

The Role of the Private Sector in Transition to Green Economy

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«Greening the economy for sustainable development, security and stability»

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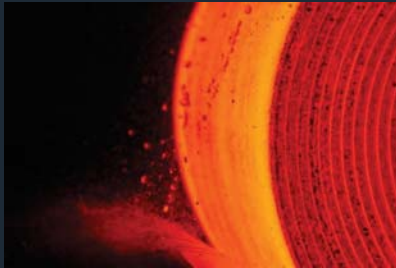
- The private sector is the most important mechanism in national and local economies with great possibilities and potential.
- Business investments provide an opportunity to create solutions that enable reducing emissions and use of resources, making the planet cleaner.
- Business plays a crucial role in the transition to green economy that gives huge opportunities to the world – primarily environmental and economic. The opportunities of the green economy are so global they can be compared to the industrial revolution.
- In this way business needs a regulatory framework from the government – a kind of rules of the game – supporting innovative and safe investments, providing incentives for private investors to support green technologies and prospective start-ups.

Metinvest is a vertically integrated international group of metals and mining companies in Ukraine, Europe and the US

HEALTH, SAFETY AND ENVIRONMENT ARE OUR MAIN PRIORITIES. OUR EFFORTS —TO PROTECT PEOPLE AND NATURE ARE CONTINUOUS



5 iron ore and coal producers in Ukraine and the US



3 steelmaking assets in Ukraine

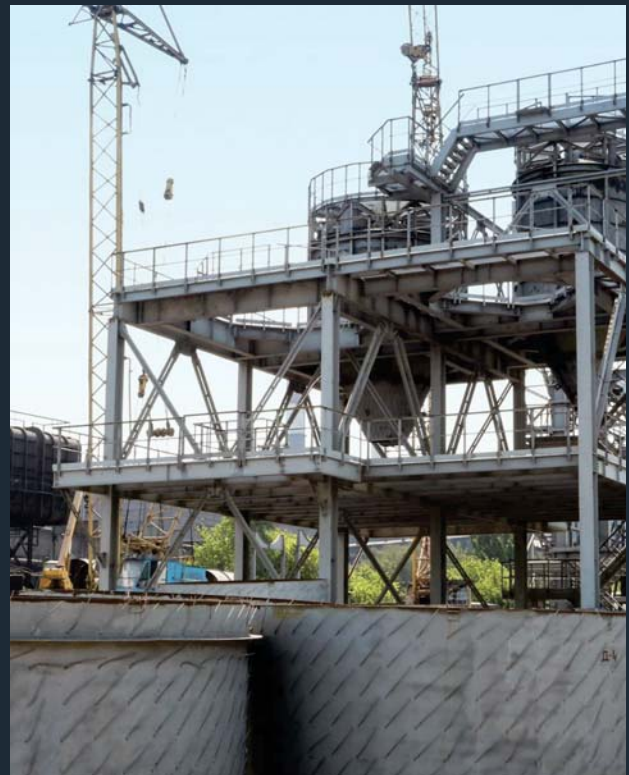


4 rerolling assets in Europe

Reconstruction of gas cleaning system of sinter machines ## 1-12 at Ilyich Steel

INVESTMENTS AMOUNT TO OVER \$200 MLN

Replacement of existing gas cleaning with new type of cyclones. Sulfur removal. Achievement of best world standards. Reduction of dust emissions by 90% and sulfur compounds emissions by 46%. Project completion is expected in 2020.



Revamp of dedusting facilities of Basic Oxygen Furnace No.2 at Ilyich Steel

CAPEX AMOUNTED
TO \$10 MLN

Basic Oxygen Furnace No.2
was revamped



Reconstruction of Blast Furnace No.4 dedusting system at Azovstal

INVESTMENTS
AMOUNT TO \$13 MLN

Casthouse dedusting system has been renewed. High capacity baghouse filter has been installed. Top notch efficient air cleaning plants are used. Achievement of the European emission standard at the level of 30 mg/m³.



