

CUSTOMER SERVICE

Metinvest aspires to build long-term customer relations and deliver excellent customer service worldwide. Our efforts are focused on developing a diverse high-quality product portfolio and minimising delivery times. To meet the needs of our customers, we regularly communicate with them regarding satisfaction levels. We are able to address emerging issues thanks to our effective monitoring of product-related concerns. Moreover, we organise site visits and public events and participate in exhibitions to foster open dialogue with our customers.

GRI 103-2; 103-3

Interactions with current and potential customers fall under the functional responsibilities of Metinvest's Sales Directorate, which oversees the customer relationship management (CRM) system. We evaluate the effectiveness of our CRM approach every year using a set of KPIs; these include sales volumes, order processing times and customer satisfaction. It ensures that CRM is being used properly for sales process management, account management, contract management and sales quote management. We use the assessment results to draw up short and medium-term action plans.

CRM at Metinvest is regulated by a number of policies and documents, which include the Regulations on Pricing, Key Account Operational Procedure, Methodology for Unified Customer Segmentation, Regulations on Lead

Generation, Operational Procedure for the Sales Process and Meeting Tools and Account Management Regulations.

During the reporting period, we started to deploy the SAP CRM platform with two modules: cloud for customer (C4C) and configure price quote (CPQ). The C4C module is expected to aid in the sales process, bringing us closer to the buying process of our customers and facilitating decision-making due to more transparent transactions. The CPQ module is responsible for product configuration through order transfer. It is a single configurable production catalogue that manages prices and discount levels, generates and sends offers to customers, and prepares contracts within a unified system. Among other deployment outcomes, we anticipate increased profit margins for strategic product groups and improved performance efficiency

among sales personnel. By analysing lost opportunities, we define areas for improvement to meet customer needs.

The deployment of the SAP CRM platform began in December 2019, when Metinvest launched the first stage at its Swiss trader, which the Group uses to market its products to European countries, the Middle East, North and Sub-Saharan Africa, Southeast Asia, and North and Latin America. So far, the system has proved to provide transparency for all parties as the whole process of every agreement and contract is closely monitored. In 2020, Metinvest plans to continue developing the CRM, including the implementation of the planning function, adding products to the configuration and other user feedback-based improvements. It also plans to begin extending the modules in Ukraine, Belarus and Western Europe to include other trading companies.

WE ARE METINVEST

CUSTOMER SERVICE CONTINUED

Metinvest is also looking into improving customers' personal data security in line with the General Data Protection Regulation (GDPR), for which it plans to deploy a full automation solution in 2020.

Metinvest offers technical support to its customers during technical visits by our personnel to customers' sites, as well as organised customer visits to Metinvest production sites. We see technical support as an opportunity to gather information that can inform later decisions on technology upgrades, product quality improvement and forecasting customer demand. In 2019, we made 36 technical visits to customers and arranged 21 customer visits to our production sites, which allowed us to undertake several important measures to improve production processes.

Metinvest is constantly looking for new ways to meet the ever-evolving needs of customers. Thus, in 2019, Metinvest-SMC⁶ created a Project Sales Department that allows it to move beyond supplying steel in favour of comprehensive solutions. Likewise, Metinvest-SMC and the Ukrainian Steel Construction Centre (USCC) launched a service for project-based sales. Developers and buyers of construction services can now purchase not just rolled steel, but an entire package solution, consisting of a pre-project study, a cost and technical comparison of steel construction with other alternatives, metal delivery and installation of steel structures on a turn-key basis. To date, several successful case studies have already shown how comprehensive work with customers at early stages made it possible to demonstrate that metal structures were better suited to their project than reinforced concrete.

⁶ Metinvest-SMC is the largest network of steel service centres that sell products of Metinvest and other major steelmakers in Ukraine and the CIS.



KEY ACCOUNT MANAGEMENT PROGRAMME

In 2019, we enhanced our Key Account Management programme by introducing the following measures:

- We created a new algorithm for selecting key customers and established new rules for working with them;
- We introduced a new client-oriented approach to our relations with key customers throughout the Group; and
- We launched sales coaching to assist key account managers in achieving their business goals in relation to major customers.

A total of 39 cross-functional teams and more than 100 employees participated in the programme. Thanks to their well-coordinated and constant efforts, we carried out over 300 initiatives during the reporting period, the most significant of which were related to long-term contract management, a customised product manufacturing approach and the optimisation of railway shipment schemes in terms of delivery time, pace improvement and cost efficiency.

“THE KEY ACCOUNT MANAGEMENT PROGRAMME ENABLES METINVEST TO DEVELOP ITS RELATIONS WITH KEY CUSTOMERS AND GENERATE LONG-TERM ECONOMIC AND SERVICE BENEFITS FOR BOTH PARTIES.”

Dmytro Nikolayenko, Sales Director