

Report on the SCA (Supply Chain Due Diligence Act)

Reporting period from 1st of January to 30th of September 2023

Name of the organization: thyssenkrupp AG

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A. Strategy & anchoring

A1. Monitoring of risk management & responsibility of the management

What responsibilities were defined for monitoring risk management during the reporting period?

The Group Function Legal & Compliance is responsible for monitoring risk management at thyssenkrupp AG in accordance with Section 4 (3) of the SCA. The Group General Counsel and Chief Compliance Officer has been appointed to perform these tasks.

A. Strategy & anchoring

A1. Monitoring of risk management & responsibility of the management

Has the management established a reporting process that ensures that it is regularly - at least once a year - informed about the work of the person responsible for monitoring risk management?

It is confirmed that the management has established a reporting process that ensures that it is informed regularly - at least once a year - about the work of the person responsible for monitoring risk management within the meaning of Section 4 (3) of the SCA.

- Confirmed

Describe the process that ensures reporting to management regularly- at least once a year- with regard to risk management.

The Group General Counsel and Chief Compliance Officer, reports on the results of the monitoring to the Executive Board of thyssenkrupp AG regularly and on an ad hoc basis, but at least once a year. He also informs the Group Risk & Internal Control department of the Group Function Controlling, Accounting & Risk, regularly and as required, thus ensuring the risk management system is set up in accordance with the requirements of the SCA, and integrated into thyssenkrupp's Group Risk Management, which is based on an internal set of rules.

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

Is there a policy statement that has been prepared or updated on the basis of the risk analysis carried out during the reporting period?

It is confirmed that a policy statement has been prepared.

The policy statement has been uploaded to

<http://www.thyssenkrupp.com/de/grundsatzerklaerung-tk-ag>

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

Has the policy statement for the reporting period been communicated?

It is confirmed that the policy statement for the reporting period has been communicated to employees, the works council if applicable, the public and the direct suppliers where a risk was identified in the risk analysis.

- Confirmed

Please describe how the policy statement was communicated to the relevant target groups.

The policy statement was published on the intranet and internet and integrated into internal training courses. Additionally, the policy statement was also communicated within the company by newsletter via email.

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

What elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Establishment of preventive measures in the company's own business area, with direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Corrective measures in company's own business area, at direct suppliers , if applicable, at indirect suppliers and review of their effectiveness
- Provision of a complaints procedure in the company's own business area, with suppliers and, review of its effectiveness
- Documentation and reporting obligations
- Description of human rights-related and environmental expectations of own employees and suppliers

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

Description of possible updates during the reporting period and the reasons for them.

In the reporting period, there was no significant change in the risk situation in the company's own business area or at direct suppliers. The findings from the risk analyses carried out did not result in any need for an update either. Therefore, the policy statement published on 1st of January 2023 was not updated in the reporting period.

A. Strategy & Anchoring

A3. Anchoring the human rights strategy within your own organization

In which departments/business processes was the anchoring of the human rights strategy ensured during the reporting period?

- Personnel/HR
- Environmental management
- Occupational safety & occupational health management
- Communication/Corporate Affairs
- Purchasing/Procurement
- Supplier management
- CSR/Sustainability
- Legal/Compliance
- Revision
- Economic Committee
- Other: Controlling, Accounting & Risk, International Committee

Describe how responsibility for implementing the strategy is distributed within the various specialist departments/business processes.

The Executive Board of thyssenkrupp AG is responsible for implementing the Group-wide concept for compliance with human rights and environmental due diligence obligations. Implementation is carried out by the SCA Council Group, a body comprising of functions relevant to compliance with these due diligence obligations and representatives of the segments. The spokesperson of the SCA Council Group is the SCA Officer Group, who reports to the Executive Board of thyssenkrupp AG on behalf of the Council. The SCA Council assumes a governance role vis-à-vis the segments and companies of the thyssenkrupp Group by defining regulations for the Group-wide implementation of the requirements of the SCA and coordinating their implementation. In addition to the further development of the Group-wide concept, the SCA Council Group assumes the role of an advisor in cooperation with the segments and businesses and offers the opportunity for cross-segment exchange. In order to take into account the individual requirements and supply chains of our businesses, these are each represented by their own segment manager, called the SCA Officer Business. Among other things, the SCA Officer Business reports to the SCA Council Group and the segment Management Board, exchanges information with them in the Extended SCA Council, to which all segment managers belong, and is responsible for implementing the Group-wide concept for compliance with human rights and environmental due diligence obligations in the businesses. For more information on the business allocation at thyssenkrupp, see:

<http://www.thyssenkrupp.com/de/geschaeftsverteilung-tkag-okt23>

Describe how the strategy is integrated into operational processes and procedures.

