+ Transformation.
Ambitious.
Sustainable.
Transparent.

Including our Product Carbon Footprints

We are Pure Steel+

DILLINGER saarstahl

Shaping the future –
from Power4Steel to “LESS is more”

For generations, Dillinger and Saarstahl have stood for steel expertise at the highest level – for quality, reliability and progress. Today, we are reshaping the future of our industry: ambitiously, sustainably and transparently.

Under the umbrella of SHS – Stahl-Holding-Saar, we are joining forces to drive forward the transformation of the steel industry. Our common goal: CO_2 neutrality in steel production by 2045. The Power4Steel decarbonisation project is the central step on the path to climate-friendly steel.

From pig iron production to refined components, we offer everything from a single source – with comprehensive research, development and service expertise. Transparent sustainability reporting and our involvement in organisations such as SBTi and CDP underline that responsible action has long been part of our everyday practice – in addition, we aim to promote transparency in the supply chain and disclose our product-related emissions (Product Carbon Footprint).

Pure Steel+ is an expression of our shared attitude and our drive: innovation, high performance and solution-oriented action for a sustainable future.

Dillinger and Saarstahl – two specialists, one aim:

A competence in steel that you can build on.

Pure Steel+
We are shaping the future.

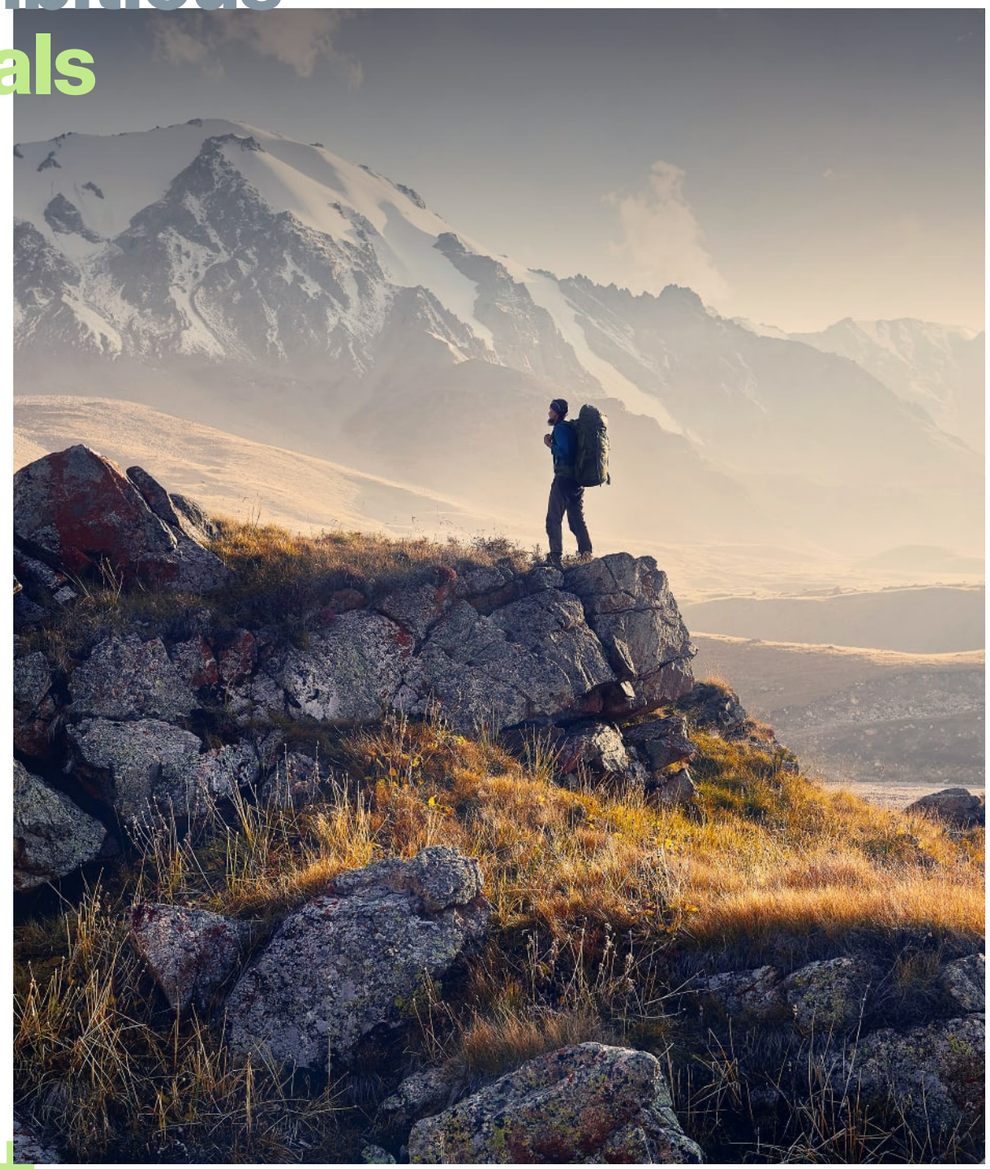
We are Dillinger, we are Saarstahl, we are the SHS Group.
Together we are achieving great things and shaping the infrastructure of the future with our steel.

