

December 16, 2020
Nippon Steel Corporation
Rio Tinto

Nippon Steel Corporation and Rio Tinto sign climate MOU

Nippon Steel Corporation, Japan's largest steel producer, and Rio Tinto, a leading global mining and metals company, have signed a Memorandum of Understanding (MoU) to jointly explore, develop and demonstrate technologies to transition to a low-carbon emission steel value chain.

Nippon Steel and Rio Tinto share a long history of working together, with the first shipment of iron ore from Australia to Japan coming from Rio Tinto's Pilbara operations in 1966 and going to Yawata Works in Kitakyushu, now part of Nippon Steel. With this MoU, Nippon Steel and Rio Tinto are looking to enhance their long-standing relationship by extending it into new areas in support of the shared goal of significantly reducing carbon emissions across the entire steel value chain.

Japan's recent announcement of its commitment to realise a carbon-neutral society by 2050 has given Japanese companies even greater impetus to accelerate their decarbonisation activities. The intent of this partnership is in line with Japan's climate ambition.

The purpose of this partnership is to explore a breadth of technologies for decarbonisation of the entire steel value chain from iron ore mining to steelmaking, including integrating Nippon Steel's steelmaking technology and Rio Tinto's iron ore processing technology to establish an innovative steel manufacturing process with low carbon emissions.

The partners have agreed to a partnership model in line with the long-term and complex nature of the transition to carbon neutrality for the steel industry. This model allows the partners to take a long-term view to enable the pursuit of new and promising technologies as the global steel transition evolves.

Eiji Hashimoto, Representative Director and President of Nippon Steel Corporation said "To further advance toward realising our ambitious vision on decarbonisation, we began examining our CO2 reduction scenarios that had set goals for 2030 and 2050. Rio Tinto and our company have had a long and deep trusting relationship, and we are pleased to start this partnership on the basis of that trust. We are confident that it will be a powerful lever for our company to realise the ambitious vision of decarbonisation".

Rio Tinto chief executive, Jean-Sebastien Jacques commented "One of Rio Tinto's four pillars in addressing climate change is to partner with customers to reduce the carbon footprint across our value chain. Nippon Steel has been an important partner for our business with a very long history and we are delighted to be able to extend our partnership to work together to reduce carbon emissions across the steel value chain".



Rio Tinto
Peter Toth
Group Executive
Strategy and Development

Nippon Steel
Hideo Suzuki
Managing Executive Officer

About Nippon Steel Corporation

Nippon Steel is Japan's largest and one of the world's leading integrated steel producers. Beyond its 6 steelworks in Japan, Nippon Steel makes a wide range of value-added steel products in more than 15 countries, identifying its strengths in three strategic business fields: high-grade steel products for automobiles; resources and energy; and civil engineering, construction and railways. It conducts research and development at three major centres, and six laboratories at steelworks, all in Japan.

The Nippon Steel group has four businesses segments: steelmaking and steel fabrication, engineering and construction, chemicals and materials, and system solutions. Steelmaking business generates close to 90% of revenue, and other three business segments, which are derived from the steelmaking business, support and generate synergy with the steelmaking business, while providing excellent products and services to society. The group employs over 106,500 people.

The Nippon Steel Group's values are to "Pursue world-leading technologies and manufacturing capabilities, and contribute to society by providing excellent products and services." Nippon Steel contributes to achieving the United Nation's SDGs, through providing solutions to social problems by its high-value-added steel products, and through environmental management initiatives "Eco Process" "Eco Solutions" "Eco Products" and "Innovating technology Development"

About Rio Tinto

Rio Tinto produces materials that are essential to human progress. We have publicly acknowledged the reality of climate change for over two decades and in 2018, we completed the divestment of our coal assets, becoming the only major mining company not producing fossil fuels. Today, 76 per cent of the electricity used across our business is from low-carbon renewable energy.

In 2020, we set a new ambition to be carbon neutral by 2050. Having reduced our emissions footprint by over 30 per cent in the decade to 2020, we set new targets for the next decade to reduce absolute emissions by 15 per cent and emission intensity by 30 per cent to 2030.

Partnering to reduce the emissions footprint across our value chain is central to our strategy and in 2018, we announced a pioneering new technology partnership with Alcoa, with support from Apple

and the governments of Canada and Quebec, to further develop carbon-free aluminium smelting technology – an industry first.

In 2019, we agreed a partnership with China's largest steel producer, China Baowu Steel Group and Tsinghua University, one of China's most prestigious and influential universities, to develop and implement new methods to reduce carbon emissions and improve environmental performance across the steel value chain.

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