

UN Global Compact – Communication on Progress

June 2022



thyssenkrupp

Statement of Continued Support

thyssenkrupp aims to continuously improve its sustainability performance. Together with customers worldwide, we seek to develop innovative products and solutions, which contribute to a sustainable value creation. thyssenkrupp's sustainability approach embraces processes within our own operations as well as activities along our value chains. As a global company with partners worldwide, we are committed to create a better tomorrow.

I am pleased to confirm once more thyssenkrupp's commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Responsibility for sustainability performance lies directly with the Executive Board and the Group Sustainability Committee. Our Indirect Financial Targets (IFTs) provide one example on how sustainability is translated into company specific targets and performance improvements at thyssenkrupp.

thyssenkrupp provides continuous and fully integrated reporting on its sustainability performance in its Annual Report and on its corporate website. Our reporting is based on a set of national and international standards like the Global Reporting Initiative (GRI), the UN Global Compact, the Greenhouse Gas Protocol, the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

Yours sincerely,



Martina Merz
CEO thyssenkrupp AG

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

The respect for Human Rights is a core value at thyssenkrupp. As an international group of companies, thyssenkrupp is aware of its responsibility and is committed to complying with internationally recognized human rights standards. thyssenkrupp attaches particular importance to compliance with the United Nations International Bill of Human Rights, taking into account the laws and legal standards applicable in the various countries and locations. Based on our commitment we have created a mission statement, a Code of Conduct and a Supplier Code of Conduct to guide our actions and behaviour and these of our suppliers.

Further relevant information can be found in our integrated Annual Report as well as on our company website. Please click on the following links:

- [Human Rights](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Modern Slavery Statement](#)
- [Diversity and Inclusion](#)
- [Compliance](#)
- [Responsible procurement](#)
- [Responsible employer](#)

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

The commitment to respect Human Rights is included in several different policies and regulations, starting with the thyssenkrupp Code of Conduct and Supplier Code of Conduct. The thyssenkrupp Code of Conduct summarizes the main principles and rules governing our actions as well as the standards we set ourselves in our dealings with business partners and stakeholders. The Supplier Code of Conduct outlines our expectations of sustainability and compliance to be met by our suppliers.

These policies and standards form the base for the protection and respect of human rights at thyssenkrupp and are aimed at avoiding potential human rights violations across our entire value chain. The German “Act on Corporate Due Diligence in Supply Chains” has given us another impetus to critically review our human rights approach for the Group in general, including the supply chain risk analysis, to the requirements of the Act. An online whistleblowing system enables employees or even people from outside the company to report indications of possible compliance violations anonymously at any time. In addition, thyssenkrupp offers a whistleblowing system especially focused on potential human labour rights violations.

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- [Human Rights](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Compliance](#)
- [Responsible procurement](#)
- [Responsible employer](#)
- [Modern Slavery Statement](#)

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Respect, cooperation, and social responsibility are the basis for sustainable business success. For thyssenkrupp, close cooperation with employee representatives based on trust has a long tradition and strong codetermination is a cornerstone of our corporate culture. We are a socially responsible corporate citizen, stand up for good working conditions worldwide, and expect certain principles and standards from suppliers and business partners also. thyssenkrupp respects, in accordance with national legislation, the rights of employees to form an employee representative body, to engage in collective bargaining and the right to strike. Joining or forming such an employee representation may not be used as a reason for discrimination or retaliation. Trade unions must be allowed to operate freely and in accordance with the law of the place of destination. These standards and main principles are described in several different policies and regulations, starting with the thyssenkrupp Code of Conduct and Supplier Code of Conduct. Our global minimum labour standards are documented in the International Framework Agreement (IFA) that was agreed on by the thyssenkrupp AG, the Group works council, the metalworkers' union IG Metall, and the global union federation "IndustriALL Global Union".

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- Responsible employer
- International Framework Agreement
- Code of Conduct
- Supplier Code of Conduct
- Human Rights

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

thyssenkrupp has always embraced its responsibility as a fair employer and is committed to ensuring that no form of forced or compulsory labour, (modern) slavery or human trafficking is permitted in our companies, nor do any companies of the Group participate in it. We expect our suppliers to share this commitment with us. All activities must be carried out on a voluntary basis. Employees must be free to part from their employer at their own discretion, subject to the statutory notice periods. Our corresponding activities are summarized in the thyssenkrupp Code of Conduct and Supplier Code of Conduct. Our global minimum labour standards are documented in the International Framework Agreement (IFA) that was agreed on by the thyssenkrupp AG, the Group works council, the metalworkers' union IG Metall, and the global union federation "IndustriALL Global Union". Additionally, we report on our efforts of eliminating slavery and human trafficking in the thyssenkrupp Modern Slavery Statement.

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- Human Rights
- Responsible procurement
- Code of Conduct
- Supplier Code of Conduct
- International Framework Agreement
- Modern Slavery Statement

Principle 5: Businesses should uphold the effective abolition of child labour

At thyssenkrupp, all forms of child labour are prohibited and must be avoided – in our supply chain and own operations. Children must not be hindered in their development. Their dignity must be respected and their safety and health must not be impaired but protected by appropriate measures. Our corresponding activities are summarized in the thyssenkrupp Code of Conduct and Supplier Code of Conduct. Our global minimum labour standards are documented in the International Framework Agreement (IFA). As well as recognizing the ILO's Core Labour Standards and the Universal Declaration of Human Rights, the IFA also includes principles on prohibiting child and forced labour and all forms of discrimination.

