



thyssenkrupp
nucera

Shaping the new era

EU Taxonomy Report 2023/2024

EU Taxonomy Report

Disclaimer: The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, legal representatives have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in the EU Taxonomy Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

1. Introduction

The EU taxonomy is a classification system for economic activities aimed at creating transparency for investors, companies, and policy-makers. Its overarching goal is to promote sustainable investments and support the transition to a climate-neutral economy. It is an important component of the European Union's Sustainable Finance Strategy and the Agenda 2050.

thyssenkrupp nucera spun off from thyssenkrupp AG group and Industrie De Nora joint venture with an initial public offering at Deutsche Börse (DE000NCA0001) on July, 2023. The company moved up to the SDAX on September, 2023. As a stock-listed enterprise, thyssenkrupp nucera is considered a public interest entity under the NFRD within the meaning of § 289b HGB (German Transposition NFRD). According to Article 2 of the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178), non-financial undertakings are obligated to disclose information referred to in Art. 8 of the Taxonomy Regulation. Article 10 to the Disclosure Delegated Act, stipulates that non-financial undertakings shall disclose the necessary information from January 1, 2023.

Under Article 8(1) of the Taxonomy Regulation (EU) 2020/852, thyssenkrupp nucera is required to disclose how and to what extent its activities are associated with environmentally sustainable activities in line with the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) and the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486). thyssenkrupp AG, as the parent company of the thyssenkrupp nucera Group, prepares a Group report. Besides

being included in the compulsory report of thyssenkrupp AG, thyssenkrupp nucera Group reports individually on a voluntary basis, alongside reporting in line with the parent company.

For the reporting year 2024, companies are required to report on eligibility and alignment with all six EU Taxonomy objectives: Climate Change Mitigation, Climate Change Adaptation, Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control, and Protection and Restoration of Biodiversity and Ecosystems According to Art. 5 of the Environmental Delegated act companies with a fiscal year beginning within the calendar year 2023 are only obligated to report eligibility figures for the four environmental objectives. However, thyssenkrupp nucera decided to voluntarily report alignment for the two climate objectives and eligibility for the four environmental objectives.

1.2 Taxonomy Eligibility

Taxonomy-eligible activities have been identified by screening the economic activities in the Climate Delegated Act, the Complementary Climate Delegated Act, the Environmental Delegated Act, and the amendments to the Climate Delegated Act. thyssenkrupp nucera's business activities were assigned to the economic activities listed in the legal acts if they correspond to an activity description. The preselection of potentially taxonomy-eligible business activities resulting from this process was then evaluated and finalized together with company representatives with expertise in the operating units to obtain a list of relevant business activities for current and future reporting years. Eligibility could not be verified

for all identified activities at this stage but is planned for upcoming reporting years. Additionally, a screening of the existing financial segmentation regarding revenue, CapEx and OpEx was conducted to align the company's accounting structures and methodologies with the requirements set for calculating the monetary parameters under the EU Taxonomy. The descriptions of the KPIs to be disclosed by non-financial undertakings can be found in Annex I to the Disclosure Delegated Act.

For this reporting period, activities under the objective of Climate Change Mitigation were identified as taxonomy-eligible. thyssenkrupp nucera's manufacturing activities in Green Hydrogen and Chlor Alkali contribute to the overarching goal of climate change mitigation by enabling renewable energy technologies. These activities can be allocated to activity 3.2 *Manufacturing of equipment for the production* and use of hydrogen under the objective Climate Change Mitigation. These activities are classified as an enabling activities as per Art. 10 (i) and Art. 16 of the Taxonomy Regulation, meaning it directly enables other activities to make a substantial contribution to one or more of the taxonomy objectives. Additionally, the activity 3.6 *Production of other low-CO₂ technologies* was found to be taxonomy-eligible, equally under the objective of Climate Change Mitigation, including thyssenkrupp nucera's activities under the production of the oxygen depolarized cathode (ODC), a highly energy efficient technology.

1.3 Taxonomy Alignment

Economic activities can be reported as taxonomy-aligned if they meet the technical screening criteria: they contribute to one or

more of the six environmental objectives and do not significantly harm the remaining objectives. Additionally, they must comply with the Minimum Safeguards, a set of social obligations to ensure that activities classified as environmentally sustainable do not negatively affect social standards, such as human or labor rights.

