

CUSTOMER INTERACTION

EVRAZ makes all the efforts to improve interaction with its customers. EVRAZ has a special customer focus programme which involves various initiatives designed to improve interaction with customers in the long run. The initiatives are regularly discussed with the vice president for Sales and Logistics, and customers. Since 2020, EVRAZ has also been operating an online

store launched as an additional e-commerce sales channel. In the reporting period, the Group worked hard to develop this focus area and achieved successful results.

As part of the strategic objective of EVRAZ to remain the leading manufacturer of infrastructural steel, it endeavored to further enhance customer

service and develop new products in 2021. The Group was absorbed in execution of development projects aimed at diversifying its product portfolio. The customer focus programme generated an EBITDA effect of US\$255 million in 2021.


KEY INITIATIVES AND RESULTS 2021

In the reporting year, EVRAZ fulfilled several initiatives to improve customer interaction:

- To develop beams market demand:
 - Continued to serve customers at a metal service center launched in Noginsk, including small metal fabrication facilities that do not have their own automated CNC line and large plants that require increase in production without investing in the purchase of expensive equipment.
 - Sustained full capacity at a hub launched in Nizhny Tagil to increase the availability of beams.
- Extended long-term agreements with the customers in Russia and Europe.
- To improve our client-oriented services:
 - Launched EVRAZ Webshop: an e-commerce platform for all types of customers. Reached 142% for online sales goals.
 - Transformed EVRAZ Market to boost sales in the small wholesale market and provide better support for all types of customers, developing digital services and tools.
 - Launched a claims handling unit, presented standardised processes for dealing with client requests.
- To boost our personal relations with customers we have initiated some events:
 - Organised online conference for end consumers of metal products.
 - Arranged the Fourth Rail Conference on the topic "Promising areas of development of the rail industry. Production and operation technologies" involving representatives of Russian Railways, EVRAZ ZSMK, EVRAZ NTMK and research institutions.

FEEDBACK COLLECTION

To continuously improve customer services and enhance the efficacy of stakeholder engagement mechanisms, the Group collects feedback from internal and external stakeholders on a regular basis. This approach helps understand and fulfil the needs and expectations of the Group's stakeholders. Feedback is collected and arranged into three focus groups: an annual reputational survey of external stakeholders (reputational audit); customer satisfaction surveys; employee engagement surveys. Based on the results of the feedback, EVRAZ organises appropriate events and projects.

For more information, see Our People section,  p. 58.

Reputational audit

To ensure continuous high performance, the Group should undergo an external audit. For that reason, a third-party audit is arranged. In the course of the audit, key stakeholders such as state authorities, customers, industry associations and others provide detailed feedback concerning Group's activities. The initiative helps the Group understand its position in the marketplace, adequately determine the areas of improvement and update the corrective actions.

Client satisfaction survey

To collect important information about client satisfaction, EVRAZ conducts annual external assessment. This assists in identifying critical areas for improvement, preparing corrective actions, and improving customer services. Pursuant to those surveys, the Group receives information on key factors, which constitute client satisfaction and loyalty. The Company investigates various questions using different research methods. In the reporting period, EVRAZ launched a specialised project on transactional evaluation of satisfaction. Owing to this, the Company receives up-to-date information about the customer satisfaction level following each purchase.



EXTERNAL EVALUATION CRITERIA



Business development success



Financial efficiency



Management efficiency



Quality of products and services



Information transparency



HR Capacity



Ethical business conduct



Attractive employer



Social responsibility

Approach to feedback collection covers three areas:

- An annual reputational survey of external stakeholders (reputational audit).
- Customer satisfaction surveys.
- Employee engagement surveys.

Client satisfaction surveys provide the Group with important information on client satisfaction, which can then be used to improve customer services, and reveal the key factors that influence client satisfaction and loyalty. The survey includes various research methods that are aimed at obtaining an extensive

understanding of various issues. During the research, experts analyse client service mechanisms and conduct in-depth interviews with clients.

Pursuant to the customer surveys carried out in 2021, a positive trend in customer satisfaction level was observed (as well as 2020).



CASE STUDY

CUSTOMER SATISFACTION: RUSSIAN RAILWAYS WORKING WITH EVRAZ

The interviewed employees of Russian Railways confirmed that the company is highly satisfied with work of EVRAZ: “Unlike its competitors, EVRAZ is by far the best in customer orientation”. Russian Railways acknowledged key strengths concerning the organizational level at EVRAZ (with the average score for all categories 9.5 out of 10):

- Excellent labeling of products, which complies with the Russian National Standard
- Stable and constantly developing assortment
- All products have necessary certificates
- High-quality packaging
- Payment terms are more flexible than those of competitors

The only area noted by Russian Railways as a key development area was digital marking of rails.

