



Environmental strategy

An active approach towards environmental protection is a core element of the EVRAZ corporate strategy. We work diligently to develop sustainable business practices and to implement environmental principles into each stage of the value chain, and use all available tools to deliver our environmental strategy.

In 2017, the HSE Committee adopted the five-year environmental targets in three areas, which have major environmental impacts in mining and steel casting processes: water, waste, and GHG emissions.

Previously, EVRAZ set the target of reducing water consumption to 10% from the 2016 baseline – this goal was achieved ahead of schedule. In 2019, the Group revised the metric and set a new absolute target value for 2022: 207 million m³ of water consumed per year.

As at the end of 2019, EVRAZ had made substantial progress on the water consumption target, which was down 9.3% on the 2018 level. Overall 105.2% of non-mining waste was recycled, which was less than the 2018 rate (111.3%), due to a reduction in accumulated waste volumes. Through consistently implementing energy efficient measures, we lowered the greenhouse gas intensity per tonne of crude steel cast by 2.0%, thereby successfully achieving our long-term goal.

Key tools of the EVRAZ environmental strategy

Environmental projects

Projects aimed at enhancing environmental performance

Operational support to ensure compliance

- Environmental risk assessment
- Waste management
- Air pollution and wastewater discharge control
- Environmental equipment maintenance
- Operational improvements
- Industrial environmental monitoring
- Legal environmental compliance assurance
- Environmental licences and permits support

EVRAZ five-year environmental targets

Area	Five-year target (2018–2022)	2019 results
Fresh water consumption reduction	reach 207 million m ³ of water consumption	205.32 million m ³
Recycling of non-mining waste and by-products	95% per year	105.2% per year
Not exceeding the greenhouse gas (GHG) intensity ratio	maintain an intensity ratio of less than two tonnes of carbon dioxide equivalent (tCO ₂ e) per tonne of crude steel cast	1.97 tCO ₂ e per tonne of crude steel cast

DEVELOPING LARGE-SCALE ENVIRONMENTAL PROJECTS

We are constantly enhancing our practices and implement projects aimed at reducing impacts from our operations, in addition to upgrading our production sites. Environmental considerations are always taken into account during the entire lifecycle of an asset: design, construction, operation, and decommissioning. To improve environmental performance, the Group makes relevant investments, which amounted to US\$28.8 million in 2019 (compared to US\$29.8 million in 2018).

Major environmental projects requiring significant Capex are reviewed by the Investment Committee. Based on an established procedure, projects go through four stages:

- Initiation: preparing a project concept
- Options: examining different project implementation options vis-à-vis costs/ expected effects
- Define: design and engineering activities
- Execute: implementation, after funding has been determined and approved

Project implementation is monitored regularly in order to assess a project’s current business metrics and to make adjustments where necessary. After the execution phase,

a post-project review is conducted to evaluate overall project efficiency.

The Board of Directors reviews the approved list of projects and discusses environmental issues that are of strategic importance. HSE managers have been assigned an environmental performance indicator (absence of fines) in order to enhance their involvement. Project managers also have specific environmental performance indicators to attain, depending on the potential effects of a project.

In order to curtail adverse impacts from EVRAZ operations, we endeavour to implement best available technologies (BAT). The results of an external audit, held at EVRAZ NTMK in 2019, demonstrated that we are on the right track in this regard.

Contributing to SDG 12: Responsible consumption and production

Project: Implementation of best available technologies at EVRAZ NTMK

Stakeholders: local communities

As part of the Ecology national project, each year the Public Council under the Ministry of Natural Resources of the Russian Federation conducts public audits of the implementation of best available technologies at the largest Russian industrial enterprises. The aim is to assess compliance between current technologies to curtail emissions and the solutions set out in BAT technical references.

EVRAZ NTMK was the second enterprise in Russia to undergo an audit. According to the report (publicly available, see: <http://www.mnr.gov.ru/>), the council praised the level of technological equipment on site: 102 BAT environmental elements out of a possible 145 are fully used, and 30 are partially applied.



- Value for stakeholders: clean environment.**
- Value for EVRAZ: public trust, enhanced reputation, greater operational efficiency.**

TRAININGS

As part of ongoing efforts to raise awareness of environmental issues among EVRAZ personnel, we consider various training options, and make significant efforts to ensure continuous staff development. In 2019, EVRAZ held:

- The Annual environmental session for the sites’ Environmental team-leaders. The event was organised in close cooperation with the scientific and research institute “Atmosfera” in St Petersburg. Air emissions were the main topic of discussion
- Environmental training at the EVRAZ corporate learning centre for employees, on various environmental management issues

We pay attention to not only raising awareness of environmental issues among our employees, but also among our contractors. Prior to entering production sites, all contractors must pass induction trainings on HSE practices and procedures.

