Salzgitter AG - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Salzgitter AG ranks as one of Germany's companies rooted in a long tradition. Our Strategy "Salzgitter AG 2030" marks the start of our journey to evolve into Europe's strongest steel and technology group. The aim is to establish our Group as a market leader for circular economy solutions with innovative products and processes. Our "Pioneering for Circular Solutions" vision illustrates this leadership aspiration, the success of which hinges on strong partners and networks, as reflected in our "Partnering for Transformation" mission. The Salzgitter Group comprises more than 150 domestic and international subsidiaries and associated companies and employs a workforce of over 24,500 employees worldwide. In the financial year 2022, we generated external sales of around € 12.5 billion, with a crude steel capacity of 7 million tons.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
France
Germany
Italy
Mexico
Netherlands
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-ST0.7

(C-ST0.7) Which parts of the steel value chain does your organization operate in?

Iron ore sintering and agglomeration
Coke oven operation
Blast furnace and basic oxygen furnace operations
Electric arc furnace operations
Hot rolling
Cold rolling and finishing
Scrap steel recycling

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	DE 000 6202005

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	The main responsibility to strategically integrate and address sustainability-related topics falls to the executive board, in particular the CEO. Due to the importance of environmental, climate related and energy issues for Salzgitter Group, the management of these topics (among others) is included in the established ESG Governance Structure which aims to ensure and anchor ESG issues in corporate management in a targeted and efficient matter. The CEO functions as chair of the ESG Governance and acts as sponsor of the ESG Steering Committee, which ensures regular cross-divisional coordination on ESG related topics and initiatives and the steering (leading direction & prioritization) of operational implementation activities, thus guaranteeing that all relevant topics and affected parties are taken into account at the operational level. Within this extensive area of responsibility, the CEO monitors and steers the progress of all non-financial KPIs and initiatives, including the absolute and specific CO2 emissions and is in charge for decisions and preparation of decisions in high priority projects related to climate change - for example our SALCOS® program which will be described in detail below. An example for a climate related decision made by the CEO/Board: In 2021, the board decided to give Salzgitter Group a new strategy "Salzgitter AG 2030", which was launched in early 2022. The SALCOS program is the most integral part of our strategy to speed up the decarbonisation of the Group significantly (Scope 1 and 2: -30% till 2025 and -50% till 2030) and to pursue a NetZero long-term target with our commitment to the science-based target initiative.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	At Salzgitter AG, responsibility for ESG (Environmental, Social, Governance) topics and issues lies with the Executive Board and the Group Management Board. The Executive and Supervisory boards review the progress made and the results in the area of sustainability that are published in the separate combined non-financial report. In reviewing the report, the Supervisory Board is supported by an auditor (audit with limited assurance). Responsibility for conducting a preliminary audit of the nonfinancial Group report rests with the Supervisory Board's Audit Committee. The Supervisory Board in plenum is also responsible for monitoring the Executive Board, including in matters pertaining to sustainability. We established a new ESG organizational structure in the 2022 reporting year. Under the leadership of the CEO, the ESG Steering Committee prioritizes the individual topics and issues and manages their operational implementation. The Steering Committee is comprised of the holding company's technically responsible departmental and unit heads and is headed by the Strategy and Corporate Development Department (SU) that is responsible for the overarching coordination of sustainability issues across the Group. For its part, the ESG working group serves the interdisciplinary exchange and knowledge transfer between the various technical departments dealing with sustainability issues. There is regular exchange of knowledge between sustainability-related bodies in the Group (e.g. the Group Steering Committee for Environment and Energy). The Executive Board bears the responsibility and decision-making authority for the ESG topics and issues and is informed every quarter in meetings of the Group Management Board of the current state of implementation. The Executive Board reports on developments and progress of significance in the sustainability area to Salzgitter AG's Supervisory Board on a regular basis. The new ESG organization enables strategic decision-making processes to be pursued and managed and material sustainability aspects to be translated into corresponding Group directives, operating instructions and target agreements – always taking account of the professional and strategic expertise and responsibilities of the individual Executive Board remits and departments.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	CEO: Before becoming CEO of Salzgitter Group in 2021, he was Head of Business Area Wind and Head of Business Unit Renewables Continental Europe/United Kingdom of a big energy company. In 2019 WindEurope's Board of Directors has elected him as the association's Chair for an 18-month term. CFO and CPO: Members of the steering committee of the Groups biggest decarbonisation programme called SALCOS for several years.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Organizational structure:
The position of the CEO lies on the highest Group level, the Executive Board. In accordance with the business distribution plan of Salzgitter AG, the CEO chairs this board which is responsible for leading the company. In cooperation with the Supervisory Board the Executive Board determines the companies' strategy. This regards also to climate-related issues, risks and opportunities. Due to the high importance and due to short decision paths related to this topic, the responsibility for climate-related issues lies with the CEO. This position is anchored in the ESG Governance structure.
The executive board chaired by the CEO functions as the responsible decision-making and escalation body and reviews the overall progress and overarching project statuses. The body holds the responsibility (1) for the endorsement of the Group's overall strategy and sustainability-related objectives, (2) for ESG risk management throughout the group and (3) makes key decisions and acts as escalation forum.
The ESG Steering Committee (SC) ensures regular cross-divisional coordination on ESG and steering of operational implementation, thus guaranteeing that all relevant topics and stakeholders are taken into account at the operational level and escalating decisions to the executive board. The SC is sponsored by the CEO, is chaired by the head of Strategy and Corporate Development department and consists of relevant upper management from throughout the Group. The ESG Working Group (WG) consists of various experts at the operational level, guarantees interdisciplinary cooperation in the operational structuring of ESG issues and the consistent implementation of developed guidelines and initiatives in the Group.

Responsibilities of the CEO to monitor climate related issues:
In meetings of the SALCOS® steering committee, decisions on all important issues around this project are taken or - if needed due to general rules within Salzgitter Group - prepared for decision in the Group management. If so, the CEO reports the tasks for decision to the Group management committee taking place regularly. The CEO of Salzgitter Group has the overall responsibility for the committee and therefore is finally responsible for the monitoring of the climate related issues the project SALCOS® is based on.

In a nutshell: With a profound supporting Governance Structure all the threads of assessment and monitoring of climate related issues come together in the position of the CEO.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Board/Executive board

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Board approval of climate transition plan
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
In order to reinforce the incentive of sustainable corporate growth for members of the Executive Board, 30 % of their variable remuneration paid in the form of an annual bonus and 30 % as a performance cash award depend on non-financial targets besides the financial component. When defining annual targets, the Supervisory Board ensures that they serve the Group strategy and the sustainability strategy, as well as the long-term growth of the company. In the process, the board takes into account priorities with a bearing on sustainability such as occupational health and safety, employee growth or implementation of the SALCOS® transformation program for the decarbonization of steel production. As a general rule, the non-financial targets are also anchored in the individual target agreements with managing directors and senior executives in Group companies in order to ensure that they are effectively pursued. Details of the remuneration system are outlined in the remuneration report: https://www.salzgitter-ag.com/fileadmin/finanzberichte/2022/gb2022/en/downloads/szag-remuneration-report-162AktG-2022.pdf

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive is in line with our SALCOS, our main project of the transition plan.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	running year
Medium-term	1	4	planning of next 3 years
Long-term	4	35	long-term planning (strategically)

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Definition of substantive financial impact: The risks captured in this system are not only those affecting the entire Salzgitter Group but also all risks that concern the individual Group companies and that exceed a specific financial risk of € 1–2.5 million, depending on the probability of these risks occurring. We consider all risks above this threshold as a substantive financial or strategic impact and therefore monitor them within the risk management.

Quantifiably indicators:

In this system we categorize the risks between 1 (very unlikely) up to 5 (very likely). The probabilities are classified as follows: Nearly 0 %: very unlikely (1); 0 – 25 % unlikely; 25 – 50 %: more likely; 50 – 75 %: likely and 75 – 100 % very likely. Only risks that exceed a

primary potential financial impact of € 1–2.5 million, depending on the probability of these risks occurring, are formally monitored in this system.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Risks and opportunities pertaining to climate change are integrated into the respective risk/opportunity management.

Process for managing risks: We treat the risk and the opportunity management separately as a matter of principle. A separate reporting system documents the risks and facilitates the relevant monitoring activities. The risks captured in this system are not only those affecting the entire Salzgitter Group but also all risks that concern the individual Group companies and that exceed a specific financial risk of € 1–2.5 million, depending on the probability of these risks occurring. We incorporate risks as an integral part of our intra-year forecasting, medium-term planning, and the risk management process is integrated into multi-disciplinary company-wide risk management process. We have defined a set of different procedures, rules, regulations and tools with the aim of avoiding potential risks and of controlling and managing the risks that arise and taking preventive measures. Our internal control system that incorporates the principles of the COSO model is an integral instrument in minimizing risk. The COSO model is based on the “Internal Control – Integrated Framework” published by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of the high degree of transparency achieved with regard to developments that involve risk, we as a Group are able to take appropriate countermeasures and implement them in a targeted manner at an early stage. The conditions that must be fulfilled for these measures to be effective are documented, periodically examined, and updated if necessary. We use our groupwide reporting system to ensure that Group management is provided with the necessary, pertinent information. The Group companies report on the risk situation in accordance with reporting thresholds in monthly controlling reports or ad hoc, which they submit directly to the Executive Board. We analyze and assess the risks at Group level, monitor them punctiliously and align them to our overall business situation, especially risks requiring urgent action. All risks – including those on climate issues, covering the value chain stages direct operations and upstream – are structured in more or less the same way: The identification is done by the department, which is familiar with and in charge for the issue. In the next step the facts are assessed together by this department and the controlling department of the Group, ending up in a formal description of the risks also naming on how to address the risks. In this risk monitoring system we distinguish between short – medium – and long-term risks as described under C 2.1a (running year - planning of next 3 years - long-term planning (strategically)). After having identified and evaluated the risk in the decribed way, they get documented in a formalized way and given regularly to the board for descision how to deal with the specific risk. For example, our typical management method in regard to transitional risks is to reduce their impact by reduction of our energy consumption and carbon footprint in a systematic way. Due to the high relevance of this topic, especially with regard to steel production, the the reduction of the carbon footprint is one of the pillars of the new strategy "Salzgitter AG 2030". The central part in the decarbonization of our steel production is the SALCOS® - Salzgitter Low CO2 Steelmaking project to gradually reduce CO2 emissions by 95 percent with the new "green steel" production route.

