

Metinvest Joins Platform for Recovery of Ukrainian Metallurgy Using Green Technologies

On 22 June, Metinvest joined the government's platform for the green recovery of Ukraine's steel sector. The memorandum of partnership was signed at the Ukraine Recovery Conference (URC) held in London. Alongside Metinvest CEO, Yuriy Ryzhenkov, the memorandum for the platform was signed by Yulia Svyrydenko, First Vice Prime Minister and Minister of Economy of Ukraine, representatives of Primetals (Austria), Fortescue FMG (Australia), Rothschild & Co (France), and potential consumers of the products.



The coalition brings together equipment manufacturers, consumers, financial institutions, government and other stakeholders. The primary objective of the association is to revive the Ukrainian industry through an environmentally friendly, green transformation of steel production. This endeavor will support the national economy and population while also becoming a driver for supporting the EU's decarbonisation programme.

"Green steel is at the heart of the Group's long-term strategy. Part of the strategy is transitioning to DRI-class pellets at Metinvest's steel plants in Ukraine. We refer to this as our "green transit". We are ready for this transition, ready to finance it to a large extent after Ukraine's victory in the war. We are also happy to be partners in this field," commented Yuriy Ryzhenkov on Metinvest's joining the platform.

Prior to signing the memorandum, the coalition members and market experts took part in a roundtable discussion titled "Green steel: Rebuilding Ukrainian Industry and Integrating into European Green Steel Value Chains". Speakers included Rostyslav Shurma, Deputy Head of the Office of the President of Ukraine, Yuriy Ryzhenkov, CEO of Metinvest Group, Neil Johnson, Director of Industry at the UK Department of Business and Trade, Vijay Goyal, CEO of Arcelor Mittal CIS, Simon Thompson, Senior Advisor at Rothschild & Co, Fiona Sugden, Director of Fortescue Future Industries, Gianpiero Nacci, Director of Sustainable Business and Infrastructure, EBRD, and Julia Reynaud, Senior Director of Breakthrough Energy.

"We stand at the threshold of great opportunities. Establishing a complete cycle of green steel production in Ukraine is entirely feasible. This will undoubtedly strengthen both Ukraine and the EU countries. We have previously emphasized that during the post-war reconstruction, Ukraine must be regarded as part of the European Union, as an integral part of its production chain. This is why Ukraine's involvement in the green steel initiative holds tremendous potential. The production chain for such products necessitates the availability of iron ore, energy, and sales markets. Currently, we are fully self-sufficient in terms of iron ore. However, other processes must be implemented in collaboration with the Ukrainian government, businesses, and partners. For instance, the Ukrainian energy market is still in the process of developing and implementing an appropriate regulatory framework. Another crucial issue is market access, including capital markets. At present, most EU steel producers are striving to secure supplies of DRI pellets. This calls for alliances. It is time for ore suppliers and steel producers in the EU to unite," added Yuriy Ryzhenkov.

As part of its green transition strategy, the Group plans to focus on two main areas:

- Enhancing the quality of iron ore products to DRI-class, with a gradual increase in production capacity.
- Upgrading Zaporizhstal's and Kametsta's facilities to adopt a more environmentally friendly electric arc furnace method for steel production using DRI-class pellets (with the prospect of transitioning to hydrogen, including hydrogen produced using renewable energy). Additionally, they aim to expand the range of rolled products.

According to the roundtable participants, the estimated cost of the medium-term green transition strategy until 2035 is approximately USD 35 billion. These investments will ensure the production of up to 15 million tonnes of green steel annually.

The Ukraine Recovery Conference (URC) marked the third major international event dedicated to Ukraine's post-war recovery since the onset of the large-scale war, following the conferences in Lugano and Rome. Alongside the transition to green steel, the London conference addressed various topics, including the rapid recovery of the devastated infrastructure, long-term recovery plans, reforms for post-war reconstruction and the advancement of trade and investment, investments in human capital, strategies for post-war energy development and reconstruction, mechanisms for insuring private investments, post-war housing reconstruction, digital reconstruction and the growth of the technology sector, the role of local authorities in Ukraine's recovery and reconstruction, as well as humanitarian demining.

The conference was inaugurated by the Prime Minister of the United Kingdom, Rishi Sunak, and the President of Ukraine, Volodymyr Zelenskyy, who delivered his speech remotely.

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