

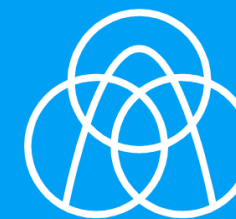


# DIRK ESG Tagung: Herausforderung Climate Action 100+

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Ticker: TKA (Share) TKAMY (ADR)  
20. März 2024 | Frankfurt am Main

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thyssenkrupp

# What is Climate Action 100+ about?



- Climate Action 100+ is an **investor-led initiative** (700 global investors involved) to ensure the **world's largest corporate greenhouse gas emitters** take necessary action on climate change
- Launched in December 2017, Climate Action 100+ has since become the largest ever global investor engagement initiative on climate change with growing influence and impact
- Climate Action 100+ focuses on **three high-level goals**
  - Reducing greenhouse gas emissions
  - Improving climate governance
  - Strengthening climate-related financial disclosures
- Currently **170 focus companies**
  - From Germany: BASF SE, Bayer AG, BMW AG, E.ON SE, Heidelberg Materials AG, Mercedes-Benz Group AG, RWE AG, Siemens Energy, thyssenkrupp AG, Volkswagen AG
  - thyssenkrupp has been added to the list already in 2017
  - Lead investors of thyssenkrupp: Union Investment, Ethos Foundation, MEAG



## Assessment indicators (I): Disclosure Framework

Assessments take place **once per year** and focus on 11 indicators on the basis of a regular dialogue between thyssenkrupp and its lead investors (~3-4 meetings per year); conducted by the **Transition Pathway Initiative Global Climate Transition Centre** and reflect publicly disclosed information

1

### Net Zero Greenhouse Gas (GHG) Emissions by 2050 (or sooner) Ambition

The company has set an ambition to achieve net zero GHG emissions by 2050 or sooner

2

### Long-term (2036-2050) GHG Reduction Target(s)

3

### Medium-term (2027-2035) GHG Reduction Target(s)

4

### Short-term (up to 2026) GHG Reduction Target(s)

5

### Decarbonisation Strategy

The company has a decarbonisation strategy that explains how it intends to meet its medium- and long-term GHG reduction targets

6

### Capital Allocation

The company is working to decarbonise its capital expenditures



## Assessment indicators (II): Disclosure Framework

### 7 Climate Policy Engagement

The company commits to conducting its policy engagement activities in accordance with the goals of the Paris Agreement

### 8 Climate Governance

Board oversight of climate change; executive remuneration scheme incorporates climate change performance elements

### 9 Just Transition

The company has committed to the principles of a Just Transition

10

### TCFD Disclosure

Implementing TCFD recommendations; listed as a supporter on the TCFD website

11

(New Beta Indicator) **Historical GHG Emissions Reductions** → not assessed at the moment for thyssenkrupp

The company's historical emissions intensity is decreasing

[Companies that are part of a sector where the Transition Pathway Initiative's methodology is yet to be published will be scored as 'Not Assessed']



# thyssenkrupp Assessment 2023

**COMPANY INFORMATION**

**SECTOR**  
Steel

**SECTOR CLUSTER**  
Industrials

**ISIN(S)**  
DE0007500001

**SEDOL CODE**  
5636927

**MARKET CAPITALISATION GROUP**  
Medium

**YEAR ADDED TO FOCUS LIST**  
2017

**COMPANY HEADQUARTERS**  
Germany, Europe

**LEAD INVESTOR(S) INCLUDE** ⓘ  
Union Investment, Ethos Foundation, MEAG  
Munich Ergo Asset Management GmbH

SEE A DIFFERENT COMPANY'S ASSESSMENT 


**ABOUT THE COMPANY ASSESSMENTS**

The Net Zero Company Benchmark, **updated in 2023**, assesses the performance of focus companies against the initiative's three high-level goals: reducing greenhouse gas emissions, improving climate governance, and strengthening climate-related financial disclosures. It contains two types of complementary analyses drawing on public and self-disclosed data by companies: the Disclosure Framework and Alignment Assessments.

By accessing these assessments, you agree to be bound by the data usage **terms and conditions**. For more information on data collection and feedback, see the **review and redress process**.