Process for managing opportunities: The ongoing monitoring and analysis of the relevant developments affecting products, technology, markets and competition in the Group’s environment, also in relation to climate change, are an integral part of opportunity and risk management dedicated to the identification, seizing and realization of opportunities. Recording and communicating opportunities form an integral part of the management and controlling system that operates between our subsidiaries/associated companies and the holding company. The identification, analysis and implementation of operational opportunities are incumbent on the management of the individual companies. Together with the holding company of the Group, goal-oriented measures are devised to reinforce strengths and to tap strategic growth potential. Opportunities in climate related activities are monitored in an annual R&D trend report. In this report, market opportunities for our products as well as options for possible production processes with lower CO2 emissions are described and monitored. The opportunities are evaluated systematically within so called "short profiles", which are prioritized in means of relevance for the Group. In the report it is distinguished between short (1-5years), mid (5-10 years) and long-term (>10 years) developments. The R&D trend report is given to the Groups decision makers once a year.

Example concerning transitional risks (Downstream):
If there is a delay in the transition to fossil-free steel, there is a risk that supply agreements cannot be met, which could lead to the loss of customers and a reduction in sales volumes and revenues.

Case study concerning physical risks (Upstream):
We observe a rising risk of flooding of coking coal mines in Australia where we purchase around one third of our coking coal needed for the steelmaking process. Applying the risk process we identified possible events like flooding , which could lead to difficulties in the supply out of this mine. Due to this circumstance we are monitoring this risk by an experts assessment within our raw material procurement of Salzgitter Flachstahl GmbH and have established two measures to manage the risks out of that problem: 1) The total amount of annually purchased coking coals from Australia has been reduced 2) Before the rain season in Australia, Salzgitter Flachstahl GmbH is increasing the stock of Australian coking coal. Due to this, the magnitude of impact after the management decision taken is not very high anymore.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Increasing burden due to rising levies or elimination of existing subsidies: To drive sustainability in the economy, ESG-motivated levies and taxes could increase sharply in the coming years. In addition, as society's consciousness shifts, as well as the need to redirect capital flows (see Green Deal) and increasing regulatory pressures, subsidies that previously applied to less sustainable sectors (such as tax breaks for jet fuel) could be eliminated, driving costs and reducing non-European competitiveness.
Emerging regulation	Relevant, always included	Loss or non-obtaining of operating permits due to increasing requirements regarding environmental protection and residual material recycling or treatment: Increasing regulatory requirements with regard to air, water, noise and soil as well as the recycling of residual materials (e.g. KSG, BImSchG, DüMV, etc.) could lead to increased costs due to process adaptations, landfill costs and investments in research & development.
Technology	Relevant, always included	Delay in the transition to fossil-free steel: For the transition to fossil-free steel production, scaling up this new technology for the first time entails process risks as well as dependence on the timely issuance of permits, and smooth construction progress. A delay could lead to a weakening of the market position. Example: The blast furnaces at our site operate close to the technical and natural possible scientific minimum related to energy and CO2 emissions. To face the risk of e.g. increasing requirements with respect to the EU-ETS for our industry, we started the project SALCOS® to investigate other options for steel producing technologies in the future. echnology risks are for instance monitored within the R&D-report written every year by our centralized R&D department Salzgitter Mannesmann Forschung GmbH (SZMF). This report gets shared with relevant managers all over Salzgitter Group.
Legal	Relevant, sometimes included	Requirements regarding the safeguarding of environmental or human rights along the supply chain and at the site are increasing: SZAG's value and supply chain is complex and includes many other companies, which in turn cooperate with other suppliers. With such a scope, violations of environmental and human rights may occur despite detailed checks and monitoring, responsibility for which would have to be assumed. Standards must be complied with in order to maintain the supply chain and not lose customers. Example: Corporate Sustainability Due Diligence Directive (CSDDD) Supply Chain Act (German: Lieferkettensorgfaltspflichtengesetz, literally: Obligation to Exercise Due Diligence in the Supply Chain Act)
Market	Relevant, sometimes included	Price, time and sufficient availability of relevant energy sources of a good quality: In order to be able to continue production under the same conditions and to avoid delays, the availability of energy carriers (including renewable energies in the form of electricity and hydrogen, and biogenic carbon if necessary) is central. This insufficient availability, in terms of time and price, can lead to production losses as well as to an increase in the cost of production. Insufficient availability in terms of quality, location and quantities of primary and secondary raw materials: Insufficient availability of secondary raw materials (including FE & NE scrap, plastic recyclates), but also primary raw materials (including iron ores for direct reduction) in sufficient quality can burden production as well as the quality of the product. Example: For example, the switch from internal combustion engines to e-mobility, are monitored and analyzed with respect to the risk of changing demands to our products, for example input materials for applications in combustion vehicles, manufactured by some of our Group companies. The mentioned automobile manufacturers are customers of Salzgitter Flachstahl GmbH, but also Salzgitter Hydroforming GmbH, Salzgitter Automotive Engineering GmbH, several sites of our Mannesmann section and others are involved (https://www.initiative-automotive.de/en/index.html).
Reputation	Relevant, sometimes included	Loss of customers, suppliers, investors and increased cost of capital due to poor ESG performance: Stakeholders have increasingly binding requirements for SZAG's audited ESG performance. Low ESG performance could lead to the loss of customers, increased capital costs, a loss of investors and cooperation partners. This effect would be reinforced by the relative best-in-class approach, above all by better performance on the part of competitors. ESG issues can lead to loss of reputation at numerous points: misleading reporting or accusations of greenwashing, environmental or human rights violations along the supply chain or at the site, inadequate occupational health and safety, and insufficient involvement of external as well as internal stakeholders. Response: To minimize the risk of reputation damages, we offer a high transparency, for instance by publishing a non-financial, externally audited report or participating in the CDP project for the whole Salzgitter Group. The Salzgitter Group counters the risk of loss of reputation through its proactive work on providing objective information to raise awareness and promote understanding at various levels.
Acute physical	Relevant, sometimes included	Acute physical risks such as storms, floods, tornadoes are considered. The climate scenario analysis was performed based on scenario RCP 2.6 and 8.5 with time horizons of 2030, 2050, and 2100. Example: To manage the risk of flooding of our water exploitation in Börßum near our Salzgitter steel site, we discuss and, if necessary, implement measures for prevention regularly.
Chronic physical	Relevant, sometimes included	Chronic physical risks such as heat and sea level rise are considered. The climate scenario analysis was performed based on scenario RCP 2.6 and 8.5 with time horizons of 2030, 2050, and 2100. Relevance and inclusion: With regards to the risk of rising sea level, we are monitoring this issue, where necessary, because this is of high importance for our supply chain. Example: We operate a bulk materials port in Hamburg with Hansaport (51% share Salzgitter Group) to provide our steel site in Salzgitter with inter alia ores. Hansaport is embedded into the flood protection system and the appropriate risk management system of the Port of Hamburg to prevent a flooding of the port due to raised sea level.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
In the context of the European emissions trading system (EU-ETS), free allocation is currently insufficient for our integrated steel production at our Salzgitter Flachstahl GmbH site, although the integrated steel plant located in Salzgitter, Germany, can be seen as a very efficient plant. Due to this, allowances have to be purchased. Not least due to the political will, we estimate a further increase in allowance prices. Our integrated steel site (Salzgitter Flachstahl GmbH) in Salzgitter emits around 8 million tons of CO2 per year, which corresponds to a share of more than 90% of the Scope 1 emissions of Salzgitter Group. Due to a much too low allocation of free allowances out of the EU-ETS, we estimate to face an under-allocation in free allowances of around 25 % up to 2025.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
160000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Our integrated steel site (Salzgitter Flachstahl GmbH) in Salzgitter emits about 8 million tons of CO2 per year. Due to a much too low allocation of free allowances in the ETS, we estimate to face an under-allocation in free allowances of around 25 %. This equals to on average around two million allowances every year (Scope 1 emissions of around 8 million tons times 25%). With an estimated average price for CO2-allowances during this time period of 80 € per tonne of CO2, we come out with a 160 million € financial impact per year before any precautionary measures due to this risk.

Cost of response to risk
750000

Description of response and explanation of cost calculation
Response:
As we have purchased CO2 allowances as a precaution, the shortfall estimated in the medium term following allocation for the Salzgitter AG subsidiaries subject to emissions trading should have been largely compensated (as of the end of 2021). We can only achieve greater accuracy when more detailed rules and regulations on all aspects relevant to allocation have been set out, and it becomes clear, possibly over the course of 2021, whether and to what extent the EU's increased climate target envisaged through to 2030 will also impact the budget of free allocation, especially after 2026.

Case study:
Situation: A few years ago it was estimated that Salzgitter AG would not receive sufficient amounts of certificates from free allocation in the fourth trading period of the European Emissions Trading System (2021-2030). We also saw the risk of rising CO2 prices in this time period.
Task: In terms of a medium-term risk, the task was to manage the risk of high CO2 costs in the years 2021-2030, which is difficult to quantify due to the volatile CO2 prices and still not finally clear rules for free allocation especially from 2026 onwards.
Action: The Group Management Board, which is chaired by the CEO, decided to buy CO2 allowances as a precautionary measure and to minimize the uncertainty resulting from volatile prices for CO2 allowances.
Result: As of the end of 2021 we assume, that the shortfall estimated in the medium term following allocation for the Salzgitter AG subsidiaries subject to emissions trading should have been largely compensated. Due to this, the financial risk described above does not materialize, or at least not to the estimated extent.

