



# **Press Release**

6 November 2023

## HGK Shipping and Salzgitter Flachstahl sign a time charter agreement to increase their logistics operations on inland waterways

Duisburg / Salzgitter. HGK Shipping and Salzgitter Flachstahl GmbH have signed a time charter agreement to lease three dry goods vessels on a long-term basis. The shipping company based in Duisburg will therefore become the preferred partner for the inland waterway shipping operations of Salzgitter Flachstahl. In return, the latter is using this development to secure itself access to transport capacity and is underlining its clear commitment to inland waterways. One element in this partnership involves the new construction of a dry goods vessel and it will be directly designed to meet the product dimensions and requirements of the Salzgitter Group and cope with the western German canal region.

Intensifying their cooperation and the agreement covering the construction of the new vessel are the first specific steps resulting from the memorandum of understanding that HGK Shipping and two subsidiaries of Salzgitter AG (SZAG) – Salzgitter Flachstahl and DEUMU-Deutsche Erz- und Metall-Union – had signed in August 2023.

Salzgitter Flachstahl will coordinate and manage the operations of the three time-charter vessels from HGK Shipping's existing fleet within SZAG. They are being made available to the company with immediate effect and will be used for alternating services between the Salzgitter business sites and its customers in the Netherlands and Belgium. They will transport raw and input materials for steel manufacturing, such as scrap steel. As a result, HGK Shipping is assuming an important role in the circular economy and the circular supply chains of SZAG and its customers. The fleet that will be used is due to be replaced by new shipping space in the medium term. HGK Shipping will place the order for the first new vessel, which will probably go into service in July 2025, in the very near future.

Florian Bleikamp, the Head of Chartering Canal / Rhine at HGK Dry Shipping GmbH, comments, "We're resolutely continuing to pursue the goal of achieving climate neutrality in conjunction with the Salzgitter Group. Shifting more traffic to inland waterways as well as developing and using modern shipping space are important steps along this journey. We're proud to be able to work at introducing this transformation in such a partner-like manner and in such close association with our customer."

Fabian Gerdes, the Head of Customer Logistics at Salzgitter Flachstahl GmbH, adds, "We're clearly focussing on sustainable solutions in our logistics operations. That's why we want to significantly reduce the share of long-distance truck operations in our modal split in the medium term. Inland waterway shipping is a very important element in our logistics strategy here; it's ideally suitable for closed-loop traffic on long routes because the vessels can be used in such a flexible way. At the same time, we believe that there's free capacity and growth potential on European waterways. However, this is being inhibited by an increasing shortage of shipping space and the obsolescence of fleets along the western German canals. We're therefore delighted that we can continue expanding our partnership with HGK Shipping here and together invest in modern shipping space and safeguard transport capacity in the long term."

Many of the business sites at companies within the Salzgitter AG Group have facilities connecting them to waterways; as a result, inland waterway shipping already plays a significant role in the logistics strategy at SZAG. The Group transports more than one million tonnes of its steel and raw materials along Europe's waterways every year. It will be possible to increase this figure, once the right conditions have been created.

#### **Photo caption**



Signing the contract on board the HGK Ship "Franz Haniel 14": Florian Bleikamp, Head of Chartering Canal / Rhine, HGK Dry Shipping GmbH, Steffen Schreiterer, Head of Procurement Logistics, Salzgitter Flachstahl GmbH, Tim Gödde, Managing Director Ship Management, HGK Ship Management Lux S.à r.I, Fabian Gerdes, Head of Customer Logistics, Salzgitter Flachstahl GmbH, Steffen Bauer, CEO, HGK Shipping GmbH, Andreas Lemme, Managing Director, HGK Dry Shipping GmbH, Uwe Wedig, Chairman of the Board / CEO of HGK Group, Henning Hirschfeld, Head of Legal, HGK Shipping GmbH, Eike Brünger, Managing Director Sales and Logistics / Member of Managing Board, Salzgitter Flachstahl GmbH; Copyright: HGK Shipping GmbH

#### About the HGK Group:

Häfen und Güterverkehr Köln AG (HGK) is the logistics company within the City of Cologne's public utilities group. Formerly just a port operator, HGK has developed into a group that provides integrated transport and logistics services with operations across Europe. Structured in five divisions, Logistics & Intermodal, Shipping, Rail Operations, Infrastructure & Maintenance and Real Estate, the HGK Group operates the largest inland waterway port network in Germany, one of the largest private railway companies for transporting cargo, specialist logistics firms and terminals as well as its own railway network and workshops for railway goods traffic through its subsidiaries and holding companies. HGK Shipping GmbH is the largest inland waterway shipping company in Europe.

#### About the HGK Shipping division:

HGK Shipping is part of Häfen und Güterverkehr Köln AG. Its fleet comprises about 350 vessels, including owner-operated ships. The spectrum of goods transported ranges from liquid chemical products and liquefied gases to dry goods and even break-bulk cargo.

#### Salzgitter AG:

Salzgitter AG ranks as one of Germany's leading steel and technology groups. As a pioneer in the circular economy, we focus on sustainable innovation and on transforming products and processes in the business units of Steel Production, Steel Processing, Trading and Technology.

With our "Salzgitter AG 2030" strategy and anchored in the principle of "Pioneering for Circular Solutions", we are setting new benchmarks in the industry. Our aspirations are realized through strong initiatives and programs such as SALCOS® - Salzgitter Low CO2 Steelmaking. Through partnerships and in networks, we are actively driving the process of development towards a circular economy.

With around 25,000 employees worldwide at 150 national and international subsidiaries and associate companies, we live up to our global aims for growth, profitability and our pioneering position. In the financial year 2022, we generated external sales of around  $\in$  12 billion, with a crude steel capacity of 7 million tons.

For more information, please go to: <u>People, Steel and Technology | Salzgitter AG (salzgitter-ag.com)</u>

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