From: HIESINGER Stefanie (CAB-TIMMERMANS)
To: [redacted] (SG)
Cc: [redacted] (SG); SG BRIEFINGS VPS; [redacted] (CAB-TIMMERMANS)
Subject: RE: EVP2/2020/240 ThyssenKrupp - Meeting notes 4 December 2020
Date: 07 December 2020 15:14:35
Attachments: image001.gif

Dear [redacted]

Ok for me. Many thanks for having prepared the minutes!

Best regards,
Stefanie

From: [redacted] (SG)
Sent: Monday, December 7, 2020 3:03 PM
To: HIESINGER Stefanie (CAB-TIMMERMANS)
Cc: [redacted] (SG) ; SG BRIEFINGS VPS ; [redacted] (CAB-TIMMERMANS)
Subject: EVP2/2020/240 ThyssenKrupp - Meeting notes 4 December 2020

Dear Stefanie,

Please find attached a draft report of the meeting with ThyssenKrupp on 4 December. With your agreement, I will distribute it to colleagues indicated in the cc field of the report.

Best regards,
[redacted]

[redacted]

European Commission
Secretariat-General
President's and Vice-Presidents' briefings

BERL 6[redacted]
B-1049 Brussels/Belgium
+32 229-[redacted]
[redacted] ec.europa.eu

Meeting conclusions

Participants	Visitors' delegation: • [redacted] ThyssenKrupp AG • [redacted] Board of ThyssenKrupp Steel Europe AG. COM: • EVP **Timmermans** • Stefanie **Hiesinger**, Member of Cabinet • [redacted] Representation Bonn
Issues raised & follow-up	***ThyssenKrupp on its emission reduction plans*** • ThyssenKrupp wants to reduce emissions not only in its steel segment but company-wide. Examples: since 2014, the company has been producing rotor bearings for offshore wind farms in the North Sea (with Siemens); it is market leader for industrial scale water electrolysis to produce hydrogen (the company could on short notice make available 1 GW electrolysis capacity). ThyssenKrupp is also part of the NEOM-project in Saudi-Arabia. • **Steel:** 2.5% of German emissions could be avoided through clean steel from the Ruhr area. The city of Duisburg offers the biggest European industry conglomerate, one location being responsible for 2.5-3% of total emissions in Germany. • ThyssenKrupp aims for technological leadership ranging from the production of green electricity to climate-neutral steel production. To achieve **its ambition for 2030** (-30% emissions versus base year 2018; -6 million tons CO_2; 3 million tons of green steel equalling 3 million cars with green steel), the company plans to restructure and invest billions of euros in a step-by-step approach: until 2022 optimisation through hydrogen injection; by 2025 the first direct reduction plant in Duisburg (temporarily operated with natural gas). ThyssenKrupp plans climate-neutral steelmaking by 2050. • ThyssenKrupp pursues cross-border projects, e.g. hydrogen supply with ports in the Netherlands, due to its high demand for hydrogen. • ThyssenKrupp underlines the necessity of a) partners in business and politics as well as a conducive regulatory framework (examples: EU Green Hydrogen Alliance, *Industrieallianz Nordrhein-Westfalen*). The company underlines the systemic importance of the steel industry. b) **carbon leakage protection:** if future carbon border adjustment models mean no free allocations, the company would need to compensate EUR 1 billion for the plant in Duisburg alone. c) a fast scaling-up of green tech solutions; d) limiting capital expenditure in the transition for the steel industry. • **Technology:** competitors favour electric steel, ThyssenKrupp follows another path. They seek to melt down solid sponge iron in an existing plant. Advantages: process heat can be used; liquid material

	can be further processed in the infrastructure; the current product portfolio can be maintained; less capital intensive. This approach could also be interesting for integrated smelters as it does not require investment downstream. ***Intervention by EVP Timmermans*** • The EVP a) underlined the relevance of steel and importance of accelerating the transition to green steel, to achieve EU objectives and position green steel as the norm on the world market. He informed about the Commission's plans to secure hydrogen supply from partners in North Africa and Eastern Europe. b) informed about the Commission's ongoing assessment regarding the future emissions trading system and carbon border adjustment mechanism. c) asked about ThyssenKrupp's cooperation with IG Metall (the company affirmed the close collaboration and the support of the workforce for the transformation of the existing industrial site in Duisburg). d) informed about the potential for the green and digital transition through the national recovery and resilience plans, particularly for cross-border projects. ***Next steps*** • **Continue close dialogue**; possibly visit of the EVP to Duisburg when situation allows; • On ThyssenKrupp's idea of having a clean steel action plan on EU level (such as in Germany), the EVP offered to talk to Commissioner Breton regarding a **mapping of ongoing initiatives** in Europe.
Note taker	[redacted]
Copies	[redacted] J. Watson, [redacted]