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Salzgitter AG and Tenova signed a Memorandum of Understanding for the pursuit of the SALCOS project for CO₂-reduced Steel Production based on Hydrogen

Hannover, April 03, 2019 – A concrete step towards future-oriented, climate-friendly technology for steel production: **Tenova** – a company of the Techint Group specialized in innovative solutions for the metals and mining industries – and **Salzgitter AG** – among the leaders in innovative and sustainable steel and technology products – declared officially a **mutual cooperation for the realization of SALCOS (Salzgitter Low CO₂ Steelmaking)** by signing a Memorandum of Understanding (MoU) on April 02, in the context of Hannover Messe 2019.

SALCOS is a revolutionary concept for a **significantly CO₂-reduced steel production**, commonly developed by the two companies. The aim is to undergo a stepwise transformation process of the integrated steel making route, moving from carbon-intensive steel production based on Blast-Furnaces towards a Direct Reduction and Electric Arc Furnace route, including the flexible incremental utilization of **hydrogen**. This concept is capable of reducing CO₂ emissions up to 95% with respect to the entire steel production route.

The cooperation aims at jointly applying for public funding of the SALCOS project.

In this context, Tenova will provide the **ENERGIRON-ZR-direct reduction technology**, the innovative HYL Direct Reduction Technology with integrated CO₂ absorption system, jointly developed by Tenova and Danieli.

*“Over the last years, Tenova has been heavily investing to develop technologies able to significantly reduce energy consumption and the environmental footprint of steel production. Hydrogen plays a pivotal role in this revolution, and the SALCOS concept could represent an important milestone in our industry”, said **Paolo Argenta**, Tenova Executive Vice-President Upstream. “We are currently involved in a further study, GrInHy2.0, with Salzgitter AG and Sunfire GmbH, which has received the support of Hydrogen Europe and the European Commission. This should lead to another step toward the first full-scale initiative to move from coal to hydrogen in the steel production.”*

Ulrich Grethe, member of Salzgitter AG’s Group Management Board: *“The agreement with Tenova is another important step in the implementation of the SALCOS project. With this, we affirm our offer to politics and society to realize a low CO₂ steel production in the near future. Thus, SALCOS is securing the future viability of the Salzgitter steel location and the jobs here.”*

About Tenova

Tenova, a Techint Group company, is a worldwide partner for innovative, reliable and sustainable solutions in metals and mining. Leveraging a workforce of over three thousand forward-thinking professionals located in 22 countries across 5 continents, Tenova designs technologies and develops services that help companies reduce costs, save energy, limit environmental impact and improve working conditions.

For more information, visit www.tenova.com

About Salzgitter AG

Salzgitter AG is one of Europe's leading steel and technology groups – with external sales of around 9 billion euro, a workforce of over 25,000 and just under 160 national and international subsidiary and associate companies. It is comprised of the Rolled Steel, Plate/Sections, Mannesmann, Trading and Technology business units. Salzgitter Flachstahl GmbH is the largest subsidiary, producing a broad range of high-quality special and branded steels for demanding customer segments such as the automobile industry. Salzgitter Mannesmann Forschung GmbH is the central research unit supporting the steel activities of the Salzgitter Group.

Details of the Salzgitter Group are available online at www.salzgitter-ag.com.