



thyssenkrupp

thyssenkrupp Steel Europe AG, Kaiser-Wilhelm-Str. 100, 47166 Duisburg

Mr Valdis Dombrovskis
Executive Vice President for an Economy that Works for People
European Commission
Rue de la Loi 200
B-1049 Brussels
Belgium

Steel



February 11th, 2021

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Dear Executive Vice-President Dombrovskis,

I am pleased to inform you that thyssenkrupp AG has released an investment package in the high three-digit million range to upgrade its premium steel production network and to strengthen its position as competence center for e-mobility.

thyssenkrupp Steel is a leading supplier of premium steel qualities for cars, white goods, packaging as well as essential components required in e-mobility and wind turbines. With this investment we are at the same time enhancing the conditions for the transformation towards climate neutral steel production and thus cut about 2,5% of Germany's total CO₂ emissions.

At thyssenkrupp Steel we are proud to lead innovation. Our transformation path to abate CO₂ emissions in the production of premium steel with green hydrogen has been critically reviewed by independent experts, both technically and economically. The results confirm that by 2030, we can reduce our CO₂ emissions by 30% compared to 2018 and become climate neutral by 2050. Our hydrogen solution has been assessed as highly innovative and efficient, notably since it can be applied worldwide to decarbonize integrated steel mills without major interruption in production.

A renowned global auditing company comes to the same conclusion but sees considerable economic risk due to inadequate carbon leakage protection and uncertainties regarding sufficient financial support for investments and increased operating costs.

thyssenkrupp Steel Europe AG, Kaiser-Wilhelm-Strasse 100, 47166 Duisburg, P.O. Box, 47161 Duisburg, Germany
[REDACTED]@thyssenkrupp.com, www.thyssenkrupp-steel.com

Registered office: Duisburg, Court of register: Duisburg HR B 9326, USt-IDNr: DE 812 178 585

We applied for funding under the EU Innovation Fund and very much hope to be considered in the project selection for Phase 2. We will also submit an IPCEI Expression of Interest in Germany and hope that our hydrogen project will be supported by the federal and the state government.

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Furthermore, we also absolutely need to keep the current level of carbon leakage protection and free allocations at least until 2030 so we will be able to co-finance our transformation. I am convinced that the European steel industry must remain in focus as a critical strategic sector for Europe and for a just and green post-pandemic recovery.

We welcome the European Green Deal and are pleased to see that the green transition and the social market economy have been placed at the very top of the EU's agenda and we fully support the Commission's ambition for a just transition.

We are eager to contribute to the Green Deal and to engage in a constructive dialogue with you. I would appreciate the opportunity to talk with you and discuss in more detail how thyssenkrupp Steel can help deliver the EU's climate targets, a just transition and a workable regulatory framework "fit for 55".

We will be contacting your office in the coming days to seek a mutually agreeable time for a virtual meeting.

Yours sincerely,