Our Group-wide concept for compliance with human rights and environmental due diligence obligations is characterized by an integrated and interdisciplinary risk management system. With our multi-level approach, we have implemented uniform minimum standards in the thyssenkrupp Group that our businesses can apply and expand in a targeted manner to minimize risk. In addition to identifying and coordinating human rights and environmental risks, the SCA Council Group is also responsible for communicating the results, including to the Group Executive Board. Various central functions and divisions as well as representatives from our segments are members of the SCA Council Group. Through the interdisciplinary cooperation of the various central functions, other experts and the segments within the SCA Council Group, we ensure that our Group-wide concept is integrated into operational risk management processes and procedures.

Describe which resources & expertise are provided for implementation.

As described above, the interdisciplinary composition (e.g. engineers, business people, lawyers) of our SCA Council Group ensures that all relevant expertise at the Group level, including "Risk & Internal Control Management", as well as our businesses are represented on our Council. The relevant resources are provided by the respective specialist departments (Legal & Compliance, Human Resources, Sustainability, Procurement, Controlling, Accounting & Risk) or within the segments. Regular internal training sessions are held, some of which are also accompanied by external consultants.

B. Risk analysis and Preventive measures

B1. Implementation, procedure and results of the risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, weigh and prioritize human rights and environmental risks?

- Yes, for your own business area
- Yes, for direct suppliers

Describe the period in which the annual risk analysis was carried out.

The risk analysis for the company's own business area was carried out once during the reporting period. Issues that arise after the end of the reporting period are included in the risk analysis for the next reporting period. Exceptional circumstances or critical events that occur outside of the respective reporting period can be proactively addressed as an exception in the risk analysis and report if necessary.

For direct suppliers, risk analysis is carried out continuously over the entire reporting year using an IT-supported risk analysis system.

Describe the risk analysis procedure.

thyssenkrupp works continuously to analyze the human rights and environmental impact of its business activities in order to minimize potential risks and prevent their occurrence. To this end, thyssenkrupp has created a Group-wide concept for compliance with human rights and environmental due diligence obligations, which is characterized by an integrated and interdisciplinary risk management system for compliance with human rights and environmental due diligence obligations and consists of risk analyses, processes for preventive and remedial measures, the definition of responsibilities, the issuing of a policy statement, the maintenance of a complaints procedure, and documentation and reporting. We have implemented this risk management system throughout the thyssenkrupp Group. It consists of several elements, in particular:

- A central risk analysis for the company's own business area on the one hand and for the supply chain on the other, in which risks are assessed on the basis of Group-wide sustainability criteria relating to human rights, occupational health and safety and environmental protection ("SCA risk areas"),
- the operational implementation of measures to minimize or eliminate identified risks, and
- a barrier-free, publicly accessible complaints procedure for reporting possible misconduct.

Our SCA risk areas are divided into the following individual risks:

- Human rights: child labor; forced labor; discrimination in the workplace; freedom of association; remuneration and working hours; land grabbing; external personnel; contamination; discrimination; protection of freedom of expression, personal rights and privacy
- Occupational health and safety
- Environmental rights: use / storage / disposal of chemicals and waste; generation of emissions and consumption of energy.

With our multi-stage approach, we have implemented uniform minimum standards in the thyssenkrupp Group which our Group companies can apply and expand in a targeted manner to minimize risk. Our risk analysis is updated on an ongoing basis and at least once a year. We also carry out a new risk analysis as required (e.g. in the event of a change in the risk situation). The same applies to the risk management system, which we continuously develop and whose effectiveness is regularly reviewed.

In addition to managing and coordinating the monitoring of relevant risks, the SCA Council Group reports regularly to the Group Management Board on the risk management system and the results of the risk analysis carried out.

Risk analysis in company's own business area:

We include all of our activities in Germany and abroad, that are undertaken for the manufacture and utilization of products and the provision of services, in our own business area.

The basis of the risk analysis in the company's own business area is the annual self-assessment of the individual Group companies regarding compliance with protected human and environmental rights and legal interests, the content of which is uniformly specified by the SCA Council Group. The results are evaluated, reviewed and summarized in a risk score as part of the risk analysis. In addition to the risks identified in the self-assessment, other data sources (e.g. from preventive and remedial measures) can be taken into account in the risk assessment. The results are evaluated, aggregated and consolidated centrally and assessed in the SCA Council Group with regard to risks. Identified risks are mitigated by the Group companies with measures, as far as possible.

With the implementation of a risk-based internal control system, thyssenkrupp already has Group-wide processes in place that address risks to human rights and environmental rights and legal interests and generate appropriate measures.

Risk analysis for direct suppliers:

Based on the individual SCA risks, we subject our direct suppliers to a basic risk analysis and identify an abstract risk potential in relation to our "SCA risk areas". In addition to a different weighing of individual SCA risks, our ongoing risk analysis also takes into account external risk indices, the location and sector of the suppliers, the scope of business activities (purchasing volume), the type of goods supplied, as well as the severity and (ir)reversibility of potential events. New, potential suppliers are checked for their risk potential before a collaboration is established.

