

Stakeholder engagement

As a part of our business strategy we strive to create value for our stakeholders and we make great efforts to understand their needs and expectations. We encourage open dialogue with stakeholders and strive to maintain close and trusting relationships with all of them. To ensure a bespoke and appropriate approach for each of our stakeholders we identify groups of stakeholders and determine their needs and expectations.

GRI 102-40, 102-44

Stakeholders and value that we create



Shareholders and investors

EVRAZ strives to act in shareholders' best interest by building an experienced management team and implementing corporate governance best practices.



Employees

EVRAZ is among the most sought-after employers in its regions of operation partly due to its staff development programmes and best-in-class working conditions.



Customers

EVRAZ generates value for its global clientele by prioritising value-added products, offering better shipping terms and running a client oriented business model.



Local communities

EVRAZ believes that conducting its business in a sustainable manner helps to promote regional prosperity where it operates and strives to create healthier, happier local communities by sponsoring social and economic development programmes.



For detailed information on the value that we create read <https://www.evraz.com/en/company/strategy/#steel>



Government and regulatory authorities

EVRAZ is one of Russia's largest taxpayers and employers, and plays a valuable role for the state by providing construction and railway products for the development of infrastructure.



Suppliers and contractors

EVRAZ honours its position as a vital purchaser of auxiliary materials by fostering the advancement of its customers' industries and running fair, transparent tenders.



Media

EVRAZ proactive engagement with the media boosts the quality and transparency of information about the Group.



Industry organisations

EVRAZ cooperates and supports various industry organisations through joint initiatives and proactively participates in conferences and forums.

COMMUNICATION CHANNELS AND MECHANISMS

During the process of elaborating communication approaches for different groups of stakeholders we try to ensure that we cover all stakeholders, initiate a two-way dialogue, and give stakeholders an opportunity to provide feedback.

We are constantly improving our channels of communication so that they are easier to use and more effective. Despite having a number of different channels, we promote the idea of having a unified information field, and strive to demonstrate our vision and values to a broad range of stakeholders.

We believe that open communication and information transparency are a fundamental aspect of having a constructive dialogue with our stakeholders, therefore, we strive to use the best and most convenient means of communication in place. For example, the Group actively participates in developing local communities and cooperates with local authorities and other industrial enterprises to improve the ecological situation in our regions of operation, through both combined and individual efforts.

In 2019, EVRAZ continued work to enhance existing communication channels, both for external and internal stakeholders. We focused on digital channels of communication and actively increased our presence in social media. Also, we worked on internal communication channels and launched the new corporate newspaper EVRAZ News – COAL, which is published weekly at our coal segment enterprises.

To ensure open communication for all stakeholders, EVRAZ has set up a whistleblowing hotline (8-800-555-88-88), as well as an e-mail address (vopros@EVRAZ.com), which is available on the Group’s official website (<https://www.evraz.com/en/hotline/>). Using these channels, any stakeholder can leave a message or make a call to discuss an area of concern.

GRI 102-43

Types of communication channels



INTERNAL CHANNELS

- Corporate TV
- Corporate newspaper
- Internal portal for employees
- The EVRAZ Hotline
- Mobile app for employees
- Annual staff engagement surveys
- Interpersonal communication with employees
- Town hall meetings/other Group-wide events



EXTERNAL CHANNELS

- The media
- Social media
- Our official website
- The EVRAZ Hotline
- Annual reports
- Face-to-face communication with external stakeholders

Personal meetings with local authorities

EVRAZ ZSMK, under the guidance of the Novokuznetsk Government, participates in a project to improve the ecological situation in the city, and has implemented an initiative to upgrade equipment. In November 2019, EVRAZ ZSMK invited Social Ecological Council of Novokuznetsk representatives to demonstrate the progress made in upgrading electric filters at the EVRAZ ZSMK cogeneration plant.

Cooperation with industrial enterprises and municipal administrations

EVRAZ ZSMK cooperates with industrial enterprises located in Novokuznetsk, with a view to improving the ecological situation in the city. Regional industrial enterprises have committed to observing the requirements of Clear Air federal project. The aim of this project is to reduce emissions into the atmosphere by 22% by 2024 in comparison with the 2017 level.