We are enthusiasts for change. We evolve unique solutions for our customers with high-level commitment and constant innovative power.

Here we are. For the people with whom we work, for the region in which we live and for a sustainable world.

We are the future. We work profitably and, together, we are successful.

Ambitious goals



We have our sights firmly set on a green future.
Our goal: carbon neutrality by 2045.

Pioneers for a green future

Sustainability and responsible business practices are integral parts of the corporate strategy of SHS – Stahl-Holding-Saar and its subsidiaries Dillinger and Saarstahl. We actively participate in sustainability initiatives such as the UN Global Compact and continuously promote the issue. In addition, we regularly have our performance in the area of corporate social responsibility (CSR) assessed by independent organisations such as CDP and EcoVadis, which certify our outstanding sustainability performance – we have our sights firmly set on a green future.

The Paris Agreement of December 2015 set out to keep the global temperature rise well below two degrees Celsius compared to pre-industrial levels and to achieve greenhouse gas neutrality by the second half of the 21st century. The EU and Germany are pursuing ambitious climate targets, which are enshrined in the 2021 Federal Climate Change Act. The SHS Group is committed to these targets and is striving to achieve a significant reduction in CO_2 emissions. We want to reduce process-related emissions to a technically unavoidable minimum by gradually transforming to climate-friendly technologies and continue to act as a driver for the industry. The goal is to achieve CO_2 neutrality in steel production by 2045. The historic transformation of the entire Group is to be completed by 2050. The manufacture of steel products with significantly reduced CO_2 emissions and unchanged high quality is therefore one of the most important goals of the Group.

