

# Independent Limited Assurance Report

## to the Management of thyssenkrupp Steel Europe AG

thyssenkrupp Steel Europe AG (“thyssenkrupp Steel”) commissioned DNV Business Assurance B.V. (“DNV”, “us” or “we”) to provide limited assurance over Selected Information used by thyssenkrupp Steel as the basis for issuing bluemint® pure certificates for CO<sub>2</sub>eq savings made during the reporting period.



**Our Conclusion:** Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. In our opinion the stated CO<sub>2</sub>eq savings have been prepared in general alignment with the WRI/WBCSD GHG Protocol for Product Lifecycle Accounting and Reporting. thyssenkrupp Steel’s customers that purchase bluemint® pure certificates can report an equivalent reduction in their Scope 3 emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained overleaf.

### Selected Information

The scope and boundary of our work is restricted to the **data** described below (the “Selected Information”):

- **CO<sub>2</sub>eq savings:** The amount of CO<sub>2</sub>eq savings covered by this reporting period at thyssenkrupp Steel’s Duisburg site (the “Entity”), which is 1447.49 tonnes CO<sub>2</sub>eq;
- **CO<sub>2</sub>eq specific emissions intensity:** The carbon specific emissions intensity for bluemint® pure of 0.60 kg CO<sub>2</sub>eq/kg hot-rolled coil; and
- **bluemint® pure certificates:** The quantity of bluemint® pure products which can be covered by certificates corresponding to the above CO<sub>2</sub>eq savings, which is 965 tonnes.

### Criteria

We assessed thyssenkrupp Steel’s methodology for calculating CO<sub>2</sub>eq savings against the following **Criteria** (the “Criteria”):

- The publicly available Greenhouse Gas Protocol for Product Life Cycle Accounting and Reporting Standard, as issued by WRI/WBCSD;
- thyssenkrupp Steel’s methodology as described within an internal document (‘Internal Report on the CO<sub>2</sub> Calculation Methodology for thyssenkrupp Steel Europe’s bluemint® pure, September 2021) as prepared by thyssenkrupp Steel;
- thyssenkrupp Steel’s internal procedure for issuing bluemint® pure certificates and tracking customer transactions; and
- thyssenkrupp Steel’s report [available on request from thyssenkrupp Steel] on the CO<sub>2</sub>eq savings achieved at the entity, including their following definitions and programme rules:
  - **bluemint® pure certificates:** CO<sub>2</sub>eq savings achieved under the bluemint® pure certificates programme are registered by thyssenkrupp Steel in a centrally held record. DNV will perform quarterly checks on the central record to review the amount of carbon savings, bluemint® pure certificate purchases and the corresponding certificates issued. Under the programme rules, thyssenkrupp Steel may issue certificates up to a maximum of 95% of the volume of bluemint® pure certificates covered by the Assurance Report for each Reporting Period. To ensure an excess of certificates is not issued, the remaining 5% shall be reserved in case of any adjustments to the methodology for calculating CO<sub>2</sub>eq savings in the subsequent Reporting Period. The remaining 5% may be issued in future once the factor used to calculate CO<sub>2</sub>eq savings is confirmed as sufficiently robust.
  - **CO<sub>2</sub>eq savings:** The amount in metric tonnes of CO<sub>2</sub>eq saved compared to a **baseline scenario** by the use of hot briquetted iron (‘HBI’) in a blast furnace in replacement of coal and coke. The upstream carbon emissions of HBI are taken into account when calculating the carbon intensity of the products. The CO<sub>2</sub>eq savings calculation is conducted in alignment with the Greenhouse Gas Protocol for Product Life Cycle Accounting and Reporting Standard.
  - **Allocation of CO<sub>2</sub>e savings:** The allocation of carbon emissions savings leads to bluemint® pure with a reduced carbon intensity compared to conventional steel with the base case carbon intensity. The specific emission intensity of 0.60 kg CO<sub>2</sub>eq/kg hot-rolled coil for bluemint® pure is fixed and therefore the quantity of allocated bluemint® pure is directly determined by the quantity of project-related absolute CO<sub>2</sub>eq savings.
  - **Baseline scenario:** The baseline scenario calculates the likely CO<sub>2</sub>eq emissions corresponding to the **reporting period** that would have been emitted in relation to an identical amount of steel production from the **entity**, based on the ‘continuation of current activities’ had the HBI project not been implemented.
  - **Reporting period:** The CO<sub>2</sub>eq savings have been calculated as having been achieved over the time period 21<sup>st</sup> July 2021 to 30<sup>th</sup> July 2021.

## Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

## Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with thyssenkrupp Steel’s technical teams and other key personnel to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Remote review of specific site level data. We were free to request interviews, data and information to support the process;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- Reviewing that the evidence, measurements and their scope provided to us by thyssenkrupp Steel for the Selected Information is prepared in line with the Criteria.

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## DNV Business Assurance BV

Rotterdam, The Netherlands

30<sup>th</sup> September 2021

  
DNV

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## Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

## Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by thyssenkrupp Steel have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

## Responsibilities of the Management of thyssenkrupp Steel and DNV

The Management of thyssenkrupp Steel have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within bluemint® pure certificates

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to thyssenkrupp Steel in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the bluemint® pure certificates. We have not reviewed whether or how thyssenkrupp Steel’s customers have used the reported CO<sub>2</sub>e q savings in their Scope 3 reporting.