Estimation of the figure "Cost of management": Approximately 5 FTEs with an average of 150,000 € per FTE within the Group are engaged in working with emissions trading, which results in a cost burden of about 750,000 € per year.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
In 2022, the climate target was tightened as well at European as at national German level. For several years, companies are made more responsible step by step and have to contribute their part to limit climate change. The steel sector, as a particularly energy-intensive sector, is under additional pressure to achieve the transition to a low carbon industry. The companies in the Salzgitter Group have stood for the innovative, sustainable manufacture of steel products and high-tech goods for more than 150 years. In this tradition, and with regard to the sphere of action encompassed by our SALCOS®-project, we have strengthened our ambition in the Salzgitter Group with the new strategy "Salzgitter 2030". Our target is to reduce CO2 emissions by 50 % by 2030. For this purpose, technologies are needed, that are currently not yet economically competitive to the conventional production route via blast furnace / blast oxygen furnace due to high investments needed for the transformation as well as higher operation

costs compared to the status quo. Looking only at the first point, we are facing investment costs in the order of 2.2 billion to 2.4 billion euros in the next few years, that may touch competitiveness of Salzgitter Group.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2200000000

Potential financial impact figure – maximum (currency)
2400000000

Explanation of financial impact figure
In out strategy, we stated to be in operation with SALCOS stage 1 at the end of 2025. This creates an additional investment requirement of about 2.2€ to 2.4€ billion in the next few years, for an electrolysis capacity of 100 MW, a two million tons per year direct reduced iron plant and an electric arc furnace. These new aggregates will be included into the integrated steel site of Salzgitter Flachstahl GmbH. (Note: In this risk assessment, only CapEx is considered)

Cost of response to risk
750000

Description of response and explanation of cost calculation
Response:
We try to reduce the impact of the additional investment requirement by applying for funding. Therefore, the SALCOS® steering committee decided to apply for funding by the EU IF fund for the SALCOS® project stage 1 and additionally placing this project as a part of the so called GetH2-IPCEI (important project of common European interest). If these are approved, the investment amount to be borne by the group will be significantly reduced. Applying for funding is an important part of the SALCOS strategy. As with the SALCOS project, investments in climate protection are pending, for which funding is required. These were requested in 2021.*

Case study:
Situation: Official funding was still pending in 2022.

Task: To enable the early start to the measures, SZAG had to secure own funds. The approval and appraisal process for these funds has not yet been fully concluded.

Action: In 13th July 2022, the Salzgitter AG Supervisory Board approved the Executive Board's application to make own funds of € 723 million available for the first development stage of the SALCOS®-project.

Result: In 2022, SZAG invested 96 million euros for the first stage of its transformation program SALCOS.

Estimation of the figure "Cost of management": Approximately 5 FTEs with an average of 150,000 € per FTE within the Group are engaged in working with the application of funding in a broader sense, which results in a cost burden of about 750,000 € per year.

Comment
*Handover of the funding decision in the amount of 1 billion euros has taken place in 2023, which, strictly speaking, is not in the reporting period. Since not much happened in this respect in 2022, we have decided to list this event here in the interests of transparency.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description

Salzgitter AG is committed to the implementation of Germany's renewable energies policy with its own products and project ideas that are based in many respects on the German Renewable Energies Act (EEG). Noteworthy examples here are the extensive plate deliveries by the Group's subsidiary Ilsenburger Grobblech GmbH and Mannesmann Grobblech GmbH e.g. heavy plates for wind towers and the combination of the relevant Group's activities under the Salzgitter Mannesmann Renewables. e.g. tubes for offshore jackets. The political target of the German energy change requires an enormous expansion of renewable energy installations. Based on this we are realising a large investment at Ilsenburger Grobblech GmbH e.g. to increase the amount of heavy plates used for building wind towers. Currently the wind power industry is with around 20% of Ilsenburger Grobblech GmbH´s contribution to the total revenue of the plate / section steel business unit one of the most important customer groups. With regard to the future we even try to increase this share.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
5200000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Currently the wind power industry is with around 20% of Ilsenburger Grobblech GmbH´s revenue an important contribution to the total revenue of the plate / section steel business unit. If the revenue of this business section is rising by for example 1%, this would increase the total revenue by roughly 5,200,000 € per year on the basis of 2022.

Cost to realize opportunity
1500000

Strategy to realize opportunity and explanation of cost calculation
Strategy: Already today the wind energy industry is an important economic pillar of the heavy plate companies in the Salzgitter Group. Our companies are one of a few full-range retailers in Europe. With ongoing observation and active shaping of the market for renewable energies we want to extend our business activities in this segment and expand our market position. This is i. a. done by marketing our products to relevant industries. Salzgitter AG is committed to the implementation of Germany's renewable energies policy with its own products and project ideas that are based in many respects on the German Renewable Energies Act (EEG). The political target of the German "Energiewende" requires an enormous expansion of renewable energy installations and therefore the chance to sell corresponding products from the Group´s portfolio for the construction of renewable energy systems.

Case study:
Action: We started the qualification process for the Siemens Gamesa new GreenerTower. The GreenerTower will ensure a CO2 reduction of at least 63% in the tower steel plates compared to conventional steel. Siemens Gamesa's new thorough qualification process will verify that only a maximum of 0.7 tons of CO2-equivalent emissions are permitted per ton of steel, while maintaining the same steel properties and quality.
Result: The German steel manufacturing company Salzgitter AG, with its heavy plate mill Ilsenburger Grobblech GmbH, is the first supplier to be qualified, something which has also been reinforced by third-party certification.

Estimation of the figure "Cost to realize opportunity": Approximately 10 FTEs with an average of 150,000 € per FTE are engaged in the development and marketing of products in the area of renewable energies, which results in a cost burden of about 1.5 million € per year.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Owing to its inherent properties, steel is infinitely recyclable and therefore offers holistic advantages compared with other materials used in construction. Salzgitter AG via its subsidiary Peiner Träger GmbH therefore is deeply involved also in the scientific work of "Bauforum Stahl" (https://bauforumstahl.de/verband/wofuer-wir-stehen#mitglieder). Along with society's increasingly strong interest in sustainability and recycling capability, steel has a competitive advantage compared with other materials. Salzgitter Group with a total revenue in 2022 of around € 12.5 billion is the second largest steel producer in Germany and covers both the primary blast furnace and the secondary electric arc furnace route, which both use scrap as an important input material for recycling. Due to this, we believe that, based on the explained change in consumers behaviour, sustainable materials - such as for example our sheet steel e.g. for consuming goods, or steel beams and pipes for construction - could win market shares in comparison with for instance plastics or concrete.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
44600000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The calculation of the financial impact was based on the following scenario: If for example due to these circumstances the steel demand is rising by 1%, this would mean additional crude steel production for Salzgitter Group (sites Salzgitter and Peine) and therefore revenue increase. Taking into consideration the revenues of € 4.46 billion of the business units strip steel and plate / section steel in 2022 a hypothetical revenue increase by around 1% would mean a higher revenue of about € 44 million.

Cost to realize opportunity
450000

Strategy to realize opportunity and explanation of cost calculation
The opportunity described here was recognized at an early stage and has led Salzgitter AG to develop a scrap strategy. This describes that the amount of scrap used annually is to be increased to up to 3 million tons by 2030. To obtain more scrap, one way is our green closed-loop, which is explained in the case study below.

Case study:
Situation: The excellent recycling properties of steel should be used to the best of their ability in specific business relationships with selected customers in order to achieve the highest level of resource efficiency.
Task: Salzgitter Flachstahl supplies the BMW Group pressing plant in Leipzig with steel strips (coils). When processing these coils at our customer BMW, press scrap is inevitable, which cannot be further processed directly at BMW, but has to be brought back to the steelworks. Until now, coils and scrap have been transported by separate trucks, each of which drove inefficient without a load for part of its journey.
Action: After the coils have been delivered, special trucks take all of the press shop scrap with them to Salzgitter. This "closed loop" is efficient in two ways. On the one hand, the trucks are running at full capacity and therefore have minimal CO2 emissions. On the other hand, recycling the steel scrap closes the material cycle. Thanks to closed loop, Salzgitter Flachstahl is now supplying an automobile plant directly and just in time for the first time. The usual consignment warehouse is no longer required.
Result: Instead of being delivered to the warehouse exactly to the week, the coils now arrive in production at the BMW Group exactly half an hour on the day after the call, which can access the stocks in Salzgitter online. Salzgitter processes the electronically sent requirements fully automatically into transport orders that reach the forwarding agent within a few minutes. Monitoring guarantees that no order is lost.

Estimation of the figure "Cost to realize opportunity": Approximately 3 FTEs with an average of 150,000 € per FTE are engaged in the field of recyclability of steel, which results in a cost burden of about 450,000 € per year.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
The transition plan (= SALCOS) is one of the major topics of the strategy "Salzgitter AG 2030" and therefore an important point in every discussion with shareholders for example on roadshows or investment conferences. Within these discussions, feedback to our transition plan is collected either orally or in written form.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
SALCOS presentation
SALCOS®-Presentation_english.pptx

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	Physical risks were analyzed with the aid of a data-driven risk analysis for Salzgitter AG's global facilities for their short-term, medium-term and long-term impact, drawing on climate scenarios.
Physical climate scenarios: RCP 2.6	Company-wide	<Not Applicable>	Physical risks were analyzed with the aid of a data-driven risk analysis for Salzgitter AG's global facilities for their short-term, medium-term and long-term impact, drawing on climate scenarios.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Assessment of physical risks for our production sites.