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- Human Rights
- Code of Conduct
- Supplier Code of Conduct
- Responsible procurement
- International Framework Agreement
- Modern Slavery Statement

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

thyssenkrupp is committed to a working environment that is consistently free from discrimination of any kind. Employees must not be disadvantaged, favoured or harassed on the basis of characteristics such as gender, skin colour, religion, nationality, political or other convictions, ethnic origin, disability, age, sexual orientation and identity or other characteristics. Diversity management is therefore an integral part of our HR policy. We have enshrined this, among other things, in our Mission Statement, the Principles for Managers, by signing the "Diversity Charter" and with our commitment to the United Nations Universal Declaration of Human Rights and the Free & Equal Initiative of the Human Rights Office (as one of the first 100 companies). In addition, we are member of the German think tank "Prout Employer" and of the German Demographics Network ddn.

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- Diversity & Inclusion
- Code of Conduct
- Supplier Code of Conduct
- Responsible procurement
- International Framework Agreement
- Modern Slavery Statement

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

thyssenkrupp attaches great importance to the topics of environmental protection, climate change and energy efficiency – from supply chain to internal processes to customers. With our solutions we want to help meet rising demand for goods and services in a resource-efficient way. Environmental protection is therefore a core element of thyssenkrupp's sustainability efforts and thus its corporate strategy.

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- Sustainability strategy and targets
- Climate strategy and targets
- Environment and energy
- TCFD Reference Table
- SASB Reference Table

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

thyssenkrupp aims to continuously improve its sustainability performance. Early on, we systematically improved the energy and climate efficiency of our production and continuously aim at developing efficient solutions to reduce greenhouse gas emissions together with our customers.

We are taking the next step in our climate strategy and for that, we set ourselves ambitious targets. Until 2050, we strive to become climate neutral. This ambition includes our direct emissions (scope 1), the indirect emissions from purchased energy (scope 2) as well as the indirect emissions in our value chain (scope 3). As an important step towards climate neutrality, we have set ourselves ambitious targets also for 2030: we want to reduce the sum of our direct emissions (scope 1) and of our emissions from purchased energy (scope 2) by 30% compared to 2018. In addition, we aim to reduce the indirect emissions in our value chain, especially in the use phase of the products, by 16%. The Science Based Targets initiative (SBTi) has assessed our targets carefully based on the latest climate science and officially confirmed that they are in line with the goals of the 2015 Paris Agreement. In view of the current debate and the German Climate Change Act we are reviewing whether we can become climate-neutral at an earlier date.

In this frame, thyssenkrupp has set Indirect Financial Targets (IFTs) in the areas of technology and innovations, environment, climate, energy, purchasing and employees. To reflect our climate targets, in fiscal year 2021 / 2022, emissions intensity, excluding the steel business and, with reference to the steel business, the volume of steel produced with reduced CO₂ intensity, will be integrated into long-term compensation. Our climate action efforts are externally acknowledged on a regular basis. For the sixth year in a row, CDP included thyssenkrupp in their "A List". We have thus once again been recognized as one of the world's leading companies in climate protection.

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- Climate strategy and targets
- Environment and energy
- TCFD Reference Table
- SASB Reference Table

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Producing more efficient and sustainable products is a core ambition of thyssenkrupp's sustainability effort. Renewable energies, Industry 4.0, sustainable mobility and resource-efficient processes are key aspects on our innovation agenda. We aim to spend around 3.0 percent of our turnover annually – excluding trade and distribution – on research and development.

Current studies show that cooperation across traditional sector and technology boundaries is becoming increasingly important. With its diverse technologies, this is one of thyssenkrupp's major strengths. Examples include thyssenkrupp Steel offering high-quality flat steel "bluemint® Steel" with reduced CO₂ intensity to improve their customers' eco balance and thyssenkrupp Materials Services which is providing a Supplier Network Tool creating CO₂ transparency along the value chain that has a unique selling proposition. thyssenkrupp nucera offers plants for green hydrogen production via water electrolysis and in a cross-industry research project, thyssenkrupp is working on Carbon2Chem®, which aims at using emissions from steel production as raw material for chemicals.

In the Annual Report 2021/2022 thyssenkrupp will report on the EU Taxonomy for the first time – including more details on environmentally sustainable business activities.

Further relevant information can be found in our integrated Annual Report as well as on our company website: Please click on the following links:

- [Innovation](#)
- [Stories: Sustainability & Climate Protection](#)
- [Sustainable mobility](#)
- [Processes that conserve resources](#)
- [Technologies for the transition to renewables](#)
- [Promotion of enthusiasm for technology and innovation](#)
- [Sustainable steel](#)

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

To us compliance means more than just obeying rules and regulations. Compliance is a question of mindset: reliability, honesty, credibility, and integrity are part of our DNA. We would rather sacrifice a contract than win it by breaking the rules. Our compliance program is designed to identify potential risks at an early stage and if necessary initiate suitable countermeasures. Compliance officers around the world advise, educate, and inform employees about legal requirements. As a result, compliance is a fixed component of every business process in our own operations and our supply chain.

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- [Compliance](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)