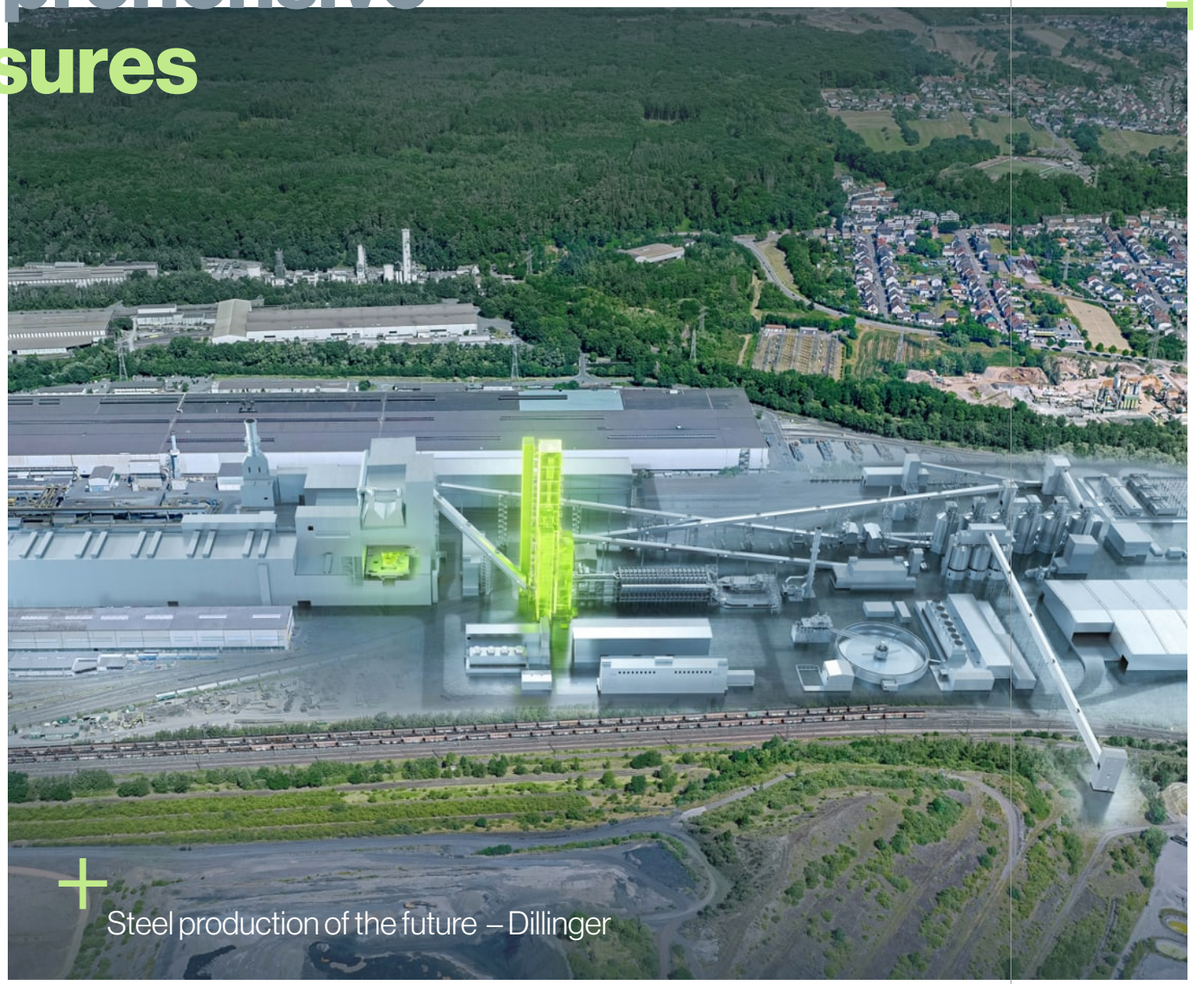
Science Based Targets initiative (SBTi) – confirmation of ambitious targets

In December 2022, the SHS Group publicly committed to the emission reduction targets of the Science Based Target initiative. Following the publication of sector-specific SBTi guidance for the steel industry in April 2023, concrete and ambitious reduction targets were developed for the entire group of companies. In December 2024, these climate targets were officially validated by SBTi. This confirmed our climate strategy based on science-based criteria. In line with the Steel Sector Guidance, both short-term and long-term targets were defined across the Group. In addition to the sector-specific target, the remaining indirect Scope 3 emissions were also taken into account in a further target.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Dillinger and Saarstahl are not listed separately in the SBTi Target Dashboard. Please search for “SHS”.

Comprehensive measures



Steel production of the future – Dillinger

The SHS Group is playing a pioneering role in the decarbonisation of the German steel industry. As part of Power4Steel, one of Europe's largest decarbonisation projects, we are focusing on the use of hydrogen, electric steel production and the recycling of steel scrap – while maintaining our usual high product standards.

