

Trainings

As part of ongoing efforts to raise awareness of environmental issues among EVRAZ management, environmental specialists, and onsite workers, we regularly conduct various training courses and seminars. These include annual sessions for the HQ Environmental team (which consists of all environmental project leaders), where we hold internal workshops and participate in external events, mainly conferences. Plant workers are given the opportunity to do environmental courses at the EVRAZ corporate learning centre.

TRAINING FOCUS AREAS IN 2018

ANNUAL ENVIRONMENTAL SESSION

- Responding to environmental requirements becoming more stringent
- Five-year environmental targets
- Status of environmental programmes
- Switching to the best available technologies

EMPLOYEE ENVIRONMENTAL TRAININGS

- Waste management
- Regulatory changes

ENVIRONMENTAL STRATEGY

EVRAZ addresses environmental issues at a strategic level, hence our environment-related goals constitute a crucial part of the Group's objectives. Our main focus areas are water management, waste management, and air emissions, since these are most exposed to negative impacts from metallurgical production. In 2017 the HSE Committee adopted three major five-year environmental targets in relation to these topics, as well as a number of programmes aimed at improving overall environmental performance.

By the end of 2018 the Group had made visible progress in terms of the water consumption target – fresh water consumption was down by 29.1%. The overall share of 111.3% of non-mining waste was recycled, compared to 104.7% in the previous year. We succeeded in lowering the greenhouse gas intensity ratio by 1%, and are making steady progress towards achieving our five-year goal.

Environmental programmes

Key environmental programmes being implemented at EVRAZ companies include:

- The Clear Air national ecological project at EVRAZ ZSMK
- The Clear Air national ecological project at EVRAZ NTMK
- Off gas systems update at EVRAZ Vanady Tula
- Water protection programme at EVRAZ ZSMK and Raspadskaya Coal Company
- Coking plant biochemical unit upgrade at EVRAZ NTMK

EVRAZ FIVE-YEAR ENVIRONMENTAL TARGETS

Area	Five-year target (2018–2022)	2018 results
Fresh water consumption reduction	by 10%	by 29.1%
Recycling of non-mining waste and by-products	to 95% per year	111.3% per year
Not exceeding the greenhouse gas (GHG) intensity ratio	to maintain the intensity ratio below two tonnes of carbon dioxide (CO ₂) equivalent (tCO ₂ e) per tonne of steel cast	2.005 tCO ₂ e per tonne of steel cast

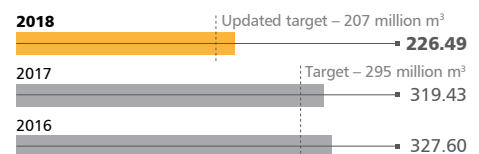
BALANCING WATER SUPPLY

Water is one of the key resources required in the Group's day-to-day operations, and raising the efficiency of water use and preventing related environmental accidents remain priority areas.

As a part of our five-year environmental targets, we aim to achieve a 10% reduction in fresh water consumption compared to the baseline of 2016. In 2018, the total volume of fresh water consumed for production needs stood at 226.49 million m³, and in the past three years the overall decline in water withdrawn has

been 31%.¹ Compared with 2017, EVRAZ fresh water consumption has fallen by approximately 93 million m³, which has occurred largely due to the exclusion of some assets² whose fresh water consumption comprised around 63 million m³. Water intensity rate (m³ of water used per tonne of steel cast) plummeted by 28.1% in 2018 and equalled to 0.014.³ Moreover, fresh water withdrawal intensity (m³ of water used per consolidated revenue) also dropped and reached the level of 17.64, compared with 29.5 in 2017.

