

Climate strategy 2014 for NLMK DanSteel A/S

NLMK DanSteel A/S intends to take part of the responsibility for a better climate and will continue having the climate on the agenda. The consequence of excessive CO₂ emission leads to the climate imbalance causing hurricanes, floods and drought in the world our children shall inherit.

NLMK DanSteel A/S has outlined the climate strategy for the Kyoto period until the year 2020 as the basis for more specific initiatives. NLMK DanSteel A/S is an ETC company, and though the agreement on energy savings with the Danish Energy Agency has ended, we will strive to achieve our goals and maintain our energy management system certified according to DS/EN ISO 5001:2011. Besides the general saving of natural gas and electricity in the production, which we are working on, we intend to make the steel production CO₂ data transparent to show the impact of CO₂ emission on Frederiksværk's environment. The climate strategy is published on www.dansteel.dk

The climate strategy is a part of NLMK DanSteel A/S general environment and energy policy and is to be revised every year. While the environmental strategy focuses on items like water, energy and waste, a separate climate strategy will help to reduce CO₂ emission in the areas of production and transport and therefore goes a step further and beyond energy savings.

NLMK DanSteel A/S CO₂ emission and the climate impact have been calculated for 2012 to comprise 70.242 tons of CO₂ per year. The energy distribution is shown in the table below together with the planned targets for the yearly reduction until 2020:

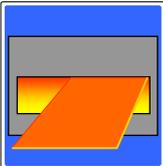
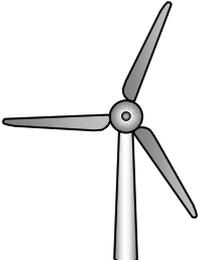
ENERGY CONSUMPTION 2012 Produced: 274.518 t/steel plates	Emission 70.242 ton CO ₂ per year	Emission: kg CO ₂ per ton steel plate	Emission: kg CO ₂ per ton normalised steel plate per	Reduction target: kg CO ₂ per ton normalised steel plate per
Natural gas and propane, report	54.509	199	90	1
Electricity, calculated kWh	14.715	54	-	1
Transportation, internal app.	656	2	-	

NLMK DanSteel A/S produces high quality steel plates by hot rolling combined with other energy intensive heat treatments of steel plates at high temperatures. A strong demand on the world market for these products has made it necessary for NLMK DanSteel A / S to invest in new energy-consuming machinery. The new machinery will ensure energy efficiency while the old plant will be phasing out allowing better energy recovery. Although the total production process will thus demand more energy supply due to new clever highly technological rolling mill and equipment, a little decline in the consumption of natural gas is feasible. Use of the excess heat from furnaces and continuous optimisation of the process are the goals to be implemented. Reduction target = CO₂ benchmarks is set for normalised steel plates with the possibility to be compared over the period.

A reduction of 2 kg CO₂ per ton steel plate per year will be equal to a total reduction of app.1.000. tons CO₂ per year provided that the production capacity of NLMK DanSteel A/S is fully exploited.

NLMK DanSteel A/S is a company of NLMK Group

Focus areas of the new climate strategy:

	<p>Steel plates – all kind</p> <ul style="list-style-type: none"> - Increase of the yield percentage - Effective use of natural gas in the slab furnaces <p style="text-align: right;">- Lower degree of re-milling</p>
	<p>Steel plates – normalised, hot levelled</p> <ul style="list-style-type: none"> - Investment in better and new technology - Investment in new thick plate centre and normalising furnace
	<p>Transport</p> <ul style="list-style-type: none"> - More transportation by the railway - Mafi Trucks will replace Kiruna Trucks - Education in more environmentally friendly driving - Better logistic at the new V10 cutting center
	<p>Other climate acts</p> <ul style="list-style-type: none"> - Courses in low energy consumption for the furnace workers - On-line registration of energy consumption - Isolation of buildings and machinery - Using the waste heat from furnaces to bathing and rooms - Participation in climate campaigns (1 ton less a.o.)
	<p>Products</p> <ul style="list-style-type: none"> - Wind mill production must be a part of the DanSteel image - Co operation about developing the wind energy and wind mills