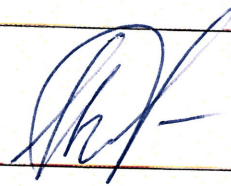
	4. Sludge ponds of a flatland type, upstream. The barrier dam is land formed.
8. Current Maximum Height	<ol style="list-style-type: none"> 1. 32 metres 2. 40 metres 3. 17 metres 4. a) 13 metres b) 9 metres
9. Current Tailings Storage Impoundment Volume	<ol style="list-style-type: none"> 1. 578 mln m3 2. 308 mln m3 3. 5 mln m3 4. a) 11 mln m3 b) Section 1 – 35 mln m3, section 2 – 8 mln m3
10. Planned Tailings Storage Impoundment Volume in 5 years time.	<ol style="list-style-type: none"> 1. No change 2. 405 mln m3 3. No change 4. No change
11. Most recent Independent Expert Review	<ol style="list-style-type: none"> 1. 2018 2. 2018 3. 2014 4. a) 2018 b) 2017
12. Do you have full and complete relevant engineering records including design, construction, operation, maintenance, and/or closure?	Yes – for all
13. What is your hazard categorisation of this facility, based on the consequence of failure?	<ol style="list-style-type: none"> 1. Hazard class II* 2. Hazard class II 3. Hazard class III 4. a) Hazard class II b) Hazard class III <p><i>*For classification see p.14</i></p>
14. What guideline do you follow for the classification system?	<p>Russian state categorisation of hydro technical facilities: I to IV hazard classes (as determined by the State Order on the Classification of Hydro Technical Facilities №986 adopted on 2 November 2013)</p> <p>Hazard class I – extremely high risk; Hazard class II – high risk; Hazard class III – middle risk; Hazard class IV – low risk.</p>

15. Has this facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an independent engineer (even if later certified as stable by the same or a different firm).	No – for all
16. Do you have internal/in house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?	Both – for all
17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions? If so, when did this assessment take place?	1. Yes, every five years. The most recent one – 2018 2. Yes, every four years. The most recent one – 2018 3. Yes, every five years. The most recent one – 2014 4. a) Yes, every five years. The most recent one – 2016 b) Yes, every four years. The most recent one – 2017
18. Is there a) a closure plan in place for this dam, and b) does it include long term monitoring?	No
19. Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change, e.g. over the next two years?	Yes - for all
20. Any other relevant information and supporting documentation.	Severstal annually prepares a report for state regulatory authorities on the condition of hydro technical facilities. It is based on in-situ observations, geodesic control, inspections and examinations, as well as external expert assessments.



Philip Dayer,

Independent Director, Chair of the Health, Safety and Environmental Committee



Alexander Shevelev,

CEO of AO Severstal Management

20 May 2019