

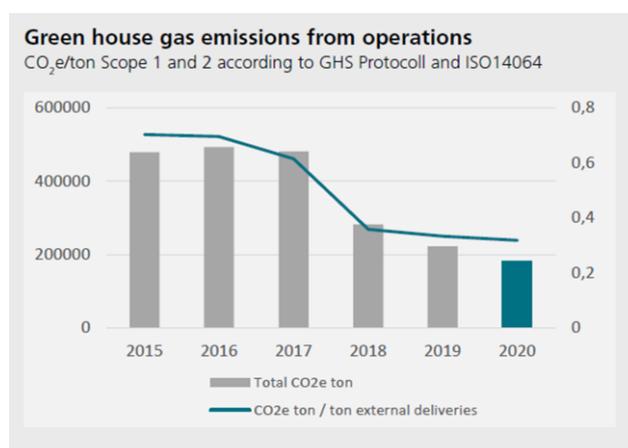
Ovako's steel production to be carbon-neutral from January 2022

-Accelerating efforts to mitigate climate change early-

In order to further lead the way in sustainable steel production to contribute to climate issues, Ovako, a member of Sanyo Special Steel Group, has decided to be carbon neutral in production from January 2022. In addition to continuing individual endeavors reducing CO₂ emissions, Ovako will utilize carbon offsets contributing to the reduction of greenhouse gas emissions in developing countries, to counterbalance the remaining CO₂ emissions in production.

Ovako has been promoting world-leading efforts to achieve sustainable steel production, and as of 2020, has reduced its own steel production-generated CO₂ emissions by 54% from 2015. (See figure on the right)

In April 2020, at its Hofors mill in Sweden, Ovako became the first steelmaker in the world to succeed in heating steel before rolling with hydrogen, and in June 2021, Ovako began construction of the largest non-fossil hydrogen production facility in Sweden at the same Hofors mill to promote efforts toward further reduction of CO₂ emissions.



(Ovako SUSTAINABILITY REPORT 2020)

In this context, Ovako has decided to utilize carbon credits able to be applied to Clean Development Mechanism (CDM) projects reducing greenhouse gas emissions, mainly in developing countries, as stipulated in the Kyoto Protocol and the Marrakesh Accords, until Ovako will achieve zero CO₂ emissions from its own steel production. Ovako has also started dialogues with its customers on the introduction of a climate surcharge to maintain its momentum to invest in sustainable technical solutions such as hydrogen-fuelled heating.

In line with the increasing global importance on sustainable solutions to help mitigate climate changes, Sanyo Special Steel Group including Ovako, will further promote diverse and versatile efforts toward reduction of CO₂ emissions and realization of carbon neutrality.

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