

ArcelorMittal Zenica
Zenica, June 13, 2024

ArcelorMittal Zenica's statement related to publication of CIN on 12 June

ArcelorMittal Zenica has noted the recent publication published by CIN on 12 June, "Zenica's Steel Wound", concerning the environmental management of our steel plant in Bosnia. While the company appreciates the interest in its operations, it is deeply concerned that the article is not an accurate picture of the comprehensive measures it has implemented to limit its environmental footprint.

We value our relationship with the media and understand the importance of maintaining open channels of communication. However, despite an interview the CEO gave to CIN on 7 May lasting more than one hour, many points were either overlooked or inaccurately reported in the publication. The company would therefore like to provide the facts relating to the main issues raised in this publication.

Integrated permit

The CIN article states that "this company has violated nearly all of the 141 measures outlined in its environmental permit". This is incorrect. ArcelorMittal Zenica operates based on an integrated permit issued by the Federal Ministry of Environment and Tourism. This document is an integrated approach to environmental management, which means that it considers all environmental aspects related to a specific industrial activity, ensuring that all activities comply with environmental regulations. As a result, there are hundreds of measures listed in the permit.

The company regularly hosts visits from the ministry of environment, to update them on the actions it has taken in response to their inspectors' reports which are a requirement of the integrated permit. The 2023 inspection report lists certain measures to further improve ArcelorMittal Zenica's environmental performance, as well as ongoing measures related to specific industrial activities. While the company acknowledges that some of the measures have been implemented later than the recommended timeframe, they are addressing all relevant measures that are outlined in the inspector's report (some measures are no longer valid, as they relate to the coke plant that has been recently closed).

It is incorrect, as the publication says, that the company has breached "nearly all" environmental permit conditions set. In fact, of 141 ordered measures listed in the integrated permit, more than 90% have either been completed or are ongoing.

Air quality and monitoring

The article also makes an inaccurate analysis of 2022 emissions, stating: "In 2022, expert air analyses carried out by the Kemal Kapetanović Institute in Zenica detected the presence of carcinogenic dust particles, specifically benzene and benzo[a]pyrene, in the air surrounding the steelworks. These particles exceeded the emission limit values (ELV) by up to 255 times."

The data referred to was recorded once, at one monitoring station, out of a total of 120 hours' monitoring across four stations placed near the ArcelorMittal Zenica coke plant. In the Kemal Kapetanovic report, in the analysis of results and discussion it is stated: "We believe that it is necessary to carry out many more measurements at measuring points outside the company's circle over a longer period of time (at least one year) and at the same time look at the presence of organic hydrocarbons and volatile organic compounds whose presence was determined at the location of the coke battery, and only then make conclusions about the state of quality air with regard to VOCs and PAHs".

Coke battery

The article makes inaccurate claims regarding the ArcelorMittal coke plant, which closed in April 2024, saying "The coke plant continued operating beyond its projected lifespan, flouting both the scheduled shutdown and the regulatory frameworks governing such facilities, which are significant contributors to environmental pollution." . In fact, as stated when the coke plant closure was announced, the closure of the coke plant was planned in order to ensure that the coke battery was stopped well before it became unsafe due to reaching the end of its life. Furthermore, the recently closed coke battery at the site has caused a decreased of diffuse emission by 80%.

Soil analyses

The article refers to a March 2024 study that found heavy metals in the soil in the Tetovo and Pehare neighborhoods. We are unable to comment in detail on the study referred to in the report, as we have not been given the results – but it seems that the samples were taken by journalists.

Over the years, the company has gone through a huge transformation. The integrated route for steel production has been in place in Zenica since 1892, so almost 132 years, when the plant was not yet a part of the ArcelorMittal Group. From the 1980s to 1992, the plant was operating 5 coke oven batteries, 6 sinter machines, 4 blast furnaces, 8 open hart furnaces, and 5 rolling mills with maximum production of almost 2 m tonnes of steel.

Over that period, different pollutants accumulated in the soil. The iron ore used in that period was poor quality, in terms of its chemical composition and content of heavy metals. The iron ore that is used by ArcelorMittal Zenica currently, coming from Prijedor, has a superior chemical composition and as the company states, the data from air emission monitoring show that all emissions of heavy metals are below the emissions limit value.

Wastewater management

The article also alleges that "ArcelorMittal committed in a 2004 contract to build a wastewater treatment plant, separating its wastewater from that of the city of Zenica. However, this never materialized".

The company has in place a water management system that uses the closed water recirculation systems, or applies reasonable / responsible water consumption. The water consumption measures in place in the plant, lead to minimal amounts of wastewater being generated. The plant has systems for treating this wastewater on site. However, in order to build a new wastewater management system, the City of Zenica first needs separate their wastewater.

The article further alleges that: "Improper waste storage led to sludge overflowing into the Bosna River". If this is a reference to the Bosna river incident in February 2023, we refer you to the detailed statement issued at the time, that explains the actions we took in response to the damaged water purification system – no discharge is possibly in future from this location, since ArcelorMittal Zenica took these actions.

Waste disposal

The article makes a number of allegations related to the company's use of the Rača landfill. The company would like to clarify that there are two main waste streams from steelmaking: by-products, and waste that cannot be recycled or transformed. By-products account for around 95% of the material, with only 5% being waste. The main by-product is slag, which the company sells to the cement industry. The remaining material is sludge which is a result of the steelmaking process. Previously, this was sent to the Rača landfill. However currently that process is stopped and the waste is being stored and managed on-site in ArcelorMittal Zenica; the company has requested the government to support it to continue for some more time to use the Rača site until the time it obtains a complete permit process for the planned central warehouse within its premises.

Finally, we would like to reiterate that since ArcelorMittal's arrival in Zenica, the company has invested more than €100 million in various environmental protection initiatives. Furthermore, the company has a plan in place that outlines additional measures to enhance the plant's performance. This plan is part of its long-term strategy to ensure sustainable operations and to contribute positively to the local community and environment.

ArcelorMittal Zenica would like to continue to contribute to the economy of Bosnia and Herzegovina. Everything will be done in close cooperation with the government, which is a shareholder in ArcelorMittal Zenica, and in consultation with employee representatives. The company emphasizes that its objective is to bring sustainability to its operations.

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