

MANAGEMENT APPROACH

The Group's investments in procurement are now fully managed by the Procurement Directorate and Project Procurement Department. Documents that form the core of EVRAZ's procurement policy – the Supplier Code of Conduct and the Policy on the Basic Principles of Procurement Activities – are available on the corporate website via the [link](#).

In addition, EVRAZ adopted an updated version of the Uniform Regulations on the Procurement of Goods, Works and Services in 2021. The regulations now incorporate a section on procurement-related investments among other changes.

Adhering to our dedication to sustainability principles, we address HSE issues not only to the business units of the Group but also to current and potential partners. The documents which regulate supplier engagement were updated in 2021 and are continually amended in line with international best practices.

KEY DELIVERABLES

Recognising the importance of soft skills, EVRAZ also contributes to building a robust professional network and willingly shares its expertise through development programmes. EVRAZ offers various contractor training and retraining courses, including several apprenticeship programmes. The Group holds joint meetings and conducts regular training of contractors' employees on the topics of HSE. As part of those activities, supplier training sessions were held at 179 enterprises across Ural and Siberia regions in 2021, involving a total of around 4,020 people. The topics of such sessions included "Occupational Health and Safety Requirements When Working at Height", "Industrial Safety Requirements in the Metallurgical Industry", "Fire Safety", "Labour Protection", and others.

Furthermore, the Company held the "Supplier in the EVRAZ Marketplace online shop" training, engaging 14 of its counterparties that was designed

to enhance their unique experience with the marketplace and arranged specifically for EVRAZ's industrial counterparties.

Furthermore, EVRAZ actively improves the efficiency of the procurement staff by providing training on applications software such as SAP, SRM, MDG, and Excel, as well as by conducting an ongoing training for managers as part of the Top-100 programme. A shared knowledge library with videos on Excel, MDG, SAP applications has been created, and regular webinars on updates are held.

EVRAZ undertakes to support local communities to bolster the socio-economic development of the regions where the Group operates. The Group also successfully carries out various measures to involve more local suppliers in the production processes. In 2021, EVRAZ established a local contractor development programme with a guaranteed scope

of work over the medium- to long-term horizon of one to three years. The action proved to be successful and resulted in the increase of the share of local suppliers in the total volume of suppliers.

In 2021, EVRAZ continued its work on the supply chain transformation. The Group implemented automatic generation of orders under long-term contracts, created a unified and standardised procurement processes for all divisions, and transferred repetitive operations to the back office. Performance benchmarking for the back office was established.

The Group was also involved in upgrading the functionality of its online platforms and expanding related offerings. This included extending the list of categories of materials and equipment available for purchase from its online marketplace, which have now reached 17, compared to the 12 categories of last year.