

To:

[REDACTED]

Subject:

FW: short report meeting FFH with German Steel Federation and Arcelor on 9 February 2023

With apologies for the late distribution, please find below the report on the meeting between Florika Fink-Hooijer and representatives of Arcelor Mittal and the German Steel Federation.

### **short report meeting FFH with German Steel Federation and Arcelor on 9 February 2023**

Participants:

Arcelor Mittal Head of Environment & Government Affairs [REDACTED], [REDACTED] and [REDACTED] Head of European Union Institutional Affairs; [REDACTED] Managing Director of the German Steel Federation

Commission: **Florika FINK-HOOIJER** Director General DG Environment, [REDACTED]

The representatives of Arcelor Mittal and the German Steel Federation presented a proposal for the green steel definition developed under the leadership of the German Federation, and a labelling system for future lead markets of green steel. They also shared their views on the Green Deal Industrial Plan, on the review of the Industrial Emissions Directive and asked a few questions on the Ecodesign for Sustainable Products Regulation proposal.

They insisted on the time needed for investments in their sectors and therefore on the necessary predictability of the regulatory framework. They also insisted on their support to the overall objectives of Green Deal and decarbonation of steel production. Costs and therefore subsidies are crucial to enable the transformation of the steel sector. But the switch to electricity or hydrogen should not lead to simply close the 'integrated process' technologies, which will continue to be needed because the recycling of scrap cannot meet the whole demand in steel, both for quantity and quality reasons. Their proposal is for a step-by-step approach, with their label allowing to differentiate between technologies, taking into account both the integrated (BOF-BF) and electrified (EAF) production routes, while integrating the proportion of scrap treated. The intention is to reward the transformation efforts of a site. They stressed their interest in the PEF method for the calculation of carbon footprint, and informed that the IEA was about to start the process to adopt calculation standards.

In relation to the Industrial Emissions Directive, they asked about the possibility to exempt some industrial plants (or parts of them) from emissions-reduction investments when the industry has already decided (and committed) to close down the plant or part of it, as will be the case for a number of steel producing plants in coming years.

In response, FFH indicated the state of inter-institutional discussions on the IED, ESPR, waste shipment regulation proposals. She mentioned the on-going Open Public Consultation on priority products for ESPR. She also referred to the Biodiversity targets agreed in Montreal, which affect many industrial value chains. The approach presented on a step-by-step approach and label, looks like a valuable contribution and will feed into the different relevant workstreams, including ESPR if steel is confirmed on the working plan when adopted. On the possibility of exemptions from IED requirements due to planned closure, this was a new request to her and needed further investigation before the Commission could take any position.