Power4Steel – our path to climate-neutral steel

In the first phase of the transformation, which will be completed by the end of 2029, an electric arc furnace (EAF) will be built at the Völklingen site, along with another EAF and a direct reduction plant (DRI) in Dillingen. With sufficient hydrogen availability, CO_2 emissions can be reduced by around 55% by 2030 compared to 1990 levels. Parallel to the expansion of EAF capacities, blast furnace capacities will be reduced accordingly.

The permits in accordance with the Federal Immission Control Act (BImSchG) for the above-mentioned plants were granted in 2024/2025. The first construction work began in 2024. The new plants are scheduled to go into operation in 2028 in Völklingen and 2029 in Dillingen. In the first expansion stage, production capacity will be up to 3.5 million tonnes of crude steel per year, produced from direct reduced iron (DRI) and scrap.

December 2023
Approval of state funding exceeding 2.6 billion euros

October 2024
Signing of the contracts for the DRI plant in Dillingen and one EAF each in Völklingen and Dillingen

February 2025
Federal Immission Control permit

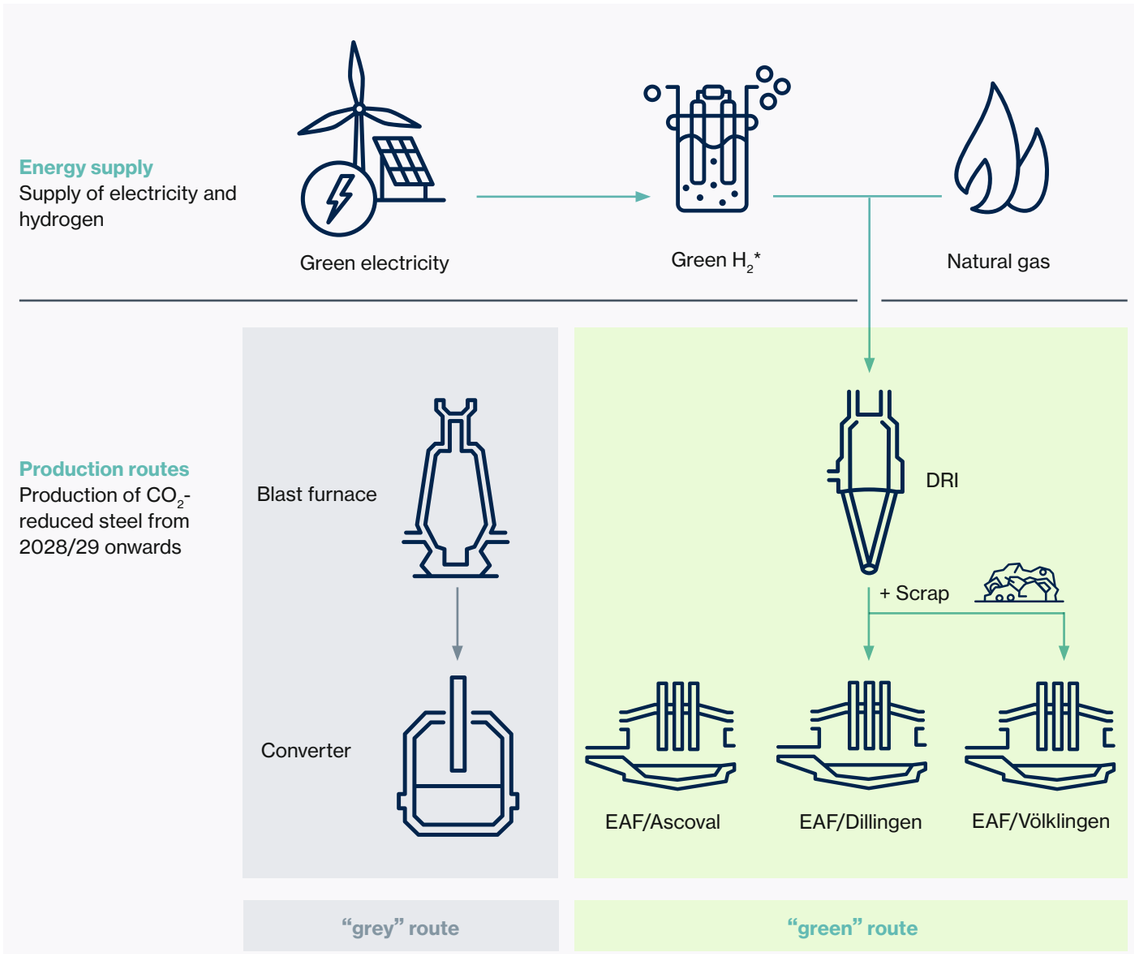
September 2025
Conclusion of the first hydrogen supply agreement

