

COP-26 UNFCCC
Russian Business Day



NLMK: TOWARDS COMPETITIVE & LOW-CARBON STEEL

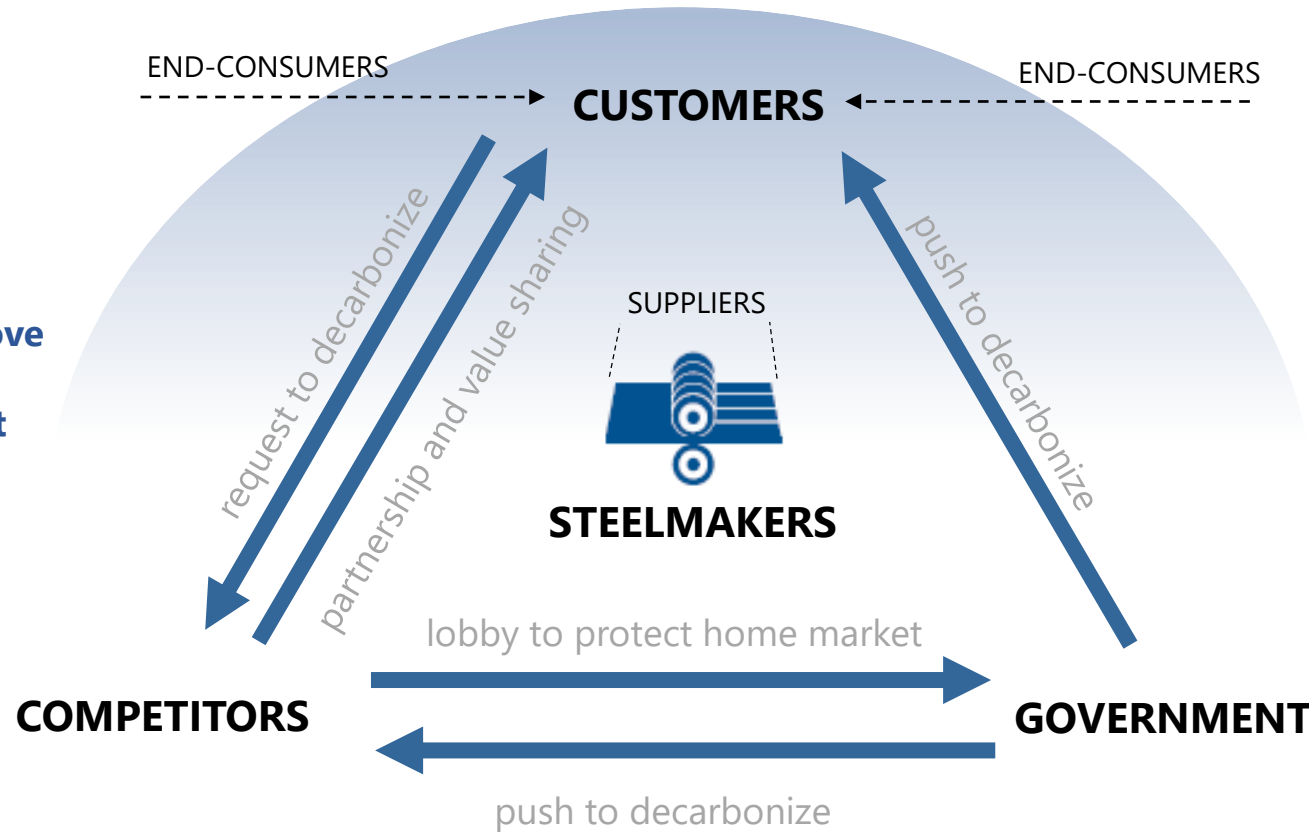
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Objective is to reduce carbon footprint across the value chain and gain extra profits in green niches

- Reduce Scope 1, 2, 3 emissions
- Reposition themselves in the green economy
- Measure and verify CO2 reduction for end-consumers



Objective is to improve competitive position and gain new market share

- Investment in new technologies to stand out from the crowd and mitigate possible carbon burden
- Lobby to protect domestic market

Objective is to ensure climate targets are met and local production is decarbonized

- Regulations and standards to limit CO2 footprint
- Carbon pricing instruments
- Awareness raising campaigns



