

RESOURCE EFFICIENCY POLICY OF OJSC NOVOLIPETSK STEEL (NLMK)

Mission

The Company aims at ensuring production of output of targeted quality and volumes with minimum costs through, among other initiatives, implementation of resource efficiency measures, technology developments and equipment installation.

Strategy of the Company in the field of resource efficiency includes:

- improvement of technological processes to reduce resource consumption;
- modernization and technical upgrading of production facilities;
- improvement of system of material resources management;
- compliance with legal regulatory requirements on resource efficiency.

Our resource efficiency policy is governed by the following principles

- looking closely at breakthrough technologies and equipment;
- using efficiently material resources;
- implementation of motivation mechanisms to employ resource efficiency practices.

Our goals in the field of resource efficiency:

- lowering production cost;
- reduction of energy intensity of steel production to achieve the levels of steel sector leaders.

NLMK's personnel voluntarily undertake to achieve the stated goals through reaching the following objectives:

- deliberate and unconditional observance of material resources consumption rates;
- avoidance of resource waste;
- development and implementation of resource-saving measures aimed at reduction of resource consumption in a structured way;
- management material resources use at production units by cost centre approach based on data analysis;
- conduction of energy audits at the Company's units;
- utilization of waste energy, lowering of greenhouse gas emissions, reduction of generation and accumulation of production wastes;
- ensuring informational and educational activities on efficient use of material resources;
- supervision and analysis of the activities related to resource efficiency.

Management of the Company recognizes responsibility to ensure provision of adequate resources for and the successful implementation of Company's Policy on Resource Efficiency.

Vladimir Nastich
General Director of Novolipetsk Steel (NLMK)

Put into effect by the order of General Director No.832dd. 20.12.2005