



Carbon Division

SHOWA DENKO CARBON  
Spain

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Dear Valued Customer,

As an integral part of the sustainable steelmaking community, Showa Denko Carbon continues to monitor the environmental, geo-political, and macro-economic issues that affect our industry. As COO and Head of SDK's EMEA Region, I would like to share with you our relentless commitment to our customers and the communities where we work and live.

At Showa Denko, our excellent corporate citizenship and your business continuity are part of an overall strategy and commitment with the highest environmental and safety standards. Our commitments in these two areas are manifested as follows:

- We have two production sites in Europe (Spain and Austria) where we can produce any type and size of Graphite Electrode. This makes our delivery performance very robust compared to other more complex global supply chains.
- Both European sites have invested in **redundant transformer-rectifier** units, so SDK can deliver 100% of our capacity – even in the case of a major breakdown in one of our units.
- We strategically carry a **six-month pin inventory** at our European facilities. This **investment in our customers** is so we can seamlessly continue our electrode deliveries if there ever is a disruption (like an earthquake) at our pin production plant in Omachi, Japan.
- Our production site in Steeg (Austria) is already 100% supplied with **green electricity**; and our La Coruña facility (Spain) will also use **100%** beginning in 2024. In 2024 and beyond, the electricity supply for SDKs European plants will be **zero CO2 emissions from electricity supply** (within Scope 2). Our vision is to develop a **“Green Graphite Electrode.”**
- By using the off heat from our baking and graphitization furnaces in Steeg, **we supply the village of Bad Goisern annually** with up to 12 GWh of **heating water for the residents**.
- Our **culture** of continuous improvement is integrated into all our processes and is based on the use of the Six Sigma and Lean methodology. We have trained more than 200 Black and Green Belts over the last 15 years.

Our efforts in the areas of safety, quality and corporate citizenship have also received several certifications by external parties. Those include:

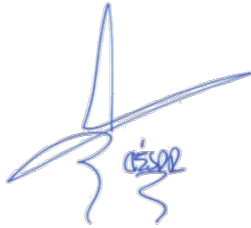
- Our two European production sites in La Coruña (Spain) and Steeg (Austria) are accredited with: **ISO 9001:2015** Quality Management; **ISO 50001:2018** Energy Management; **ISO 14001:2015** Environmental Management and Integrated Environmental Authorization.
- La Coruña has also passed the internal **ISO 45001:2018** audit for safety and health certification, which is scheduled for December 2022. Steeg audit will follow.
- Both sites have also achieved the status of **“Highly Protected Risk”** by Factory Mutual, Showa Denko's insurance company. Such status is only achieved by reducing the probability of a business interruption or by reducing the impact of a potential interruption.

Like the majority of our European EAF partners, Showa Denko's graphite electrode manufacturing plants have experienced exponential increases in the cost of energy this year. Despite these increases however, we stand ready to meet the needs of our customers and will not waiver from our commitment to corporate citizenship.

To Showa Denko, "corporate citizenship" is more than just a phrase on our website. It is the foundation of who we are. This means our communities and our customers will never regret a partnership with us.

Thank you for your trust and continued support in these challenging times.

Best Regards,

A handwritten signature in blue ink, appearing to read 'CÉSAR', with a stylized flourish extending to the right.

César Castiñeira  
Regional Head – EMEA  
COO Carbon Division

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