

NON-FINANCIAL REPORT

Separate non-financial report for Heidelberger Druckmaschinen AG and the Group

In accordance with sections 315b and 315c in conjunction with sections 289b to 289e of the German Commercial Code (HGB), Heidelberger Druckmaschinen AG is publishing a separate combined non-financial report (hereinafter: non-financial report) in line with the German CSR Directive Implementation Act enacted on April 19, 2017 for financial year 2018/2019 (April 1, 2018 to March 31, 2019). Unless stated otherwise, the disclosures made in this report relate to the companies included in the scope of consolidation of the consolidated financial statements. These disclosures therefore apply equally, unless otherwise indicated, to Heidelberger Druckmaschinen AG and the Group (“Heidelberg”, “Heidelberg Group”, “the Company”).

References to information outside of the Group management report constitute information beyond the mandatory disclosures as per HGB and are not part of this non-financial report.

This non-financial report for the financial year 2018/2019 was compiled independently of frameworks on the basis of statutory requirements, as no reporting of sustainability activities on the basis of a framework has been carried out in recent years.

The non-financial report was subjected to a voluntary business audit with limited assurance according to ISAE 3000 (Revised). Selected voluntary report contents such as water consumption, CO₂ emissions, waste and the recycling rate were not part of the audit and are clearly identified by an asterisk. The scope of the audit and the audit opinion are described in the auditor’s report on page 9 and 10.

Relevant aspects of this report

The legal requirement groups the content reported on the key issues into the following five aspects: environmental issues, employee issues, social issues, respect for human rights, and the fight against corruption and bribery.

For the Group, the non-financial aspects requiring disclosure were identified according to the double materiality provision of section 289c (3) HGB in the 2017/2018 financial year and retained for the 2018/2019 financial year. They were assigned to the reportable minimum aspects as follows:

- Environmental issues: energy
- Employee issues: employee development/qualification and occupational health and safety
- Respect for human rights: roll-out of the Code of Conduct – throughout the Group and to the supply and production chain
- Combating corruption and bribery: development of training and consulting services

In addition, the non-financial report contains the required disclosures on the business model and the measurement of non-financial risks. All reportable disclosures on the legally required, overarching issue of the supply chain are made under the “respect for human rights” aspect.

Taking the business and impact relevance of the HGB double materiality provision into account, the social issues aspect is not currently a material aspect for the Heidelberg Group. However, social engagement has always been part of Heidelberg’s basic understanding of corporate responsibility. We therefore also relate selected information on social issues in this report in the context of voluntary reporting. We thus report more than the minimum legal requirements of the German CSR Directive Implementation Act.

Risk measurement

According to the Group-wide early warning system, in the Management Board’s estimation and after accounting for risk-mitigation measures, no reportable risks were identified in the current forecast period (up to three years, depending on risk group) that are associated with the Company’s own business activities, business relationships, products or services, or that are very likely to have severe negative effects on the material aspects. The description of our risk and opportunity management system and the Group’s risk and opportunity report can be found in the 2018/2019 Group management report on pages 41 to 51.

Sustainability strategy

For Heidelberg, sustainability means combining long-term business success with ecological and social responsibility. Attention to sustainability aspects is part of the Group's environmental standards and our standards of conduct as they apply to our products, our production processes and our supply chain and as regards our interactions with each other and our partners. Compliance with standards of conduct and environmental standards is mandatory throughout the Group, and is set out in the Heidelberg Group's environmental policy and in our Code of Conduct, among other places, both of which can be found on the Heidelberg website.

Business model

Heidelberger Druckmaschinen Aktiengesellschaft has been a reliable and highly innovative partner to the global printing industry for many years. For more than 160 years we have stood for quality and future viability. This means that we are a company with a long tradition, but at the same time we help define the future trends in our industry thanks to state-of-the-art technologies and innovative business ideas. Our mission is to shape the digital future of our industry. We are aiming to develop Heidelberg into an end-to-end digital system for industrial value added, assisting print shops in their own digital transformation. The most important component on this path is the smart use of the data available to Heidelberg through the digital connection and networking of customer equipment. The Company is focused on customer requirements and on generating value added in terms of efficiency, profitability and customer success.