Based on the results of the risk analysis for specific suppliers, an SCA risk category is defined for each supplier. Our Group companies use this SCA risk category as a basis for taking suitable preventive measures to further mitigate the supplier's risk. Prioritization is based on the identified risk, our contribution to causation, the degree of our influence and taking into account the characteristics of the respective businesses. Findings related to indirect suppliers are incorporated into our risk analysis on an ad hoc basis.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were event-driven risk analyses also carried out during the reporting period?

- No

Give reasons for your answer.

Company's own business area:

The information obtained in the complaints procedure and in the annual risk analysis did not give rise to any specific (event-related) risk analyses.

Direct suppliers:

Continuous risk analysis for direct suppliers. No substantiated knowledge of indirect suppliers.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified in the risk analysis(es) in your own business area?

- Restriction of freedom of association - freedom of association & right to collective bargaining
- Other prohibitions: thyssenkrupp operates in countries where freedom of association is legally limited or not guaranteed. No risks beyond a general latent residual risk were identified for the other protected assets.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified in the risk analysis(es) for direct suppliers?

- Prohibition on hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard for freedom of association - freedom of association & right to collective bargaining
- Unlawful violation of land rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Ban on child labor
- Prohibition of withholding an appropriate wage
- Other prohibitions: Identified risks (human rights and environmental) are currently still mainly potential risks from the abstract risk analysis based on country and industry. thyssenkrupp is a company with a global supply chain. For this reason, no risk can be excluded with absolute certainty in the abstract risk analysis. The concrete examination of risks is carried out successively according to prioritization and weighing.
- Prohibited production and/or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- Prohibited import/export of hazardous waste within the meaning of the Basel Convention
- Prohibited production, use and/or disposal of mercury (Minamata Convention)

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were the risks identified in the reporting period weighed and, if applicable, prioritized and, if so, on the basis of which appropriateness criteria?

- Yes, based on the degree of expected severity of the injury, number of people affected and irreversibility of the injury
- Yes, on the basis of your own influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of the company's own business activities
- Yes, based on the type of causal contribution

Describe in more detail how the weighing and prioritization process was carried out and what considerations were made.

Risk analysis in our own business area:

Respect for human rights has long been a central component of thyssenkrupp's corporate culture and is expressed, among other things, in the mission statement, the Code of Conduct and the International Framework Agreement and the associated processes.

We are not yet aware of any particular risk areas specifically relevant to our own business area. Against this background, all risks were included in the risk analysis with equal priority.

As a result, the risk analysis in our own business area has led to an identification of a risk of breach of freedom of association in certain countries which were identified based on the circumstances there and prioritized accordingly.

Risk analysis for direct suppliers:

The systematically derived abstract risk analysis already includes a weighing of potential risks for all suppliers based on severity, irreversibility and probability of occurrence. In addition to the purchasing volume (scope of business activities), other available findings, such as the individual ability to influence the supplier, are taken into account as part of the business-specific prioritization.

In addition to the above-mentioned factors for prioritizing suppliers and their identified risks, the factors "strategic relevance of the supplier" and "connection / relevance for value creation" are also taken into account.

In addition, suppliers with whom no further business relationships are planned and therefore no orders or new contracts are planned are deprioritized.

In principle, prioritization is the responsibility of the individual business unit, taking into account all the factors mentioned, in order to make an appropriate assessment of the business requirements.

B. Risk analysis and preventive measures

B2. Preventive measures in your own business area

Which risks were prioritized in your own business area during the reporting period?

- Restriction of freedom of association - freedom of association & right to collective bargaining

What specific risk is involved?

Restrictions on the right to freedom of association

B. Risk analysis and preventive measures

B2. Prevention measures in own business area

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?

- Implementation of training courses in relevant business areas
- Other/further measures: Display of information posters on the complaints procedure

Implementation of training courses in relevant business areas

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/area of application).

In the thyssenkrupp Group, all employees in Germany with a valid e-mail address and access to a company computer are automatically registered for the SCA e-learning basic training course. This training is mandatory and must be completed with a final test.

Employees who do not have access to a computer are made aware of the due diligence obligations and the complaints procedure through other measures:

- by displaying information posters in the production area and social rooms
- Copy of the information posters as an enclosure to the payroll
- Information events as part of works council meetings.

In addition to the e-learning, further Group-wide basic training courses were held, as well as special training courses for the Purchasing department.

Describe the extent to which training to prevent and minimize the priority risks is appropriate and effective.

We use our training formats to raise our employees' awareness of our human rights and environmental due diligence obligations. The training courses explain our due diligence obligations, explain why these due diligence obligations are of importance and how we want to achieve compliance with the due diligence obligations in the thyssenkrupp Group.

