



ThyssenKrupp AG  
Corporate Center Investor Relations  
August-Thyssen-Str. 1  
40211 Düsseldorf

Fax: 0211 – 824 60 31 000  
Email: [ir@thyssenkrupp.com](mailto:ir@thyssenkrupp.com)

Postfach 13 03 35  
50497 Köln  
Tel. 0221 / 599 56 47  
Fax: 0221 – 599 10 24  
[dachverband@kritischeaktionaeere.de](mailto:dachverband@kritischeaktionaeere.de)  
[www.kritischeaktionaeere.de](http://www.kritischeaktionaeere.de)

## **Counter Motions on the Occasion of ThyssenKrupp's Annual General Meeting to be held in Bochum, January 21, 2010**

### **Counter Motion referring to Agenda Item 3:**

Proposal to disapprove the actions of the members of the Management Board

#### Reason:

Building the largest iron and steel plant in Latin America the Management Board of ThyssenKrupp ignores environmental protection, violates labour rights and workplace safety laws and threatens the local population.

In December 2006 Atlantic Steel Company began to build an iron and steel plant, the largest in Latin America with an annual capacity of production of 5.5 million tons of steel plates. The investment is made by a joint-venture formed by ThyssenKrupp (73%) and the Brazilian company Vale (27%). 60 % of the production will be exported to the USA and 40% to Germany. The total investment by ThyssenKrupp is around € 5 billion.

8070 fishermen and their families live in the area of the steel mill at Sepetiba Bay which is about 70 kilometers west of Rio de Janeiro. From the start of the construction the local population and the fishermen association have been protesting against the negative impact of the TKCSA steel mill, in particular permanent damage to the environment and loss of their main income which is fishery and tourism. A compensation for their lost income which had been agreed on in a meeting between the fishermen and a TKCSA representative has not been paid so far.

In the following, we will list some violations and damages caused by TKCSA:

#### **Environmental impact and violation of Brazilian environmental regulations:**

The joint-venture is riding roughshod over Brazilian law as regards the required stages in

environmental licensing. TKCSA is in breach of Federal Law No. 7661/88 and Regulatory Decree No. 5.300/2004 (Coastal Management), which stipulates that for enterprises in coastal zones may be licensed exclusively by the federal agency, IBAMA. But TKCSA's license was provided by FEEMA, the environmental department of Rio de Janeiro, which does not have the competence to do so. In addition, the plant is located in an area which has been declared by the Brazilian environmental authorities a protected area. In December 2007 IBAMA issued an administrative order that the TKCSA construction work should be halted. However, the investor has been ignoring the order. Moreover, according to data provided by the Rio de Janeiro's Environmental Department, carbon dioxide emissions in the city of Rio de Janeiro will rise by 76.3 % once the TKCSA plant starts operating.

### **Violation of Labour Rights**

In May 2008, Brazil's Public Attorney's Office for Labour Affairs (*Ministério Público do Trabalho*, MPT) opened a criminal inquiry and embargoed the construction site for breach of labour and workplace safety laws. Because of conspicuously fast authorization, promised tax reliefs and the strong support by the Brazilian government, the construction work never halted.

### **Death threats to the fishermen**

TKCSA's security activities are closely connected to local militias which are informal groups formed by policemen, ex-policemen, firemen, and politicians, that control the territory. The militias' structure and activities resemble those of other illegal, criminal organizations, such as the mafia. They charge fees for providing certain services, such as transport, gas and electric power supply and security. Moreover, the militias control police forces and politicians through corruption. Local fishermen leaders who are in opposition to the iron and steel plant have been receiving death threats by the militias, namely by the person who was in charge of the security activities in TKCSA's site. Since the public hearing, the leader of the fishermen has been included in a Brazilian program to protect human rights defenders. Brazilian Federal Government's Human Rights Secretariat assumes in a document that the TKCSA security consists of militia members. This document we sent on request to the Foreign Office on December 8, 2009 and on request of the Federal Ministry for Economic Cooperation to the Honorable Minister Niebel on December 15, 2009.

### **Cost increase of the steel mill**

The steel mill was supposed to start operations in March 2009. In the meantime the start was postponed to the second half of the year 2010. This delay and other factors have led to an increase of costs of € 500 to 700 million.

Please find more detailed information on the counter motion and a reference of sources on the website of the Association of Ethical Shareholders of Germany [www.kritischeaktionare.de](http://www.kritischeaktionare.de).

### **Counter Motion referring to Agenda Item 4:**

Proposal to disapprove the actions of the members of the Supervisory Board

#### Reason:

The Supervisory Board allows the Executive Board to participate in projects that damage the environment and ignore the rights of local populations. Thus, the Supervisory Board fails to fulfill its obligation to monitor the compliance of key corporate governance guidelines by the Executive Board.

On its corporate Website and in its publications ThyssenKrupp respectively Supervisory Board Chairman Dr. Gerhard Cromme defines „Corporate Governance“ as follows:

"The term Corporate Governance stands for responsible corporate management and control geared to long-term value creation. Efficient cooperation between Executive Board and Supervisory Board, respect for stockholder interests, openness and transparency of corporate communications are key aspects of good corporate governance."

This explanation is based on the German Corporate Governance Code, however, ThyssenKrupp's practice does not comply with this Code.

The project carried out by TKCSA does not meet the requirements of the Code particularly to a responsible and long-term value-oriented management and control of companies.

The aspects of openness and transparency of corporate communication are not fulfilled in the case of the iron and steel plant in Sepetiba Bay. ThyssenKrupp describes in its publications only the benefits of the TKCSA project, but omits to shareholders and stakeholders the aforementioned disadvantages and its own failures.

ThyssenKrupp has to take responsibility and seek to minimize the negative impact of the TKCSA project on the local population, particularly the fishermen, and has to keep the damage caused by this project in the Sepetiba Bay as low as possible, and it has to seek for adequate compensation to fishermen and other stakeholders.

In an era where the protection of the environment and climate is more important than ever, it would be a positive signal from ThyssenKrupp and would promote its image if the company's business policy focused on investments that do not harm the environment and do not violate the social rights of stakeholders.

If the Supervisory Board continues to fail to perform its monitoring duties, it is also responsible for an image loss of ThyssenKrupp. Its monetary value is difficult to quantify.

Cologne, December 22, 2009

Markus Dufner  
Managing Director  
Association of Ethical Shareholders Germany  
(Dachverband der Kritischen Aktionärinnen und Aktionäre)  
50668 Köln  
Tel. 0221 / 599 56 47  
Fax: 0221 / 599 10 24  
[dachverband@kritischeaktionaere.de](mailto:dachverband@kritischeaktionaere.de)  
[www.kritischeaktionaere.de](http://www.kritischeaktionaere.de)