



## **Liberty Steel plants to merge into one global group, setting sights on carbon-neutral operations by 2030**

- A single global company – Liberty Steel Group – to be created, consolidating GFG Alliance’s steel businesses into one legal entity
- GREENSTEEL strategies to be at the heart of the combined group, including exploration of new environmentally friendly technology such as hydrogen based steel making
- Liberty Steel Group aims to be the world’s first carbon neutral steel company by 2030

MILAN, 29<sup>TH</sup> OCTOBER, 2019: A single global company with 18 million tonnes of rolled steel capacity annually is to be launched through a consolidation of GFG Alliance’s steel businesses, with an ambition to lead the industry towards a carbon-neutral future.

The family-owned alliance led by Sanjeev Gupta today announces that Liberty Steel Group, which altogether employs 30,000 people in 10 countries, will be incorporated by the end of this year through a merger of GFG’s upstream and downstream steel manufacturing, mining and distribution businesses around the world.

Liberty Steel Group will be the eighth largest steel producer outside China, with operations stretching from Australia to continental Europe, the United Kingdom and the United States, and it will have annual sales of approximately \$15 billion. Although individual businesses will retain a high degree of autonomy, consolidated accounts will be produced and a united strategy will be developed.

At the heart of the group’s mission will be an ambition to build on GFG’s existing GREENSTEEL strategy to aim for net carbon neutral status by 2030 – placing Liberty Steel Group on a pathway to become the first carbon neutral steel company in the world. This will include exploration of the best use of new technologies such as hydrogen generated from renewable power to produce steel.

The GREENSTEEL strategy focuses on using electric arc furnaces to recycle scrap steel, rather than producing all material from scratch, as well as using renewable sources of energy. Steel from recycled scrap using fossil fuel based energy generates less than a third of the CO<sub>2</sub> emissions compared with primary steel making, with the benefit dramatically increasing to almost zero emissions with the use of renewable power in GREENSTEEL. Liberty’s plants already recycle three million tonnes of scrap steel annually, with investment underway in electric arc furnaces in the UK, Australia and the United States.

Liberty’s sites around the world are already working to reduce transport emissions, cut electricity use and minimise waste. Renewable energy initiatives include the Cultana solar farm in Australia, Glenshero wind farm project in Scotland and Newport waste-to-energy project in Wales.

Speaking at World Steel Dynamics’ European Conference in Milan, Italy, today, Sanjeev Gupta, Executive Chairman of GFG Alliance, said: “We are creating a new force in steel with the size, scale and agility to forge a path towards a sustainable future for our steel businesses and the communities in which we operate. Our integrated group will stretch around the world, with a financial and governance structure suitable for an intercontinental business of our size.



“Steel is the building block of modern life and the GFG Alliance has always put sustainable strategies at the heart of its business model. We recognise that becoming carbon neutral by 2030 is a very ambitious target but we have firm foundations already with our GREENSTEEL strategy in motion, and with technical viability of hydrogen usage for direct reduced iron now proven it gives us the confidence that such developments allow us to aim even higher with our goals.

“As a responsible business, the legacy we pass on to future generations is every bit as important as our bottom line. Liberty Steel aims not just to produce top-quality steel but to be an agent of change in the industry. In doing so, we can open the door to the re-industrialisation of the developed world by reviving and restoring often neglected industry.”

Liberty Steel Group will include operations drawn from Liberty House in the UK, Liberty Steel Continental Europe, Liberty Steel USA, Infrabuild and Liberty Primary Steel and Mining Australia. It will be organised in three divisions: Liberty Primary Steel, Liberty GreenSteel and Liberty Engineered Steel.

The group’s strategy will encompass a balanced model, rather than a silver bullet – including transitioning our existing blast furnaces towards electric arc furnaces, investing in new electric arc furnaces and piloting new clean technologies around the world. It will aim to tackle emissions at its sites by exploring technologies such as Direct Reduced Iron, carbon capture and storage and we will continue to participate in the development of various forms of renewables energy through our sister company SIMEC Energy.

Liberty Steel intends to liaise closely with other companies and industries seeking to reduce their carbon footprint.

Fautine Delasalle, Director of the Energy Transitions Commission, a diverse coalition of global leaders from across the energy landscape (energy companies, energy-intensive industries, equipment providers, investors, environmental NGOs), said: “The Energy Transitions Commission’s Mission Possible report demonstrated that steel production can be fully decarbonised by growing scrap-based production and decarbonising ore-based production through various technologies – including the use of hydrogen, produced from zero-carbon electricity, as the reduction agent, but also electrolysis or use of carbon capture.

“I am delighted to see pioneering companies like Liberty Group turn that vision in practice and send a clear message to the market that green steel will be available at commercial scale and sooner than one might think. We now need policy makers to step up to support steel producers who have committed to bold climate targets. We also need major steel buyers to commit to the use of zero-carbon steel to send a signal to producers: there is a demand for zero-carbon steel products.”

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### About Liberty

Liberty is part of the GFG Alliance; a global group of energy, mining, metals, engineering, logistics and financial services businesses, headquartered in London, with additional hubs in Dubai, Hong Kong, Singapore, Sydney, Paris and New York and a presence in around 30 countries worldwide. The Alliance comprises integrated industrials and metals businesses under the "Liberty" banner; a resources, energy, transportation and infrastructure group under "SIMEC"; Wyelands; a banking and financial services arm, as well as its property arm, JAHAMA Estates.

### FACTS AND FIGURES ABOUT THE NEW LIBERTY STEEL GROUP:

- Number of employees: 30,000
- With manufacturing operations in: 10 countries
- Production sites around the world: 200
- Total steel rolling capacity of: 18m tonnes
- Global annual turnover: \$15 billion
- 8<sup>th</sup> largest producer outside China
- 4<sup>th</sup> largest manufacturer of steel in Europe
- Only manufacturer of long steel products in Australia
- One of the largest manufacturers of steel in the Czech Republic, and the largest in Romania

Supplies the following sectors internationally:

Construction, Industrial Steels, Automotive, Oil and Gas, Energy, Renewables, Agriculture, Marine, Infrastructure, Aerospace, Mining, White & Yellow Goods, Motorsport, and others.