The training courses also outline the various channels of our complaints procedure. Employees learn how they can play their part in complying with due diligence obligations - whether in relation to our own business area or in cooperation with our suppliers - and who they can contact if they become aware of potential breaches of duty.

Proof of the effectiveness of the e-learning, the rollout of which began on the reporting date, is provided in the form of a certificate, which is issued following successful completion of the final test.

At the end of the reporting period, almost 3,000 employees had already received direct training on the SCA.

Other/further measures

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/area of application).

In the thyssenkrupp Group, posters providing information on the complaints procedure regarding human rights violations were displayed in the production halls and social rooms, as a supplement to the payroll system, as well as in places generally intended for such information purposes in the eight most relevant languages of Group employees, with the aim of also reaching employees without intranet access.

Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.

The display of information posters on the complaints procedure is a further element in raising awareness among our employees about human rights and environmental due diligence obligations and informing them about the possibility of lodging a complaint in the event of non-compliance. After the posters were displayed, the complaints procedure tool was accessed more frequently. More than 20,000 employees were reached through the poster attachment to their payroll alone.

B. Risk analysis and preventive measures

B3. Preventive measures for direct suppliers

Which risks were prioritized for direct suppliers during the reporting period?

- None

If no risks have been selected, give reasons for your answer.

Due to thyssenkrupp's globally spread supplier base, a broad spectrum of potential human rights risks were identified as part of the abstract risk analysis.

The prioritization and thus the targeted processing is not risk-specific, but based on the overall risk profile of the supplier, which is formed by the holistic consideration of all identified potential risks.

These potentially risky suppliers are successively subjected to a detailed analysis in accordance with the business-specific prioritization in order to determine the specific risks. The risk-based preventive measures, e.g. audits, are then derived from this.

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks at direct suppliers?

- Development and implementation of suitable procurement strategies and purchasing practices
- Integration of expectations pursuant to the SCA, in supplier selection
- Obtaining contractual assurance for compliance and implementation of expectations pursuant to the SCA, along the supply chain
- Training and further education for employees, to enforce the contractual assurance
- Agreement and implementation of risk-based control measures

Other categories:

selected:

- Integration of expectations pursuant to the SCA, in supplier selection
- Obtaining contractual assurance for compliance and implementation of expectations along the supply chain
- Training and further education of employees to enforce the contractual assurance
- Agreement and implementation of risk-based control measures

Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.

Measures (general):

By integrating our expectations into the supplier selection process, we try to identify potential risks at an early stage and, if possible, avoid them through targeted selection or deal with them in a structured, preventative manner. We expect each of our suppliers to take note of our expectations, which are summarized in our Supplier Code of Conduct, or, if it is a supplier with increased risk potential, to confirm compliance with and implementation of the expectations pursuant to the SCA, along the supply chain by means of a contractual assurance. As part of the supplier selection process, potential business partners are subjected to an abstract risk screening in advance and checked for their human rights and environmental risk potential. The identified risk potential is appropriately taken into account in the procurement strategy and the award decision. In particular, if an increased risk potential is identified, we use the concept of contractual assurance, our specific risk analysis and a catalog of preventive measures to ensure that we identify our specific priority risks with regard to suppliers and minimize them in cooperation with the suppliers. Depending on the risk potential identified, we request further evidence in order to further narrow down and specify the risk or implement specific measures appropriate to the concrete risk, such as sustainability audits.

By agreeing contractual assurances with our risk suppliers, we raise our business partners' awareness of our human rights and environmental expectations as part of the associated negotiation process. We implement the agreed control measures within the appropriate framework of a prioritization and implementation strategy, e.g. through accompanying self-

assessments, supplier visits or audits.

Further risk-based control measures are planned and implemented on a business-specific basis. This is based on an individual implementation strategy that is geared towards the identified risks, business requirements and other prioritization criteria, such as the ability to exert influence. Risk-based control measures range from self-disclosures and structured supplier visits to externally commissioned sustainability audits. Where possible, suppliers can also be asked to join industry initiatives/standards.

The effectiveness of preventive measures is assessed continuously over time. The key factor here is to observe whether the measures implemented have been able to sustainably reduce the identified risks. To this end, we regularly evaluate the available data from thyssenkrupp's "SCA tool "*.

Training courses:

With the help of our training formats, we raise awareness of human rights and environmental due diligence obligations in the relevant business area in general and, in addition, among purchasing employees in particular. The training sessions explain our expectations of our suppliers and why it is important for our employees to emphasize the importance of compliance with due diligence obligations to our suppliers. In addition, the training courses focus on ensuring that participants understand how thyssenkrupp's approach to supplier due diligence is structured and integrated into our purchasing processes. One focus is therefore also on the topics of "contractual assurance" and maintaining the information in our Group-wide tool for human rights and environmental due diligence in the supply chain as well as the complaints processes installed at thyssenkrupp.