**IMPROVING
OWN
TECHNOLOGIES**

**-1,8 mln t CO₂/y
reduction by 2023**



**REDUCING
EXTERNAL ENERGY
CONSUMPTION**

**own energy
generation 95%**



**ADVANCING
PRODUCTS TO
REDUCE COMSUMERS
FOOTPRINT**

**-33,5 mln t of
CO₂ per year**



**CREATING NEW
GREEN VALUE
CHAINS**

**+2.5 mln t of HBI;
-3 mln t CO₂**

UTILIZING FUEL GASES REDUCES EMISSIONS

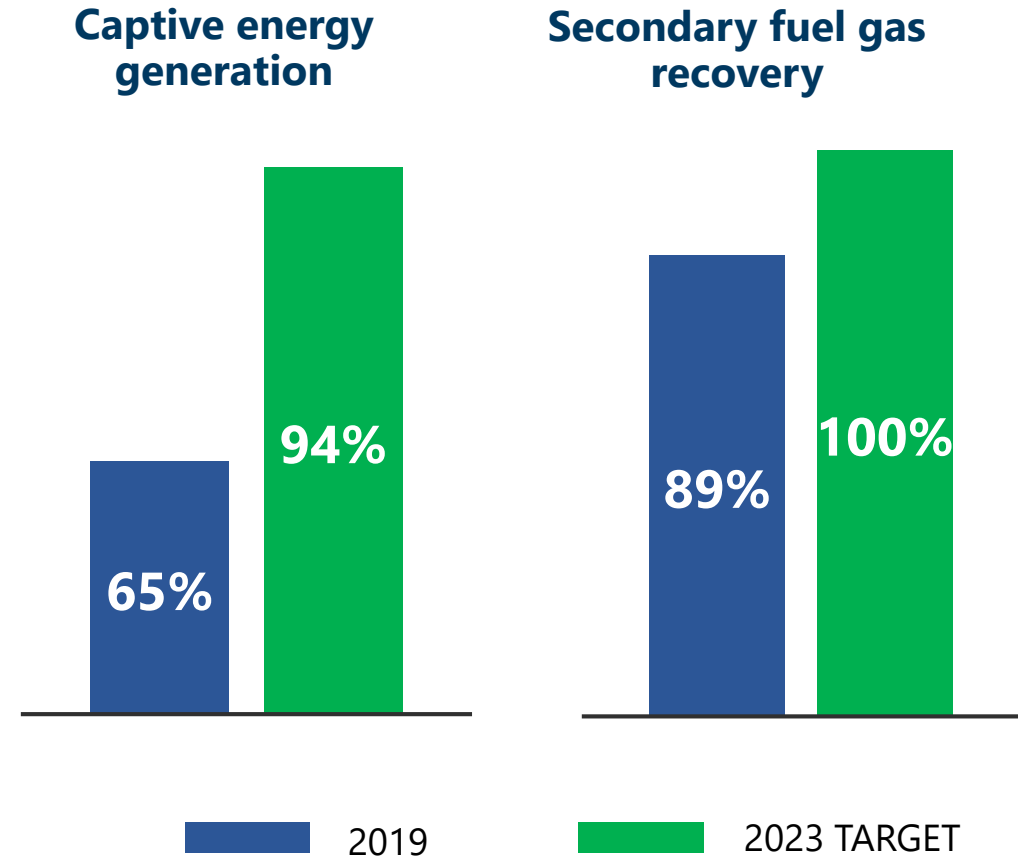
The captive power plant will run on by-product fuel gases

First in Russia utilization of basic oxygen furnace gas

Investments - \$420 M

+300
MW capacity

-650 thousand tonnes per year
reduction in CO₂ emissions



HBI is a cutting-edge raw material for green steel production

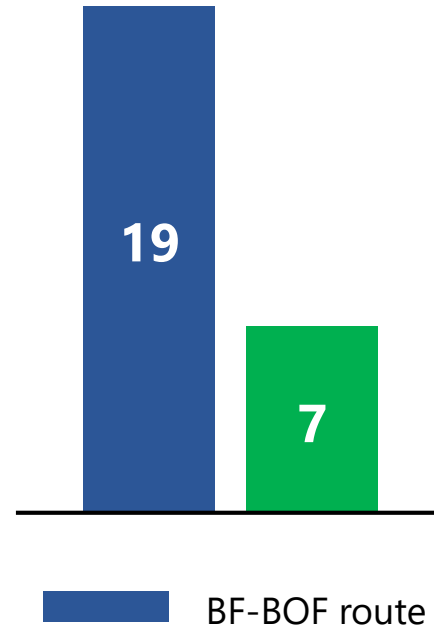
The downward CO₂ emission trend drives global demand for HBI

High added value: replacing CO₂-intensive pig iron

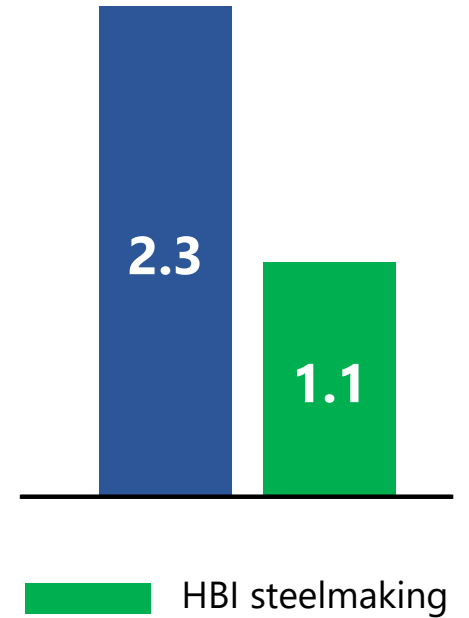
+ 1 million tonnes per year
export volume of HBI