But with everything that is new, the proven values are always retained. Customers are at the heart of our business. We have geared our portfolio towards the growth areas of our industry. It is based on products for prepress, printing and further processing, service, consumables and software solutions, with a strong focus on a digital future. Our strong presence in the area of services and software in particular provides us with excellent foundations for digital transformation.

Also and above all, the potential resulting from combining individual product portfolio offerings to create an end-to-end productive solution for customers must be

leveraged to increase productivity and profitability for our customers and us. What we do – which is unique on the market – is to create a smart end-to-end system from a data-supported configuration of all operating resources, consisting of machinery, software, service and consumables. The model is based on Heidelberg's established ability to digitally network with its customers and printing press users and deliver a self-contained, productive system. We, too, share in the benefits this entails. With new digital business models, our interests are aligned with those of the customer. It is in our own interest to ensure that the customer succeeds.

We are also addressing new markets beyond the printing industry. For example, we have successfully joined the e-mobility market with our expertise in power electronics.

With a market share of more than 40 percent for sheet-fed offset presses, we were able to consolidate our position as the printing industry's market and technology leader in the current financial year as well. Consolidated sales amounted to almost €2.5 billion in the financial year 2018/2019. Together with our sales partners, around 11,500 employees in total at 250 production sites in 170 countries around the globe ensure the implementation of our customers' requirements and our continuous development on the market.

Further information on our Company can be found in the 2018/2019 Group management report under "Basic Information on the Group" on pages 9 to 26.

Environmental issues

Group-wide ecological goals and issues are defined by the Eco Council, which is headed by the Management Board member with responsibility for environmental issues, and whose members include the environmental management officer and representatives from the areas of Production, Digital Technologies, Product Development and Product Safety, Lifecycle Solutions (Service, Consumables), Quality, Investor Relations/Communications, Legal, and Facility Management.

The content of our activities is defined by our environmental policy, which is geared towards raising awareness, conserving resources and resource efficiency. The Heidelberg Group's environmental policy can be found on the Company's website: www.heidelberg.com/eco.

The interdisciplinary Eco Steering Committee advises the Eco Council, proposes an environmental strategy and program, and oversees their implementation in the individual areas. Other committees and working groups focus on key subjects.

Compliance with legal requirements for operational and product-related environmental protection is a matter of course for Heidelberg. We regularly coordinate the implementation of measures in both focus areas throughout the Group and prepare Group standards.

Because of our production sites with high vertical integration, we have identified energy as a material environmental issue.

Energy monitoring system

Since 2013, we have established an energy monitoring system at our major German production and development sites (Wiesloch-Walldorf, Amstetten, Brandenburg and Heidelberg), which we use to record and analyze energy consumption and flows. These locations are responsible for around 93 percent of the Heidelberg Group's energy consumption. We currently have over 1,400 integrated measuring points and are working continuously to refine the metering infrastructure and define significant energy loads. By integrating the innovation center at the Wiesloch-Walldorf site, we have systematically continued on this path and established a detailed metering infrastructure. It will therefore be possible for the first time here to track energy flows into individual quarters and to visualize and analyze them via the energy monitoring system. This is currently being implemented. The transparency thus gained will enable us to reduce energy consumption and the associated environmental impact of the transformation, transport and distribution of energy. In addition, the system helps us to identify potential savings and to take environmental issues into account in decision-making processes.

Careful use of energy as a resource

In order to heighten awareness of the responsible use of energy as a resource from the beginning of young people's careers, Heidelberg has for some years been participating in the nationwide "energy scout" projects led by the responsible Chambers of Industry and Commerce at the Wiesloch-Walldorf and Amstetten production sites. The practical event of the Rhine-Neckar Chamber of Industry and Commerce took place at our Wiesloch-Walldorf location on October 25, 2018, and Heidelberg's Chief Executive Officer and B.A.U.M. award winner Mr. Hundsdörfer did not miss the opportunity to welcome the trainees in person and to pay his respects to the energy scout project for reducing the energy costs for furnaces.