*Group-internal tool for mapping due diligence obligations in accordance with the SCA.

Category: Procurement strategy & purchasing practices

selected:

- Development and implementation of suitable procurement strategies and purchasing practices.

Describe the measures implemented and the extent to which the definition of delivery times, purchase prices or the duration of contractual relationships have been adjusted.

thyssenkrupp is an internationally active group that bundles its business activities (as at 30.09.23) in 7 segments (Materials Services, Bearings, Forged Technologies, Automotive Technology, Steel Europe, Marine Systems and Multi Tracks), each of which develops suitable procurement strategies and purchasing practices due to their decentralized organizational forms and different business models, as well as the business-specific distribution of risks.

In addition to the specific business requirements and the procurement market situation, which are generally decisive for the agreed delivery times and purchase prices, the expectations and values set out in the thyssenkrupp Supplier Code of Conduct provide the framework for the partnership-based cooperation we strive for.

Adjustments to delivery times or purchase prices have not been made solely on the basis of the measures implemented, but on the basis of general market-related considerations.

However, if our suppliers demonstrably fail to meet our expectations contained in the Supplier Code of Conduct and do not seek and implement improvement measures or do not take remedial action within a reasonable period of time set by thyssenkrupp and a violation of a protected legal position is identified and deemed to be particularly serious, thyssenkrupp reserves the right to terminate or temporarily suspend individual or all contractual relationships.

Describe how adjustments to your own procurement strategy and purchasing practices will help to prevent and minimize the priority risks.

As part of the supplier selection process, potential business partners are subjected to an abstract risk screening in advance and checked for their human rights and environmental risk potential. The risk potential identified is appropriately taken into account in the procurement strategy and the decision to award contracts. In particular, if an increased risk potential is identified, we have been using the concept of contractual assurance, our specific risk analysis and a catalog of preventive measures since the beginning of the reporting period to ensure that we identify our specific priority risks and minimize them in cooperation with suppliers. Depending on the risk potential identified, we request further evidence in order to further limit and specify the risk or carry out specific measures, such as sustainability audits.

At thyssenkrupp, we have transparently set out expectations of our direct suppliers both in our Policy Statement and, in particular, in our Supplier Code of Conduct. However, if our suppliers demonstrably fail to meet our expectations contained in the Supplier Code of Conduct and do not seek and implement improvement measures or do not take remedial action within a reasonable period of time set by thyssenkrupp and a violation of a protected legal position is identified and deemed to be particularly serious, thyssenkrupp reserves the right to terminate or temporarily suspend individual or all contractual relationships.

B. Risk analysis and preventive measures

B5. Communication of the results

Were the results of the risk analysis(es) for the reporting period communicated internally to relevant decision-makers?

It is confirmed that the results of the risk analysis(es) for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the management or the purchasing department, in accordance with Section 5 (3) SCA.

- Confirmed

B. Risk analysis and preventive measures

B6. Changes to the risk disposition

What changes have occurred with regard to priority risks compared to the previous reporting period?

No comparison can be made with the previous reporting period, as this is the first report.

C. Identification of violations and corrective measures

C1. Identification of violations and corrective measures in own business area

Were any violations identified in your own business area during the reporting period?

- No

Describe which procedures can be used to detect violations in your own business area.

Violations in your own business area can be determined using the complaints procedure, among other things. Further information on the complaints procedure can be found under "D - Complaints procedure".

The survey of Group companies as part of the risk analysis in the company's own business Area is suitable for identifying potential breaches in the company's own business Area.

The International Committee ensures compliance with human rights through regular site visits.

The training and information provided to employees enables them to recognize violations and report them to the relevant internal departments.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

Were any violations identified at direct suppliers during the reporting period?

- Yes

Describe the basis on which the identified violations were weighed and prioritized and what considerations were made.

The violations identified at direct suppliers during the reporting period were weighed and prioritized according to the following criteria:

- Nature, extent and duration of the infringement (one-off/systematic)
- Extent and irreparability of the damage, consequences for affected persons
- Classification as a breach of duty within the meaning of Section 2 (4) SCA

On this basis, the violations identified were transferred to a structured process (corrective action plan) and were or are being processed by the thyssenkrupp business unit responsible for the supplier in question.

All violations identified were of an intensity that the company considers to be low.

In which areas were violations identified at direct suppliers?

- Disregard for occupational health and safety and work-related health hazards
- Disregard for freedom of association - freedom of association & right to collective bargaining
- Prohibition of unequal treatment in employment
- Prohibition of withholding an appropriate wage
- Destruction of the natural basis of life through environmental pollution
- Other prohibitions: other prohibition: monetary penalties

Disregard for occupational health and safety and work-related health hazards

Enter the number:

252

Disregard for freedom of association - freedom of association & right to collective bargaining

Enter the number:

1

Prohibition of unequal treatment in employment

Enter the number:

1

Prohibition of withholding an appropriate wage

Enter the number:

30

Destruction of the natural basis of life through environmental pollution

Enter the number:

2

Other

Enter the number:

2

Describe the appropriate remedial action you have taken.

