

Press Release

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Salzgitter Group and Baffinland to cooperate in producing low carbon green steel

- **High-grade iron ore from Nunavut, Canada to be used in SALCOS®**
- **Joint assessment of the iron ore supply strategies for hydrogen-based steel production**
- **Lowering carbon emissions along the value chains**

Iqaluit (CAN) / Salzgitter (GER) – Baffinland Iron Mines Corporation (“Baffinland“) and Salzgitter Flachstahl GmbH – a subsidiary of Salzgitter AG – are strengthening their cooperation by signing a Memorandum of Understanding (MoU) to investigate the use of Nunavut high-grade iron ore in low carbon steel production.

Low carbon green steel forms the basis of the transition to clean sources of energy and is necessary for virtually every aspect of global decarbonization. Having high-grade iron ore is a prerequisite for producing green steel. Baffinland iron ore has superior chemistry combined with first-rate metallurgical properties. Baffinland’s operation is different than many others in that the iron ore is crushed and screened on site, and then shipped directly to markets – no concentrating or processing is needed, and as a result no tailings are produced.

Starting in 2025, the Salzgitter Group will begin incrementally switching its steel production to hydrogen-based processes under its SALCOS® - Salzgitter Low CO₂ Steelmaking transformation program. The aim is to achieve virtually carbon-free production by 2033. In the context of the MoU, Baffinland and Salzgitter Flachstahl GmbH will consider which supply strategies regarding using iron ore produced by Baffinland are best suited to hydrogen-based steel production in a direct reduction plant. In addition, the companies will work together on optimizing the Scope 3 emissions of their shared value chains.

As Brian Penney, Baffinland’s Chief Executive Officer, states: “We are delighted to be cooperating with Salzgitter as a long-standing customer of Baffinland in realizing environmentally compatible steel production. Projects such as SALCOS® and the requisite high-grade iron ore are the key to global decarbonization in the steel industry. We applaud Salzgitter’s leadership in this regard and look forward to actively contributing our expertise to advance its flagship SALCOS project.”

As Gerd Baresch, Head of Salzgitter Flachstahl GmbH’s Technical Division, emphasizes: “The ‘Memorandum of Understanding’ with Baffinland Iron Mines Corporation is highly significant for us in many ways. It strengthens the partnership that we have maintained for many years and supports us on our journey toward low carbon steel production. The high grade iron ore brings with it the prospect of also being deployed in our SALCOS® - Salzgitter Low CO₂ Steelmaking transformation program and of assisting us here in reducing carbon emissions along the value chains.”

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Baffinland Iron Mines Corporation is jointly owned by The Energy and Minerals Group and ArcelorMittal, and operates the Mary River high-grade iron ore mine located on Baffin Island, Nunavut, Canada. Nunavut's high-grade iron ore is among the richest iron ore deposits ever discovered. It can be crushed, and screened into marketable green products.

The Mary River Mine produces the highest grade direct shipping iron ore in the world. What sets this operation apart from many others in that the iron ore is crushed and screened on site, and then shipped directly to markets – no concentrating or processing is needed, and as a result no tailings are produced.

Baffinland is committed to operating in an environmentally and socially responsible manner that benefits Inuit, Nunavummiut and all other stakeholders.

Learn more at baffinland.com and follow us on Twitter, Facebook and LinkedIn.

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 2021, we generated external sales of around € 10 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)