Activity 3.2 Manufacture of Equipment for the Production and Use of Hydrogen

For some eligible projects under the category 3.2 *Manufacture of equipment for the production and use of hydrogen*, taxonomy alignment could be demonstrated, meeting the technical screening criteria and complying with the Minimum Social Safeguards.

Technical Screening Criteria

The technical screening criteria set out in Section 3.2 Annex I to the Climate Delegated Act refer to the criteria established for activity 3.10 Manufacture of hydrogen, the substantial contribution criteria require that the total life-cycle GHG emissions of the corresponding activity must result in life-cycle GHG emissions lower than 3tCO₂e/tH₂. This criterion could be successfully demonstrated for some of thyssenkrupp nucera’s eligible projects under the Green Hydrogen segment. As required by the regulation, life-cycle GHG emissions were calculated using the taxonomy-defined methodology, and the quantification was verified accordingly. Compliance with the DNSH (Do No Significant Harm) criteria in the performance of this economic activity has been demonstrated in accordance with the general procedures and verification documents described in the specific paragraphs.

Minimum Social Safeguards

To qualify as taxonomy-aligned, activities must also comply with the Minimum Safeguards established in Art. 3 point c) and further elaborated on in Art. 18 of the Taxonomy Regulation (Regulation

(EU) 2020/852). The purpose of these safeguards is to ensure that activities meeting environmental criteria do not negatively impact human rights and social standards. The four topics identified as relevant under the minimum safeguards are human rights, taxation, fair competition, and anti-corruption. Companies are required to implement procedures that ensure compliance with the OECD Guidelines for Multinational Enterprises, including the requirements for responsible business conduct in the areas of taxation, competition, and anti-corruption, the United Nations Principles on Business and Human Rights, including those set out in the International Labor Organization’s Declaration on the Rights at Work and the International Bill of Human Rights.

thyssenkrupp nucera pursues the goal of paying special attention to vulnerable groups within the value chain, such as communities or workers in project locations and suppliers, etc, under minimum social safeguards. Additionally, ongoing training and awareness measures are conducted to inform and enable relevant staff members on topics such as anti-corruption, fair taxation, and fair competition. These instruments are subject to continuous development.

1.4 Methodology and calculations within the EU taxonomy

The three main parameters for the monetary valuation of relevant items in the context of the EU taxonomy are revenue, capital expenditure (CapEx), and operating expenses (OpEx). These are made up of individual items listed in the table below:

Revenue, capital expenditure and operating expenses according to EU taxonomy

Sales revenue
Revenue from contracts with customers (IFRS 15)
Revenue from leases (IFRS 16)
Capital expenditure (CapEx)
Additions to property, plant and equipment (IAS 16)
Additions to investment property (IAS 40)
Additions to intangible assets (IAS 38)
Additions to right-of-use assets from leases (IFRS 16) excluding depreciation and revaluations including those from reversals of impairment losses and impairment losses ¹
Additions in connection with the aforementioned assets from business combinations
Operating expenses (OpEx)
Research and development expenses
Expenses for short-term or low-value leases
Expenses for building renovations and maintenance and repair measures for property, plant and equipment

¹ This also applies to additions in accordance with IAS 16, IAS 40, IAS 38.

Avoidance of double counting

Double counting of amounts in the calculation of key figures across different economic activities, in accordance with Annex I number 1.2.2.1 of Delegated Regulation (EU) 2021/2178, is avoided by allocating amounts directly to business activities. If a direct allocation is not possible, allocations are made using appropriate allocation keys. Sales revenue with certain customer groups can be an allocation criterion for all calculation variables. In the case of sales revenue as a calculation variable, allocations can be

made based on representative samples, considering local market conditions; for investment and operating expenses as calculation variables, allocations can also be made using unit-based allocation keys. Double counting of amounts across several environmental objectives, as per Annex I number 1.2.2.2 of Delegated Regulation (EU) 2021/2178, is excluded by allocating amounts in calculations only to one environmental objective of the EU taxonomy.

Calculation of taxonomy-eligible and taxonomy-aligned sales revenue, capital and operating expenses

thyssenkrupp nucera's taxonomy-eligible and taxonomy-aligned sales, capital expenditure, and operating expenses include the figures and individual items explained at the beginning of the chapter. These are allocated directly or via the allocation mechanisms described to the taxonomy-eligible and aligned business activities in a reporting period. Additionally, taxonomy-eligible investment and operating expenses may include amounts that are part of a CapEx plan or incurred for specific CO₂ reduction measures. However, none of the eligible or aligned KPIs are part of CapEx plan.