The largest industrial enterprises in Novokuznetsk, including steel companies and power plants and the municipal administration of the city, met to discuss measures to effectively achieve the above goal.

Development of digital project

In 2019, EVRAZ launched an updated version of the corporate portal, which features new services and functionality for users as well as a new design. In 2019, 120,000 page views were registered on the new portal, from 9,000 unique users.

The EVRAZ social networking community is now active on Facebook, Instagram, Vkontakte, Odnoklassniki, and YouTube. It gained over 15,000 subscribers in only one year, and 1,054 posts were made, which received more than 65,000 positive reactions from users. EVRAZ TV launched on 1 December 2019. It is streamed directly on the Group’s corporate web portal and is available via 70 broadcasting points across five cities. It has broadcast a total of 351 hours of coverage.



Information regarding concerns raised in 2019 is available in the section Ethics and business conduct, read page 22.

FEEDBACK COLLECTION

To continually improve our client services and boost the effectiveness of stakeholder engagement mechanisms, we collect feedback from internal and external stakeholders. Our approach to feedback collection is divided into three areas:

- An annual reputational survey of external stakeholders (reputational audit)
- Customer satisfaction surveys
- The We are Together employee engagement survey

Reputational audit

EVRAZ is subject to an annual reputational audit, which is conducted by a third-party and collates detailed feedback on various aspects of the Group's operations from main external stakeholders, including state authorities, clients, counterparties, and industry associations. The Group conducts annual evaluations in order to understand our image and to identify areas in need of improvement.

A level of importance has been determined for each criterion.

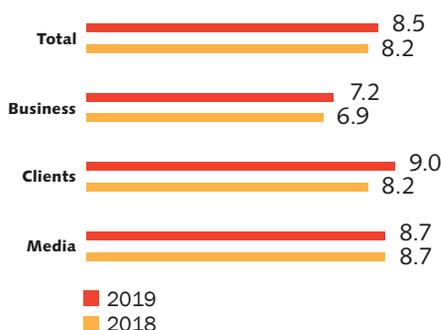
We use the evaluation results to enhance stakeholder engagement and to fulfil the needs and expectations of our stakeholders. Events and upcoming projects are planned taking into account the evaluation results. Such plans must be approved by the vice presidents and CEO of EVRAZ.

In 2019, our results of reputational audit were improved. Our total score reached the level of 8.5 for the first time. Clients contributed to this result the most, the score from clients (9.0) demonstrates significant growth of clients' satisfaction from cooperation with EVRAZ.

External evaluation criteria

Business development success	Financial efficiency	Management efficiency
Quality of products and services	Informational transparency	HR capacity
Ethical business conduct	Attractive employer	Social responsibility

Results of the reputational audit broken down by type of evaluator, 2018–2019



Client satisfaction survey

Each year EVRAZ conducts a client satisfaction survey in order to gauge client satisfaction levels with client services, ascertain the development dynamics of client services, and determine the key factors influencing client satisfaction levels. The survey is conducted with the aim of enhancing the quality of client services and to meet their various expectations.

The survey uses a number of research methods in order to obtain a deep understanding of various issues. During the research, experts analyse client service mechanisms and conduct qualitative and quantitative interviews with clients.

EVRAZ has recorded a high level of client satisfaction for three years, including 2019 – client services have received a score of 9 out of 10.

We are Together employee engagement survey

EVRAZ endeavours to provide high-quality working conditions and to create a comfortable working atmosphere. To assess employee satisfaction levels, the Group conducts the annual staff engagement survey We are Together. The survey is anonymous, so that the most objective and honest data can be obtained.

The survey helps the Group ascertain which areas are in need of development and which projects can be implemented.

In 2019, almost 53,000 employees (80% of the invited to complete the survey) participated in it. In general, the survey results indicated that the engagement level is climbing, and that the employee satisfaction level is rising



For more information, read page 34 of the Developing our employees section.

During the ongoing process of engaging with stakeholders we implement a variety of instruments aimed at meeting their expectations. We choose effective instruments in compliance with stakeholders' interests.



For more information about engagement instruments we use read Stakeholder engagement section of 2019 Annual report.