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## MECHEL'S ENERGY POLICY

Mechel PAO (hereafter referred to as the company or Group) is one of Russia's major mining and metals companies. The Group's operations require a significant supply of various fuels and energy resources, which has its impact not only on the Group's business efficiency and competitiveness, but the environment as well.

This policy is binding for all of the Group's employees as well as contractors working in Mechel's operations area.

The company is committed to constant improvement of its energy and ecological policies, preservation of natural resources and reducing its activities' impact on climate change, and guarantees that improving energy efficiency and saving natural energy resources is a priority.

### 1. General rules

This energy policy is a fundamental document outlining the Group's priorities in energy saving and improving energy efficiency of its operations, and has been developed in compliance with the principles and requirements of the international ISO 50001 Energy Management Standard. This policy is based on strict adherence to the company's key values — safety, efficiency, stability, development, professionalism, cooperation and social responsibility. Implementation of this energy policy is unlikely to contradict fulfilling operational plans if the Group's facilities work in a safe, uninterrupted and cost-effective manner, in compliance with applicable laws and other norms and regulations.

### 2. The Energy Policy's Goals

Mechel PAO's energy efficiency and energy saving policy aims to use natural energy resources and power management potential with maximum efficiency, which includes:

- improving energy efficiency by optimizing the use of fuel and energy resources based on efficient management of technological processes and use of innovative technologies and equipment,
- reducing the level of pollution caused by energy consumption,
- constant improvement of energy management system, ensuring compliance with ISO 5001:2011 (GOST ISO 5001-2012) requirements.

### 3. The Energy Policy's Methods

The policy's goals are reached by:

- developing, implementing and constantly improving the power management system,
- implementing and improving the process of fuel and energy resource planning,
- optimizing electricity consumption in peak hours,

- detecting and eliminating unwanted costs of fuel and energy resources and optimizing operation modes of technological and power equipment,
- ensuring involvement, motivation and awareness of the company's personnel regarding energy management, developing projects with energy efficiency in mind and aimed at improving energy consumption,
- investing in developing and implementing energy efficient technologies and acquiring energy efficient equipment and services,
- developing monitoring systems and methods, accounting and analysis of fuel and energy consumption.

#### **4. Mechel's commitments in energy efficiency and energy saving**

Mechel Group assumes responsibility for implementing this energy policy and is committed to:

- setting tasks regarding energy saving and improving energy efficiency, their systematic analysis and update,
- consistent improvement of energy performance,
- compliance with Russian law and other requirements, applicable international laws, requirements of Russian and international standards, industry norms and corporate requirements in energy management, energy saving and improving energy efficiency,
- improvement of Mechel personnel's awareness and education regarding energy saving and increasing energy efficiency, as well as group and personal motivation toward rational use of energy resources,
- ensuring Mechel staff's involvement in activities aimed at improving energy management in compliance with ISO 50001:2011 (GOST ISO 50001-2012) and energy saving and energy efficiency results,
- providing information and necessary financial, technical, human and other resources to reach these goals and fulfill tasks regarding energy saving and improving energy efficiency.