

# Corporate governance statement of thyssenkrupp AG and the thyssenkrupp Group

The corporate governance statement is published separately on the internet in accordance with § 289a (1) sentence 2 HGB. It contains the declaration of conformity in accordance with § 161 AktG, relevant information on corporate governance practices, a description of the working of the Executive Board and Supervisory Board as well as the composition and working of their committees and the commitments to promote the participation of women in leadership positions in accordance with § 76 (4) and § 111 (5) AktG.

## Declaration of conformity in accordance with § 161 AktG

Under § 161 AktG the executive board and supervisory board of a listed German stock corporation are required to issue a declaration at least once a year stating whether the German Corporate Governance Code has been and is being observed and which of the Code's recommendations have not been or are not being applied and why. The Executive Board and Supervisory Board of thyssenkrupp AG have issued the following declaration, which was published on the Company's website at [www.thyssenkrupp.com](http://www.thyssenkrupp.com) on October 1, 2017:



**Declaration by the Executive Board and Supervisory Board  
of thyssenkrupp AG  
on the recommendations of the  
"Government Commission on the German Corporate Governance Code"  
in accordance with Art. 161 of the Stock Corporation Act (AktG)**

thyssenkrupp AG complies with all recommendations of the German Corporate Governance Code as amended on February 7, 2017, published by the Federal Ministry of Justice in the official section of the Federal Gazette ("Bundesanzeiger") on April 24, 2017, and will continue to comply with these recommendations in the future.

Furthermore, since issuing its last declaration of conformity on October 1, 2016, thyssenkrupp AG has complied with all recommendations of the German Corporate Governance Code as amended on May 5, 2015 and published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 12, 2015, and, since its publication in the Federal Gazette, as amended on February 7, 2017.

Duisburg/Essen, October 1, 2017

For the Supervisory Board

Handwritten signature of Ulrich Lehner in blue ink.

- Lehner -

For the Executive Board

Handwritten signature of Heinrich Hiesinger in blue ink.

- Hiesinger -

## Relevant information on corporate governance practices

### Implementation of the rules of the German Corporate Governance Code

thyssenkrupp AG regularly reviews compliance with the recommendations and suggestions of the German Corporate Governance Code. It also voluntarily follows the Code's suggestions.

### Organizational and management structure

The thyssenkrupp Group's business operations are organized in five business areas. The Group is led strategically by thyssenkrupp AG. The Group operates in a multidimensional management structure (matrix structure) made up of operating businesses, corporate functions, regions, and service units. Further details are provided under "Profile and organizational structure" in the "Fundamental information about the Group" section of the 2016/2017 annual report.

### Compliance program

Compliance, in the sense of all Groupwide measures to ensure adherence to statutory requirements and binding internal regulations, is a key management and oversight duty at thyssenkrupp.

The Executive Board of thyssenkrupp AG has unequivocally expressed its rejection of antitrust violations and corruption in the thyssenkrupp Compliance Commitment. Any violations, in particular antitrust or corruption violations, will be met with zero tolerance. Compliance is a question of mindset.

The importance attached to compliance at thyssenkrupp is underlined by the fact that a dedicated Executive Board member is responsible for the corporate functions Legal & Compliance. This Executive Board member reports regularly on compliance topics to the Supervisory Board and Audit Committee. The Chief Compliance Officer is responsible for the management of the compliance program and reports directly to the Executive Board member for Legal & Compliance.

You can find out more about compliance at thyssenkrupp on our website and in the "Compliance" section of the 2016/2017 annual report.

### Group mission statement as a framework for a sustainable corporate culture

Our Group mission statement describes how we see ourselves as a Group – "WE are thyssenkrupp". It strengthens employees' identity with the Company, provides orientation and serves as the basis for everything we do. It therefore also plays a key role in our Groupwide culture change, which is bringing us closer to the standards defined in the mission statement. The Group mission statement was developed by employees from all over the world. Together they defined thyssenkrupp's aims on our path to becoming a diversified industrial group.