- 3 million tonnes per year
reduction in CO₂ emissions at the HBI consumers' level

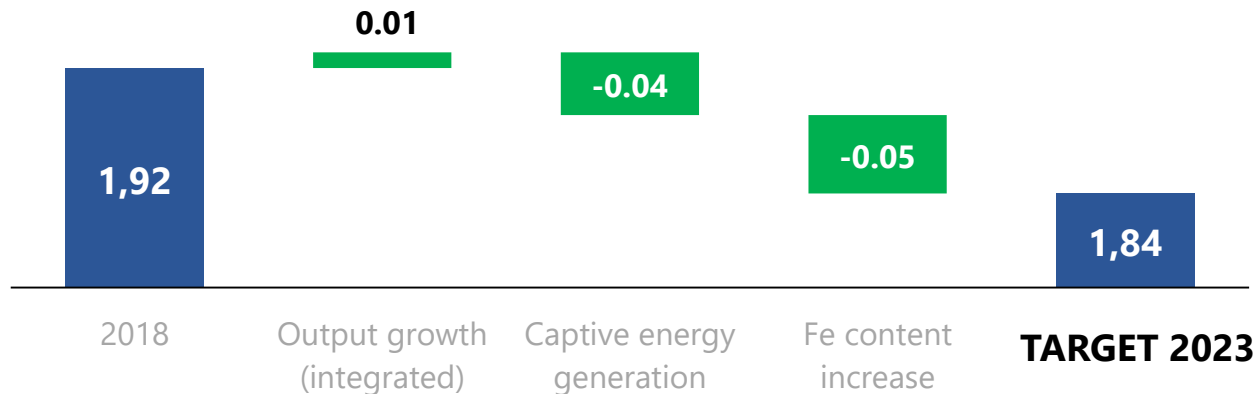
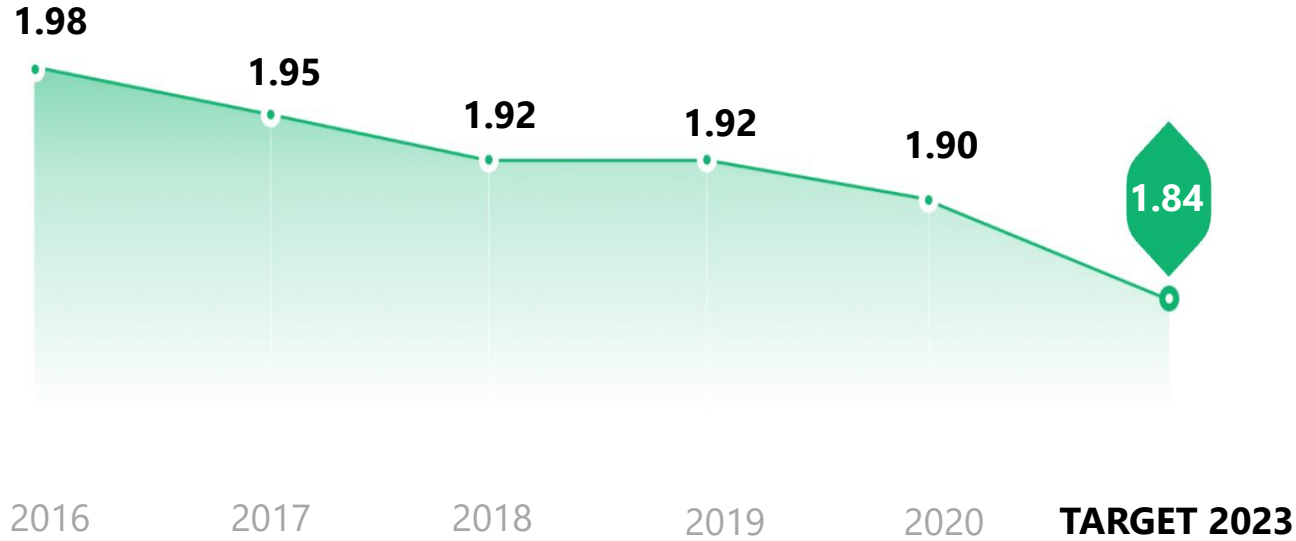
Average specific emissions of pollutants, kg/t of steel



Average specific CO₂ emissions, t/t of steel



NLMK GROUP CO2 EMISSIONS INTENSITY TARGET*



\$750 m

Green project investment planned under Strategy 2022

35%

Of NLMK products are made from recycled steel

33 m t/y

Avoided CO2 emissions due to our advanced steel products

* T CO2/T of steel and pig iron



**TREATING
COMPANIES BASED
ON THEIR REAL CO₂
FOOTPRINT**

**polluter pays
principle**



**EQUAL
TREATMENT OF
ALL LOW-CARBON
ENERGY SOURCES**

**reliability of
energy supply**



**RECOGNITION
OF CCU & CCS
PROJECTS
RESULTS**

**CO₂ footprint
compensation**





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