

Volvo Group and SSAB to collaborate on the world's first vehicles of fossil-free steel

Volvo Group and SSAB have signed a collaboration agreement on research, development, serial production and commercialization of the world's first vehicles to be made of fossil-free steel. Volvo plans already this year to start the production of concept vehicles and components from steel made by SSAB using hydrogen.

"We are determined to be a climate-neutral company by 2050 in line with the Paris Agreement. This means that our vehicles and machines will be emission-free when in operation but also that we will review the materials, like steel, used in our products and will gradually switch to fossil-free alternatives here as well. This is an important step on the road to completely climate-neutral transports," says Martin Lundstedt, President and CEO at Volvo Group.

"We are now taking a giant leap towards an entirely fossil-free value chain all the way to the end customer. Together with Volvo Group, we will start work on the development and serial production of fossil-free steel products. We will work together with our customers to reduce their climate impact while strengthening their competitiveness. We are constantly looking at how we can become a more comprehensive supplier of fossil-free steel to customers like Volvo. We see a new green revolution emerging," says Martin Lindqvist, President and CEO at SSAB.

Volvo will start on manufacturing the first concept vehicles and machines with steel from SSAB using hydrogen already in 2021. Plans for smaller-scale serial production will be made during 2022 and a gradual escalation towards mass production will follow. Volvo and SSAB will also work together in research and development to optimize the use of steel in Volvo's products with regard to weight and quality. Together, the two companies will develop a number of products of fossil-free steel with the goal of reaching serial production within a few years.

Newly-made fossil-free steel from SSAB will be an important complement to the traditional and recycled steel used in Volvo's trucks, construction equipment and other products. Fossil-free steel will be made by a completely new technology using fossil-free electricity and hydrogen. The result will be a much lower climate impact and a fossil-free value chain. The steel industry considers that the need for steel will grow significantly in the long term and that newly made fossil-free steel will be needed to meet this demand.

The collaboration framework also includes a review of common logistics solutions that can contribute to reducing SSAB's environmental impact from internal and external transports. The ambition is to use Volvo vehicles that are powered by batteries or fuel cells.

SSAB aims to start supplying the market with fossil-free steel at a commercial scale in 2026. Development of a fossil-free value chain from mine to finished steel products will take place within the framework of the HYBRIT initiative, which SSAB has been driving with LKAB and Vattenfall since 2016. A pilot plant has been in place since August 2020 and this will soon start to produce smaller volumes of sponge iron made using hydrogen. This steel will be used to make the steel for use in this collaboration.

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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.

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