

## Press release

# Iberdrola Deutschland to supply offshore wind energy for the Salzgitter Group

- Long-term power purchase agreement (PPA) for Iberdrola's Baltic Eagle offshore wind farm
- Green energy in a volume of 114 MW for steel production of the future
- Reduction of carbon emissions as a common goal Salzgitter and Iberdrola Deutschland are pursuing

**Berlin/Salzgitter, April 20, 2023.** True to its "Partnering for Transformation" strategic mission, the Salzgitter Group is working closely with customers and partners to achieve its climate targets, as evidenced by the collaboration with Spanish energy producer Iberdrola. Salzgitter Flachstahl GmbH and Iberdrola Deutschland have now signed a long-term power supply contract. The electricity is to be sourced from the "Baltic Eagle" offshore wind farm currently under construction in the German Baltic Sea.

### Baltic Eagle to deliver wind power for virtually carbon-neutral steel

Based on this power purchase agreement (PPA), Salzgitter Flachstahl GmbH has secured the delivery of 114 megawatts (MW) of green electricity over a period of 15 years from the new offshore wind farm that is scheduled to go online at the end of 2024. Once commissioned, Baltic Eagle, that is currently being built around 30 km to the northeast of the island of Rügen, will deliver an overall capacity of 476 MW.

The sustainably produced energy will serve to additionally secure the SALCOS® - Salzgitter Low CO<sub>2</sub> Steelmaking transformation program. The green electricity from the wind turbines will be used to produce green hydrogen. Green hydrogen is a core component for Salzgitter AG to produce virtually carbon-neutral steel.

### Strong partnerships for the industry's sustainable transformation

"The collaboration envisaged with Iberdrola is another key component of our energy strategy. Our main aim is to secure our requirements for electricity from renewables for Salzgitter AG and for the SALCOS® transformation program in particular. "True to our 'Partnering for Transformation mission'," states **Gunnar Groebler, Salzgitter AG's Chief Executive Officer.**



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“Establishing sustainable production and process chains is becoming increasingly important for us and for our suppliers and customers sectors. By concluding this PPA, we have taken another big step toward climate-neutral production.”

“Under our integrated growth strategy, the cooperation with Salzgitter AG marks another important step for Iberdrola Deutschland on this important core market,” emphasizes **Felipe Montero, Iberdrola Deutschland’s Chief Executive Officer**. “Through strong partnerships and long-term PPAs, we are contributing, among other undertakings, to the transformation of Germany’s industry, while also supporting the ramping up of green hydrogen in the market. Our intention is to work together with other key players in this field in the German business arena and support them in achieving their climate targets with solutions that are economically viable in the market, such as PPAs.”

In many of its businesses - already today - the Salzgitter Group is active as a partner for generating renewable energies. For instance, Ilsenburger Grobblech GmbH (ILG) as a full-line supplier has been delivering plate in the onshore market for the wind energy sector since 1996 and increasingly also for the offshore segment since 2010. The Group’s other products for wind turbines include HFI longitudinally welded steel, pipes, precision steel tubes for cable cars and large-diameter pipes for offshore wind farm substructures.

Iberdrola Deutschland is the largest operator of offshore wind farms in the German Baltic Sea. In the onshore sector, Iberdrola is active in the planning, construction and operation of onshore wind farms and photovoltaic projects. In addition to the "Wikinger" offshore wind farm, which was already connected to the grid in the German Baltic Sea in 2017, two further wind farms, "Baltic Eagle" and "Windanker", will go into operation in 2024 and 2026 respectively.

Entering into energy partnerships with leading German companies such as the Salzgitter Group is a key component of Iberdrola’s integrated growth strategy in the important core market of Germany.

Based on strong cooperation activities and long-term PPAs, Iberdrola Deutschland is contributing to the German industry’s green transformation while supporting the ramping up of green hydrogen in the market, among other undertakings. In this area, the company is targeting collaboration with other key players in the German business arena, with the aim of

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supporting these players in achieving their climate targets with solutions that are economically viable in the market, such as PPAs. This also includes PV solutions and applications spanning technologies, e.g. battery storage.

