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Press and IR Release

Schaeffler and H2 Green Steel intensify cooperation

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- Increase in equity stake adds third pillar to cooperative venture, alongside strategic technology partnership and off-take agreement
- Schaeffler increases equity interest in H2 Green Steel to 100 million euros
- Use of steel produced by H2 Green Steel reduces CO_2 emissions by up to 95 percent compared with conventional steel
- Green steel: key lever for supply chain decarbonization

Schaeffler, the motion technology company, and Swedish startup H2 Green Steel have decided to intensify their already close partnership. The two companies made the decision in the course of a recent equity funding round, in which Schaeffler agreed to invest a further 65 million euros, a significant increase that takes its total stake to 100 million euros. That's the most equity Schaeffler has ever put into a minority stake in another company. As a strategic technology partner of H2 Green Steel, Schaeffler will channel its know-how into the development of new steel products, such as green e-steel for electromobility. In addition, the two companies will jointly develop new applications for the use of sustainable rolling bearing solutions in production. The aim is to maximize the efficiency of production through the use of first-rate components and integrated condition monitoring solutions. The two companies will also benefit from each other's expertise in the areas of digitalization and circular economy.

"Achieving sustainability across the entire value chain requires cooperation between strong partners who are willing to move forward together with commitment and determination," Klaus Rosenfeld, Chief Executive Officer of Schaeffler AG, said. "Schaeffler and H2 Green Steel are both pioneers with true innovative power, and we are now synergizing these strengths even further. The increased capital stake and the strategic technology partnership follow the off-take agreement of 2021 as the next logical step as our two organizations seek to work together even more closely. Together, we are making a significant contribution to the global transformation of the steel industry and the reduction of CO_2 emissions."

Green steel: Key lever for decarbonization

Schaeffler is pursuing the overarching goal of being completely climate-neutral by 2040. By 2030, the company aims to achieve both climate neutrality in its own production processes (Scope 1 and 2) and a 25 percent reduction in its supply chain emissions (Scope 3 upstream). To achieve these ambitious targets, Schaeffler is

focusing systematically on decarbonizing the materials it uses most – including, most notably, steel. Every working day, the company processes roughly an Eiffel Tower's worth of steel – somewhere in excess of 7,000 tons. The advantage of the green steel purchased from H2 Green Steel is that it has up to 95 percent less embodied CO_2 emissions (Scope 3 upstream) than conventional steel produced via the blast furnace route.

Andreas Schick, Chief Operating Officer of Schaeffler AG, explained: "For Schaeffler, steel is the decisive lever for decarbonizing our supply chain. The partnership with H2 Green Steel takes us a long way towards our target of climate neutrality. We are proud to be the world's first tier 1 supplier to be working with H2 Green Steel as a strategic technology partner. This is a sustainable, long-term investment in Schaeffler's network for this vitally important category of materials."

Find here press photos of Klaus Rosenfeld and Andreas Schick:
www.schaeffler.com/en/group/executive-board

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Schaeffler Group – We pioneer motion: The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, chassis solutions, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: from bearing solutions and all types of linear guidance systems through to repair and monitoring services. With around 110,000 employees and more than 250 locations in 55 countries, Schaeffler is one of the world's largest family-owned companies and ranks among Germany's most innovative organizations.

Schaeffler and H2 Green Steel are stepping up their cooperation. From right to left: Klaus Rosenfeld, CEO of Schaeffler AG, Henrik Henriksson, CEO of H2 Green Steel, and Andreas Schick, Chief Operating Officer of Schaeffler AG. Photo: Schaeffler (Daniel Karmann)

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Green steel is the key lever for making Schaeffler's supply chain climate-neutral by 2040. Photo: Schaeffler

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