

Luther advises on the largest Net Zero project in the European steel industry - EUR 2.6 billion funding approved for the use of green hydrogen

Cologne, 07.02.2024 –The Federal Ministry for Economic Affairs and Climate Protection (BMWK) is funding the "Power4Steel" decarbonisation project of the Saarland steel industry together with Saarland. The grant notices amount to a total funding of around EUR 2.6 billion. The total investment over the next few years will be over EUR 3.5 billion. Luther Rechtsanwaltsgesellschaft is supporting the mega-project.

From 2027/2028, this will secure the production of up to 3.5 million tonnes of green steel per year by SHS - Stahl-Holding-Saar and its subsidiaries Dillinger, Saarstahl and ROGESA. By 2030, 55% of CO₂ will already be saved in line with the EU's "Fit for 55" target, with up to 70% of production being converted to be climate-friendly in the next stage. At the end of the project, up to 4.9 million tonnes of crude steel will be produced annually in Saarland in a CO₂-reduced manner.

"Advising on major decarbonisation projects in Europe is an essential part of our law firm's strategy. We congratulate our client, as funding on this scale has never been seen before in the European steel industry. The grant will pay off in the areas of climate protection and securing the future of Saarland as a steel location. We at Luther are very pleased to have provided comprehensive legal support for the project from the outset and will continue to do so with a high level of identification," said the lead Luther partners Dr Stefan Mager, Essen, and Dr Stefan Altenschmidt, Düsseldorf.

Altenschmidt has been working for the Saarland steel industry in the field of environmental and planning law for many years. In a pitch, Mager and his team were able to prevail against other well-known commercial law firms to advise on the rest of the transformation. Since October 2022, the Luther team has therefore been working on, among other things, obtaining notification of the funding from the EU Commission, the approval of the German funding in the aforementioned billion-euro amount, the reorganisation of purchasing in order to comply with the funding conditions and many other aspects relevant to the project. One aspect that certainly stands out here is the advice on procurement projects totalling billions for the planned direct reduction plant, two electric arc furnaces, various transformer stations and the supply of green hydrogen.

Luther is thus at the forefront of legal transformation consulting for German industry and connects various legal areas throughout Germany through project management based on legal design. Sebastien Chomard, Head of the Legal Department at SHS - Stahl-Holding-Saar GmbH & Co. KGaA, emphasises: "The transformation of the Saarland steel industry is also a major challenge from a legal perspective. Complex and sometimes completely new legal questions have to be answered and legal processes set up in a very short space of time. Excellent legal and organisational work and tireless commitment are the hallmarks of the entire Luther team. Luther is at the forefront of decarbonisation."

On behalf of SHS – Stahl-Holding-Saar GmbH & Co. KGaA:

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Luther, Project Management: Frederike Peters, Melina Liedmeier, Lisa Küpers, Anne Gensert

Luther Rechtsanwaltsgesellschaft mbH

Luther is a leading German commercial law firm that offers comprehensive legal and tax advice. The full-service law firm employs over 420 lawyers and tax advisors and is represented in ten German economic hubs as well as with 11 of its own international offices in key investment locations and financial centres in Europe and Asia. Its clients include medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions. Luther is a founding member of unyer (www.unyer.com), a global organisation of leading professional services firms that cooperate exclusively with each other.

Luther Rechtsanwaltsgesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit. All of Luther's lawyers and tax advisers have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks. In 2023, Luther was honoured as JUVE Law Firm of the Year for Public Procurement Law and JUVE Law Firm of the Year for Distribution, Trade and Logistics. Further information is available at: www.luther-lawfirm.com.

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