Report

thyssenkrupp AG
Essen

Independent Practitioner’s Report on a Limited Assurance Engagement on Sustainability Information for the period from 1 October 2018 to 30 September 2019

Auftrag: 0.0925747.001
Independent Practitioner’s Report on a Limited Assurance Engagement on Sustainability Information

To thyssenkrupp AG, Essen

We have performed a limited assurance engagement on the disclosures in the report “Carbon footprint, energy consumption and coverage of management systems of thyssenkrupp“ of thyssenkrupp AG, Essen (hereafter the “Company”), for the period 1 October 2018 to 30 September 2019 (hereafter the “Report”).

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the criteria as set out on pages 8 & 9 of the publication "A Corporate Accounting and Reporting Standard – Revised Edition” of the Greenhouse Gas Protocol Initiative (World Business Council of Sustainable Development / World Resources Institute) (hereafter "GHG-Protocol-Criteria") and for the selection of the disclosures to be evaluated.

This responsibility of Company’s executive directors includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer“: “BS WP/vBP”) as well as the Standard on Quality Control 1 published by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – 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.

Practitioner’s Responsibility

Our responsibility is to express a limited assurance conclusion on the disclosures in the Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit of external sources of information or expert opinions, referred to in the Report.

PricewaterhouseCoopers GmbH has performed a limited assurance engagement and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent assurance report.
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. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the disclosures in the Company’s Report for the period from 1 October 2018 to 30 September 2019 have not been prepared, in all material aspects, in accordance with the relevant GHG-Protocol-Criteria.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner’s professional judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the underlying internal control system and selected environmental data
- Identification of the likely risks of material misstatement of the Report under consideration of the GHG-Protocol-Criteria
- Analytical evaluation of selected disclosures in the Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statement and in the group management report
- Evaluation of the presentation of the selected disclosures in the report

**Assurance Conclusion**

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the disclosures in the Company’s Report for the period from 1 October 2018 to 30 September 2019 have not been prepared, in all material aspects, in accordance with the relevant GHG-Protocol-Criteria.

**Intended Use and Distribution**

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility towards third parties.

Munich, 20 May 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink       ppa. Juliane v. Clausbruch
Wirtschaftsprüfer
(German Public Auditor)
Appendix
Appendix

Report „Carbon footprint, energy consumption and coverage of management systems of thyssenkrupp”

General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017
## Energy

<table>
<thead>
<tr>
<th></th>
<th>TWh</th>
<th>TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net energy consumption</td>
<td>71.4</td>
<td>70.7</td>
</tr>
<tr>
<td>- thereof continuing operations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## CO₂

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Mio. t CO₂e</th>
<th>21.8</th>
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<tr>
<td>- thereof continuing operations</td>
<td>Mio. t CO₂e</td>
<td>21.6</td>
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<table>
<thead>
<tr>
<th>Scope 2</th>
<th>Mio. t CO₂e</th>
<th>1.3</th>
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<tr>
<td>- thereof continuing operations</td>
<td>Mio. t CO₂e</td>
<td>1.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 3 (&quot;fuel-and-energy-related activities that are not included in Scope 1 or 2&quot;)</th>
<th>Mio. t CO₂e</th>
<th>5.0</th>
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</thead>
<tbody>
<tr>
<td>- thereof continuing operations</td>
<td>Mio. t CO₂e</td>
<td>4.9</td>
</tr>
</tbody>
</table>

## Management systems

<table>
<thead>
<tr>
<th>ISO 14001 (Environment)</th>
<th>certified in % of total employees</th>
<th>60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- thereof continuing operations</td>
<td>certified in % of total employees</td>
<td>68%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ISO 50001 (Energy)</th>
<th>certified in % of energy consumption</th>
<th>94%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- thereof continuing operations</td>
<td>certified in % of energy consumption</td>
<td>94%</td>
</tr>
</tbody>
</table>

### Boundary:

Consolidated group figures incl. all fully consolidated companies as of 30.09.2019. Please consider that Scope 2 and 3 emissions are not direct emissions of thyssenkrupp but refer to emissions in the supply chain allocated to thyssenkrupp activities. Continuing operations excl. Elevator Technology.

### Remarks regarding methodology for energy & CO₂:

CO₂ emissions are calculated using the GHG Protocol methodology. The emissions are calculated on the basis of energy consumption and process emissions applying generally accepted Scope 1 and 2 emission factors from IPCC, IEA and certified own measurements. For Scope 2 emissions the location-based approach has been applied using emission grid factors. Accounting of own use of electricity consumption ("Eigenstrom") and purchased electricity in Germany according to definition at reporting date. Accounting may be changed ex-post according to German laws. For the reported Scope 3 category, emission factors were provided by a leading consultancy which holds one of the world’s biggest lifecycle databases. Due to fast close and the shifted fiscal year of thyssenkrupp, energy data partially includes estimated, extrapolated or rounded figures where relevant and acceptable.

For further information please visit:  
https://www.thyssenkrupp.com/sustainability

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Corporate Function Technology, Innovation & Sustainability  
thyssenkrupp Allee 1  
45143 Essen

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1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as “German Public Auditors” – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obliged to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor’s work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor’s staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or of the German Public Auditor acting for the engaging party requires the German Public Auditor’s professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor’s professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor’s professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor’s written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor’s professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (Textform) [Translators Note: The German term “Textform” means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor’s professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor’s professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs. 1 [paragraph] 1 HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüfungordnung]), § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obliged to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.
10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor’s report, he may no longer use this auditor’s report.

(2) If the German Public Auditor revokes the auditor’s report, it may no longer be used. If the engaging party has already made use of the auditor’s report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and duties requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then any set-off against the German Public Auditor’s claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.