

# SSAB to be first to market with fossil-free steel

**Global steel company SSAB plans to be the first company in the world to get fossil-free steel onto the market. The plan for transitioning to iron-ore based fossil-free steel production was presented to more than 400 customers and key players in the industry, in conjunction with SSAB's Swedish Steel Prize seminars this week in Stockholm.**

"SSAB will offer the first fossil-free steel products on the market already in 2026. We seek to initiate partnerships with our customers around common goals so that they can be the first in the world to include fossil-free steel in their own products," says Martin Lindqvist, SSAB's President and CEO.

Recently it was announced that the HYBRIT initiative, where SSAB is one of the owners, will step up work and that SSAB will be able to deliver fossil-free steel to the market already in 2026.

In line with SSAB's global ambitions, the company anticipates that its US operations, which utilize scrap-based electric arc furnace (EAF) technology, will be powered completely by renewable energy by 2022 in its Iowa operations. It will also be able to offer fossil-free steel products starting in 2026, utilizing sponge iron developed through the HYBRIT initiative in Sweden.

That SSAB already at this stage seeks to engage customers in its plans to switch over to a completely new steelmaking technology is a natural step in the company's ambition to step up the pace in transitioning to being fossil free.

"It will take time for a completely new market for fossil-free products to emerge and so we need to start now. Together with our customers, we will work to find successful business models to launch fossil-free products on the market already in 2026," said Martin Lindqvist.

"Fossil-free steel will also help other sectors such as automotive, heavy transport and construction to become fossil free. Together, we will be able to offer end-users a completely fossil free value chain, from the mine to the end product."

In 2016, SSAB, together with LKAB and Vattenfall, launched the HYBRIT initiative with the goal to replace coal and coke, which are used as reduction agents in the steelmaking process, with fossil-free hydrogen gas. Interest in fossil-free steel has since grown rapidly.

In September, Martin Lindqvist, representing the only steel company at the summit, was invited to the UN Climate Action Summit in New York, to talk about something which has hitherto been considered impossible, the potential for net-zero emissions in the steel industry.

"We want to show that transition in the steel industry is not only possible, but truly necessary. When we show the way, I think others will follow," said Martin Lindqvist.

The steel industry accounts for around 7% of global carbon dioxide emissions. In Sweden steelmaking accounts for 10% and in Finland for 7%. The technology to use hydrogen gas instead of coking coal to reduce iron ore is known, but has never been successfully tested

on an industrial scale. HYBRIT is now building a pilot plant for sponge iron (DRI) at SSAB's site in Luleå. The plant will be up and running summer 2020.

"Technological development is already in full swing. By challenging technology that has remained essentially unchanged for almost a thousand years, we will in principle eliminate all fossil carbon dioxide emissions. To date, CO<sub>2</sub> has been an unavoidable by-product in making steel from iron ore. With HYBRIT technology, the only emission will be water," says Martin Pei, CTO at SSAB and chairman of the Board at HYBRIT Development.

SSAB, LKAB and Vattenfall, the owners behind the HYBRIT initiative, have decided on investments totaling around SEK 1.7 billion and the Swedish Energy Agency has granted government support totaling SEK 599 million.

Further, SSAB has decided to replace the two blast furnaces in Oxelösund with an electric arc furnace already in 2025. This will eliminate most of the carbon dioxide emissions at SSAB Oxelösund. The switch to an electric arc furnace is a necessary step in order to be able to utilize the sponge iron from the HYBRIT demonstration plant, which will start operating at the same time.

"We intend to gradually convert the entire production chain right up to finished steel across SSAB's production system in Sweden, Finland and the US. The goal is for the entire company to be fossil-free by 2045 at the latest," said Martin Pei.

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SSAB is a Nordic and US-based steel company. SSAB offers value added products and services developed in close cooperation with its customers to create a stronger, lighter and more sustainable world. SSAB has employees in over 50 countries. SSAB has production facilities in Sweden, Finland and the US. SSAB is listed on Nasdaq Stockholm and has a secondary listing on Nasdaq Helsinki. [www.ssab.com](http://www.ssab.com).

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