DISCLOSURE FRAMEWORK	ALIGNMENT ASSESSMENTS
The Disclosure Framework evaluates the adequacy of corporate disclosure in relation to key actions companies can take to align their businesses with the Climate Action 100+ and Paris Agreement goals. The assessments are conducted by the Transition Pathway Initiative Global Climate Transition Centre and reflect publicly disclosed information by companies as of 29 May 2023.	
1	Net Zero Greenhouse Gas (GHG) Emissions by 2050 (or sooner) Ambition ⓘ <span>✔</span>
2	Long-term (2036-2050) GHG Reduction Target(s) <span>✔</span>
3	Medium-term (2027 to 2035) GHG Reduction Target(s) <span>—</span>
4	Short-term (up to 2026) GHG Reduction Target(s) <span>✘</span>
5	Decarbonisation Strategy <span>—</span>
6	Capital Allocation <span>✘</span>
7	Climate Policy Engagement <span>—</span>
8	Climate Governance <span>—</span>
9	Just Transition <span>✘</span>
10	TCFD Disclosure <span>—</span>
11	[New Beta Indicator] Historical GHG Emissions Reductions ⓘ <span>○</span>


- ✘ NO, DOES NOT MEET ANY CRITERIA
- PARTIAL, MEETS SOME CRITERIA
- ✔ YES, MEETS ALL CRITERIA
- NOT CURRENTLY ASSESSED
- NOT APPLICABLE

Download Methodology 

**DOWNLOAD THE ASSESSMENTS**

DOWNLOAD THE COMPLETE SET OF FOCUS COMPANY ASSESSMENTS IN EXCEL FORMAT

**DOWNLOAD** 

Download Past Assessments 

- Investor Relations as the main contact for Climate Action 100+
- 2 types of assessments:
  - Disclosure Framework
  - Alignment Assessments: evaluated by other data providers who have their own independent processes and assessment methodologies

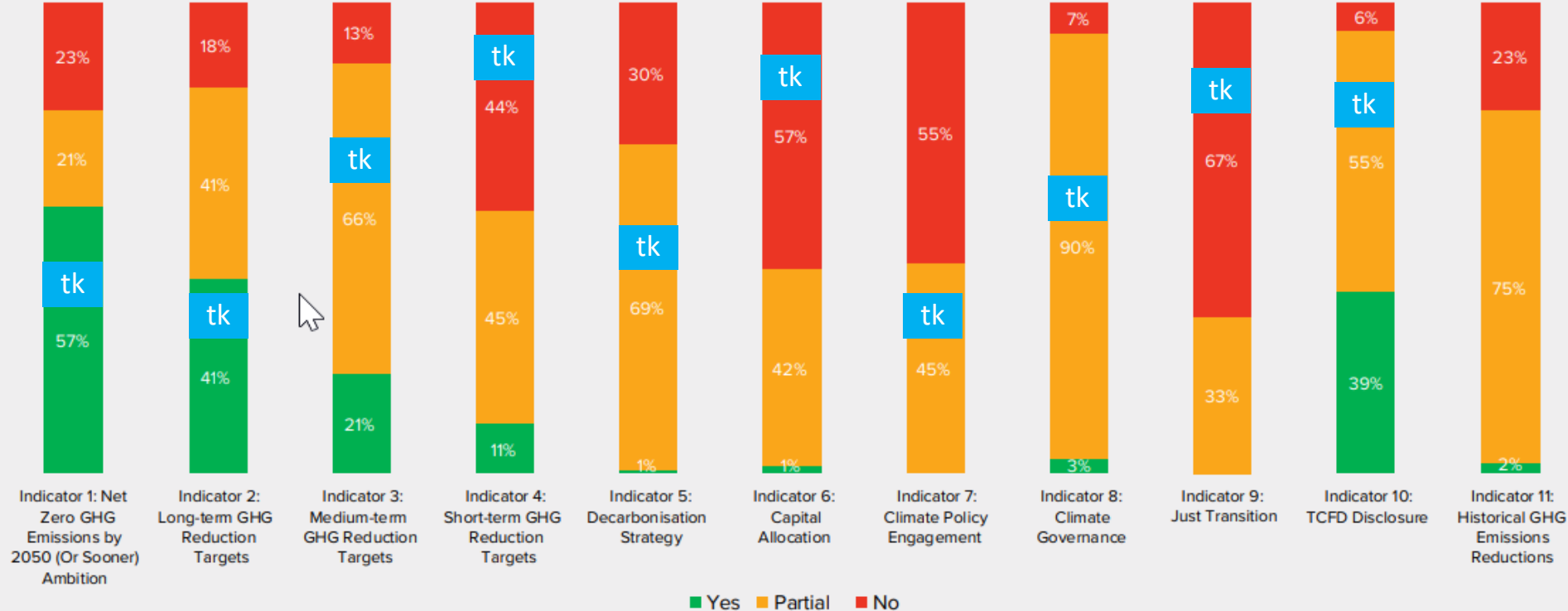
Source: ThyssenKrupp AG | Climate Action 100+