2028
Commissioning of the EAF plant in Völklingen

2029
Commissioning of the EAF plant and the DRI plant in Dillingen

From tradition to transformation

On track to achieve climate targets with Power4Steel

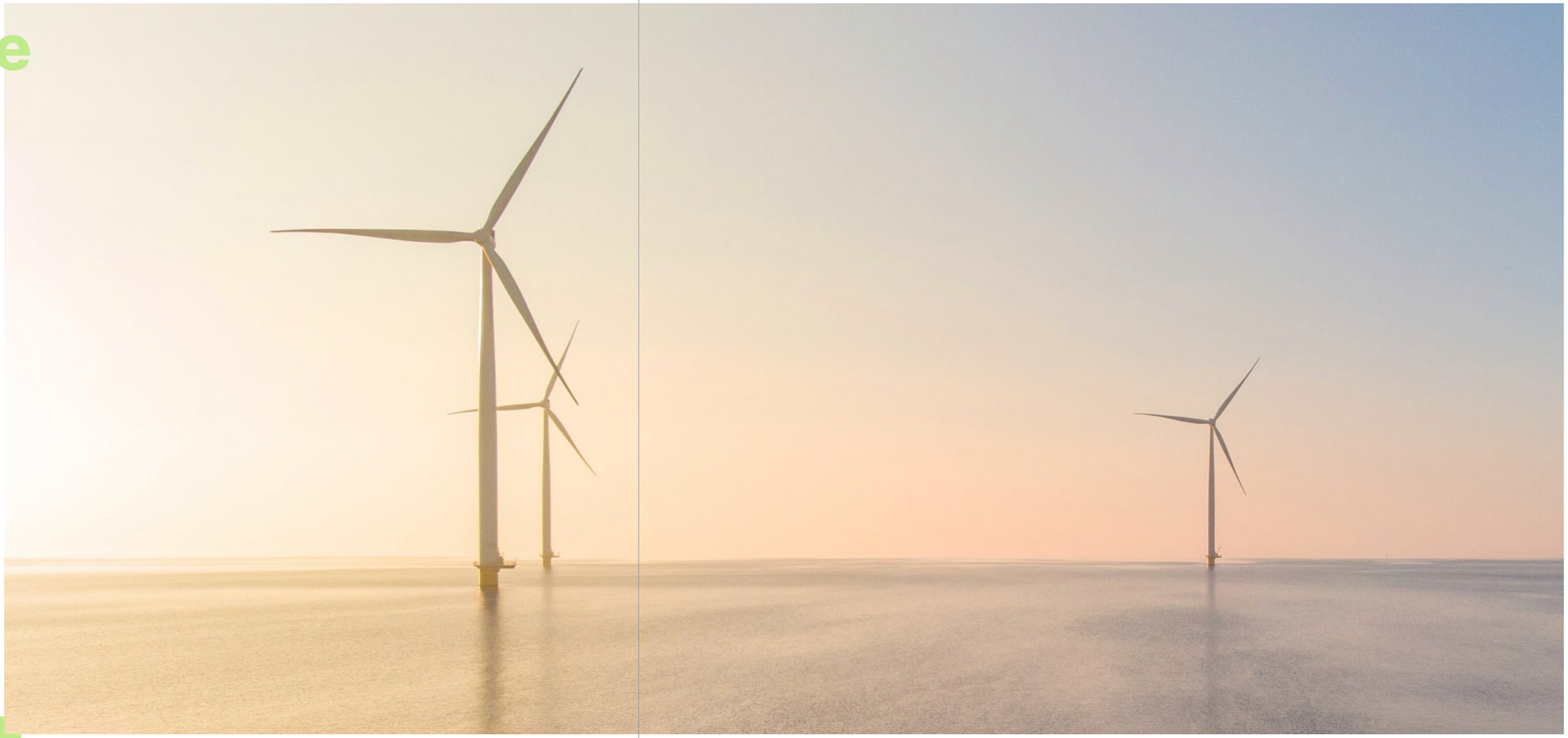


*Initial use of locally produced H_2.

“We are firmly convinced that climate protection, innovation and competitiveness can – and must – advance in tandem. By implementing Power4Steel, we are demonstrating our long-term commitment to Germany as a centre of industrial excellence.”

Stefan Rauber
CEO of SHS – Stahl-Holding-Saar
Chairman of the Management Boards of Saarstahl and Dillinger

Energy
for change



Hydrogen – the key to transformation

The use of hydrogen is essential for achieving climate neutrality targets. With its ambitious plans, the SHS Group is also laying the foundation for a future hydrogen economy in the Greater Region.

In spring 2024, the SHS Group, together with the companies Creos and Na Tran, signed trilateral agreements to establish the cross-border regional hydrogen network mosaHYc, which is expected to go into operation in 2029 and will ensure the supply of locally produced hydrogen to the Dillingen site. On this basis, in autumn 2025, the SHS Group became the first group of companies in the steel industry to sign a long-term hydrogen supply agreement with the energy company Verso Energy. This covers the supply and purchase of at least 6,000 tonnes of green hydrogen per year over a period of ten years.

In order to meet the continuing rise in demand for hydrogen in the future, the SHS Group plans to procure additional quantities on a supraregional basis. This is to be done via the German hydrogen core network, which is scheduled to be connected in 2032. In addition, the SHS Group joined the H2med Alliance in December 2024 – a European initiative to develop the south-western European hydrogen corridor between Portugal, Spain, France and Germany, which will enable hydrogen to be transported to the Dillingen site in future.