In all cases, structured remedial measures were defined as part of a corrective action plan, agreed with the supplier and followed up.

The remedial measures are based on the respective breaches of duty identified. Among other things, the following remedial measures were initiated at the suppliers concerned:

- Retrofitting of missing occupational safety measures, e.g. fire alarms, fire extinguishers, emergency exit lighting, proper protection of live cables
- Provision of personal protective equipment
- Employment contract regulations for temporary workers
- Granting sufficient rest periods and days off work
- Discontinuation of monetary disciplinary measures
- Provision of missing commercial certificates and permits
- Order block and phase-out of the supplier

Describe which considerations were made with regard to the selection and design of the measures, that were made as part of the corresponding follow-up concepts for termination and minimization

Immediately after the respective violations became known, the direct suppliers were requested to submit a statement within a short period of time. In the case of the existing breaches of duty, this was already done as part of audits. Based on the identified breaches of duty, individual measures were initiated to end the breaches or minimize their impact. When prioritizing the measures in the reporting period, the consequences of the specific breach for the individuals affected and the extent to which damage can be repaired also played a special role. These measures are each documented and scheduled in a corrective action plan and have been/will be tracked until they are confirmed as having been rectified. Depending on the type and scope of the breach of duty, the defined measures are completed by means of a written confirmation, evidence (e.g. photo documentation), follow-up inspections on site or follow-up audits, e.g. for suppliers with a large number of breaches of duty.

Due to the refusal to remedy the identified breaches of duty, the last resort was applied to 8 suppliers in the reporting year and the business relationship was suspended or terminated in accordance with the criteria of Section 7 (3) SCA. This related to 32 breaches of duty.

Describe how the effectiveness of the corrective measures is verified.

The effectiveness of remedial measures is assessed continuously over time. The key factor here is to observe whether the implemented measures have put an end to the breaches of duty in the long term. To this end, we regularly evaluate the available data from thyssenkrupp's "SCA tool"*, in which breaches of duty are recorded.

*Group-internal tool for mapping due diligence obligations in accordance with the SCA

Have the remedial measures led to the cessation of the injury?

- Partial

Explain.

In the case of 8 suppliers, initially agreed remedial measures were not implemented by the supplier and therefore did not lead to the termination of the breach. This applied to 32 of the identified breaches of duty. In these cases, after intensive efforts to influence the suppliers concerned, thyssenkrupp decided to terminate the business relationship in accordance with the criteria of Section 7 (3) SCA and to impose an order freeze. At the same time, we made efforts to find alternative sources of supply.

A further 37 breaches of duty are still being processed at the time of reporting and will be followed up in accordance with the deadlines set.

Have you analyzed the extent to which the identified violation is an indication of a possible adaptation/supplementation of existing prevention measures? Describe the process, results and effects.

On the one hand, the findings from the breaches of duty identified confirm our approach of using audits to create transparency, raise awareness and make concrete improvements at strategic and high-risk suppliers. On the other hand, the focal points identified as a result are incorporated into the further development of our prevention measures. For example, the portfolio of external sustainability audits was expanded to include additional suppliers and standards in this reporting year. The findings also allow us to ask more specific questions about frequently occurring breaches of duty in self-disclosures and to proactively highlight these topics in supplier trainings. As the SCA has only recently come into force, we expect to be able to draw more extensive conclusions about a possible expansion of our preventive measures in subsequent years.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Describe the cases in which injuries could not be terminated.

In the case of 8 suppliers, initially agreed remedial measures were not implemented by the suppliers and therefore did not lead to an end to the breach. This applied to 32 of the identified breaches of duty, particularly in the areas of occupational safety, working hours and fair pay. In these cases, thyssenkrupp decided to terminate the business relationship and impose an order freeze after a reasonable period of time and intensive efforts to influence the suppliers concerned. At the same time, we made efforts to find alternative sources of supply. The decision on remedial measures is the responsibility of the individual business units and is made on a case-by-case basis. The business units are encouraged to find solutions with suppliers in the spirit of a long-term partnership and to only ever consider the termination of business as a last resort.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Describe what long-term remedial measures have been taken, in particular what trade-offs have been made with regard to the selection and design of the measures as part of the corresponding follow-up concepts for termination and minimization.

Due to the supplier's refusal to take the necessary measures and the established poor performance, the decision was made to switch to an alternative source of supply and terminate the business relationship with the supplier.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Describe how the effectiveness of the corrective measures is verified.

