

## PRESS RELEASE

VNG / Salzgitter / Hydrogen as alternative energy source

### **Salzgitter Group and VNG expand cooperation in using hydrogen as alternative energy source**

Further feasibility study initiated: Focus on hydrogen supply options for Salzgitter as a centre of industrial production

**Salzgitter, 17/4/2023.** VNG AG and Salzgitter AG will jointly test the use of climate-neutral hydrogen and biomethane for steel production at the Salzgitter Flachstahl GmbH steel plant in Salzgitter, Lower Saxony. Gunnar Groebler, Chairman of the Executive Board of Salzgitter AG, and Hans-Joachim Polk, Member of the Executive Board for Infrastructure & Technology at VNG, signed a corresponding memorandum of understanding in Salzgitter.

The aim of the partnership is to create a study on options for supplying steel production facilities in Salzgitter with hydrogen as an alternative energy source. The analysis includes options of on-site electrolysis and supply via non-pipeline hydrogen derivatives such as ammonia or methanol (e.g. via rail tanker), which will be used to meet at least part of the energy requirements in a transitional phase. In addition, the focus is on existing plans for a long-term connection to a supraregional hydrogen network, which will transport large volumes of hydrogen from various generation regions and projects to the site.

With the joint feasibility study, Salzgitter and VNG are continuing and deepening their successful partnership in use of hydrogen. In the summer of 2020, the two companies announced that they were cooperating in the area of green gases. A memorandum of understanding was signed at that stage, after which two feasibility studies on climate-friendly hydrogen supply and on hydrogen transport were carried out.

“The development of the hydrogen economy is a prerequisite for reducing CO<sub>2</sub> emissions in industry. For this reason, we are pleased to be able to continue our strong partnership with Salzgitter with this joint analysis and thus pave the way towards a climate-friendly hydrogen supply for the steel mill at the Salzgitter site,” says Hans-Joachim Polk.

Gunnar Groebler, comments as follows: “The hydrogen supply to the steel mill is one of the main pillars of our SALCOS® transformation programme. Having already taken a fundamental look at the subject in the form of a study with our partners from the Hydrogen Campus Salzgitter, I look forward to further concretisation together with VNG.”

Salzgitter AG is one of the leading steel and technology groups in Europe – with external sales of around EUR 12 billion, over 25,000 employees and almost 160 national and international subsidiaries and affiliates. It is divided into the Steelmaking, Steel Processing, Trading and Technology divisions. Salzgitter Flachstahl GmbH is the largest subsidiary. It produces a wide range of high-quality special and branded steels for demanding customer sectors such as the automotive industry. More information can be found online at: [www.salzgitter-ag.com](http://www.salzgitter-ag.com). [www.salzgitter-ag.com](http://www.salzgitter-ag.com). Information about the SALCOS project can be found at: <https://salcos.salzgitter-ag.com/>.

### **About VNG**

VNG is a group of over 20 companies active in the European energy industry, employing more than 1,600 people. As a gas importer and wholesaler as well as an operator of critical gas infrastructure, the Group, which is headquartered in Leipzig, is central to the secure supply of gas in Germany. With the “VNG 2030” strategy, VNG is also pursuing an ambitious path for a market ramp-up of renewable and decarbonised gases such as biogas and hydrogen, paving the way for a sustainable, secure supply and, in the long term, climate-neutral energy system of the future. VNG’s investments in infrastructure and green gas projects are primarily in central and eastern Germany, with the aim of making a significant contribution to structural change as a company firmly anchored in the region. More at: [www.vng.de](http://www.vng.de).