

Joined Press Information



Low carbon steel to be used in increasingly more home appliances: BSH Hausgeräte GmbH and the Salzgitter Group step up of their collaboration

- / With a 95 percent lower carbon footprint in production, green steel supports the decarbonization strategy of both companies**
- / Use of recycled steel scrap makes a valuable contribution to the objective of the circular economy**
- / Green steel will soon be used in a variety of BSH's large home appliances**

Salzgitter and Munich, January 16, 2023. Europe's largest home appliance manufacturer, BSH Hausgeräte GmbH, is continuing to drive forward the decarbonization of its value chain using materials produced in a climate-friendly way. A Memorandum of Understanding was signed with Salzgitter Flachstahl GmbH - a subsidiary of Salzgitter AG - to source green steel from a new production route from 2025. The steel will be produced by means of the new hydrogen-based production route SALCOS® (Salzgitter Low CO₂ Steelmaking). This means that carbon emissions in production will be reduced gradually by some 95 percent by 2033.

BSH has already been sourcing initial quantities of green steel from Salzgitter Flachstahl GmbH since 2021 with a reduction in the carbon footprint of more than 66 percent. This steel is already being used to produce mounting brackets for washing machines in the BSH plant in Lodz in Poland.

The home appliances manufacturer is now taking the next major step to significantly reduce carbon emissions in its value chain. BSH and Salzgitter Flachstahl GmbH signed a Memorandum of Understanding on January 13, 2023 which provides for large volumes of green steel from 2025 for the European market with increases each year.

What is special about this green steel is the new production process that Salzgitter AG intends to use. Together with partners from business and research, Salzgitter AG has laid the foundations for almost zero-carbon steel production with the SALCOS® (Salzgitter Low CO₂ Steelmaking)

BSH Hausgeräte GmbH - A company of the Bosch Group.

HOME APPLIANCES UNDER THE BRANDS



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Board of Management: Dr. Matthias Metz (Chairman of the Board of Management), Dr. Gerhard Dambach, Dr. Alexander Dony, Matthias Ginthum, Rudolf Klötscher, Lars Schubert / Registered Office: Munich; Registry Court: Amtsgericht Munich, HRB 75534; WEEE-Reg.-No. DE 57986696

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program. The key elements are electricity from renewable sources and its use to produce hydrogen by means of electrolysis. The green hydrogen produced will replace coal, which is still being used at present in the conventional blast furnace process. This is made possible by direct reduction (DR) plants, involving the direct reduction of iron ore into iron in the solid state using hydrogen as a reducing agent. Using this technology, steam is emitted instead of carbon dioxide.

SALCOS® is thus following the carbon direct avoidance strategy to avoid the generation of carbon in steel production as early as the production stage. Salzgitter AG therefore intends to reduce its carbon emissions overall by 95 percent. Phillip Meiser, Sales Director at Salzgitter Flachstahl GmbH: “We are looking forward to growing the collaboration with BSH in such a pioneering way. The transformation toward a climate-neutral economy can only succeed as part of a network of strong partners, who ensure that the market for carbon-reduced steel products continues to grow steadily.”

BSH's development and manufacturing at all its locations worldwide have already been carbon-neutral since 2020. And the company has set itself a further sustainability target for 2030: “We intend to reduce our indirect scope 3 carbon emissions resulting from the purchase of raw materials and parts and through use of home appliances by a further 15 percent compared with 2018. On the one hand, we therefore always offer our consumers products that are especially energy efficient. On the other hand, however, we also closely examine how to improve processes over which we have no direct control – for example, the production of materials that we use for our appliances,” says BSH Chief Operating Officer Lars Schubert. “I am therefore very pleased that we are decisively driving forward the reduction in carbon emissions in our value chain together with the Salzgitter Group.”

In addition to reducing carbon emissions, another positive effect of the new production process is that an even higher percentage of steel scrap is used. “The recycling of materials and appliances is an important future issue for BSH in order to avoid wasting resources and generating waste,” explains Lars Schubert. “Our goal is to be ready for a circular economy.” The company therefore also increasingly offers circular business models in which home appliances are leased or used communally. The appliances are taken back following use, reconditioned for re-use, and recycled in an environmentally sound manner at the end of the product life cycle. This is also in line with the Group strategy of Salzgitter AG in terms of focusing on the circular economy.

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About BSH

BSH Hausgeräte GmbH, with a total turnover of some EUR 15.6 billion and 62,000 employees in 2021, is a global leader in the home appliance industry. The company's brand portfolio includes twelve well-known appliance brands like Bosch, Siemens, Gaggenau and Neff as well as the ecosystem brand Home Connect and service brands like Kitchen Stories. BSH produces at 41 factories and is represented in some 50 countries.

BSH is a Bosch Group company.

About Salzgitter AG

Salzgitter AG ranks as one of Germany's leading steel and technology groups.

As a pioneer in the circular economy, we focus on sustainable innovation and on transforming products and processes in the business units of Steel Production, Steel Processing, Trading and Technology.

With our Salzgitter AG 2021" strategy and anchored in the principle of "Pioneering for Circular Solutions", we are setting new benchmarks in the industry. Our aspirations are realized through strong initiatives and programs such as SALCOS® - Salzgitter Low CO2 Steelmaking. Through partnerships and in networks, we are actively driving the process of development towards a circular economy.

With around 25,000 employees worldwide at 150 national and international subsidiaries and associate companies, we live up to our global aims for growth, profitability and our pioneering position. In the financial year 2021, we generated external sales of around € 10 billion, with a crude steel capacity of 7 million.

Further information



Website: <https://www.bsh-group.com/> and www.salzgitter-ag.com



Press releases: <https://www.bsh-group.com/press/press-releases>



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