

## PRESS RELEASE

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### MoU for Salzgitter and Tenova on SALCOS®

**Salzgitter AG and Tenova continue close cooperation in realizing the SALCOS® program: Memorandum of Understanding signed for technical implementation.**

**Castellanza / Salzgitter, March 08, 2022** - Salzgitter AG and Tenova are stepping up their close technical cooperation and have concluded an important agreement for the realization of **SALCOS® - SALZgitter Low CO<sub>2</sub>-Steelmaking**.

The two partners have signed a **Memorandum of Understanding**, thereby substantiating their close cooperation in the next steps toward realizing SALCOS®. Conditional on the respective funding approvals, Salzgitter AG intends to order a **DRI plant** from Tenova with an annual capacity of 2.1 million tons for the future industrial production of directly reduced sponge iron. The plant will be based on the **ENERGIRON® technology**, jointly developed by Tenova and Danieli.

Tenova affirms its great interest in realizing this project together with Salzgitter AG and, beyond this, in cooperating closely in future facilities projects in the areas of development, production, installation and construction of plants of this kind.

In signing this Memorandum of Understanding, the two companies reaffirm their cooperation based on a spirit of partnership and their joint determination to start construction work on the first stage of SALCOS® as early as the summer of this year.

SALCOS® is a ground-breaking program designed to **significantly reduce CO<sub>2</sub> emissions in steel production**. The program is aimed at achieving a gradual transformation process away from carbon-intensive conventional steel production and toward direct reduction with the **flexible and increasing deployment of hydrogen**. Ultimately, CO<sub>2</sub> emissions in the process chain can be reduced by more than 95 % and, upon full implementation, avoid one percent of Germany's entire CO<sub>2</sub> emissions.

**Gunnar Groebler**, Chief Executive Officer of Salzgitter AG: *"The agreement with Tenova is a momentous milestone in the implementation of the SALCOS® program. It enables us to be in a position to commence directly with the construction phase for realizing low CO<sub>2</sub> steel production, once approval has been given to the public funding requested. SALCOS® secures the future sustainability of Salzgitter as a steel location and the jobs there."*

*"Tenova has invested hugely in recent years in developing technologies to substantially reduce energy consumption and improve steel production's environmental footprint. In this landmark development, hydrogen plays a central role and the SALCOS® concept could become a decisive milestone for our industry,"* says **Roberto Pancaldi**, Chief Executive Officer of Tenova.



Standing (left to right):

Martin Zappe, Program Director Salcos®, Salzgitter AG

Paolo Argenta, Executive Vice President Upstream Business Unit Tenova

Mario Marcozzi, Marketing & Sales Director Upstream Business Unit Tenova

Sitting (left to right)

Dr. Markus Dorndorf, Vice President Iron- & Steelmaking Tenova Germany

Roberto Pancaldi, Chief Executive Officer Tenova

Ulrich Grethe, CEO Salzgitter Flachstahl GmbH

Roland Bruckmann, Head of Procurement of Investments, Industrial Services & Mobility, Salzgitter Flachstahl GmbH

### About Tenova

*Tenova, a Techint Group company, is a worldwide partner for sustainable, innovative and reliable solutions in the metals and – through the well-known TAKRAF and DELKOR brands – in the mining industries. Tenova leverages a workforce of over 2,000 forward-thinking professionals located in 19 countries across 5 continents, who design technologies and develop services that help companies reduce costs, save energy, limit environmental impact and improve working conditions.*

For more information, visit [www.tenova.com](http://www.tenova.com)

### About Salzgitter

*Salzgitter AG ranks among Europe's leading steel and technology groups, with external sales of around € 9 billion, more than 24,000 employees, and just under 160 domestic and international subsidiaries and associated companies. It is structured into the business units of Strip Steel, Plate/Section Steel, Mannesmann, Trading and Technology. Salzgitter Flachstahl GmbH is the Group's largest subsidiary. The Group produces a wide range of high-grade special and branded steels for sophisticated customer sectors, such as the automotive industry, and occupies a leading international position in the decarbonization of steel production.*

Further information: [SALCOS® – Climate Initiative for Low CO2 Steel Production](#)