# 2023 Results with thyssenkrupp performing well in line

## 2023 Results by Indicator

Despite continuous improvement on long and medium-term GHG reduction target setting and TCFD disclosures, significant progress is still needed on short-term target setting, capital allocation, climate policy engagement, just transition and GHG emissions reductions.



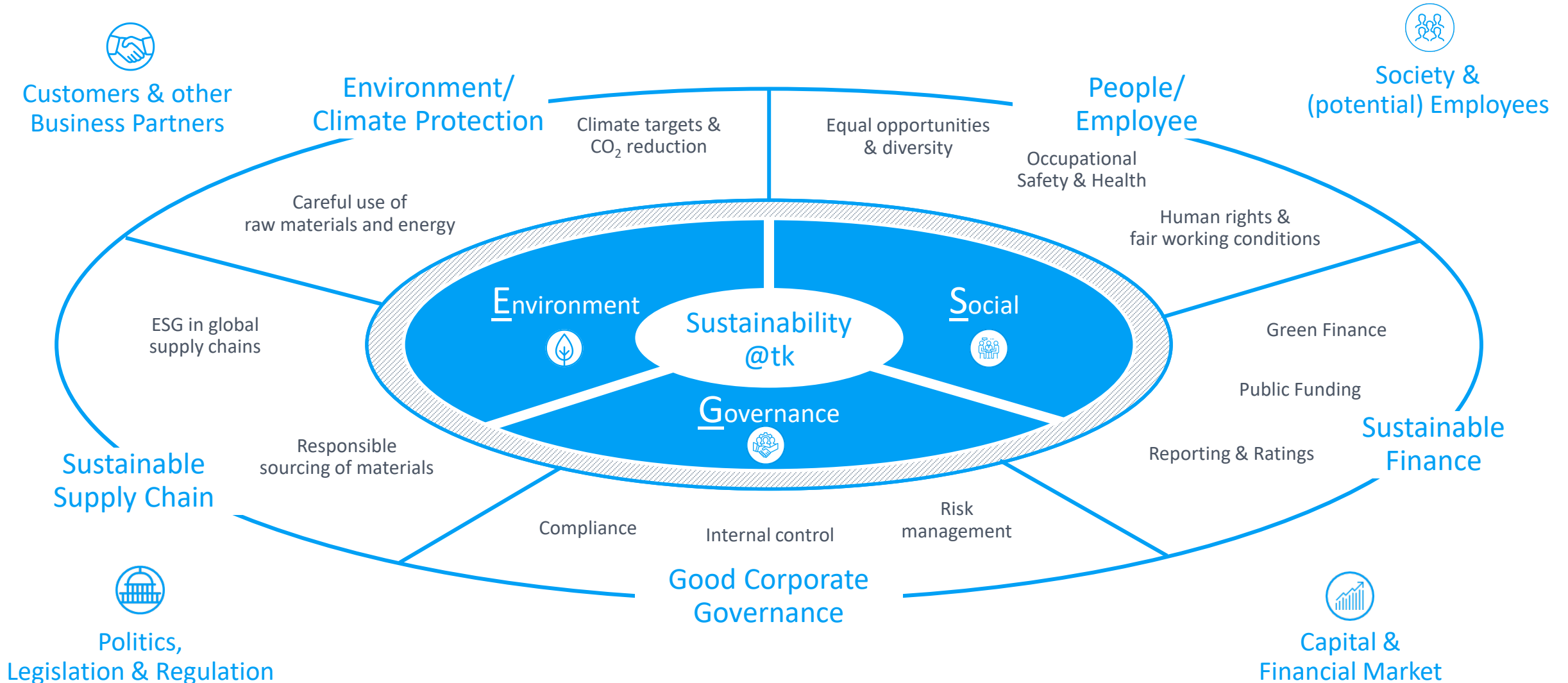
Due to rounding of percentages in the data analysis, the total for Indicator 1 does not equal a hundred percent.