Results of the climate-related scenario analysis with respect to the focal questions

At the present time, there is no threat to the continued existence of our company and no urgent adjustments to the sites are necessary to take account of climate change.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	If there is a delay in the transition to fossil-free steel, there is a risk that supply agreements cannot be met, which could lead to the loss of customers and a reduction in sales volumes and revenues. For this reason, the Strategy 2030 was launched, which is significantly influenced by our SALCOS project, which will ensure fossil-free steel in the future.
Supply chain and/or value chain	Yes	Natural disasters and extreme weather events can disrupt our supply chain. As the frequency of such events is likely to increase in the future, our purchasing strategy had to be adapted in certain areas. For instance, we observe a rising risk of flooding of coking coal mines in Australia where we purchase about a third of our coking coal needed for the steelmaking process. If a coking coal mine is flooded, difficulties in the supply out of this mine can occur. Example: We observe a rising risk of flooding of coking coal mines in Australia where we purchase about a third of our coking coal needed for the steelmaking process. If a coking coal mine is flooded, difficulties in the supply out of this mine can occur. Therefore, the supply with the needed amounts and qualities of coking coal has to be ensured. Salzgitter Flachstahl GmbH included the above-mentioned risk in their procurement strategy. For this purpose we are monitoring this risk by an experts assessment within our raw material procurement of Salzgitter Flachstahl GmbH. Two measures to manage the risks emerging from that Problem were identified: 1) The total amount of annually purchased coking coals from Australia has been reduced 2) Before the rain season in Australia, Salzgitter Flachstahl GmbH is increasing the stock of Australian coking coal. Due to this, the magnitude of impact after the management decision could significantly be reduced. Impact on this area of our business: Insufficient availability of primary and secondary raw materials needed for the transformation. We are therefore following our mission "Partnering for Transformation" and have therefore agreed memorandums of understanding with raw material suppliers for our new route (e.g. LKAB, Rio Tinto). Time-horizons considered: Short-, mid- and long-term. SALCOS transformation is carried out in stages (2025, 2030, 2033)and therefore the raw materials and energy sources used change.
Investment in R&D	Yes	Impact on this area of our business: Risks and opportunities in the context of climate change, have significantly impacted our investment strategy in R&D. The magnitude of impact of these projects was very high, if finally SALCOS® would be implemented, due to the fact, that this could reduce the overall scope 1 emissions of Salzgitter Flachstahl GmbH up to 95% and therefore the scope 1 emissions of the entire Group in a similar magnitude. First pilot projects are running. Time-horizons considered: Short-, mid- and long-term. The implementation of SALCOS® is mid- to long-term, but several R&D and pilot projects are currently under construction or even running. If there is a delay in the transition to fossil-free steel, there is a risk that supply agreements cannot be met, which could lead to the loss of customers and a reduction in sales volumes and revenues. Example: Under the “µDRAL” project, the year 2022 saw a demonstration plant taken into operation on the premises of Salzgitter Flachstahl GmbH (SZFG) that is capable of flexible operation harnessing natural gas and hydrogen for the production of direct reduced iron (DRI). Implementing the first stage of SALCOS® on an industrial scale has been scheduled for 2025, the Supervisory Board having given its approval in July 2022. In the following year (2026), more than one million tons of steel are to be produced at SZFG without the use of coking coal. Full implementation is scheduled for completion by 2033. Assuming the sufficient availability of green hydrogen, the carbon footprint can subsequently be reduced by more than 95 % compared with the current process, thereby avoiding around 1 % of Germany’s total emissions today. Consequently, we would not only be much earlier in terms of our original goal of full implementation by 2050, but also substantially ahead of Germany’s climate target timeline.
Operations	Yes	Because of the transformation to fossil-free steel, both green electricity and green hydrogen are needed in large quantities. To achieve these quantities there are two approaches. The first is to secure future capacity, the second is to reduce demand through energy efficiency measures. The latter is described below: Time-horizons considered: Short-, mid- and long-term. The “Energy Management Group Forum” and with this the aim is to improve energy efficiency is an ongoing process. Example: One important initiative in the energy efficiency area is the “Energy Management Group Forum” that has been in place since 2013. The initiative brings together the most important Group companies in terms of their energy consumption. The common objective is to improve energy efficiency through a continuous learning process characterized by a mutual exchange of information, thereby contributing among other things to a reduction in greenhouse gas emissions. The “Energy Efficiency Knowledge Platform” where efficiency measures already implemented or under examination are recorded and made available to all participants, constitutes an important element in this process. The platform currently comprises several hundred individual measures. The “EηERGY” in-house energy efficiency network was successfully completed in October 2022. The aim of the project was to pool the strengths of individual departments within the company to leverage any remaining potential for saving energy, as well as further potential that can be economically tapped. Buoyed by our positive experience from the first network (2016-2019), we have raised the annual savings target to 105 GWh. This target has now been exceeded with 188 GWh per year achieved or a target achievement rate of 179 %. To this end, 76 measures were implemented, avoiding more than 50 kt of CO2 per year.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs	Increasing burden due to rising levies or elimination of existing subsidies: To drive sustainability in the economy, ESG-motivated levies and taxes could increase sharply in the coming years. In addition, as society's consciousness shifts, as well as the need to redirect capital flows (see Green Deal) and increasing regulatory pressures, subsidies that previously applied to less sustainable sectors (such as tax breaks for jet fuel) could be eliminated, driving costs and reducing non-European competitiveness. Direct costs have been influenced by climate-related risks and opportunities: In the context of the European emissions trading system (EU-ETS), free allocation is currently insufficient for our integrated steel production at our Salzgitter Flachstahl GmbH site, although the integrated steel plant located in Salzgitter can be seen as a very efficient plant. Due to this, allowances have to be purchased. We have seen a high volatility in prices for allowances during the reporting year 2021. Not least due to the political will, we estimate a further increase in allowance prices on top of this. Our integrated steel site (Salzgitter Flachstahl GmbH) in Salzgitter emits about 8 million tons of CO2 per year, which corresponds to a share of more than 90% of the Scope 1 emissions of Salzgitter Group. Due to a much too low allocation of free allowances out of the EU-ETS, we estimate to face an under-allocation in free allowances of around 25 % in phase 4 (2021/30). This equals on average around 2 million allowances every year, that have to be purchased. With respect to the high volatility in CO2-prices and the high amounts of allowances that have to be purchased, it would be difficult to do the financial planning for this. Case study: Situation: A few years ago it was estimated that Salzgitter AG would not receive sufficient amounts of certificates from free allocation in the fourth trading period of the European Emissions Trading System (2021-2030). We also saw the risk of rising CO2 prices in this time period. Task: In terms of a medium-term risk, the task was to manage the risk of high CO2 costs in the years 2021-2030, which is difficult to quantify due to the highly volatile CO2 prices. Action: The Group Management Board, which is chaired by the CEO, decided to buy CO2 allowances as a precautionary measure and to minimize the uncertainty resulting from volatile prices for CO2 allowances. Result: As of the end of 2021 we assume, that these allowances purchased will compensate the estimated shortfall for the most part in respect of the subsidiary companies of Salzgitter AG that are subject to the emission trading system . In a nutshell one can say, that we have managed the risk of rising prices for CO2 allowances for the fourth period of the EU emission trading scheme, by having invested in CO2 allowances in the last years. With this we get more certainty in our financial planning process for the years 2022 to 2030, because we have minimized the influence of unknown CO2 prices on our business.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy	At both the company and activity level

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
914200000

Percentage share of selected financial metric aligned in the reporting year (%)
7

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
We follow the EU taxonomy (2020/852) and the resulting regulatory requirements.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
120700000

Percentage share of selected financial metric aligned in the reporting year (%)
25

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
We follow the EU taxonomy ((2020/852)) and the resulting regulatory requirements.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
99800000

Percentage share of selected financial metric aligned in the reporting year (%)
21

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
Capital expenditure incurred within the scope of the CapEx plan amounted to € 99.8 million in the financial year 2022. In this context, an amount of € 96.2 million was attributable to the first stage of the SALCOS® transformation project and € 3.6 million to the demonstration facilities for hydrogen-based direct reduction (“µDRAL” facilities). Furthermore, to a minor extent, taxonomy-compliance CapEx is included here that results on a pro-rata basis from the sale of products from PTG’s scrap-based steel production (Economic activity 3.9) at companies of the Trading Business Unit and also from VPS’s business activities.

Financial Metric
OPEX

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
49100000

Percentage share of selected financial metric aligned in the reporting year (%)
7

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
We follow the EU taxonomy ((2020/852)) and the resulting regulatory requirements.

Financial Metric
OPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
2800000

Percentage share of selected financial metric aligned in the reporting year (%)
0.42

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
We follow the EU taxonomy ((2020/852)) and the resulting regulatory requirements.

C3.5b

(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Economic activity
Manufacture of iron and steel

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Taxonomy Alignment
Taxonomy-aligned

Financial metric(s)
Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year
<Not Applicable>

Type(s) of substantial contribution
Please select

Calculation methodology and supporting information

Technical screening criteria met
Please select

Details of technical screening criteria analysis

Do no significant harm requirements met
Please select

Details of do no significant harm analysis

Minimum safeguards compliance requirements met
Please select

Details of minimum safeguards compliance analysis

Economic activity
Manufacture of iron and steel

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Taxonomy Alignment
Taxonomy-eligible but not aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution
<Not Applicable>

Calculation methodology and supporting information

Technical screening criteria met
Please select

Details of technical screening criteria analysis

Do no significant harm requirements met
Please select

Details of do no significant harm analysis

Minimum safeguards compliance requirements met
Please select

Details of minimum safeguards compliance analysis

Economic activity
Freight rail transport

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Taxonomy Alignment
Taxonomy-aligned

Financial metric(s)
Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year
<Not Applicable>

Type(s) of substantial contribution
Please select

Calculation methodology and supporting information

Technical screening criteria met
Please select

Details of technical screening criteria analysis

Do no significant harm requirements met
Please select

Details of do no significant harm analysis

Minimum safeguards compliance requirements met
Please select

Details of minimum safeguards compliance analysis

Economic activity
Freight rail transport

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Taxonomy Alignment
Taxonomy-eligible but not aligned

Financial metric(s)
Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year
<Not Applicable>

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)
<Not Applicable>

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year
<Not Applicable>

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution
<Not Applicable>

Calculation methodology and supporting information

Technical screening criteria met
Please select

Details of technical screening criteria analysis

Do no significant harm requirements met
Please select

Details of do no significant harm analysis

Minimum safeguards compliance requirements met
Please select

Details of minimum safeguards compliance analysis

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

Annual Report 2022: pages 100-109

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
8300000

Base year Scope 2 emissions covered by target (metric tons CO2e)
610000

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
8910000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
4455000

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
8120000

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
480000

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
8600000

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
6.95847362514029

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Company-wide coverage, no exclusions.

(The process of target development is not yet complete, so the target year and absolute reduction target may still change.)