Certification

As a company that has been certified for many years – this includes our seven development and production sites in Germany and our production site in China – we are continuously improving. The extended requirements of the revised ISO 9001:2015 and 14001:2015 standards have been successfully integrated in our operating procedures. We raise awareness of the significant environmental impact made by the divisions by actively involving certification officers and other employees. For controllable processes/activities, we promote the initiation of measures to reduce the environmental impact or improve the environmental performance. The management evaluation process gives us the feedback we need to make readjustments when required.

Our Amstetten site, where we operate our foundry, uses energy most intensively and has been certified according to DIN ISO 50001 since 2012.

The energy management system was successfully recertified again as part of a combined 9001, 14001 and 50001 audit in September 2018. In 2018, the site's energy efficiency was improved by around 4 percent through the implementation of numerous energy saving measures. This was achieved in part by installing further LED lighting, the use of high-efficiency pumps for the drinking water supply and by taking the first steps identified by the "energy-efficient smelting" project.

Environmental figures

The table below includes the five largest development and production sites (Wiesloch-Walldorf, Amstetten, Brandenburg, Heidelberg, Qingpu), which together account for around 95 percent of the Group-wide energy consumption.

	2017/2018	2018/2019
Energy in GWh/a	290	290
Energy in GWh/a (weather-adjusted) ¹⁾	288	303
Water in m ³ /a *	207,903	227,710
CO ₂ emissions in metric tons ²⁾ *	105,153	105,418
Waste in metric tons *	35,980	41,545
Recycling rate in percent *	96.36	97.53

* Voluntary disclosure, not checked by auditor

¹⁾ In accordance with VDI 2067, heating energy consumption was adjusted based on the degree days figure of the Heidelberg site

²⁾ CO₂ emissions resulting from energy consumption have been based on information from the respective electric utility at the particular production site; other emissions are based on GEMIS

Employee issues

Demographic change, changes in the world of work and the underlying conditions associated with digitalization, and the resulting trends with regard to work-life balance and health are significant challenges that the Company takes into consideration in its areas of activity, especially in the competition for the best employees and their long-term retention. The aim of our HR work is to keep our employees healthy and motivated. As a company undergoing digital transformation, we are particularly keen to prepare our workforce for the future requirements of a rapidly changing work environment. This is why our HR work is currently focusing on concepts for employee development/qualification and occupational health and safety.

There is currently no overarching concept for employee issues for the Heidelberg Group as a whole. We therefore concentrate our reporting on employee issues on Heidelberger Druckmaschinen AG and thus cover around 50 percent of our employees in the Group. In the future, we want to make our HR management gradually more global and international. Group-wide management guidelines are

already established for this purpose. Because of their disparity in terms of number of employees and local statutory requirements, the subsidiaries are still currently managed individually. The local management of each Group company reports relevant issues to the responsible HR managers at Heidelberger Druckmaschinen AG. On the Heidelberg Group's Management Board, the Chief Executive Officer also holds the post of Chief Human Resources Officer. He is reported to directly by the Heidelberg Group's general HR manager, who regularly attends Management Board meetings to report on and address employee issues.

On the basis of the functional organization newly implemented in the 2018/2019 financial year, an international balanced score card (BSC) for Human Resources was set up for the first time for the 2019/2020 financial year. The core objectives of this BSC are to standardize commission schemes for a clear focus on strategic corporate goals (see 2018/2019 Group management report, pages 18 to 21), to support our sales teams with a global "FIT4Sales" training program, to introduce a performance management process and to implement the Workday Human Capital Management program.

The corporate culture is founded on the Company-wide Code of Conduct, in which the Company commits to respectful cooperation. The Code is flanked by an extensive set of guidelines that are published and accessible on the intranet.

Employee development/qualification in light of the various challenges of the changing world of work

"Make employees successful" is our credo for sustainable employee development and qualification – regardless of the level within the Company, phase of working life or whether in administration, production, sales and marketing, or service.

As the Company is undergoing a profound process of change, which is rearranging many structures and processes, the continuous enhancement of the management culture plays a central role in imparting the Company's values to all employees and motivating them to put them into practice.

Last year, we launched our "Fit4Sales" training program for all sales employees worldwide. Further modules will be rolled out this year in line with the trend towards learning based on practical activities. Speedboat initiatives are being

used to integrate the learning content into real sales projects. This means that learning takes place in small groups and short modules close to the actual point of sale.

