

SSAB and Aspo ESL Shipping sign long-term agreement for raw material sea transport to reduce CO₂ emissions

SSAB and Aspo Group's ESL Shipping Ltd have signed a long-term frame agreement covering sea freight for SSAB's inbound raw material sea transport within the Baltic Sea and from the North Sea. The purpose of the agreement is to secure deliveries of raw materials, enable mutual, long-term gains in efficiency and to reduce overall logistics costs. This will simultaneously make raw material logistics as sustainable and environmentally aware as possible. The estimated transport volume is 6-7 million tonnes annually.

The new combined sea freight agreement will result in a reduction of more than 50% in CO₂ emissions per tonne of cargo transported compared to present vessels. Besides these environmental benefits, the cost savings provided by new technology will also allow better profitability.

"We are extremely pleased to continue our long-established sea transport partnership with SSAB. Together we will make shipping more sustainable and environmentally aware than ever before," says Aki Ojanen, Chairman of the Board of ESL Shipping and CEO of Aspo Group.

SSAB needs volume flexibility for key input materials to meet fluctuations in the blast furnace consumption of input materials. SSAB's vision of a stronger, lighter and more sustainable world, encourages the pursuit of solutions to limit environmental impacts, where sea transport is of significant importance. At present, raw materials are transported in vessels powered by low-sulfur bunker fuel.

"This new combined agreement is a solid example of SSAB's sustainability strategy in action. The agreement with ESL Shipping secures deliveries of coking coal, iron ore and PCI coal to SSAB's coking plants and blast furnaces in Raahe, Luleå and Oxelösund," says Per Bondemark, Chief Procurement Officer at SSAB.

The cost savings related to this agreement is part of SSABs synergy program announced in conjunction with the merger with Ruukki in 2014. The new agreement will result in ESL Shipping building two new, energy-efficient LNG-fueled ships. The two ships will be delivered during 2018.

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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 the Nasdaq OMX Nordic Exchange in Stockholm and has a secondary listing on the Nasdaq OMX in Helsinki. www.ssab.com.