Plan for achieving target, and progress made to the end of the reporting year
In the short term, we will approach the target with energy efficiency measures and increased green power procurement, and in the long term through our SALCOS project with its large technical reduction potential.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 11: Use of sold products
Category 15: Investments

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
12300000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
240000

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
60000

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
3500000

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
2200000

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
18300000

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
18300000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
100

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
83

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
25

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
13725000

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
12250000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
220000

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
70000

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
3950000

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
560000

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
17050000

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
17050000

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
27.3224043715847

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Company-wide coverage, no exclusions.

(The process of target development is not yet complete, so the target year and absolute reduction target may still change.)

Plan for achieving target, and progress made to the end of the reporting year
In the short term, we will approach the target with energy efficiency measures and increased green power procurement, and in the long term through our SALCOS project with its large technical reduction potential.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 3

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Market-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 8: Upstream leased assets
Category 9: Downstream transportation and distribution
Category 10: Processing of sold products
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products
Category 13: Downstream leased assets
Category 14: Franchises

Category 15: Investments

Base year
2021

Base year Scope 1 emissions covered by target (metric tons CO2e)
8300000

Base year Scope 2 emissions covered by target (metric tons CO2e)
610000

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
12300000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
270000

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
240000

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
640000

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
60000

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
10000

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
41000

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
100

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
54000

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
2300000

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
3500000

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
500000

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
0

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
0

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
2200000

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
22115100

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
31025100

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
100

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
100

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
100

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
100

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2050

Targeted reduction from base year (%)
90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3102510

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
8120000

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
480000

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
12250000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
390000

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
220000

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
690000

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
70000

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
20000

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
50000

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

100

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
40000

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
2360000

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
3950000

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
10000

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
0

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
0

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
560000

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
20610100

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
29210100

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
6.50011334908402

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Company-wide coverage, no exclusions.

(The process of target development is not yet complete, so the target year and absolute reduction target may still change.)

Plan for achieving target, and progress made to the end of the reporting year
In the short term, we will approach the target with energy efficiency measures and increased green power procurement, and in the long term through our SALCOS project with its large technical reduction potential.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2022

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2021

Consumption or production of selected energy carrier in base year (MWh)
1160000

% share of low-carbon or renewable energy in base year
1.2

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
1.3

% of target achieved relative to base year [auto-calculated]
0.101214574898786

Target status in reporting year
New

Is this target part of an emissions target?
Yes.
Target reference: Abs 1

Is this target part of an overarching initiative?
Science Based Targets initiative

Please explain target coverage and identify any exclusions
Company-wide coverage, no exclusions.

Plan for achieving target, and progress made to the end of the reporting year
Finalize PPAs and focus on green power procurement.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions
At the end of 2021, the Executive Board decided to give the Salzgitter Group a new strategy that came into effect at the beginning of 2022. In connection with this strategy, we have committed ourselves to a science-based target towards the SBTi. Details on the target have not yet been worked out as of the end of 2021.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	62	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	280	204000
Not to be implemented	133	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
204000

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
55000000

Investment required (unit currency – as specified in C0.4)
50000000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
The energy efficiency program of our integrated steel site in Salzgitter (Salzgitter Flachstahl GmbH) is an ongoing approach to systematically increase the energy efficiency of the site by technical measures. 280 individual measures are already implemented by the end of 2022.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	As soon as measures on reducing emissions are prescribed under the law, these are naturally implemented. The Code of Conduct applicable to the entire Group is also committed to this. Compliance with legal standards affecting emissions are monitored on an ongoing basis by independent third parties through established management systems in many Group companies largely certified in accordance with ISO 50001 and ISO 14001. Within these management systems, not only the compliance with law is ensured, but also energy efficiency measures are investigated and implemented systematically.
Financial optimization calculations	The basis for measures designed to reduce emissions that go beyond legally prescribed targets is formed by a feasibility study. On the basis of these financial feasibility studies the management decides whether to implement a measure or not.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Iron and steel	Other, please specify (EAF steel based on 100% steel scrap)

Description of product(s) or service(s)
Peiner Träger GmbH produces long-steel-products based on 100% steel scrap over the EAF-route. By doing so, all products are aligned not only with the substantial contribution criteria of the EU Taxonomy Directive, but also with DNSH- and minimum safeguards criteria.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
7

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Rail	Other, please specify (Freight rail transport)

Description of product(s) or service(s)
Freight rail transport for external customers on mainline networks or secondary freight lines with electrically powered mainline locomotives is aligned with the EU Taxonomy Directive criteria, as long as the transport of fossil fuels is excluded.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
0.03

C-ST4.9

(C-ST4.9) Disclose your organization's best available techniques as a percentage of total plant capacity.

	% of total plant capacity	Primary reason for not having technique	Comment
Coke oven: Coke dry quenching		Please select	
Coke oven: Coal moisture control process		Please select	
Coke oven: Programmed heating		Please select	
Sinter plant: Sinter cooler exhaust gas waste heat recovery		Please select	
Sinter plant: Sinter strand waste-gas recycling		Please select	
Sinter plant: Use of waste fuels in sinter mixture		Please select	
Blast furnace: Injection of pulverized coal, biomass or wastes	100	Please select	Since 2015, SZFG as an operator of integrated iron and steel works, operates a coal pulverizing and dryying plant that supplies our blast furnaces with pulverized coal.
Blast furnace: Top recovery turbine		Please select	
Blast furnace: Recuperator (air preheating) hot-blast stoves		Please select	
Blast furnace: Computer aided control system for hot-blast stoves		Please select	
Blast furnace: Slag granulation for cement industry		Please select	
Basic oxygen furnace: BOF gas and sensible heat recovery		Please select	
Basic oxygen furnace: Vessel bottom stirring		Please select	
Basic oxygen furnace: Programmed and preheated ladles		Please select	
Electric arc furnace: Scrap preheating		Please select	
Electric arc furnace: Oxy-fuel burners		Please select	
Electric arc furnace: Oxygen blowing for liquid steel oxidation or post combustion		Please select	
Electric arc furnace: Integrated, real-time process control and monitoring systems		Please select	
Casting: Absence of soaking pits and primary rolling of ingots		Please select	
Casting: Near net shape casting, e.g. thin slab, thin strip, etc.		Please select	
Hot rolling mill: Hot charging		Please select	
Hot rolling mill: Recuperative/regenerative burners		Please select	
Hot rolling mill: Walking beam furnace		Please select	
Hot rolling mill: Variable speed drives on combustion air fans of reheat furnace		Please select	
Integrated steel mill: Combined heat and power/cogeneration plant		Please select	
Integrated steel mill: Energy monitoring and management system		Please select	
Other		Please select	

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
Yes, a divestment

Name of organization(s) acquired, divested from, or merged with
Salzgitter AG sells Salzgitter Bauelemente GmbH (SZBE) to FALK Bouwsystemen:

Details of structural change(s), including completion dates
- 08.12.2022 | Press release of Salzgitter AG
- FALK Bouwsystemen based in Ede in the Netherlands will be taking over Salzgitter Bauelemente GmbH (SZBE), effective January 1, 2023.
- SZBE will continue to be managed as an independent GmbH by Kai Bohmbach, the current general manager.

FALK and SZBE also derive mutual benefit from their respective technical specializations: FALK, for instance, has stated that it is the first company in the world to recycle sandwich elements, thereby reducing the environmental impact by around 40 %. SZBE, on the other hand, is already manufacturing sandwich elements from mineral wool to accommodate its customers' fire protection requirements.

The Salzgitter site on the steelworks premises will be retained, and Salzgitter Flachstahl will continue to supply feedstock. Administrative operations are generally to be run decentrally. The business premises and the storage location will remain in the possession of Salzgitter Flachstahl and will be leased to the buyer for a minimum period of ten years, plus renewal options.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	Consideration of the entire Group and all existing Scope 3 categories.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, market-based Scope 3	The significance threshold for the recalculation of the base year emissions due to change in methodology is 5%.	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
8300000

Comment

Scope 2 (location-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
430000

Comment

Scope 2 (market-based)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
610000

Comment

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
12300000

Comment

Scope 3 category 2: Capital goods

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
270000

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
240000

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
640000

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
60000

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
10000

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
41000

Comment

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
100

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
54000

Comment

Scope 3 category 10: Processing of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
2300000

Comment

Scope 3 category 11: Use of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
3500000

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
500000

Comment

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment

Scope 3 category 14: Franchises

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment

Scope 3 category 15: Investments

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
2200000

Comment

Scope 3: Other (upstream)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment

Scope 3: Other (downstream)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
8120000

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Most of the electric power consumption is measured by calibrated electric meters and the location-based scope 2 emissions are verified by the accountant KPMG.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
350000

Scope 2, market-based (if applicable)
480000

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
In Scope 3, we exclude industrial shareholdings.

Scope(s) or Scope 3 category(ies)
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Downstream transportation and distribution

Relevance of Scope 1 emissions from this source
<Not Applicable>

Relevance of location-based Scope 2 emissions from this source
<Not Applicable>

Relevance of market-based Scope 2 emissions from this source
<Not Applicable>

Relevance of Scope 3 emissions from this source
Emissions are not relevant

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
<Not Applicable>

Estimated percentage of total Scope 3 emissions this excluded source represents
0.4

Explain why this source is excluded
Under threshold of less than 1% of Scope 3 emissions.

Explain how you estimated the percentage of emissions this excluded source represents
On the basis of the reference year 2021.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
12250000

Emissions calculation methodology
Supplier-specific method
Hybrid method
Spend-based method
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
17

Please explain
Wherever possible, supplier-specific activity and emissions data was used and combined with secondary data to fill gaps.

Capital goods

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
390000

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Due to the high complexity of data collection and calculation for capital goods based on activity data, emissions were calculated using the economic value of purchased capital good and secondary emission factors per US Dollar.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
220000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Upstream transportation and distribution

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
690000

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Waste generated in operations

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
70000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Business travel

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
20000

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Employee commuting

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
50000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Upstream leased assets

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
100

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Downstream transportation and distribution

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
40000

Emissions calculation methodology
Average data method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2360000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3950000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

End of life treatment of sold products

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
10000

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions were calculated using the company's consumption data and secondary emission factors. Emission factors were taken from scientifically recognized databases such as ecoinvent and DEFRA.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
not existing

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
not existing

Investments

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
560000

Emissions calculation methodology
Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions were calculated using activity data of the investments and primary emission factors for electricity and heating emission factors.