The performance indicators of the EU taxonomy in connection with thyssenkrupp nucera's taxonomy-eligible and aligned economic activities, in accordance with Article 2 and Article 8 of Delegated Regulation (EU) 2021/2178, are calculated following the disclosure rules specified in Annex I of the legal act.

Sales revenue

Total revenue corresponds to the amount reported in the income statement for thyssenkrupp nucera which is used in the denominator in the calculation of the revenue-related performance indicator, in accordance with Annex I number 1.1.1 of Delegated Regulation (EU) 2021 / 2178. The taxonomy-eligible share is determined based on the conformity of thyssenkrupp nucera's activities with the activity descriptions in the Annexes to the Delegated Acts. To determine the taxonomy-aligned share of revenue, the fulfillment of technical screening criteria and compliance with the

minimum safeguards are considered. This share is included in the numerator of the revenue-related performance indicator, in accordance with the Delegated Regulation.

As indicated in Annex I to the Disclosure Delegated Act, the proportion of taxonomy-aligned turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 is calculated as the part of total net turnover that was derived from products or services – including intangibles – associated with Taxonomy-aligned economic activities (numerator) and was divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU.

Since revenues are assigned to individual projects, no further data manipulation was necessary to obtain the share of taxonomy-eligible and taxonomy-aligned revenue.

Capital expenditure (CapEx)

thyssenkrupp nucera's total capital expenditure, in accordance with the EU taxonomy, is made up of additions in the reporting period to property, plant, and equipment, as per IAS 16, investment property, as per IAS 40, intangible assets, as per IAS 38, and right-of-use assets from leases, as per IFRS 16, in each case excluding depreciation and amortization, and revaluations, including those from reversals of impairment losses and impairment losses. CapEx is allocated using sales key of individual projects.

These capital expenditures are used in the denominator of the investment-related performance indicator, in accordance with Annex I number 1.1.2.1 (EU) 2021 / 2178. Within the allocated activity expenditures taxonomy eligible were identified, indicating the corresponding activities are listed in the annexes to the delegated regulation. The taxonomy-aligned shares are determined by considering technical screening criteria and minimum protection requirements, and included in the numerator of the investment-related performance indicator. In addition to investment expenditure

for already taxonomy-aligned business activities, e.g. machinery or production buildings, the numerator also includes investment expenditure that serves to expand taxonomy-eligible business activities or convert taxonomy-eligible activities into taxonomy-aligned activities as part of a CapEx plan in Annex I number 1.1.2.1 of the Regulation. However, none of the eligible or aligned KPIs are part of CapEx plan.

Operating expenses (OpEx)

thyssenkrupp nucera's total operating expenses, as defined by the EU taxonomy, include certain expenses that cannot be capitalized under IFRS. These include expenses for research and development, short-term or low-value leases, building renovations, regular and unplanned maintenance, and repairs or other expenses for ongoing maintenance of property, plant, and equipment. The OpEx KPI defined under the EU Taxonomy excludes general overhead and cost of employees operating the assets. At thyssenkrupp nucera, OpEx mainly refers to research and development expenses related to different versions of Green Hydrogen electrolyzers and can be unambiguously allocated to category 3.2 *Manufacture of equipment for the production and use of hydrogen*.

The total amount of operating expenditure is used in the denominator of the operating expenditure-related performance indicator, in accordance with Annex I, point 1.1.3.1 of Delegated Regulation (EU) 2021/2178. The taxonomy-eligible share is determined based on the conformity of thyssenkrupp nucera's activities with the activity descriptions in the Annexes to the Delegated Acts. To determine the taxonomy-aligned share of OpEx, the fulfillment of technical screening criteria and compliance with the minimum safeguards are considered. Additionally, the numerator may include the share of OpEx that serves to expand taxonomy-aligned or convert taxonomy-eligible to taxonomy-aligned business activities, part of a CapEx plan in Annex I number 1.1.3.2 of the Regulation. However, none of the eligible or aligned KPIs are part of CapEx plan.

