



GMH GRUPPE

Media information

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GMH Gruppe welcomes the introduction of the Low Emission Steel Standard (LESS) as a first step towards green lead markets

The standardised classification of the climate impact of steel produced in Germany under various processes is an important step on the way to green lead markets in the basic materials industry. It is also a key instrument that includes green steel specifications for public procurement. Georgsmarienhütte GmbH intends to be one of the first steel manufacturers to undergo LESS labelling.

Georgsmarienhütte/Osnabrück 22 April 2024: Industry, science and politics have agreed on a procedure for classifying climate-friendly ("green") steel. The aim is to ensure that different steel manufacturers are making efforts towards decarbonisation and production routes which are comparable. The LESS standard is designed to be flexible and geared towards cross-industry and international cooperation. It therefore provides the basis for cross-industry measurement and pricing of climate-friendly production within the framework of green lead markets for the basic materials industry.

In future, the LESS label will enable manufacturers to prove whether their steel can be categorised as green, what its product carbon footprint (PCF) is and how much scrap it was produced with. The PCF is a quantitative indicator that shows how much greenhouse gas was emitted into the atmosphere during steel production and the upstream production processes, such as electricity generation or the production of alloying agents.

Georgsmarienhütte GmbH has been reporting its PCF since 2023 at the request of customers and as part of its own transformation strategy. It has already reduced CO₂ emissions with scrap-based steel production in electric arc furnaces by 80% compared to the production of crude steel using the traditional blast furnace route (regarding scope 1&2). The methodology used by Georgsmarienhütte to calculate the product carbon footprint has been validated by TÜV SÜD and is used for more than a thousand steel variants. The company aims to be completely climate-neutral by 2039. In this context, GMH Gruppe emphatically supports the new LESS initiative, which is being presented today at the Hannover Messe by the German Steel Federation and supported by the Federal Ministry of Economics and Climate Protection.

Dr Anne-Marie Großmann, member of the Management Board and shareholder of GMH Gruppe, explains: *"We welcome LESS which will standardise the various certifications for climate-friendly steel. The LESS label gives our customers the certainty that they actually purchase steel produced with low CO₂ emissions and can therefore declare their own product to be lower in CO₂ emissions. Standardisation is an important step towards greater transparency in demonstrating the progress the steel industry has made on the path to transformation.*

LESS is also an essential building block for the introduction of green lead markets in the raw materials industry in Europe. The comparability of differently manufactured materials and products through standardised and independent climate ratings such as LESS creates the conditions for a fair assessment and pricing in line with climate targets. The next step will depend on whether and how quickly the public sector also aligns its procurement with LESS. I am convinced that the corresponding positioning of state-owned companies will significantly accelerate the acceptance of the Low Emission Steel Standard."



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LESS evaluates both the transformation process in steel production on the conventional blast furnace route in the transition to low CO₂ emissions hydrogen-based production processes and electric steel production based on scrap, which has already low CO₂ emissions.

Georgsmarienhütte GmbH, the largest steel producer in GMH Gruppe, intends to be one of the first companies in Germany to take part in the LESS pre-validation test run in the second half of 2024.

About GMH Gruppe

GMH Gruppe is a full-range supplier of steel as a primary material, melted from scrap, through to ready-to-assemble components. It is one of the largest privately owned metal processing companies in Europe. The group includes 20 medium-sized production companies in the steel, forging and casting industries, which are represented in more than 50 countries. With around 6,000 employees, GMH Gruppe generates an annual turnover of around two billion euros.

GMH Gruppe is a pioneer in sustainable steel production and has been accepted into the "Association of Climate Protection Companies". Based on the recycling of scrap metal, the company produces green steel and thus makes an important contribution to the circular economy. The use of electric arc furnaces at four sites reduces CO₂ emissions by a factor of five compared to conventional blast furnaces. This also reduces the CO₂ footprint of the customers supplied by GMH. These include companies worldwide from the automotive industry, mechanical and plant engineering, railroad technology, power generation, transport logistics, aerospace, agriculture and construction machinery.

GMH Gruppe has set itself the goal of being completely climate-neutral by 2039.

About Georgsmarienhütte

Georgsmarienhütte GmbH from Georgsmarienhütte in Lower Saxony is one of Europe's leading suppliers of crude steel, bar steel and bright steel made from quality and engineering steels. The company also manufactures pre-processed and, in some cases, ready-to-install components. Georgsmarienhütte is already one of the most climate-friendly steel companies in Germany. With its comparatively low CO₂ value chain, in which scrap is melted in the electric arc furnace and recycled into new steel, it makes an important contribution to the circular economy and is a pioneer in sustainable steel production. The methodology used by Georgsmarienhütte to calculate the product carbon footprint (PCF) has been validated by TÜV SÜD and is now used for more than a thousand steel variants.

In addition to the automotive industry and its suppliers, customers are served in particular in mechanical and plant engineering and the energy industry. Steel from Georgsmarienhütte is used wherever the load is greatest, where power is generated or transmitted and where safe and wear-resistant operation is important. Further information can be found at www.gmh.de.

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