

Press Release

Klöckner & Co SE
Am Silberpalais 1
47057 Duisburg
Deutschland

www.kloeckner.com

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Klöckner & Co and the Salzgitter Group partnering for the transformation to a green steel industry

- The long-standing partners aim to significantly raise the volume of green steel available on the markets
- As from the end of 2025, the Salzgitter Group will be delivering CO₂-reduced steel to Klöckner & Co

Duisburg and Salzgitter, May 23, 2023 – Klöckner & Co and the Salzgitter Group have entered into a partnership geared to stepping up their collaboration in the transformation process to a green steel industry. Going forward, the volume of green steel available on the markets will be significantly increased: From year-end 2025, the Salzgitter Group will be delivering CO₂-reduced steel produced via the new hydrogen-based “SALCOS[®]” production route to Becker Stahl-Service GmbH, a subsidiary of Klöckner & Co. The CO₂-reduced steel from Salzgitter will be available under the “Nexigen[®]” umbrella brand under which Klöckner & Co is offering its CO₂-reduced steel and metal solutions.

Guido Kerkhoff, CEO of Klöckner & Co SE: “Our partnership with the Salzgitter Group will enable us to considerably ramp up the availability of green steel for our customers, thereby significantly reinforcing the “Nexigen[®]” brand offerings. Under the “Nexigen[®]” umbrella brand, we are transparently combining our CO₂-reduced solutions in materials, processing and logistics. This enables us to assist our customers in consistently developing reliable and sustainable value chains. In these endeavors, we are forging ahead with the implementation of our ‘Klöckner & Co 2025: Leveraging Strengths’ corporate strategy and consolidating our role as a pioneer of a sustainable steel industry.”

Gunnar Groebler, CEO of Salzgitter AG: “A key success factor for SALCOS[®] is close collaboration with customers and partners in line with our ‘Partnering for Transformation’ strategic mission. We are therefore delighted to extend our cooperation with Klöckner & Co now to include green steel products. The keen interest from industry, such as from the automotive and household appliance sectors, and trading in our

CO₂-reduced products indicate that the market for green steel products is increasingly gaining traction.”

Salzgitter Group to produce CO₂-reduced steel via a new hydrogen-based route

Salzgitter Flachstahl GmbH will produce the CO₂-reduced steel for Klöckner & Co via the new hydrogen-based “SALCOS® - Salzgitter Low CO₂ Steelmaking” production route. The objective of SALCOS® is to achieve virtually carbon-neutral steel production, implemented in three stages. The first stage will go into operation as early as the end of 2025. The gradual replacement of the blast furnaces currently in use by direct reduction plants and electric arc furnaces will already put the Salzgitter Group in a technical position to save around 95 percent of the emissions from steel production by the end of 2033.

Klöckner & Co combines CO₂-reduced products under the Nexigen® brand

To offer its customers enhanced transparency in the market for CO₂-reduced carbon steel and metal solutions, Klöckner & Co has developed its own “Nexigen®” categorization. The brand stands for transparent, CO₂-reduced solutions in materials, processing and logistics. This brand portfolio provides Klöckner & Co customers with a reliable source of green steel and metal products as well as full transparency in terms of their carbon footprint, from sourcing raw materials all the way through to production. In conjunction with an extensive range of logistics and security solutions, flanked by Sustainable Advisory Services, Klöckner & Co supports its customers in building up sustainable supply chains. The independently certified Nexigen® PCF algorithm calculates the product carbon footprint (PCF) for virtually all of the around 200,000 Klöckner products.

About Klöckner & Co:

Klöckner & Co is one of the largest producer-independent distributors of steel and metal products and one of the leading steel service companies worldwide. Based on its distribution and service network of around 150 sites in 13 countries, Klöckner & Co supplies more than 90,000 customers. Currently, the Group has around 7,200 employees. Klöckner & Co had sales of some €9.4 billion in fiscal year 2022. With the expansion of its portfolio of CO₂-reduced materials, services and logistics options under the new Nexigen® umbrella brand, the company is underscoring its role as a pioneer of a sustainable steel industry. At the same time, Klöckner & Co leads the way in the steel industry's digital transformation and has set itself the target of digitalizing and largely automating its supply and service chain. In this way, the Company aims to develop into the leading one-stop shop for steel, other materials, equipment and processing services in Europe and the Americas.

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard).

Klöckner & Co shares are listed in the SDAX® index of Deutsche Börse.

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Contact Klöckner & Co SE:**Press**

Christian Pokropp – Press Spokesperson
Head of Corporate Communications | Head of Group HR
Phone: +49 203 307-2050
Email: christian.pokropp@kloeckner.com

Investors

Felix Schmitz
Head of Investor Relations | Head of Strategic Sustainability
Phone: +49 203 307-2295
Email: felix.schmitz@kloeckner.com

About Salzgitter AG:

Salzgitter AG ranks as one of Germany's leading steel and technology groups.

As a pioneer in the circular economy, we focus on sustainable innovation and on transforming products and processes in the business units of Steel Production, Steel Processing, Trading and Technology.

With our "Salzgitter AG 2030" strategy and anchored in the principle of "Pioneering for Circular Solutions", we are setting new benchmarks in the industry. Our aspirations are realized through strong initiatives and programs such as SALCOS® - Salzgitter Low CO₂ Steelmaking. Through partnerships and in networks, we are actively driving the process of development towards a circular economy.

With around 25,000 employees worldwide at 150 national and international subsidiaries and associate companies, we live up to our global aims for growth, profitability and our pioneering position. In the financial year 2022, we generated external sales of around € 12 billion, with a crude steel capacity of 7 million.

More information is available at: [People, Steel and Technology | Salzgitter AG \(salzgitter-ag.com\)](https://www.salzgitter-ag.com/en/people-steel-and-technology)

Contact Salzgitter AG:**Media**

Thorsten Möllmann

Head of Communication & Brand

Phone: + 49 (0)5341 21 2300

Email: moellmann.t@salzgitter-ag.de

www.salzgitter-ag.com

Olaf Reinecke

Press Spokesperson

Phone: + 49 (0)5341 21 5350

Email: reinecke.o@salzgitter-ag.de

www.salzgitter-ag.com

Capital Market

Markus Heidler

Head of Investor Relations

Phone: +49 (0)5341 21 6105

Email: markus.h@salzgitter-ag.de

www.salzgitter-ag.com