Power Purchase Agreements (PPA) – green electricity for the transformation

The measures to implement the SHS Group's goals for the transformation from the existing blast furnace/converter route (BF/BOF) to direct reduction plants and electric arc furnaces (DRI/EAF) can only be achieved with green electricity in production, in addition to the use of hydrogen. To this end, the SHS Group has concluded long-term electricity supply contracts with the energy suppliers Iberdrola and EnBW, which supply energy from offshore wind farms. They cover an annual consumption of 200 GWh each. By signing the PPAs, we are reaffirming our strategy of actively shaping the energy transition in Germany and making significant progress towards climate-neutral steel production. We are continuing unwaveringly along this path: negotiations are currently underway for further PPAs in the areas of offshore wind, onshore wind and hydropower.

Clear communication

Product Carbon Footprint (PCF) – transparency on the path to carbon neutrality

With its SHS carbon footprints, the SHS Group continuously documents its strategic path towards CO_2-neutral steel production in a transparent manner for customers, employees and other stakeholders. We report our PCF for the blast furnace route and the secondary route separately.

The respective footprints were calculated on the basis of the DIN EN ISO 14067 standard and the IPCC AR6 GWP100 standard.

The calculation includes the direct and indirect product-specific emissions of the main product groups and is based on

+ the greenhouse gas (GHG) emissions of the company's own facilities,
+ the GHG emissions from the consumption of purchased energy, and
+ standard values* for determining upstream emissions (Scope 3).

* From the GaBi life cycle database (LCA for Experts) operated by Sphera.

PCF via blast furnace route**

The SHS Group uses its PCF to report the specific CO_2 emissions for the main product groups via the blast furnace/converter route (BF/BOF) of its companies Dillinger and Saarstahl: heavy plate, wire rod, bars and rail.