In the present cases in which the breaches of duty could not be remedied, these are due to the supplier's fundamental refusal to do so. The defined measures were defined by thyssenkrupp together with the external auditor and the supplier and are therefore measures that are common practice and can be implemented in the context of cooperative collaboration. The measures could therefore also be implemented by the suppliers concerned based on experience in comparable cases. As the selected audit measures were deemed to be the only effective means, other more effective measures could not be selected. The effectiveness of the measures themselves was not in doubt due to other comparable and successful cases.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Describe the specific timetable for the concept.

As part of sustainability audits, several breaches of duty were identified at the suppliers concerned, which were discussed with the respective supplier as part of a corrective action plan. The supplier was given several deadlines to implement the measures. thyssenkrupp offered support in the implementation of corrective measures within the scope of its own possibilities, which the supplier did not accept. Due to the supplier's repeated refusal and our overall negative impression gained from the audit, the last resort was taken- the supplier has already been delisted at the time of reporting.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Specify which measures were taken into consideration when creating and implementing the concept.

- Other: Creation of a corrective action plan to specifically remedy the individual violation; in particular, retrofitting and improvement in the areas of occupational safety, time recording and the provision of adequate rest and recovery periods, as well as ensuring fair remuneration.

C. Identification of violations and corrective measures

C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

In how many cases was the business relationship with one or more direct suppliers terminated as a result of the breaches?

8

C. Identification of violations and corrective measures

C3. Identification of violations and corrective actions for indirect suppliers

Were any violations identified at indirect suppliers during the reporting period?

- No

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

In what form was a complaints procedure offered for the reporting period?

- In-house complaints procedure

Describe the company's own process and/or the process in which your company participates.

To identify violations of laws and internal Group regulations at an early stage and potentially reduce damage to thyssenkrupp employees and business partners, thyssenkrupp has established a complaints procedure for all Group companies. This procedure covers possible violations of human rights and environmental due diligence obligations and ensures that information reported by thyssenkrupp employees and external parties, such as our direct and indirect suppliers, can be received and processed throughout the Group.

The complaints procedure enables anonymous, barrier-free and worldwide submission of complaints on request. Every whistleblower receives a confirmation of receipt of their complaint, provided that all the necessary information has been provided. As part of our process, we protect the interests of whistleblowers not only by setting up a secure whistleblowing system, but also by treating incoming reports confidentially and, to protect whistleblowers acting in good faith against any disadvantages resulting from a report by any means necessary. You can also report information completely anonymously, provided this is legally permissible.

Complaints are received centrally via various reporting channels, which can be reached at <https://www.thyssenkrupp.com/de/beschwerdeverfahren>

The persons entrusted with the management of the whistleblower system are impartial, are independent, are not bound by instructions and are obliged to maintain confidentiality

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

Which potentially involved parties have access to the complaints procedure?

- Company's own employees
- Communities in the vicinity of company's own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc.
- Other: any legal and natural person

How is access to the complaints procedure ensured for the various groups of potentially involved parties?

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is clear and understandable
- All information is publicly accessible

Publicly accessible rules of procedure in text form Optional:

Describe.

-

Information on accessibility

Optional: Describe.

-

Information on responsibility

Optional: Describe.

-

Information on the process

Optional: Describe.

-

All information is clear and understandable

Optional: Describe.

-

All information is publicly accessible

Optional: Describe.

-

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

Were the rules of procedure for the reporting period publicly available?

File has been uploaded

The Rules of Procedure:

<https://www.thyssenkrupp.com/de/verfahrensordnung-beschwerdeverfahren-tkag>

D. Complaints procedure

D2. Requirements for the complaints procedure

Indicate the person(s) responsible for the procedure and their function(s).

1. Compliance Officer of the Legal & Compliance department - Compliance Investigation (receipt of the complaint, plausibility check and forwarding; rules of procedure)
2. Labor Relations Expert of the Human Relations Management - Labor Affairs & Pensions department (receipt of the complaint, plausibility check and processing/forwarding)
3. Person(s) responsible in each business unit (further processing of the complaint and documentation)

It is confirmed that the criteria contained in Section 8 (3) SCA are met for the responsible parties, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality

- Confirmed

D. Complaints procedure

D2. Requirements for the complaints procedure

It is confirmed that precautions were taken during the reporting period to protect those making the complaint, from being disadvantaged or penalized as a result of a complaint.

- Confirmed

Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

Appropriately trained specialist departments are responsible for this, working according to the "need to know" principle and safeguarding the confidentiality of identity. We protect the interests of whistleblowers not only by setting up a whistleblowing system that is secure in terms of IT technology and data protection law, but also through our commitment to treat incoming reports confidentially and to protect whistleblowers acting in good faith against any disadvantages resulting from a report by any means necessary. You can also report information completely anonymously, provided this is legally permissible.

Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.