Source: Climate Action 100+; [Climate-Action-100-Progress-Update-2023.pdf](https://www.climateaction100.org/Climate-Action-100-Progress-Update-2023.pdf) (climateaction100.org)

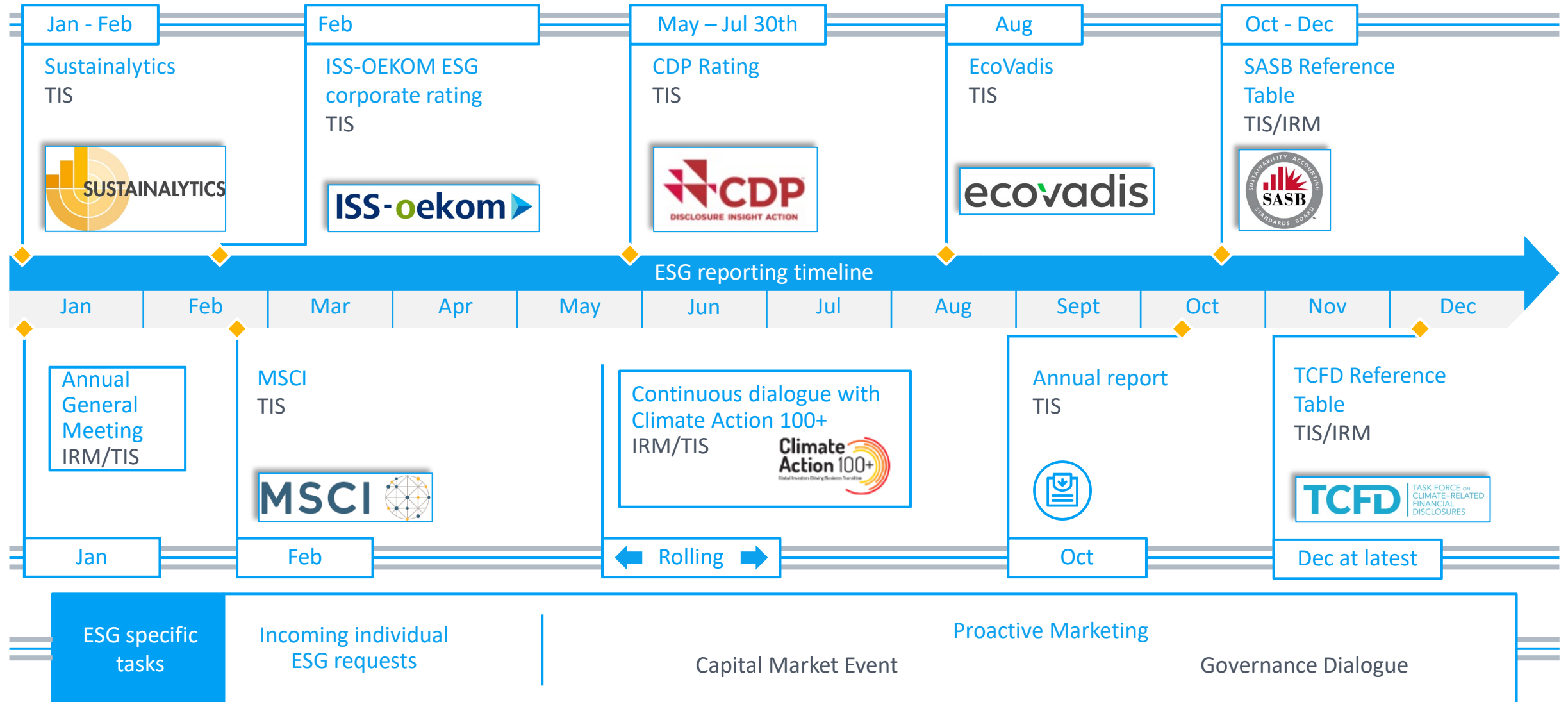




thyssenkrupp pursues a holistic approach to sustainability on Group and Business level and manages Stakeholder expectations actively by transparency, communication and strategic positioning