Other (upstream)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000685

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
8600000

Metric denominator
unit total revenue

Metric denominator: Unit total
12553000000

Scope 2 figure used
Market-based

% change from previous year
22.33

Direction of change
Decreased

Reason(s) for change
Change in revenue

Please explain
While total Scope 1+2 emissions have remained in a similar range, revenue has increased from 9.7 billion to 12.5 billion.

C-ST6.14

(C-ST6.14) State your organization's emissions and energy intensities by steel production process route.

Process route
Blast furnace- basic oxygen furnace

Emissions intensity figure, metric tons CO2e per metric ton of crude steel production
1.82

Energy intensity figure, GJ (LHV) per metric ton of crude steel production
19.06

Methodology applied
GHG Protocol

Comment
Additionally to the scope 1 emissions, the scope 2 emissions are based on the grid factor for Germany. The above-mentioned figure of 1.82 metric tons of CO2 per metric ton of crude steel production implies all emissions from within our Salzgitter site, including e.g. sintering and coke oven operation.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Germany	8070000
France	33000
Netherlands	2600
Italy	3100
United States of America	1700
Mexico	9100

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Steel production	7985000
Rest of Salzgitter Groups business activities	135000

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	7985000	<Not Applicable>	Salzgitter Groups steel producing companies (all assets primary based on NACE-code 24.10) are source of 7,985,000 tonnes of CO2 Scope 1 emissions. This corresponds to a share in total Groups Scope 1 emissions of about 98,4%.
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Germany	316000	464000
France	17000	2500
Netherlands	1200	1600
Italy	5200	6000
United States of America	2200	2200
Mexico	5100	5500

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Steel production	249000	360000
Rest of Salzgitter Groups business activities	98000	120000

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	249000	360000	Salzgitter Groups steel producing companies (all assets primary based on NACE-code 24.10) are source of 7,985,000 tonnes of CO2 Scope 2 emissions. This corresponds to a share in total Groups Scope 2 emissions of about 75% (market-based) / 72% (location-based).
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Although slightly less renewable energy was used, this is due to the fact that less energy was required for production. Since the share of green electricity is 100%, it makes no difference to the CO2 emissions.
Other emissions reduction activities	6800	Decreased	0.08	Last year the new measures (reported under "Implementation commenced") of our emission reduction projects (Salzgitter Flachstahl GmbH´s energy efficiency programme) reduced CO2 emissions by additional 6,800 t. Our total Scope 1 and Scope 2 emissions in the previous year was 8,910,000 tCO2e and therefore we arrived at -0,08%. (-6,800/8,910,000)*100 =-0.08%
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	300000	Decreased	3.4	429,000 t less crude steel were produced in 2022 (Salzgitter Flachstahl GmbH + Peiner Träger GmbH) Our total Scope 1 and Scope 2 emissions in the previous year was 8,910,000 tCO2e and therefore we arrived at -3,4%. (-300,000/8,910,000)*100 = -3.4%
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	7971000	7971000
Consumption of purchased or acquired electricity	<Not Applicable>	12000	2422000	2434000
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	12000	10393000	10405000

C-ST8.2a

(C-ST8.2a) Report your organization's energy consumption totals (excluding feedstocks) for steel production activities in MWh.

Consumption of fuel (excluding feedstocks)

Heating value
HHV (higher heating value)

MWh consumed from renewable sources inside steel sector boundary
0

MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)
3162000

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary
4118000

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary
7280000

Consumption of purchased or acquired electricity

Heating value
<Not Applicable>

MWh consumed from renewable sources inside steel sector boundary
0

MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)
598000

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary
1516000

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary
2114000

Consumption of self-generated non-fuel renewable energy

Heating value
<Not Applicable>

MWh consumed from renewable sources inside steel sector boundary
0

MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)
0

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary
0

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary
0

Total energy consumption

Heating value
<Not Applicable>

MWh consumed from renewable sources inside steel sector boundary
0

MWh consumed from non-renewable sources inside steel sector boundary (excluding recovered waste heat/gases)
3760000

MWh consumed from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary
5634000

Total MWh (renewable + non-renewable + MWh from recovered waste heat/gases) consumed inside steel sector boundary
9394000

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
4118000

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
MWh consumed from waste heat/gases recovered from processes using fuel feedstocks

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Oil

Heating value

Total fuel MWh consumed by the organization
136000

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
3618000

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
HHV

Total fuel MWh consumed by the organization
97000

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Diesel for transportation

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
7969000

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Due to rounding differences there is a deviation of 2000 MWh.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1533000	1533000	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C-ST8.2d

(C-ST8.2d) Provide details on the electricity, heat, and steam your organization has generated and consumed for steel production activities.

Electricity

Total gross generation inside steel sector boundary (MWh)
1516000

Generation that is consumed by the organization inside steel sector boundary (MWh)
0

Generation from renewable sources inside steel sector boundary (MWh)
0

Generation from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary (MWh)
1516000

Heat

Total gross generation inside steel sector boundary (MWh)
0

Generation that is consumed by the organization inside steel sector boundary (MWh)
0

Generation from renewable sources inside steel sector boundary (MWh)
0

Generation from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary (MWh)
0

Steam

Total gross generation inside steel sector boundary (MWh)
0

Generation that is consumed by the organization inside steel sector boundary (MWh)
0

Generation from renewable sources inside steel sector boundary (MWh)
0

Generation from waste heat/gases recovered from processes using fuel feedstocks inside steel sector boundary (MWh)
0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
Germany

Sourcing method
Unbundled procurement of energy attribute certificates (EACs)

Energy carrier
Electricity

Low-carbon technology type
Large hydropower (>25 MW)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
12225

Tracking instrument used
GO

Country/area of origin (generation) of the low-carbon energy or energy attribute
Norway

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2014

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Germany

Consumption of purchased electricity (MWh)
833700

Consumption of self-generated electricity (MWh)
1533000

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2366700

Country/area
Mexico

Consumption of purchased electricity (MWh)
12200

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
12200

Country/area
United States of America

Consumption of purchased electricity (MWh)
5300

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
5300

Country/area
Italy

Consumption of purchased electricity (MWh)
12400

Consumption of self-generated electricity (MWh)
500

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
12900

Country/area
Netherlands

Consumption of purchased electricity (MWh)
2900

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
2900

Country/area
France

Consumption of purchased electricity (MWh)
40300

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
40300

C-ST8.3

(C-ST8.3) Disclose details on your organization's consumption of feedstocks for steel production activities.

Feedstocks
Coking coal

0.0001 MWh/t is declared as the standard heating value within the monitoring of the European emission trading system. The low value is due to the fact, that feedstock is not used as energy carrier, but as a reduction agent.

Total consumption
1789000

Total consumption unit
metric tons

Dry or wet basis?
Dry basis

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit
2.93

Heating value of feedstock, MWh per consumption unit
0

Heating value
LHV

Feedstocks
Coke

0.0001 MWh/t is declared as the standard heating value within the monitoring of the European emission trading system. The low value is due to the fact, that feedstock is not used as energy carrier, but as a reduction agent.

Total consumption
109000

Total consumption unit
metric tons

Dry or wet basis?
Wet basis

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit
3.1

Heating value of feedstock, MWh per consumption unit
0

Heating value
LHV

Feedstocks
Blast furnace coal

0.0001 MWh/t is declared as the standard heating value within the monitoring of the European emission trading system. The low value is due to the fact, that feedstock is not used as energy carrier, but as a reduction agent.

Total consumption
814000

Total consumption unit
metric tons

Dry or wet basis?
Wet basis

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit
2.87

Heating value of feedstock, MWh per consumption unit
0

Heating value
LHV

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-ST9.3a

(C-ST9.3a) Report your organization's steel-related consumption, production and capacity figures by steel plant.

	Metal scrap consumption (metric tons)	Blast furnace iron consumption (metric tons)	Direct reduced iron consumption (metric tons)	Crude steel production (metric tons)	Crude steel capacity (metric tons)
Basic oxygen furnace	762489	3740555	0	4153940	5600000
Electric arc furnace	877291	0	0	779049	2500000
Other	0	0	0	0	0
Total	1639780	3740555	0	4932989	8100000

C-ST9.3b

(C-ST9.3b) Report your organization's steel-related production outputs and capacities by product.

Product	Production (metric tons)	Capacity (metric tons)	Comment
Hot-rolled steel	3332391	4500000	
Blast furnace iron	3740555	5600000	
Coke (including coke breeze)	1313188	1600000	
Sinter	3253608	3650000	

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-ST9.6a

(C-ST9.6a) Provide details of your organization's investments in low-carbon R&D for steel production activities over the last three years.

Technology area
New process plant with improved efficiency

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
1

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
90000

Average % of total R&D investment planned over the next 5 years
1

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
To produce hydrogen in the most energy efficient way while increasing the technological maturity of the steam electrolyser is the essential element of the GrInHy2.0 project. Simultaneously, GrInHy2.0 marks an important milestone towards a hydrogen-based, low carbon European steel industry starting with hydrogen production for today's steel annealing processes. The Salzgitter companies Salzgitter Flachstahl GmbH and Salzgitter Mannesmann Forschung GmbH together with the partners Sunfire GmbH, Paul Wurth S.A., Tenova SpA and the French research center CEA manufactured and operate the world's most powerful Steam Electrolyser (StE) for the energy efficient production of hydrogen. With the first implementation of a high-temperature electrolyser of the Megawatt-class, GrInHy2.0's prototype produces 200 Nm^3 of hydrogen per hour at nominal power input of 720 kWAC. The StE consists of up to eight modules with 1,080 SOECs each. As in the predecessor project GrInHy, the prototype is fully integrated into Salzgitter's steelmaking operations and runs on steam from waste heat of the steel production. It is in operation for at least 13,000 hours, producing a total of around 100 tonnes of high-purity (99.98%) 'green' hydrogen at electrical efficiency of 84%LHV. In parallel to the prototype testing operation, a singular stack of the SOEC technology sets new standards in long-term testing with a test bench operation of almost 20,000 hours. The test not only shows the technology's increased robustness but also provide potential starting points for further improvement. In a broader perspective, the project also delivers answers on how to avoid CO_2 emissions in the European steel industry by switching to a hydrogen-based primary steelmaking and what it takes.