Starting with the extraction of raw materials and ending with the rolled steel product, the approach describes the “cradle-to-gate” perspective.

Heavy plate (Dillingen, Dunkerque) via BF/BOF

2.127 (Scope 1 + 2)	**0.479** (Scope 3)
2.606* (total)	

Bar steel (Völklingen, Neunkirchen) via BF/BOF

1.783 (Scope 1 + 2)	**0.541** (Scope 3)
2.324* (total)	

Wire rod (Burbach, Neunkirchen) via BF/BOF

1.748 (Scope 1 + 2)	**0.529** (Scope 3)
2.277* (total)	

PCF via secondary route**

CO_2-reduced steel – available today! The SHS Group already offers steel with significantly reduced CO_2 emissions produced using the electric arc furnace (EAF) process and recycled materials: D-PURE+ (Dillinger) and S-PURE+ (Saarstahl).

The EAF site Saarstahl Ascoval already supplies a range of products for rails, wire rod and bar steel using raw materials that combine the usual high Saarstahl quality with reduced CO_2 emissions.

Dillinger is also offering customers initial small quantities of steel produced in electric arc furnaces, which have a CO_2 footprint that is at least 50% lower. The product is described in the D-PURE+ data sheet.

** PCF assessment according to DIN ISO 14067 – 2024 reporting year; IPCC AR6 GWP100 Standard, excl. biogenic carbon (kg CO_2 eq.).

*** Any deviations are due to rounding differences; kg CO_2 eq./kg product.

Blooms (Saint-Saulve) via EAF

0.174 (Scope 1 + 2)	**0.252** (Scope 3)
0.426* (total)	

Rail (Hayange) via EAF

0.324 (Scope 1 + 2)	**0.327** (Scope 3)
0.651* (total)	

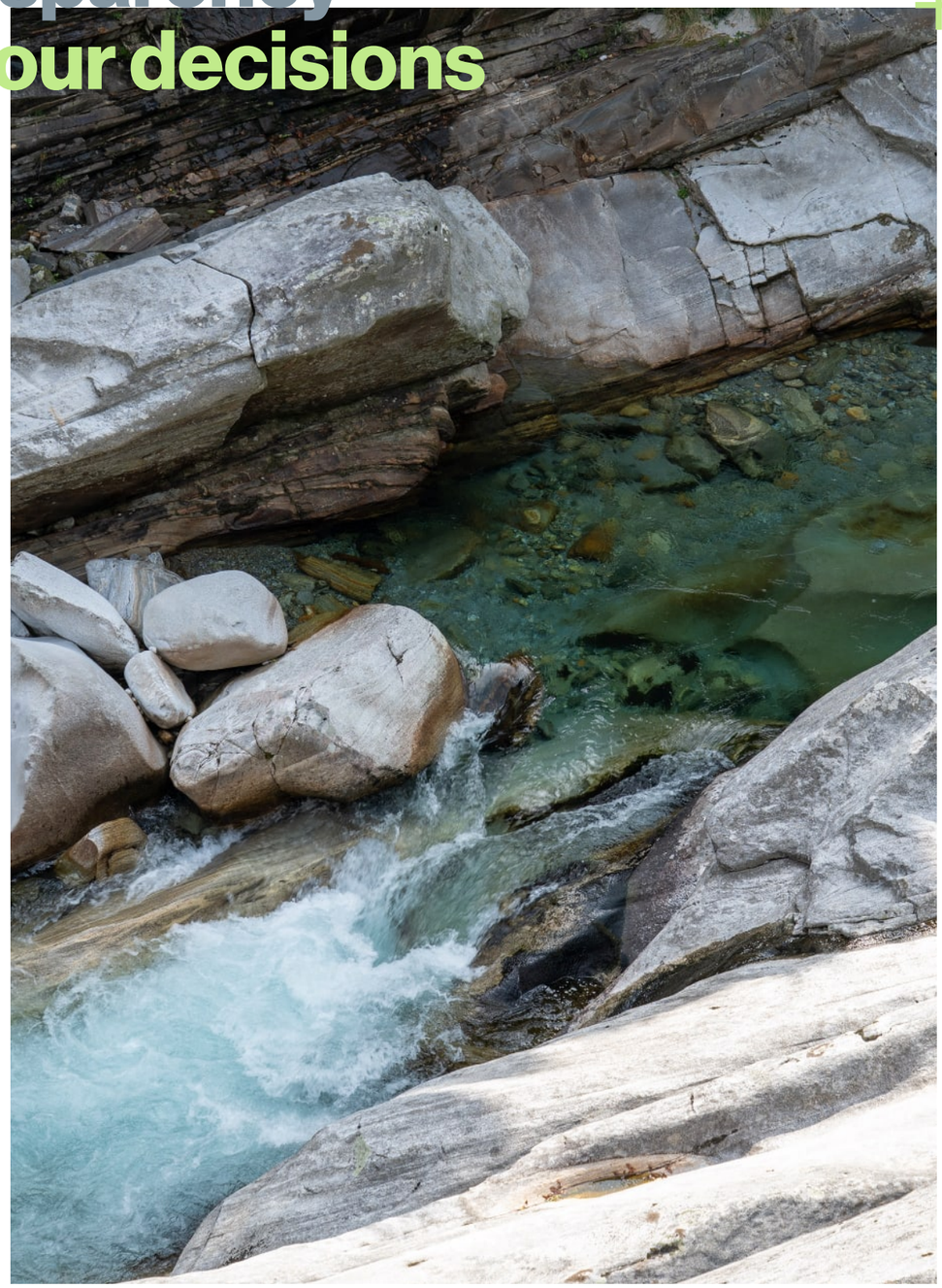
Bar steel (Völklingen, Neunkirchen) via EAF

