

LEEDs (Leadership in Energy & Environmental Design) (RECOVERED MATERIALS / SCRAP USAGE)

In efforts to support NLMK USA customer requests regarding recovered materials in product supplied, please note the following: Materials purchased by the NLMK USA facilities are subject to a stringent qualification process and ongoing quality expectations as defined per detailed protocols. Additional information on LEED compliance can be found at <u>www.recycle-steel.org</u>. This is the site of the Steel Recycling Institute that can be used as a resource on this subject.

NLMK Pennsylvania and Sharon Coating

NLMK Pennsylvania is a manufacturer of Hot Rolled and Cold Rolled sheet and strip steel products in low carbon, high carbon, HSLA and alloy grades; Sharon Coating LLC is a manufacturer of hot dip galvanized and galvannealed hot rolled and cold rolled sheet and strip products in low carbon, high carbon, HSLA and alloy grades.

Materials are supplied to NLMK Pennsylvania in the form of slab or coil from various qualified suppliers for further processing. Material grades for this purpose can be classified into two general categories. Materials are supplied to Sharon Coating LLC from various qualified suppliers in coil form for processing, likewise classified into two general categories. Material grades produced can likewise be classified into two general categories, noted below:

Low Carbon Steels – Typical low carbon grade slabs supplied to NLMK Pennsylvania are either produced by Basic Oxygen Furnace (BOF) or Open Hearth method at vertically integrated facilities. Typically these steelmaking processes will utilize approximately 10% to 25% scrap charge as a supplement to the hot metal supplied from the blast furnace.

High Carbon & Alloy Steels – NLMK Pennsylvania utilizes a limited supply base for this material, the bulk of which uses the Electric Furnace method of melting a minimum of 98% recycled scrap charge. The balance is sourced from integrated High Carbon and Alloy suppliers (BOF) with scrap charges as noted above.

NLMK Indiana

NLMK Indiana is a manufacturer of Hot Rolled sheet and strip steel products in low carbon, high carbon, HSLA and alloy grades. NLMK Indiana has one production facility located in Portage Indiana, consisting of a melt shop and a hot strip mill. The melt shop has one electric furnace which uses scrap as the primary raw material to produce steel. Materials are supplied to NLMK Indiana in the form of scrap, alloy additions, or a purchased slab product from various qualified suppliers for production of slabs (internal melt) and coils (internal melt and purchased slabs).

Material produced from scrap at NLMK Indiana will utilize a minimum of 98% scrap charge. Purchased slabs at NLMK Indiana will utilize approximately 10 to 25% scrap charge as a supplement to the hot metal supplied from the blast furnace. Each heat typically contains 100% recycled material for all products melted and cast at NLMK Indiana, and not less than 85% recycled material.

NLMK Indiana does not purchase High Carbon & Alloy slab products. This product is produced from internal melt utilizing the EAF process and a minimum of 98% recycled scrap charge. The charge weight generally breaks down into the following categories. Post-consumer scrap is about 40% of the charge weight, while post-industrial is about 60%. Generally scrap is purchased locally – over 75% from within a 150 mile radius from the mill.

Steel coils can be produced from purchased slabs or slabs manufactured at NLMK Indiana. Slabs manufactured at NLMK Indiana will have "made & melted in the USA" on the load tally and the mill certification.