Technology area
Alternative steelmaking processes

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
5

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
3200000

Average % of total R&D investment planned over the next 5 years
10

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
As part of the SALCOS® – SAlzgitter Low-CO2Steelmaking project, Federal Environment Minister Svenja Schulze handed over the funding approval for the construction of the first direct reduced iron (DRI) plant to be operated flexibly by hydrogen and natural gas in late 2020. This DRI-plant called µDRAL, is a demonstration plant for the production of direct reduced iron (DRI). It is the first iron ore direct reduction plant designed to operate flexibly with natural gas and hydrogen. Production commenced in the second half of 2022. The direct reduced iron will be used in the electric arc furnace at the Peine plant. The plant has a production capacity of 2500 kg/d and can be operated flexibly with variable proportions of natural gas and hydrogen (0–100%). Tenova, an international manufacturer of plant and equipment for the metal and mining industries, is the supplier and technology partner.

Technology area
Alternative steelmaking processes

Stage of development in the reporting year
Basic academic/theoretical research

Average % of total R&D investment over the last 3 years
10

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
3940000

Average % of total R&D investment planned over the next 5 years
5

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
BeWiSe – SALCOS® Accompanying Research
The MACOR feasibility study confirmed the technical feasibility and advantages of our SALCOS® approach. In the follow-up project BeWiSe (accompanying research into hydrogen in steel production), the proven team from the Fraunhofer Gesellschaft and the Salzgitter Group is dedicated to the technical, economic and ecological optimization of the SALCOS® concept.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
SZ22_CDP Verification_240523_sign.pdf

Page/ section reference
1-7

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
99

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
SZ22_CDP Verification_240523_sign.pdf

Page/ section reference
pages 1-7

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
84

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Upstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
SZ22_CDP Verification_240523_sign.pdf

Page/section reference
pages 1-7

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
6

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C12. Engagement	Product footprint verification	ISO 14040/44 "Environmental management lifecycle assessment principles and framework"	The Steel Institute VDEh together with its members including Salzgitter Flachstahl GmbH (SZFG) prepared the Life Cycle Assessment study "Steel products of the German speaking steel industry". Along with the LCA method, the Business Assurance Services department of the German institute DEKRA also reviewed SZFG specific LCA product datasets according to ISO 14040/44 "Environmental management lifecycle assessment principles and framework". The Review included the impact category of Global Warming potential in CO2e per kilogram of steel product (product carbon footprint).
C2. Risks and opportunities	Product footprint verification	The mapping of all the relevant processes and material flows is required to produce evidence of product-specific CO2 emissions. TÜV SÜD developed the VERIsteel procedure based on DIN EN ISO/IEC 17029 and other international standards specifically for this purpose. With the first two conformity statements certified to this procedure, TÜV SÜD as a provider of testing and certification services confirms the correct definition of the baseline for Salzgitter AG's two process routes.	Based on data from 2018, TÜV SÜD verified the carbon footprint procedures for two process routes for producing strip steel. A comparison of the two baselines shows that switching steel production process from the conventional blast furnace route to the electro-steel route achieves reductions of more than 75 % in the CO2 footprint of slabs and more than 66 % in that of galvanized coils (Scope 1-3).

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS
96.5

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2022

Period end date
December 31 2022

Allowances allocated
6739359

Allowances purchased
18102

Verified Scope 1 emissions in metric tons CO2e
7833682

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Short term strategy for complying with the EU ETS:

Analysis and, if appropriate, implementation of possible options for reduction and, if necessary, purchase to make up the lack of EU-ETS emission allowances (EUA). In particular, the department for energy purchase of Salzgitter Flachstahl GmbH (SZFG) monitors, whether there are enough emission allowances available to fulfil the compliance requirements of the German emission trading agency (DEHSt). If not, they will buy allowances in time to ensure compliance in this field. Example: Due to the much too low free allocation of CO2-allowances, for the year 2022 Salzgitter Group has allocated 1,094,000 EUA.

Mid-term strategy for complying with the EU ETS:

A few years ago, it was estimated that Salzgitter AG would not receive sufficient amounts of certificates from free allocation in the fourth trading period of the European Emissions Trading System (2021-2030). We also saw the risk of rising CO2 prices in this time period. In terms of a medium-term risk, the task was to manage the risk of high CO2 costs in the years 2021-2030, which is difficult to quantify due to the highly volatile CO2 prices. The Group Management Board, which is chaired by the CEO, decided to buy CO2 allowances as a precautionary measure and to minimize the uncertainty resulting from volatile prices for CO2 allowances. Additionally, with the new Strategy "Salzgitter AG 2030" we speeded up our decarbonization ambitions.

Long-term strategy for complying with the EU ETS:

Over the long term, the SALCOS® innovation project will enable the Salzgitter Group to switch its steel production to a climate-friendly production route that is low in CO2 emissions. With this step, the total amount of CO2 allowances, which have to be used for compliance in the EU ETS by the Salzgitter Group, is going to decrease significantly.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Shadow price

How the price is determined
Alignment with the price of allowances under an Emissions Trading Scheme

Objective(s) for implementing this internal carbon price
Drive energy efficiency
Drive low-carbon investment

Scope(s) covered
Scope 1

Pricing approach used – spatial variance
Uniform

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
80

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
80

Business decision-making processes this internal carbon price is applied to
Product and R&D
Risk management

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for some decision-making processes, please specify (e.g., decisions on whether to implement energy efficiency measures)

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
External accounting and managerial accounting differ as far as internal carbon pricing is concerned: Salzgitter internal managerial accounting in 2022 is dedicated to provide useful data to internal decision makers which requires the use of internal high, increasing and changing carbon prices representing opportunity costs of EU ETS consumed in production and not sold on the stock exchange instead. Product costs in Salzgitter's internal managerial accounting are therefore in line with the established emission trading system aiming at a reduction of GHG. External IAS/IFRS accounting on the other hand ought to provide information useful to external investors and is a major means of corporate policies in financial communication and public relation. When back in 2005 the International Accounting Standards Board withdrew IFRIC 3 dedicated on accounting certificates for GHG emission, Salzgitter exerted judgement on how to best provide useful information to the financial market public on the certificates that it obtained initially free of charge. Historic cost, that is no cost in case of certificates obtained free of charge, deemed to fulfill best IFRS reporting duties and this approach has been maintained and was expanded to certificates bought later on. Therefore product costs in Salzgitter's external IFRS accounting do not reflect the market price of or changes in the market price of carbon emissions and is not in line with the efforts to reduce GHG emissions.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect other climate related information at least annually from suppliers

% of suppliers by number
6.4

% total procurement spend (direct and indirect)
48

% of supplier-related Scope 3 emissions as reported in C6.5
67

Rationale for the coverage of your engagement

Ensure that key suppliers consider sustainability standards by answering our sustainability questionnaire. Key suppliers were identified based on an internal risk analysis with regard to ecological, economic and social issues. The three major supplier groups from the areas of direct (raw materials) and indirect procurement (materials and services) are considered.

Impact of engagement, including measures of success
Measure of success: The objective is to receive 50 % of the purchasing volume from sustainability-rated suppliers. Share of suppliers providing the sustainability questionnaire above 50 % of total spend. In 2022, 67 suppliers (2021: 63) with a share of 48%* (2021:58%) of total spend provided an answer to our sustainability questionnaire.

Comment
*The slight decrease of the total spend coverage by sustainable-related suppliers is mainly due to necessary measures, implemented on short-term notice due to exceptional critical developments in the global markets and thus in our supply chain (Ukraine war, Corona crisis). Besides others, we faced high volatile prices for raw materials as coal and iron ore.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Invest jointly with suppliers in R&D of relevant low-carbon technologies

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
We, as Salzgitter group have agreed in several MoUs (Memorandum of Understanding) with different suppliers to examine technical, logistical and grade-specific issues for low-carbon supply chains and green steel production processes. The focus will be on the future supply of high-quality iron ore products for the SALCOS® program.
We, as all partners are engaged in keeping our commitment to reduce emissions across the steel value chain.

Impact of engagement, including measures of success
The technical issues comprise the following in detail: optimizing pellet quality with respect to direct reduction with hydrogen, the use of lump ore and other iron carriers when reducing by hydrogen, and the production of a sinter for deployment in a direct reduction plant when reducing by hydrogen. Furthermore, the carbon emissions in the entire supply chain and opportunities for their registration and certification are to be examined.

Both companies will also actively engage in this sphere as with low-carbon steel production and the requisite raw materials they can lay the foundation for achieving their sustainability targets and those of their customers.

Comment
You may find exemplary details this concerning from our following press releases:
https://www.salzgitter-ag.com/en/newsroom/press-releases/details/translate-to-englisch-salzgitter-konzern-und-rio-tinto-unterzeichnen-absichtserklaerung-fuer-die-untersuchung-und-weiterentwicklung-der-prozess-und-lieferketten-19762.html
https://www.salzgitter-ag.com/en/newsroom/press-releases/details/salzgitter-ag-and-anglo-american-cooperate-in-optimizing-iron-ore-supplies-for-low-co2-steel-production-15194.html

---

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Invest jointly with suppliers in R&D of relevant low-carbon technologies

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Since 2022, Salzgitter Group is working closely with SAP to achieve the digital transformation of its processes with as part of the objectives to establish a reliable CO2 data management. Consequently, collaborating with SAP in the field of data analytics and sustainability is the logical next step. The cloud solutions developed by SAP play an important part in our journey to climate-friendly steel production. The ‘SAP Footprint Management’- product, will in future help to calculate the company-wide CO2 footprint of the Salzgitter AG.