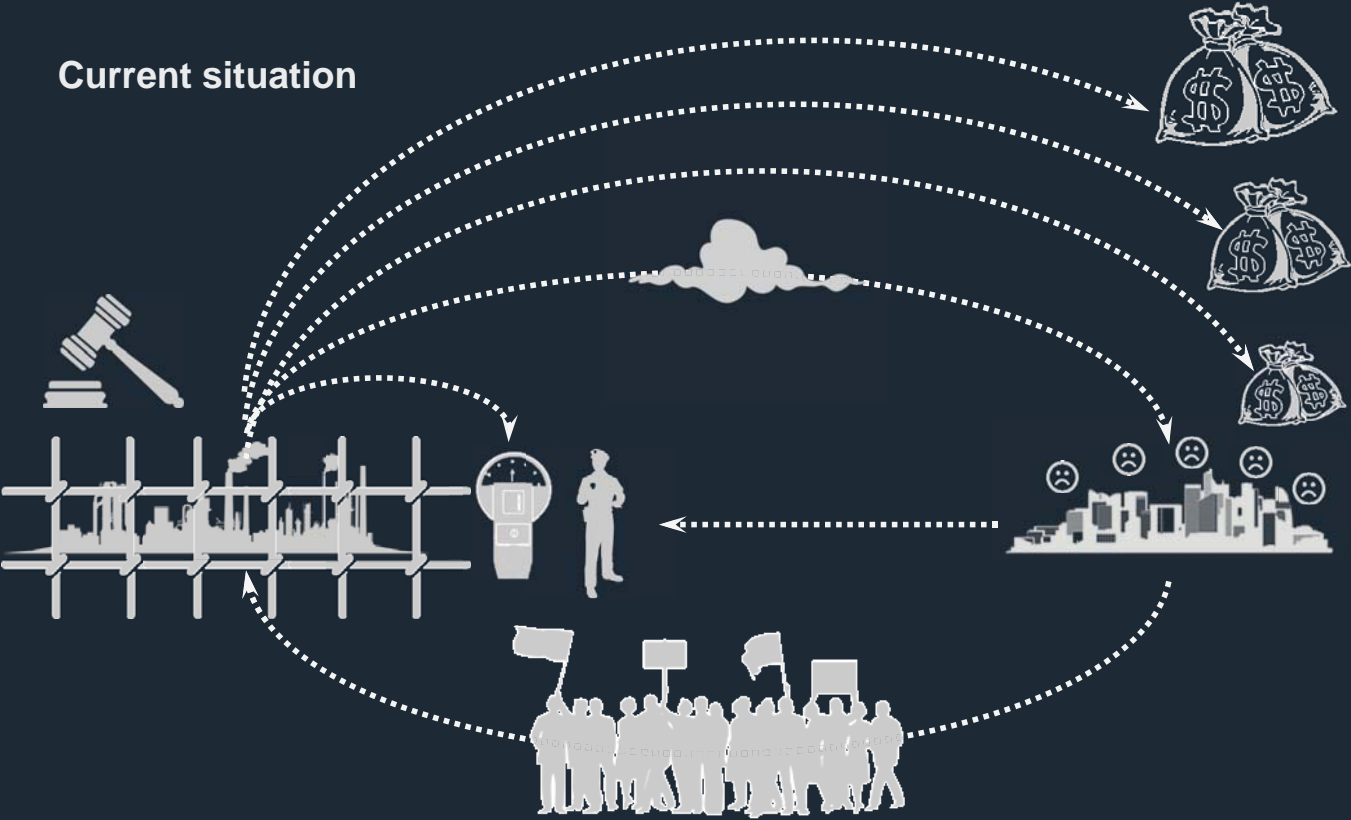
Replacement of gas cleaning system of roasting machine Lurgi 552B at SevGOK

Use of state-of-the-art filters. Reduction of the concentration of pollutants. Achievement of 50 mg/m3 emissions on each source of emission. Reduction of dust emissions by 78%* (*as of the year end). Project completion is expected in 2018.

COST OF EQUIPMENT AMOUNTS TO OVER \$12.7 MLN

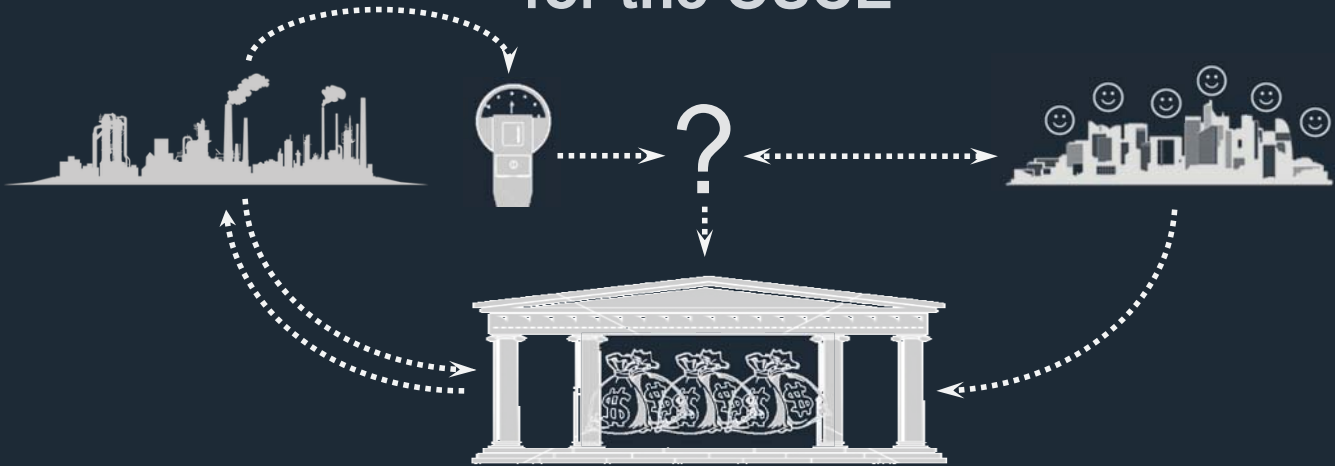


Current situation



Prospective situation

Potential role for the OSCE



Good Practice Examples from European Countries



The Swedish Program: Refunded Emission Payment (REP)

Dates back to 1992. The revenues from the Swedish charge are automatically recycled through payments to industry. The Swedish tax was introduced as a specific policy tool to accelerate the reduction of NOx emissions from the industry sector.

TOTAL REVENUE OF OVER \$50 MLN PER YEAR WAS ACHIEVED



The French Program

France has a tax applied to four different categories of air pollution with different criteria for refunding of the tax revenues. The majority of the funds collected by the French tax are used to subsidize abatement investments among the firms that emit NOx.

ABATEMENT INVESTMENTS WERE \$3,5 – 8 MLN PER YEAR

Thank you!

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