

## Low-carbon steel: Volkswagen AG and Vulcan Green Steel enter into partnership

“Decarbonizing supply chains is a decisive factor for the Volkswagen Group on the road to carbon neutrality. We want to achieve this goal by 2050 at the latest, and using low-carbon steel is an important step in this direction. Green steel will help us make supply chains at Volkswagen even more environmentally friendly going forward.”

**Dirk Große-Loheide, Member of the Board of Management of the Volkswagen Brand responsible for Procurement and Member of Volkswagen AG’s Extended Executive Committee.**



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### Highlights

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**Up to 300,000 tons of Europe’s annual steel requirements will be covered.**

The volumes of low-carbon steel that Volkswagen AG expects to order will cover a significant proportion of total steel requirements and will be used by the Group’s production facilities from 2027 onwards.

**Mine to metal strategy: from mined iron ore to green energy and hydrogen all the way to finished flat steel.**

The fully vertically integrated production of flat steel in Oman will extend from mined iron ore to own generation of green energy and production of green hydrogen all the way to secondary metallurgy of the finished steel.

**Oman: excellent conditions for renewables, especially wind and solar energy.**

High wind speeds and strong, continuous solar radiation in Oman create ideal conditions for generating green power from wind and solar energy – an essential basis for the production of low-carbon steel using green hydrogen.

**Carbon emissions in steel production to be reduced by 70%.**

Vulcan Green Steel's low-carbon steel is expected to lower carbon emissions in steel production by 70% in the future.

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## Partnership with Vulcan Green Steel

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Volkswagen AG and Vulcan Green Steel have signed a Memorandum of Understanding (MoU) for a partnership for low-carbon steel – a key element of Volkswagen's green steel strategy. The partnership is one of a series of initiatives by the Volkswagen Group to expand the use of green steel in production. In addition to the collaboration with Vulcan Green Steel, Volkswagen has been in partnership with Salzgitter AG since 2022. The Group also has a stake in Swedish green steel manufacturer H2 Green Steel via its subsidiary Scania.

The Jindal Steel Group, to which Vulcan Green Steel belongs, is a diversified industrial conglomerate with steel, iron ore mining and energy operations as well as activities in India, Oman, Africa and Australia.

Starting in 2027, Vulcan Green Steel will produce automotive grades and other high-strength steels in Oman. Natural gas will be used in the Duqm operations during the initial years and later the operations will be switched over to green energy in a move that will cut carbon emissions by 70% once the transition is complete. The facility is currently in the construction phase and is slated to come on stream in 2026.

## Contact

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## About the Volkswagen Group

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The Volkswagen Group, which is headquartered in Wolfsburg, Germany, is one of the world's leading automotive manufacturers. It operates globally and has 114 production sites in 19 European countries and 10 countries in North and South America, Asia and Africa. The Group employs around 684,000 people. Its vehicles are sold in more than 150 countries.

With an unrivaled portfolio of strong global brands, leading technologies on an industrial scale, innovative ideas to tap into future profit pools, and a leadership team with an entrepreneurial mindset, the Volkswagen Group is committed to shaping the future of mobility by investing in electric and autonomous vehicles, digitalization and sustainability.

In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). Operating profit before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).

Volkswagen Aktiengesellschaft

Headquarters: Wolfsburg

Registry court: Local Court of Braunschweig

HRB No.: 100484

Chairman of the Supervisory Board: Hans Dieter Pötsch

Board of Management: Oliver Blume (Chairman), Arno Antlitz, Ralf Brandstätter, Gernot Döllner, Manfred Döss, Gunnar Kilian, Thomas Schäfer, Thomas Schmall-von Westerholt, Hauke Stars

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