



thyssenkrupp

Press release

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Milestone reached: thyssenkrupp and IG Metall union conclude basic agreement to limit the financial effects of the coronavirus pandemic at Steel and strengthen its competitive position.

thyssenkrupp Steel and the trade union Industriegewerkschaft Metall have concluded a basic agreement to supplement the “Future Pact for Steel” collective agreement of March 24, 2020. It includes up to 750 additional job cuts in administration and production-related areas and the assessment of operator models for operating facilities to further increase efficiency in the company. The current collective agreement, which includes job safeguards until 2026, will remain in place.

Dr. Klaus Keysberg, Chairman of the Supervisory Board of thyssenkrupp Steel Europe AG and Chief Financial Officer of thyssenkrupp AG: “The agreement is an important step in the right direction and a milestone on the path to possible independence for the steel business. The agreement will help limit the financial losses caused by the coronavirus pandemic. That is a prerequisite for ensuring a sustainable future for Steel and a key element of a robust business case going forward.”

Investments under Strategy 20-30 approved and being implemented

thyssenkrupp recently approved the main investments under its Strategy 20-30. The first major contracts have already been awarded.

Bernhard Osburg, CEO of thyssenkrupp Steel: “We are forging ahead with the implementation of the investment package, since this is clearly the way to greater profitability and a stronger competitive position. We will position ourselves particularly strongly in the areas where we see the future of steel: premium, higher-strength products, further optimized coatings and thinner, more efficient products for e-mobility. We are therefore systematically addressing our focus markets in the automotive and high-end industrial segments.”

With the conversion of the Duisburg casting-rolling line and the construction of further units, the prerequisites for this are now being put in place. In the future, as part of the transformation to climate-neutral steel, it is planned to offer all products in “green” as well.

Amendment to collective agreement made necessary by coronavirus losses

The “Future Pact for Steel” collective agreement concluded in March 2020 was made at the beginning of the pandemic and did not reflect its economic consequences. The basic agreement now adopted provides the basis for closing this gap: In addition to the 3,000 job cuts provided for in the collective agreement, a further reduction of up to 750 jobs is planned in administration and production-related areas. Implementation is to be completed by September 30, 2023. In addition, an assessment based on clear criteria will be carried out to see whether individual operating functions can be managed more efficiently via operator models.

Markus Grolms, CHRO and Labor Director at thyssenkrupp Steel: “The agreement now reached shows foresight and a sense of responsibility. We have achieved a fair balance in difficult times. The collective agreement including job safeguards will be maintained, and at the same time we will implement further restructuring measures to reduce costs. This joint effort is imperative as a result of the coronavirus pandemic. The clear message now is: We are moving forward together and want to secure the best possible position in the European market to safeguard many good jobs at Steel over the long term. This is the goal that drives us forward.”

Talks on details still to be clarified are to be concluded by mid-April.

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