### Further key corporate principles

While the Group mission statement describes our goals and standards, the concrete principles and ground rules for our work and our behavior towards business partners and the public are summarized in the thyssenkrupp Code of Conduct. This provides employees, managers and board members alike with guidelines on subjects such as compliance, equality and non-discrimination, cooperation with the employee representatives, occupational health and safety, environmental and climate protection, as well as data protection and information security. Suppliers are required to follow the thyssenkrupp Supplier Code of Conduct. In addition thyssenkrupp has signed the United Nations Global Compact, the Code of Conduct of the German Association for Supply Chain Management, Procurement and Logistics (BME), and the Diversity Charter.



Compliance is a question of mindset.

All these principles are implemented with the aid of the existing programs and management systems and the Indirect Financial Targets. Details are presented in the sustainability section of our website as well as under “Targets” in the “Fundamental information about the Group” section of the 2016/2017 annual report.

### **Description of the working and composition of the Executive Board and Supervisory Board and Supervisory Board committees**

The composition of the Executive Board of thyssenkrupp AG can be viewed on the website [www.thyssenkrupp.com](http://www.thyssenkrupp.com). The Executive Board has no committees. The work of the Executive Board, the distribution of directorates and the Executive Board’s duties to supply information and report to the Supervisory Board and its committees are regulated by the Rules of Procedure for the Executive Board and associated Annexes.

The composition of the Supervisory Board of thyssenkrupp AG is governed by German law and the detailed provisions of §9 of the Articles of Association. The current composition of the Supervisory Board and its six committees can be viewed on our website. In addition the Supervisory Board has adopted targets for its composition which are presented in the corporate governance report. As an independent member of the Supervisory Board with expertise in accounting and auditing in the meaning of § 100 (5) AktG, Bernhard Pellens is Chairman of the Audit Committee. The Supervisory Board has issued rules of procedure for itself and its committees.

The Articles of Association of thyssenkrupp AG and all rules of procedure for the Executive Board and the Supervisory Board and its committees can be viewed on our website. More details on the work of the Executive Board, Supervisory Board and its committees are provided in the section “Supervisory Board” in the 2016/2017 annual report.

### **Commitments to promote the participation of women in leadership positions in accordance with § 76 (4) and § 111 (5) AktG and information on minimum representation on the Supervisory Board**

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 by 2020. We report on this strategy and progress made in the “Employees” section of the annual report.

Currently 24 German companies of the thyssenkrupp Group are additionally subject to a statutory obligation to set targets for the proportion of women on supervisory boards, management boards, and two management levels below, in each case specifying a deadline for meeting these targets. All companies concerned have fulfilled this obligation. All the initial implementation deadlines expired on June 30, 2017. In the implementation period the share of women on supervisory boards was increased from 13% to 20%. There is no supervisory board without a female member. The number of Group companies without women on the management board was also reduced. For the period after June 30, 2017 the companies have set new targets for the proportion of women on supervisory boards, management boards, and the two management levels below. The implementation deadlines run until June 30, 2022.

For the Supervisory Board of thyssenkrupp AG, the rule is that the board must be composed of at least 30% women and at least 30% men. The overall proportion of women on the Supervisory Board is 25%. In the past fiscal year an employee representative stood down from the Supervisory Board and was replaced by a court-appointed male employee representative after the employee side objected to joint

fulfilment of the minimum quota by the Supervisory Board as a whole. As the employee representative side already had a 30% proportion of women members, the legal requirements for the appointment were met.

The Supervisory Board of thyssenkrupp AG initially set a target of 0% women on the Executive Board of thyssenkrupp AG, to be implemented by June 30, 2017. For the period after June 30, 2017 the Supervisory Board has now set a target of 20%, to be implemented by June 30, 2022. The composition of the Executive Board has since remained unchanged.

The Executive Board of thyssenkrupp AG had adopted targets of 8% for the first management level and 23% for the second management level, also to be implemented by June 30, 2017. 5% female representation was achieved at the first management level and 23% at the second. This means that the proportion of women at the first management level did not reach the 8% target in the first implementation period. It was not possible to fill a first management level position with a female candidate within the short initial implementation period. thyssenkrupp AG is working to increase the number of women in the talent pool with the skills required for these positions. For the period after June 30, 2017 targets of 11% for the first management level below the Executive Board and 25% for the second now apply, to be implemented in each case 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.