

Severstal and Gazprom Neft join forces on decarbonization

PAO Severstal, one of the world's leading vertically integrated steel and mining companies, and PJSC Gazprom Neft, one of Russia's leading oil producers, today signed a memorandum of understanding (MOU) and cooperation agreement to collaborate on the development of technologies and materials for the production, transportation, storage and use of hydrogen in reducing carbon dioxide emissions.

The agreement was signed by Alexander Shevelev, CEO of Severstal, and Vadim Yakovlev, First Deputy CEO of Gazprom Neft, and was announced during a panel session at the St. Petersburg Economic Forum (SPIEF) 2021, titled: "Low-Carbon Development and Climate Policy: Opportunities for Russian Businesses on the Global Decarbonization Agenda."

As part of the agreement, Severstal and Gazprom Neft intend to jointly pursue and develop opportunities and technologies for capturing and utilizing carbon dioxide, as well as using hydrogen in metallurgical production and developing materials for its transportation and storage. Provided both parties are interested, the companies may also jointly implement technological decarbonization projects. This could include altering production processes using hydrocarbon fuel to use methane-hydrogen mixtures instead.

Today, Severstal ranks 11th among global steel companies in terms of greenhouse gas emissions (in the top 25%), according to the World Steel Association. The Company has set itself a target to reduce its emissions by 3% by 2023 (from 2020 levels). In 2021, Severstal established a corporate division focused on the use of hydrogen and developing innovative decarbonization projects (for example, carbon capture and disposal, and CO2 offsetting).

Alexander Shevelev, CEO of Severstal, commented:

"Reducing our carbon footprint and combating climate change will be a significant theme in the coming decades and is one of the long-term priorities of Severstal's sustainable development program. It should be noted that we see not just challenges and risks, but also huge opportunities in this field. Technologies and projects for the capture and disposal of CO2 and the production of hydrogen will continue to grow rapidly in the Russian Federation and globally over the next decade, and this will open up a great opportunity for us to capitalize on, and could even provide additional income for our business.

We are delighted that our long-standing strategic partner Gazprom Neft shares our focus on hydrogen, and has agreed to partner with us on this

critical decarbonization drive. I am confident that together we can make a significant contribution towards achieving our strategic goals of reducing CO2 emissions and, at the same time, realize the potential of hydrogen for its use in the raw materials market of the future.”

Severstal welcomes startups and innovative companies for cooperation. Areas of interest and application form are available at website innovations.severstal.com.

Адрес оригинала:

<http://www.severstal.com/eng/media/news/document63921.phtml>

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