

Definitive grant notice strengthens the ongoing tkH2Steel decarbonization project

- Revised funding decision provides a reliable foundation for the continued implementation of tkH2Steel
- Ensuring the financial viability of this major investment project under significantly changed external conditions
- New hydrogen tender is set to begin shortly

Duisburg, October 30, 2026. thyssenkrupp Steel has received the revision notice regarding funding for its tkH2Steel decarbonization project. The previously announced revision to the funding requirements is now definitive. The European Commission had previously confirmed that the planned revisions are consistent with EU state aid law. The revised funding requirements result from the application of existing rules to the changed economic conditions. Based on this, thyssenkrupp Steel is preparing a new hydrogen tender, which is set to begin shortly. The company is thus clearly signaling its support for the decarbonization of the steel industry and the use of hydrogen, and is aligning the further ramp-up of its direct reduction plant with the prevailing conditions.

Funding requirements take changing market conditions into account

The funding requirements had to be revised because the economic conditions have changed significantly since the original funding decision was made. In particular, the development of the hydrogen market has fallen short of the expectations that prevailed at that time. Generation capacity, transmission lines, and import pathways are not yet available to the extent required. At the same time, green hydrogen is significantly more expensive than originally anticipated and is not yet available on competitive terms.

These developments have a direct impact on the economic viability of using hydrogen in the direct reduction plant. The previous funding requirements were therefore revised within the existing framework of state aid law to reflect the changed circumstances. The goal is to facilitate the transition to CO₂-reduced steel production under economically viable conditions and to align the use of hydrogen with actual market developments.

The revised funding requirements allow for a gradual and more flexible increase in the share of hydrogen. The direct reduction plant is technically designed for this purpose: it can run on natural gas, hydrogen, or a mixture of the two. Simply using natural gas already enables a significant CO₂ reduction of over 50% compared to today's coal-based blast furnace route. The use of hydrogen therefore remains the central component of the funded project. As a result, the goal remains unchanged: to gradually increase the share of hydrogen – depending on availability, economic feasibility, and customer demand – until full hydrogen operation is achieved, thereby significantly reducing CO₂ emissions.

Philipp Conze, Chief Financial Officer of thyssenkrupp Steel, emphasizes this point: "With tkH2Steel, we are implementing one of the biggest industrial decarbonization projects worldwide. The revised funding decision gives us the planning certainty we need to continue with the build. At the same time, we are aligning the ramp-up with actual market conditions. For us, one thing is certain: we will produce CO₂-reduced premium steel in Duisburg. With the revisions to the funding requirements, we have reached another important milestone for the future of thyssenkrupp Steel."

New hydrogen tender secures the next phase of transformation

With the revision of the funding requirements, the groundwork has been laid for the next hydrogen tender. thyssenkrupp Steel is preparing the new process for the long-term supply of the direct reduction plant. The tender is scheduled to begin shortly.

The first process had already provided important insights into prices, available quantities, and supply chains. This experience, as well as the revised funding requirements, are being incorporated into the new call for proposals.

The new call for tenders will establish a solid foundation for the subsequent operational phase and, at the same time, send a clear signal to the market: with the direct reduction plant, thyssenkrupp Steel will become one of Europe's largest industrial hydrogen consumers, thereby creating reliable long-term demand.

Innovative plant concept

Work is continuing on the construction site for the direct reduction plant; among other things, formwork and reinforcement work, as well as large-scale concrete pours, have been completed for the tower of the direct reduction plant and the two melters. The tkH2Steel project will integrate a technologically innovative plant combination into Europe's largest iron and steel plant, enabling all subsequent process steps starting from the steel mill to be maintained and, consequently, all high-quality steel grades to be produced. The 100% hydrogen-capable direct reduction plant with two melters will have an annual production capacity of 2.5 million metric tons of directly reduced iron. The direct reduction plant will be able to reduce CO₂ emissions by up to 3.5 million metric tons per year, thereby making an indispensable contribution to achieving national and European climate goals. Last but not least, the green transition will secure many skilled jobs in Duisburg.

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