# Annual ESG communication plan





# We create ESG impact...



## Environment

- Aim to become climate neutral by 2050 at the latest and set ambitious targets for 2030
  - -30% scope 1+2 emissions until 2030
  - -16% scope 3 emissions until 2030
  - Climate targets SBTi-approved
- Enable our customers' transformation to climate neutrality with
  - CCU technologies: e.g. Carbon2Chem®
  - CDA technologies: e.g. H<sub>2</sub> electrolysis, green ammonia
  - CO<sub>2</sub> reduced products: e.g. bluemint® steel
- High-quality disclosure of climate and environmental data
  - Integrated reporting
  - CDP "Climate A list"
  - TCFD and SASB reports

## Social

- Occupational safety and health
  - Zero compromise on safety and health
- Further employee pulse check carried out in 2023
- Human rights (HR)
  - UN Global Compact signatory
  - International Framework Agreement on global minimum labor standards at tk
  - tk Code of Conduct (CoC)
  - Supplier CoC and risk-based due diligence process for suppliers
  - Principles of compliance with HR and environmental due diligence requirements
  - Modern Slavery Statement
- Diversity
  - Target: 17% women in leadership positions until 2025/26
  - Already achieved: EB 20% / SB 40% women

## Governance

- Corporate Governance
  - Sustainability a Board responsibility
  - Sustainability in SB skill matrix
  - Remuneration linked to ESG targets
  - Fully compliant with German CG Codex
  - Commitment to active shareholder dialogue (e.g. Governance Roadshow)
- One share = One vote at the AGM
- State-of-the-art Compliance Management system; responsibility anchored in each group company
- Data protection and information security
  - Group-wide data protection organization; privacy-by-design approach
  - In-house Cyber Defense Center



# Green Transformation – Comprehensive master plan

Roadmap to reduce CO<sub>2</sub> by >30% until 2030 and become a climate neutral steel location by 2045



2019  
Trialling H<sub>2</sub> use  
in the blast furnace

since 2021  
bluemint® Steel

from 2027  
First DR plant with melting units (SAF)  
Removal of the first coal-based blast furnace

up to 2029  
Hydrogen ramp-up  
of the first DR plant to 100 %

up to 2030  
Removal of the second  
coal-based blast furnace  
replacement by  
DR-based  
technology

before 2045  
Complete implementation of the transformation  
Carbon-neutral steel production without coal-based  
blast furnaces incl. decarbonization of  
the downstream systems

Available quantities of bluemint® Steel per year

2022-2026 ~ 50-500 kt/a    2027 onward ~ 3 mt/a    2030 onward ~ 5 mt/a    2045 onward ~ 11 mt/a

Avoidance of residual CO<sub>2</sub> emissions,  
e.g. through Carbon2Chem® (CCU)





# Indirect Financial Targets (IFTs) to track continuous progress in sustainability

Targets	Achievements		
	FY 2021/22	FY 2022/23	Target 2023/24
Annual energy efficiency gains of 85 GWh in FY 2022/23	255 GWh	340 GWh	≥ 205 GWh
Annual reduction of emissions by 1 t CO <sub>2</sub> per mn € sales to 34.5 t CO <sub>2</sub> per mn € sales in FY 2024/25	28.9	31.2	35.5 t CO <sub>2</sub> per mn € sales
Adjusted R&D intensity ~3.0% in FY 2023/24	2.4%	2.8%	~3.0%
Increase the proportion of women in management positions by at least 1% per year to 17% by FY 2025/26	13.1%	14.6%	15.0%
Reduce the accident frequency rate by at least 0.1 per year to 2.2 by FY 2023/24	2.3	2.4	2.2
60 supplier sustainability audits each year	108	104	IFT achieved
Achievement of an Employee Net Promoter Score of >0 by FY 2025/26	n/a	(4)	Further improvement
High Risk Supplier Reduction (HSR): Reduction of the relative proportion of suppliers in the population of potentially high-risk suppliers of 36.4% in FY 2026/27	New IFT starting from FY 2023/24; replaces supplier sustainability audits		68.9%



# Ratings underline leading ESG position of thyssenkrupp Group

## CDP A Rating

Among the top 5% of companies in 2023



## MSCI rating "A"

Among the top 25% of steel companies in 2024



## Ecovadis

Among the top 3% of companies in the same sector



## Sustainalytics

In the top 7% of the "Industrial Conglomerates" sector in 2023





Thank you for your attention!

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