

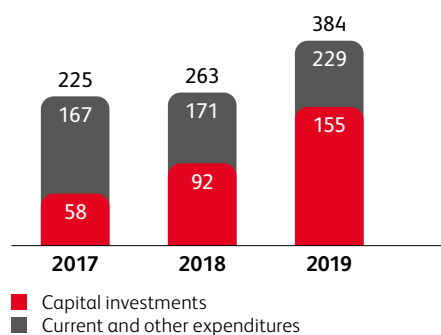
ENVIRONMENTAL ACTION

ENVIRONMENTAL MODERNISATION



In 2019, the Group invested US\$384 million in environmental protection measures encompassing various upgrades, with key projects focusing on reducing emissions and waste, increasing energy efficiency and conserving resources. With the help of this significant 46% year-on-year increase in such spending, we were able to complete several important long-term environmental projects. Of this amount, US\$155 million was allocated for capital investments, up 68% year-on-year following the expansion of the environmental modernisation programmes at our assets.

Metinvest's total environmental spending, US\$ million



Metinvest is making progress on numerous modernisation projects to mitigate its environmental impact. The key initiatives taking place at our steelmaking assets Azovstal and Ilyich Steel amount to US\$89 million.

At Azovstal, the Group rebuilt blast furnace no. 3, reconstructed the hot metal desulphurisation unit and performed a major overhaul of coke oven battery no. 1. Metinvest also decommissioned blast furnace no. 5 and started the design phase for overhauling blast furnace no. 6.

Following the closure of the sinter plant at Azovstal in 2012, Metinvest began to reconstruct the one at Ilyich Steel in 2015 to further lower emissions in Mariupol. With total investments slated at around US\$150 million, this sinter plant reconstruction is the largest environmental project in the history of independent Ukraine. The upgraded system for cleaning sinter gases will help to reduce emissions of dust by as much as 90% and of sulphur oxides by up to 42%.

The Group made steady progress in 2019 and aims to complete this project by the end of 2020.

Northern GOK advanced its project to replace the gas cleaning facilities of the Lurgi 552-A roasting machine and plans to complete it in 2021. Central GOK conducted regular maintenance of its tailing storage facilities and carried out related work on the water supply and slurry pipelines.

Extensive maintenance was conducted at the oven chambers of Avdiivka Coke and Zaporizhia Coke to decrease air emissions.

INVESTING IN GREEN CITIES

During the first RE:THINK international investment forum, which took place in Mariupol in 2019, Metinvest signed a six-year Memorandum on Cooperation with Mariupol, Zaporizhia and Kryvyi Rih to invest in environmental projects in these cities. Total investments in environmental modernisation are expected to exceed US\$400 million and focus on two areas: improving production processes and reducing environmental impact. Metinvest aims to help implement a range of programmes that will change the environmental situation in Ukraine.

“SIGNING THE MEMORANDUM IS JUST ONE OF THE STEPS WE HAVE TAKEN TO SYSTEMICALLY MODERNISE OUR PRODUCTION FACILITIES AND GIVE FINANCIAL SUPPORT TO MAJOR ENVIRONMENTAL PROJECTS. WE DO OUR BEST TO IMPROVE THE OVERALL ENVIRONMENTAL SITUATION AND STANDARD OF LIVING IN THE CITIES WHERE WE OPERATE.”

Yuriy Ryzhenkov, Chief Executive Officer



BEST ENVIRONMENTAL PROGRAMMES

The ecological modernisation projects of Ilyich Steel, Azovstal and the Zaporizhstal JV were recognised among the top 20 environmental programmes in Ukraine according to Vlast Deneg (the Power of Money), a reputable Ukrainian business journal providing expert analytics.

Additionally, the Zaporizhstal JV was named Eco-Investment Leader 2019 at the “Ecotransformation-2019” Ukrainian business forum for its investments in environmental production modernisation over the past seven years.

