



ZF relies on green steel

- **Long-term supply agreement concluded with Swedish start-up H2 Green Steel**
- **250,000 tons of steel per year from 2025 onwards accounting for ten percent of ZF's current steel requirements**

Friedrichshafen, Germany. ZF is working at full speed to further reduce its carbon footprint. One of the most important key levers of achieving this is the purchase of sustainably produced materials such as steel. The technology group has now concluded a long-term supply agreement with Swedish start-up H2 Green Steel. Starting 2025 through to 2032 the Scandinavian company will ramp up and supply ZF with 250,000 tons of steel annually from its production plant in northern Sweden. This accounts for ten percent of ZF's current steel requirements and will save around 475,000 tons of CO₂ per year.

ZF directly and indirectly processes around 2.5 million tons of steel per year worldwide. To help achieve its CO₂ reduction targets, the company has concluded an agreement with H2 Green Steel. The Swedish start-up was launched in 2021 with the aim of accelerating the decarbonization of heavy industries, starting with the steel industry through new production processes and technologies, and by using green hydrogen.

The steel will be produced in a fully integrated production process, using end-to-end digitalization, electricity from renewable energy sources and green hydrogen instead of coal. In traditional steel making, reduction of iron ore is done by heating it together with coal, utilizing a chemical reaction that separates the oxygen from the iron, forming and emitting CO₂. In H2 Green Steel's production process, green hydrogen reacts with iron ore similarly to carbon, resulting in the extraction of oxygen. However, instead of creating CO₂, the main by-product is water.



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Starting in 2025, H2 Green Steel will ramp up to supply ZF with 250,000 tons of steel annually from its production plant in northern Sweden. This is ten percent of ZF's current steel requirements and will save around 475,000 tons of CO₂ annually. The supply agreement extends to 2032.

"With the introduction of low-CO₂ production processes and sustainable products, the steel industry is in the midst of a profound transformation. Innovative companies with new concepts are in demand. We are supporting this transformation through our long-term supply relationship with H2 Green Steel," says Daniele Pontarollo, Head of ZF Group-wide Materials Management. ZF is also in dialogue with other leading steel suppliers to explore opportunities for sourcing green steel.

"We believe that by working closely with sustainable suppliers, we can significantly and sustainably reduce upstream emissions. The cooperation with H2 Green Steel is an excellent example of this," says Dr. Michael Karrer, who is responsible for sustainability, environmental management and occupational safety throughout the ZF Group.

Caption:

Starting in 2025, ten percent of ZF's current steel requirements will be supplied by Swedish Start-up H2 Green Steel. Through new production processes using green hydrogen, annual CO₂ emissions will be reduced by 475,000 tons.

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About ZF

ZF is a global technology company supplying systems for passenger cars, commercial vehicles and industrial technology, enabling the next generation of mobility. ZF allows vehicles to see, think and act. In the four technology domains of Vehicle Motion Control,



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Integrated Safety, Automated Driving, and Electric Mobility, ZF offers comprehensive product and software solutions for established vehicle manufacturers and newly emerging transport and mobility service providers. ZF electrifies a wide range of vehicle types. With its products, the company contributes to reducing emissions, protecting the climate and enhancing safe mobility.

With some 157,500 employees worldwide, ZF reported sales of €38.3 billion in fiscal 2021. The company operates 188 production locations in 31 countries.

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