0.265 (Scope 1 + 2)	**0.296** (Scope 3)
0.561* (total)	

Wire rod (Burbach, Neunkirchen) via EAF

0.269 (Scope 1 + 2)	**0.291** (Scope 3)
0.560* (total)	

Transparency for your decisions



Environmental Product Declaration (EPD) – proof of environmental impact

In addition, Environmental Product Declarations were created for Dillinger and Saarstahl (Dillinger: heavy plate via blast furnace route; Saarstahl S-PURE+ Wire Rod, S-PURE+ Bar Steel, S-PURE+ Bloom and Pure Steel+ Rail (S-PURE+ Rail) via secondary route).

THIRD-PARTY VERIFIED EPD ISO 14025 and EN 15804 Institut Bauen und Umwelt e.V.

dillinger.de

saarstahl.com

Low Emission Steel Standard (LESS) – strategic anchor for industrial realignment

As founding members of LESS aisbl, Dillinger and Saarstahl are supporting the development of the standard and classifying the first product groups as “low emission”. The label makes it possible to map various steel products, regardless of the production route, in a multi-level classification system ranging from level E to A and “near-zero”. Ongoing transformation activities, such as the increasing use of renewable energies, are conducive to improving classification. LESS thus increases the transparency of product-related transformation progress and classifies products into clearly defined label categories – depending on their CO_2 emissions and the proportion of scrap used in their production.

The labelling system for CO_2-reduced steel developed by the German Steel Association (Wirtschaftsvereinigung Stahl) and the founding members of LESS is based on the results of a stakeholder process initiated by the Federal Ministry for Economic Affairs and Climate Protection. Today, it has established itself as a European labelling system and has gained members from across the European steel industry. The aim is to promote the emergence of green lead markets. As the fourth-largest steel producer in Germany, the SHS Group, with Dillinger and Saarstahl, is making an indispensable contribution to the decarbonisation of the industry with its Power4Steel decarbonisation project.

Since October 2025, the product groups wire rod, bar steel and rail have been available in LESS-certified form as “S-PURE+”. These products were manufactured at Saarstahl Ascoval using the electric arc furnace route and have been awarded the “Low Emission C” classification.

LESS LOW EMISSION STEEL STANDARD

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