

# BALANCING WATER SUPPLY

GRI 303-2 GRI 303-5

Our business operations require significant volumes of water. We endeavour to implement the most efficient water management methods and best practices in order to handle both mine water and freshwater in a rational and sustainable way. EVRAZ is committed to reducing the volume of water consumption, which is in line with our HSE Policy. Responsibility among executive management for achieving water-related goals and implementing tasks is consolidated within the framework of our HSE management structure, which involves the Board of Directors dealing with water risks management issues among other tasks. EVRAZ, being a member of Russian Union of Industrialists and Entrepreneurs

(RSPP), actively engages in dialogue on environmental issues, including those related to water management. Thus, we dedicate substantial efforts to treat our effluents, so they could be used for production needs instead of freshwater.

GRI 303-1

Most of our business operations do not take place in water-stressed regions. Although EVRAZ does not pose any substantial risks on availability of water resources, we strive to minimise any potential impacts our operations may cause by reducing water intake. We take in freshwater from surface water bodies, groundwater wells, and public water networks for production processes,

equipment cooling needs, fire safety, as well as for drinking and household purposes. Almost 95% of total freshwater intake for production needs relates to major steel factories: EVRAZ NTMK, EVRAZ KGOK, and EVRAZ ZSMK (including Evrazruda). Around 90% of these factories' freshwater intake is covered by surface water, including from rivers, lakes, and reservoirs. Total water consumption in 2020 at these sites stood at 205.7 million m<sup>3</sup>, with freshwater making up over 95.2% of this demand. In 2020 the total volume of freshwater consumed for production purposes was 206.2 million m<sup>3</sup>, 0.9 million m<sup>3</sup> higher than in 2019.

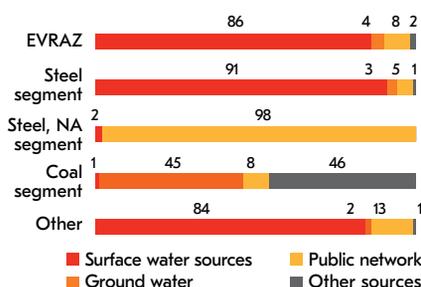
**EVRAZ freshwater intake for production needs, 2018–2020, million m<sup>3</sup>**

GRI 303-3



**Water consumption by sources, EVRAZ total and by segments<sup>1</sup>, 2020, %**

GRI 303-3



**EVRAZ freshwater withdrawal intensity, 2018–2020, m<sup>3</sup>/US\$ thousand revenue**



**Freshwater withdrawal intensity, 2018–2020, m<sup>3</sup> per tonne of crude steel cast**



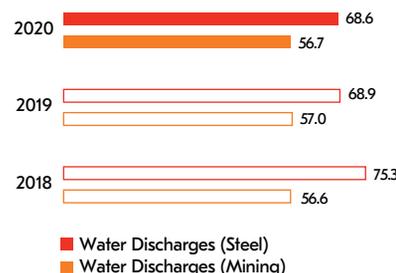
**Water discharge intensity, 2018–2020, m<sup>3</sup> per tonne of crude steel cast**

GRI 303-4



**Total water discharged<sup>2</sup>, million m<sup>3</sup>**

GRI 303-4



<sup>1</sup> Data presented without mine and quarry water. For the purpose of disclosing fresh water consumption the Steel segment is represented by EVRAZ ZSMK and EVRAZ NTMK only, while the Other sources section includes EVRAZ KGOK, Evrazruda, EVRAZ Vanady Tula, EVRAZ Nikom and EVRAZ Caspian Steel. Mining assets are not included in Steel segment as they produce effluents of quarry and mine water, that EVRAZ cannot reduce due to their natural origin factors.  
<sup>2</sup> Water discharges during mining activities (effluents of quarry and mine water) are shown separately, as EVRAZ cannot reduce these discharges due to their natural origin factors.

For safety reasons we also pump mine water (quarry water) out of mines and open pits at our coal and ore mining sites. Mine water is produced when groundwater of various aquifers mixes and interacts with the air in the mine and rocks uncovered by mining excavations. We are unable to fully control or forecast the volume of this water, as it is a natural phenomenon. We strive to use mine water for production needs instead of freshwater, however the volume of such water exceeds the volume needed at our mining assets. Also, the majority of our mines are located in remote areas that rule out any possibility of delivering surplus

water to other consumers. In 2020 we used 24.3 million m<sup>3</sup> (or 34.6%) of mine water for production needs instead of freshwater. The remaining volume, 45.8 million m<sup>3</sup> (65.4%), was discharged into water bodies. In line with our water-related Environmental strategy goal, mine water is treated to remove pollutants introduced during mining.

We adhere strictly to legal requirements related to water discharges. In 2020 the total volume of water discharged was 125.3 million m<sup>3</sup>, 0.6 million m<sup>3</sup> lower than in 2019. According to our Environmental strategy we aim to reduce

our water discharges, which also contributes to lowering water intensity of EVRAZ. Overall water discharge intensity in 2020 stood up to 9.19 m<sup>3</sup> per tonne of crude steel cast, however, 4.16 m<sup>3</sup> per tonne of those are related to mine water. As mentioned above, mine water discharge is not controllable, because it is related to ensuring safety of workers by pumping groundwater out of mines. Water discharge intensity related to steel production totalled 5.03 m<sup>3</sup> per tonne of crude steel cast. We also focus on industry median when planning our water discharges reduction measures.

## Case study

### Clean water and sanitation

In 2020 EVRAZ ZSMK began construction of wastewater treatment facilities, as part of continued efforts to reduce adverse water-related impacts on the environment under the Water programme. These measures will halt water discharges into Lake Uzkoie, in line with the goal set out in the Environmental strategy. Treated wastewater will be used for production needs.

The project encompasses multi-stage wastewater treatment, as a result of which no threshold limit for pollutants will be exceeded. It is estimated that the capacity of treatment units under the project will reach 600 m<sup>3</sup> per hour. The project is scheduled for completion at the end of 2022.



**Stakeholders:** local communities.

**Value for stakeholders:** a clean lake.

**Value for EVRAZ:** increased public trust, an enhanced reputation, an absence of fines.



## WASTE STEWARDSHIP

**GRI 306-1   GRI 306-2   GRI 306-4   GRI 306-5**

We recognise that during our business activities large volumes of waste are generated (including from metal production and general (non-mining) waste) and mining waste, such

as overburden, tailings, and barren rock. We strive to implement the best available management practices in this area, in order to use natural resources rationally and, as a result, reduce waste generation.

Our waste management strategy comprises the following areas (listed in order of priority):