Impact of engagement, including measures of success
Impact of engagement : play a leading role in the development of CO2 reporting standards together with SAP

Comment
You may find details this concerning from our following press releases:
https://www.salzgitter-ag.com/en/newsroom/press-releases/details/translate-to-englisch-sap-und-salzgitter-ag-vorreiter-auf-dem-weg-zu-gruenem-stahl-20341.html

---

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

*** This question only has Salzgitter Flachstahl GmbH (SZFG) and KHS GmbH as the objects of observation. SZFG is not only the largest company in the Group, but also the starting point for the Group's internal value chain. KHS, as the lead company of the Technology Business Unit, is responsible for more than 80% of scope 3.11 emissions. In the future, this described balance sheet scope will be further expanded. ***

SZFG:
We provide to all customers of our strip steel products detailed product and company specific LCA data and sustainability information. This enables our customers to conduct Life Cycle Assessment and calculate environmental benefits from using our products, e.g. for light weight design studies (costumer group "Automotive") or environmental product declaration (EPDs) for e.g. construction goods (costumer groups "Buildings", "Construction" and "Pipes&Tubes"). We provide this information to customers from all sectors.
Currently, based on an impact analysis, we are identifying the suppliers with the strongest impact on Scope 3 emissions and jointly develop approaches to reduce these emissions, e.g., by using lower-CO2 transport methods. Strategic partnerships have been established with a number of key suppliers like LKAB, including more accurate and specific mapping of our carbon supply chains and approaches to reduce these emissions.

KHS:
KHS is part of the Business Unit Technology within the Salzgitter Group. The company focuses on systems and machines for filling and packaging beverages. The systems offered by KHS are mainly customized solutions. They are the result of detailed customer consultation. Customers can then produce with a state-of-the-art production line that helps them save energy, resources, and, ultimately, emissions. The core benefit of using our machines is their long service life. 20 years and more are not uncommon. Customers benefit from the latest developments by saving resources and emissions. In addition, KHS offers life cycle assessments for its entire PET and secondary packaging range. Customers thus benefit from reliable calculations of the environmental impact of all KHS packaging solutions. KHS conducts these assessments to achieve the best possible results in terms of CO2 savings.

Impact of engagement, including measures of success

SZFG:
Our costumer engagement regarding the sharing of Salzgitter specific LCA-data improved especially our B2B relationship with several automotive and white goods customers. This Salzgitter specific data is used e.g. in LCA calculations of the automotive producers, to calculate i.a. the specific CO2 footprint of their products in order to proof environmental progresses of new versions of their cars. We offer LCA calculation according with the externally certified VeriSteel standard from TÜV Süd, which refers to relevant parts of DIN EN ISO standards 14064, 14067, 14040, 14044, ISO 14040 and DIN EN 19694. The number of enquiries by each costumer group is tracked and annually reported within the company.

KHS:
The share of emission related data and the capability to individually calculate the CO2 footprint is highly beneficial to KHS customers. Especially in the consulting phase they are able to compare and learn about the immediate impact of the measures regarding upgrades or packaging modifications through CO2 and LCA calculations. The KHS-sourced data according to ISO 14067 is relevant to keep track on the customers dynamically changing needs to decrease emissions within their value chain. KHS is able to proactively meet them and have new opportunities to intensify the impact of engagement.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Climate-related disclosure through a public platform

Description of this climate related requirement
As announced last year, we have started to integrate climate-related requirements in parts of our purchasing process. As a first step and based on a priority analysis, we have integrated a minimum limit of GHG Rating in our Requests for quotation (RFQ) with shipping companies. Moreover, we have integrated the ratings and evaluations of Rightship (www.rightship.com) in our shipping company selection and awarding process.

Both companies will also actively engage in this sphere as with low-carbon steel production and the requisite raw materials they can lay the foundation for achieving their sustainability targets and those of their customers.

% suppliers by procurement spend that have to comply with this climate-related requirement

% suppliers by procurement spend in compliance with this climate-related requirement

Mechanisms for monitoring compliance with this climate-related requirement
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement
Exclude

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
No, but we plan to have one in the next two years

Attach commitment or position statement(s)
<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
With the new strategy "Salzgitter AG 2030" our aim is, that we want to act and produce sustainably. To achieve this, we set ourselves efficient goals and have developed a strategy that aligns all our corporate actions with our three cornerstones: people, the environment and society. In this way, we create a holistic approach to our corporate social responsibility and can successfully implement the demands placed on us together.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
European Emission Trading System (ETS)

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Emissions trading schemes

Policy, law, or regulation geographic coverage
Regional

Country/area/region the policy, law, or regulation applies to
Europe

Your organization's position on the policy, law, or regulation
Support with major exceptions

Description of engagement with policy makers
Collaboration on position papers of the European and German steel associations, as well as the umbrella organizations of energy-intensive industries. Direct contact in dialog with decision-makers in politics and relevant administrative bodies.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
In order to be able to cope with the initially certain additional costs involved in the production of "green steel", we are taking a two-pronged approach: On the one hand, we are focusing on establishing green lead markets that are willing to share this burden. On the other hand, we are promoting an integration of the real C02 costs into the product prices with effective carbon leakage protection at the same time. The EU Commission has already addressed this with "Fit for 55", but there is still room for improvement. The new instrument CBAM (Carbon Border Adjustment Mechanism) has yet to prove its effectiveness. Until then, it is crucial to get an allocation of certificates in the European emissions trading system EU-ETS for new technologies in the amount of the blast furnace route, without this being drastically reduced overall. In other words, we must be able to (also) earn the money for the forthcoming transformation with the existing systems.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
N/A

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (VIK - Verband der Industriellen Energie- und Kraftwirtschaft)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The association represents positions geared toward creating climate protection instruments that are compatible with industry. Salzgitter Group is represented on various committees and working groups. Salzgitter Group (SZAG) is represented on the Management Board of VIK.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
No, we have not evaluated

Trade association
Other, please specify ((German Steel Federation (WV Stahl) and EUROFER))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The respective associations represent positions geared toward creating climate protection instruments that are compatible with the steel producing industry. Salzgitter Group is represented on various committees and working groups. The head of Environmental Protection and Energy Policies is, for instance, chairman of EUROFER's Climate Change Committee.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
No, we have not evaluated

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual
Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding
DWV Deutscher Wasserstoff- und Brennstoffzellenverband

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
3500

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Increasing the use of hydrogen in industry to save significant amounts of industrial CO2 emissions.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
No, we have not evaluated

Type of organization or individual
Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding
Stiftung KlimaWirtschaft

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
50000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Quote from: https://klimawirtschaft.org/english

"Climate Policy
The Stiftung KlimaWirtschaft is a progressive voice in the climate policy discourse and provides answers from the engine room of corporate climate protection. It highlights ways in which businesses can be more effectively enabled to fulfill their central role in fighting climate change and to unleash their innovation potential for climate protection. The foundation forges alliances with businesses, the scientific community and society at large. These alliances promote the development of a political framework that will enable business to drive the transition toward climate neutrality.

The new German government is moving full speed ahead with ambitious climate protection measures. But in what ways must the Renewable Energy Sources Act (EEG) be amended to ensure that real progress is made on expanding renewables? What will be the role of states, towns and municipalities? How can energy efficiency be increased and in what ways must industrial policy be aligned with the goal of climate neutrality? And what role must the building and transport sectors play in corporate climate protection?

European and International Climate Policy
German climate policy is largely shaped by European legislation. The European Green Deal encompasses almost all areas of economic life: expansion of renewable energies, the transformation of European industry, the mobility sector, the construction industry, and the financing of these transformation processes.

Together with our member companies, we actively engage as the voice of progressive German business in influencing the ongoing development of the Green Deal and the Fit-for-55 implementation package. We engage in dialogue with members of the European Parliament and with national governments to highlight ways in which free enterprise can be leveraged for ambitious climate protection. We act as a bridge builder between Brussels and Berlin and as a dialogue platform for ambitious climate protection and progressive economic policy.

Our member companies operate all over the world. They compete successfully every day in the international race toward climate neutrality — as technology leaders in their industries and as ambassadors for business and investment in Germany, Europe and across the globe. These companies play an important role in making the EU Green Deal an internationally effective blueprint for climate neutrality „made in Europe.""

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
szag_ar2022_complete.pdf

Page/Section reference
p. 83-134

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues	<Not Applicable>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Please select	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Please select	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Please select	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Please select	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Disclaimer: All information provided by Salzgitter AG (hereinafter referred to as “the Company”) within this questionnaire has been thoroughly collected and carefully assessed and is given to the best of the Company’s knowledge. However, it is made clear that the rendered information is neither to be regarded as a statement of facts nor as a binding statement nor as an authoritative forecast issued by the Company, but rather is intended to be a description of the Company’s future objectives based upon both a selection of current facts as well as reasonable estimates, assessments, or projections, all of which may be subject to error, inaccuracy, or change. As a rule, textual information in relation to figures or drawings will be explanatory notes only. In general, figures are based upon estimates and consist of data which have been rounded up and/or simplified. Notwithstanding any prevailing statutory provisions and capital markets law in particular, the Company accepts no obligation to continuously update any forward-looking statements, assessments, or projections, which have been based on the circumstances prevailing on the day of their publication. The Company will not accept any liability whatsoever as to the correctness, accuracy, or timeliness of any information rendered. All information given within this questionnaire shall be for the purpose of usage in connection with the CDP only. Any exceeding or differing usage by CDP or any third party shall be subject to the requirement of prior written consent of the Company.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer of Salzgitter AG	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Within the extensive answers given by Salzgitter AG to the climate change questionnaire of CDP we have disclosed Scope 1, 2 and 3 emissions and further information of Salzgitter Group. Due to the wide spectrum of products and services offered by Salzgitter Group it is very challenging to allocate those emissions to specific customers. Nevertheless, we are open to cooperate with our customers regarding the environmental impacts of specific Salzgitter products e.g. based on a Life-Cycle Assessment approach. Please feel free to contact Eren Yapmis (department: Strategy and Corporate Development, e-mail: yapmis.e@salzgitter-ag.de) in this case for further information and bilateral exchange.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms