

Our listed subsidiary Eisen- und Hüttenwerke AG also complies with the Code, taking into account the particularities of its membership of the Group. Individual deviations are presented and explained in the Company's declaration of conformity published on October 1, 2019.

Information on corporate governance practices

thyssenkrupp AG voluntarily follows all the Code's suggestions. We report on relevant corporate governance practices going beyond the statutory requirements in the corporate governance report.

How the Executive Board and Supervisory Board operate

The Executive Board and Supervisory Board work together closely in the interest of the Company. The Supervisory Board has issued Rules of Procedure for itself, its committees and the Executive Board which among other things govern the provision of information by the Executive Board to the Supervisory Board. These Rules of Procedure are permanently available on the Company's website (www.thyssenkrupp.com). The Executive Board reports at the Supervisory Board meetings and the committee meetings. To prepare the Supervisory Board meetings in an efficient and focused way, meetings of the Executive Committee (Praesidium) are held more frequently and bring in further members of the Executive Board or Supervisory Board or external advisers. In the periods between meetings the Executive Board chairperson and Supervisory Board chairperson maintain regular contact and discuss questions relating to strategy, planning, business performance, risk management and compliance at the Company.

Description of the composition and method of operation of the Supervisory Board committees

The Supervisory Board has formed a total of six committees. With the exception of the Nomination Committee, these are composed of equal numbers of shareholder and employee representatives. The Mediation Committee pursuant to § 27 (3) Codetermination Act (MitbestG) must be composed of the Supervisory Board chairperson and his/her deputy as well as one member elected by the shareholders and one by the employees. The Executive Committee (Praesidium) and Personnel Committee are composed of the same four members. The Audit Committee has six members, the Strategy, Finance and Investment Committee eight, of whom half in each case are shareholder representatives proposed by the Nomination Committee and half employee representatives proposed by the employee representatives. Under the recommendations of the German Corporate Governance Code, the Supervisory Board should not be chaired by the same person as the Audit Committee. The Nomination Committee is composed of up to five shareholder representatives elected exclusively by the shareholder representatives on the Supervisory Board. Details of the composition of the committees and their responsibilities are provided in the Rules of Procedure for the committees issued by the Supervisory Board. These and the current members can be found on the Company's website (www.thyssenkrupp.com).

The chairpersons of the committees report regularly on the meetings and work of the committees at the Supervisory Board meetings. The primary task of the committees is to prepare topics for discussion and decision in the full meetings of the Supervisory Board, except where the Supervisory Board has delegated decision-making powers to the committees. Preparatory and decision-making responsibilities are set out in the Rules of Procedure for the committees. Details on the tasks and method of operation of the committees in the fiscal year are provided in the Report by the Supervisory Board.

 www.thyssenkrupp.com >
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Female representation targets

thyssenkrupp has been pursuing a Groupwide strategy to promote diversity since 2013. Among other things we aim to achieve a 15% proportion of women in all the Group's leadership positions globally by 2020. We report on this strategy and progress made in the "Employees" section of the annual report of thyssenkrupp AG.

For the Supervisory Board of thyssenkrupp AG, the law stipulates that the board must be composed of at least 30% women and at least 30% men. The minimum quota of 30% female representation required by law and set by the Supervisory Board was exceeded in the 2018 / 2019 fiscal year. The appointment of four female members on the shareholder side and four on the employee side during the reporting period brought the proportion of women on the Supervisory Board to 40% on 30th of September 2019.

In May 2017 the Supervisory Board set a target of 20% women on the Executive Board, to be implemented by June 30, 2022.

In April 2017 the Executive Board of thyssenkrupp AG raised the female representation target for the first management level below the Executive Board from 8% to 11% and for the second from 23% to 25%, to be implemented by June 30, 2022. At the same time the Executive Board of thyssenkrupp AG continues to pursue the aforementioned Groupwide strategy targeting a global 15% proportion of women in all leadership positions by 2020.

Furthermore 24 companies of the thyssenkrupp Group subject to codetermination law have adopted targets for the proportion of women on supervisory boards, management boards, and two management levels below for the period after June 30, 2017. The implementation deadlines in each case expire on June 30, 2022. In the first implementation period ended June 30, 2017 the share of women on supervisory boards was increased from 13% to 20%. There is no supervisory board without a female member within the reporting period and the number of Group companies with women on the management board was also increased.

Description of the diversity model of the composition of the Executive Board and Supervisory Board of thyssenkrupp AG

As a listed company, thyssenkrupp AG meets the diversity requirements in particular under the Stock Corporation Act (AktG), the German Corporate Governance Code, and the applicable accounting standards. These contain different requirements for the composition of the Executive Board and Supervisory Board. In addition thyssenkrupp has set itself its own targets and a competency profile. These requirements and targets are the basis of the diversity model adopted by the Supervisory Board in November 2017 for the composition of the Executive Board and Supervisory Board of thyssenkrupp AG. With regard to the proportion of women and the target set, please refer to the preceding section.

The targets and competency profile as well as the status of implementation for the Supervisory Board are presented in the corporate governance report

Executive Board

The diversity model is aimed at securing sufficient diversity of opinion and knowledge on the Executive Board. The assessment, selection and appointment of candidates is based on the rules and generally accepted principles of non-discrimination. In selecting candidates for the Executive Board, the Supervisory Board also considers further diversity criteria: the candidate's personality, expertise and experience, internationality, training and professional background as well as age and gender.

The value and weighting given to the diversity criteria depends on the Executive Board position and duties to be performed in each individual case. In the reporting year, the Supervisory Board Personnel Committee took the above criteria into account in the structured process to find a successor for Guido Kerkhoff as chief financial officer and appointed Johannes Dietsch as CFO. This also applies for the delegation of Martina Merz by the Supervisory Board as CEO of thyssenkrupp AG as successor of Guido Kerkhoff and the additional appointment of Dr. Klaus Keysberg to the Executive Board of thyssenkrupp AG, both with effect from October 1st, 2020.

Supervisory Board

The diversity model for the Supervisory Board aims to ensure that the members of the Supervisory Board have the knowledge, skills and professional experience needed to perform their tasks properly.

In setting the target for the proportion of women on the Supervisory Board, thyssenkrupp AG follows the statutory requirements, which state that the Supervisory Board must be composed of at least 30% women and at least 30% men. In addition the diversity model contains two key elements: the targets of the Supervisory Board for its own composition and the competency profile for the Supervisory Board as a whole. Both already contain requirements for the Supervisory Board's diversity model, for example age, gender, education and professional background. The targets and competency profile as well as the status of implementation are presented in the corporate governance report.

The diversity model is implemented through the election of Supervisory Board members. The election recommendations made to the Annual General Meeting of thyssenkrupp AG must meet the statutory requirements for the representation of women and men on the Supervisory Board while taking into account the targets set by the Supervisory Board itself and aiming to fulfill the competency profile for the board as a whole. This also applies to the appointment of successor candidates to the Supervisory Board. The diversity model is taken into account by the Nomination Committee in its search for candidates on the shareholder representative side of the Supervisory Board.