EVRAZ FRESH WATER CONSUMPTION FOR PRODUCTION NEEDS, 2016–2018, million m³



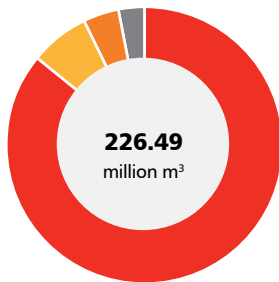
¹ The figure comprises data on EVRAZ ZSMK (incl. Evrazruda), EVRAZ NTMK, EVRAZ KGOK, EVRAZ DMZ (sold in 2018), Raspadskaya Coal Company, Yuzhkoks (sold in 2017), Evraz Sukha Balka (sold in 2017), Nakhodka Trade Sea Port (sold in 2017), Vametco (sold in 2017), Mezhegeyugol Coal Company, Evraz Caspian Steel, Evraz Palini e Bertoli, EVRAZ Vanady Tula, Evraz Stratcor, Inc., EVRAZ Nikom, a.s., EVRAZ Inc. NA, EVRAZ Inc. NA Canada.

² EVRAZ DMZ, Yuzhkoks, Nakhodka Trade Sea Port, EVRAZ Sukha Balka, Vametco.

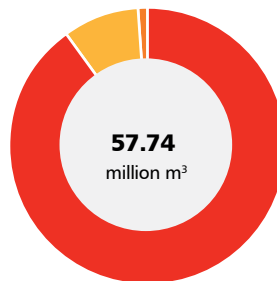
³ The figure comprises data on EVRAZ ZSMK, EVRAZ NTMK, EVRAZ DMZ, EVRAZ Inc. NA, EVRAZ Inc. NA Canada.

FRESH WATER CONSUMPTION BY SOURCES, %

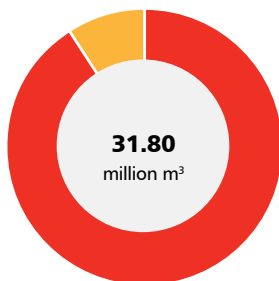
EVRAZ TOTAL



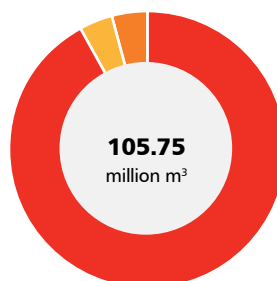
EVRAZ NTMK



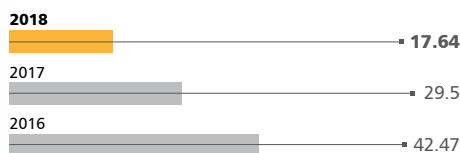
EVRAZ KGOK



EVRAZ ZSMK



FRESH WATER WITHDRAWAL INTENSITY, m3/US\$ revenue



WASTE STEWARDSHIP

EVRAZ operations inevitably entail the generation of waste, such as barren rock, spent ore, and tailings left over from the processing of ore and concentrates. Our ultimate goal is to reduce the amount of waste we produce and to manage it in a rational and non-hazardous way. We first seek to minimise waste at source by improving technological processes and enhancing the quality of our products. Alternatively, we can reuse some

waste types in further operations, e.g. steelmaking, land rehabilitation, road or dam constructions, and heating. Waste that was not utilised in current operations is being safely stored to become a production site later. Under no circumstances do we incinerate or store waste outside of special facilities, in line with applicable legislation and the EVRAZ Fundamental Environmental Requirements.

water, including water from rivers, lakes, and reservoirs. Total water consumption at these sites stood at 201.08 million m³, with fresh water making up 97% of this demand.

A large share (92.8%) of water used for our production is formed by a circulating water supply. This method allows us to reduce the annual fresh water intake and to use water sources in a more rational way. In addition, the Group's sites implement initiatives to boost the efficiency of water use.

Case study

EVRAZ ZSMK MEASURES TO BOOST WATER USE EFFICIENCY



In 2018, EVRAZ ZSMK (the Group's largest water consumer: nearly 47% of fresh water consumption) installed new equipment, which led to a drop in annual wastewater discharges and water intake of around 3 million m³. A new slurry thickening facility for gas cleaners replaced the plant's slurry storage facility that collected water which was used to purify blast furnace gases. Now water is separated from slurry and used in production processes.

Following the installation of new equipment, a 3 million m³ reduction in annual water intake is expected.