Taxonomy Eligibility and Alignment per Environmental Objective

Objective	Code	%	Sales		CapEx		OpEx	
			Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned	Taxonomy-eligible	Taxonomy-aligned
Climate change mitigation	CCM	%	61.0	10.0	61.0	0	88.7	0
Climate change adaptation	CCA	%	10.0	0	0	0	0	0
Water and Marine Resources	WTR	%	0	–	0	–	0	–
Circular economy	CE	%	0	–	0	–	0	–
Pollution prevention and control	PPC	%	0	–	0	–	0	–
Biodiversity and ecosystems	BIO	%	0	–	0	–	0	–

Nuclear and Fossil Gas Related Activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Limited assurance report of the independent auditor

To thyssenkrupp nucera AG & Co. KGaA, Dortmund

We have performed a limited assurance engagement on the accompanying EU Taxonomy Report, an excerpt from the Sustainability Report (hereinafter „the EU Taxonomy Report“) of thyssenkrupp nucera AG & Co. KGaA, Dortmund (hereinafter “thyssenkrupp nucera” or “the company”), for the period from October 1, 2023 to September 30, 2024.

Responsibility of the legal representatives

The legal representatives of thyssenkrupp nucera are responsible for the preparation of the EU Taxonomy Report for the period from October 1, 2023 to September 30, 2024 in accordance with the Reporting Criteria. As Reporting Criteria, thyssenkrupp nucera applies the EU Taxonomy Regulation (REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088) and the Delegated Acts adopted thereunder, hereinafter referred to as the ‘EU Taxonomy Regulation’ (hereinafter “Reporting Criteria”).

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the EU Taxonomy Report and the use of assumptions and estimates for individual disclosures that are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal control as they have considered necessary to enable the preparation of the EU Taxonomy Report that is free from material misstatement, whether due to fraud (manipulation of the EU Taxonomy Report) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the legal representatives have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in the EU Taxonomy Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner’s firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of the assurance practitioner

Our responsibility is to express a limited assurance opinion on the EU Taxonomy Report of thyssenkrupp nucera based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) “Assurance Engagements other than Audits or Reviews

of Historical Financial Information”, issued by the IAASB, as a limited assurance engagement. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether matters have come to our attention that cause us to believe that the EU Taxonomy Report of thyssenkrupp nucera, Dortmund for the period from October 1, 2023 to September 30, 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner. As part of our engagement, we performed, among others, the following engagement procedures, and other activities:

- Interviews with responsible employees at group level to gain an understanding of the procedure for identifying taxonomy-eligible and aligned economic activities in accordance with EU taxonomy.
- Assessment of the design and implementation of systems, processes and measures for the collection, processing and monitoring of information on revenue, capital expenditure and operating expenses for taxonomy-eligible and aligned economic activities.
- Inspection of selected internal and external documents.
- Analytical procedures for the evaluation of data and of the trends of the quantitative disclosures as reported at group level by all sites.
- Evaluation of the overall presentation of the disclosures.

We believe that the engagement evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance opinion.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Limited assurance opinion

Based on the engagement procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying EU Taxonomy Report of thyssenkrupp nucera for the period October 1, 2023 to September 30, 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of use/GET clause

This limited assurance opinion is addressed to and intended solely for thyssenkrupp nucera.

Our assignment for thyssenkrupp nucera and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2024 (www.kpmg.de/AAB_2024_EN). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Düsseldorf, 17. Dezember 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signed: Krause]

[signed: Herr]
Wirtschaftsprüferin
[German Public Auditor]

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Concept, design, and realization

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Sustainability Report for the 2023/2024 fiscal year

For the 2023/2024 fiscal year, thyssenkrupp nucera has published a sustainability report (incl. EU taxonomy) based on the standards of the Global Reporting Initiative. This standalone report can be accessed at the following link:

<https://www.thyssenkrupp-nucera.com/sustainability/>

Commercial name and registered office

thyssenkrupp nucera is a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), whose General Partner (*Komplementär*), thyssenkrupp nucera Management AG, is a German stock corporation (*Aktiengesellschaft*), incorporated under the laws of the Federal Republic of Germany having its registered office and its headquarters in Dortmund, Germany. The legal name of the company is thyssenkrupp nucera AG & Co. KGaA. It is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dortmund, Germany under number HRB 33774. The company's LEI is 549300T0K3C12C25SC77.

Disclaimer

This document is updated as of its preparation date, as specified. We have done our best to ensure that this document is true and accurate. However, as in any document, there may be generalizations, inaccuracies, errors or omissions.

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This report may contain forward-looking statements based on current expectations, assumptions, forecasts, and available information. These statements are not guarantees of future performance and are subject to various risks and uncertainties. As a result, actual outcomes may differ materially from those expressed or implied. The possible forward-looking statements do not reflect events or developments that occur after the report's publication date.



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