

Air Liquide to build and operate for Shagang a low carbon gas plant which is also the world's largest for the steel industry

Air Liquide and Jiangsu Shagang Group, the largest private steel enterprise in China and one of top 5 globally¹, have signed a new long-term agreement for the supply of industrial gases in Zhangjiagang City, Jiangsu Province, China. Air Liquide will invest around 100 million euros towards the construction of a world-scale Air Separation Unit (ASU) on the site, where it already operates two other ASUs. Designed to use low carbon energy, this state of the art plant will allow to significantly reduce CO₂ emissions over time. This new ASU will also be a new source of krypton and xenon to address the growing demand of the Electronics industry, as well as other air gases for our industrial merchant activity in China.

Under a 20 year-long contract, Air Liquide will build, own and operate a new state-of-the-art ASU with a daily capacity of 3,800 tonnes of oxygen. It is the largest single ASU for the steel industry in the world, as well as Air Liquide's largest ASU in China. When the new unit starts up at the end of 2023, it will bring the total installed oxygen capacity to over 8,000 tonnes per day on the site.

The new ASU is equipped with the proprietary solution Alive™, an innovation that allows for the storage of up to 60 MW of energy per day, enabling flexibility in the grid and contributing to a higher reliability of gas supply. Replacing old assets installed on the customer site, and using an incremental proportion of low-carbon energy, this new ASU will contribute to a lower carbon footprint for this flagship site, in line with Air Liquide's journey towards carbon neutrality.

This ASU will be a key source of krypton and xenon for Air Liquide, addressing the growing demand of the Electronics industry. The Zhangjiagang site will also become Air Liquide's largest liquid oxygen and nitrogen source in China, with its Ultra Purity Oxygen capacity positioning it strategically to support small-and-medium sized customers of liquid and packaged gases, including local hospitals requiring high-purity medical gases, in East China.

François Abrial, Member of the Air Liquide Group's Executive Committee supervising Asia Pacific, said, *"This new contract further enhances Air Liquide and Shagang Group's long-term partnership which was established in 2007. With this state-of-the-art low carbon plant, we are committed to leveraging our innovative solutions to help our customers reduce the carbon footprint of steel-making and other industries. This is a new illustration of our commitment to act for a sustainable future and reach carbon neutrality by 2050."*

Shen Wenrong, Chairman of Jiangsu Shagang Group, said: *"Air Liquide boasts advanced ASU technology and expertise in engineering & manufacturing and digitalized operations. Building on our strong cooperation, this new contract will further strengthen our relationship while bringing down Shagang's production cost and energy consumption. Echoing China's objectives for carbon peak and carbon neutrality, we look forward to working with Air Liquide to explore decarbonizing steel-making through technologies of hydrogen metallurgy and carbon capture."*

Air Liquide China

Air Liquide in China operates nearly 120 plants and employs close to 5,000 employees. With a strong presence in the key coastal industrial areas, Air Liquide is now expanding into the center, south and west. Its main business activities include industrial and medical gas operations, Engineering & Construction (designing, manufacturing and installing air separation units/hydrogen facilities), as well as Innovation activities.

¹ Source - [2020 worldsteel association list of top steel-producing companies](#)

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A world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 78 countries with approximately 64,500 employees and serves more than 3.8 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Air Liquide's ambition is to be a leader in its industry, deliver long term performance and contribute to sustainability - with a strong commitment to climate change and energy transition at the heart of its strategy. The company's customer-centric transformation strategy aims at profitable, regular and responsible growth over the long term. It relies on operational excellence, selective investments, open innovation and a network organization implemented by the Group worldwide. Through the commitment and inventiveness of its people, Air Liquide leverages energy and environment transition, changes in healthcare and digitization, and delivers greater value to all its stakeholders.

Air Liquide's revenue amounted to more than 20 billion euros in 2020. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, EURO STOXX 50 and FTSE4Good indexes.