Whistleblowers are also protected by a specially secured IT tool for reports. Furthermore, we sensitize potentially involved employees/departments, who may have to deal with the whistleblowers or the processing of the reports received, through appropriate training.

D. Complaints procedure

D3. Implementation of the complaints procedure

Did you receive any information about the complaints procedure during the reporting period?

- Yes

Provide details on the number, content, duration and outcome of the procedures.

In the reporting year, a total of 19 SCA-relevant complaints, with a focus on human rights, were received. It should be noted that the number of complaints received does not indicate the extent to which a violation has actually occurred.

None of the complaints received, resulted in a finding of a violation of the SCA.

The processing time for the complaints received was between 14 days and 6 months.

On which topics have complaints been received?

- Disregard for occupational health and safety and work-related health hazards
- Prohibition of unequal treatment in employment
- Prohibition of withholding an appropriate wage

Describe what conclusions were drawn from the complaints/reports received and to what extent these findings have led to adjustments in risk management.

If breaches of duty or risks are identified as a result of complaints received, this may have an impact on the risk analysis. Breaches of duty are ended through appropriate measures and risks are mitigated where possible.

In the reporting year, no adjustments to risk management in our own business area were necessary due to the complaints received.

E. Review of risk management

Is there a process in place to review the appropriateness and effectiveness of risk management across the board?

In which of the following areas of risk management is the appropriateness and effectiveness checked?

- Preventive measures
- Remedial measures
- Complaints procedure
- Documentation

Describe how this audit is carried out for the respective area and what results it has led to, particularly with regard to the prioritized risks.

The effectiveness of preventive measures, corrective measures, complaints procedures and documentation is reviewed once a year and also on an ad hoc basis.

The Chief Compliance Officer is responsible for the effectiveness review for the thyssenkrupp Group; he reports on the results of the review to the Executive Board of thyssenkrupp AG at least once a year.

The effectiveness review is based on internationally recognized procedures. It consists of two components: Firstly, quantitative and qualitative indicators (key performance indicators) are used. Secondly, the areas are reviewed by means of internal audits. The audits focus on all SCA-protected legal rights and positions, such as human and environmental rights, both in the company's own business area and at direct and indirect suppliers.

The review of preventive measures is based on the extent to which they adequately address the risks identified. On the one hand, this is done by asking specific questions in the above-mentioned audits. On the other hand, the documentation is used to check the extent to which prioritized risk mitigations result from the installed preventive measures. During the reporting period, no risks were identified in the units audited that would have required an adjustment to preventive measures already implemented.

The effectiveness of the remedial measures introduced is reviewed on a case-by-case basis.

The effectiveness of the complaints procedure is assessed, among other things, by the number of complaints received, the number of substantiated and unfounded complaints and the number of open complaints. The review revealed that the complaints procedure was effective during the reporting period.

In addition, the thyssenkrupp Group has implemented a two-stage approach to effectively fulfill the documentation requirements: Firstly, quantitative and qualitative indicators (key performance indicators) are used. Secondly, the effectiveness of the areas is reviewed by means of internal audits.

E. Review of risk management

Are there processes or measures in place to ensure that the interests of your employees, the employees within your supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains, are adequately taken into account when establishing and implementing risk management?

In which areas of risk management do processes or measures exist to take into account the interests of those potentially affected?

- Preventive measures
- Remedial measures
- Complaints procedure

Describe the processes and measures for the respective area of risk management.

Taking into account the interests of potentially affected parties is a central task for us in the continuous improvement process of risk management.

thyssenkrupp has always been committed to its responsibility as a fair employer. This means that we take our social responsibility seriously, are committed to good working conditions worldwide and also expect certain principles and standards from suppliers and business partners. This requires minimum standards. That is why thyssenkrupp AG, the European Works Council, the Group Works Council, the IG Metall trade union and the IndustriALL Global Union concluded an International Framework Agreement (IFA) on global minimum labor standards within the Group on March 16, 2015.

In addition to the recognition of the ILO core labor standards and the Universal Declaration of Human Rights, the IFA includes principles on good occupational health and safety, opportunities for professional and personal development, the right to appropriate remuneration, the prohibition of child and forced labor and the prohibition of discrimination of any kind. We want these standards and principles to be implemented throughout the thyssenkrupp Group.

Violations of these principles are therefore investigated. An online-based reporting system is available to record possible violations. An International Committee, set up with the participation of the Group Works Council, European Works Council and trade union, has the task of intervening in the event of violations or disputes that cannot be resolved locally. This committee incorporates the interests of employees in the pursuit of minimum standards.

We also try to work externally through our cooperation with relevant initiatives, such as the UN Global Compact, Econsense, the Human Rights Working Group of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) the Institute for Compliance (DICO), or the Federation of German Industries to integrate the perspective of potentially or actually affected persons or groups of persons as well as possible. We also take up information from suppliers.