More keynote lectures and workshops have also been offered since this financial year. A key topic here is digital leadership. Events where local management meets in person and international management is patched in allow a lively discussion of current issues such as “Leading in the Matrix”.

Our CEO gave managers from various levels of the hierarchy a deeper understanding of the transformation in a format called “CEO Dialog”. In open discussion, workshop managers up to second-tier managers were able to discuss the strategic realignment of the Company and consider what changes this will bring for their own management work. This successful format of quick and open discussion will be pushed even more intensively this financial year. In addition to the CEO, this will allow all members of the Management Board to make interactive contact with the various employee groups.

“Listening” as a guideline for the employee-supervisor dialog

The involvement of employees and intensive communication between management and employees is a guideline for our HR policy concepts. With the mandatory annual employee-supervisor dialog, we make the principle of listening, of promoting discussion, of formulating common goals and discussing supporting steps a firm fixture in the calendar. The focus here is jointly reflecting on cooperation, taking steps for the improved implementation of agreed goals and developing suitable concepts. Measurement against defined management criteria and the relationship to the individual value added is also an established practice for management. We thus obtain an overview of the management portfolio and the leadership qualities of senior management. This cyclical process is an important component in individually understanding and further improving management culture.

Modern working conditions

Personal planning of working hours is becoming increasingly important in the dynamically changing world of work, not least with regard to work-life balance and the ability of older employees to work. In Germany, Heidelberg offers various flextime models as well as part-time models,

for example the 4-day week initiative, in order to meet these requirements. More than 9 percent of all employees work part-time. Mobile working conditions in the form of alternating telework or the home-office model are, of course, an option, provided the respective job allows.

Qualification of the next generation

In Germany, Heidelberg trains young people in 15 different occupations and numerous fields of study in partnership with universities that offer dual study programs. Besides the acquisition of specialist knowledge and professional qualifications, the young people are helped to develop their skills in an independent and holistic manner. Encouragingly, the share of young women has increased in recent years. They currently account for 17 percent of trainees and 41 percent of the dual studies students. With mentoring measures and our new “WIN@Heidelberg with Diversity” program, we are also trying to continuously increase the share of women in management by helping them plan their careers at Heidelberg.

Occupational health and safety

Occupational safety and the prevention of accidents throughout the Group are a top priority at Heidelberg. Uniform internal regulations are coordinated by the Safety Management Panel in order to implement the requirements called for by law and the employers’ liability insurance association. This panel serves the German and international production sites as an information platform. Coordination by “experts” enables the ongoing development of measures across all production sites that can be adapted to specific circumstances.

The member of the Management Board responsible according to the organizational chart is reported to directly and promptly on these activities by the Corporate Safety Director.

The use of appropriate software facilitates the quick and standardized execution of common processes such as drafting risk assessments, conducting and documenting work safety inspections, the management of hazardous materials, accident processing, and conducting and documenting safety training. The creation of digital templates and checklists means that new locations can be raised to the occupational safety level of the parent company with minimal effort. Preparations have been made to implement the risk assessment of work-related mental stress as a

Employee figures

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Number of employees (at end of reporting period; excluding trainees)	11,951	11,565	11,511	11,563	11,522
Trainees	427	351	323	311	329
Specialized training days ¹⁾	12,615	11,059	12,831	11,321	-
Turnover rate in percent ²⁾	8.2	5.9	1.6	1.5	2.0
Average seniority (in years)	17.9	18.6	19.3	19.9	19.9
Percentage of female employees	14.8	15.7	15.8	15.9	16.1
Percentage of part-time employees (excluding partial retirement)	4.6	5.0	5.2	5.8	6.7

¹⁾ The figures for financial years 2014/2015 and 2015/2016 have been restated to reflect subsequent notifications from foreign companies

²⁾ Employees leaving the Company not including temporary contracts coming to an end, not including transfers, including those entering the resting phase of partial retirement at Heidelberger Druckmaschinen Aktiengesellschaft and including operational redundancies

further component of the occupational safety management system with the participation of the appropriate internal representatives.

This will go ahead in the new financial year and make it possible to identify the potential to reduce time off due to work-related mental stress.

The average accident rate per one million working hours fell from 10.8* (2017: 95 reportable accidents) to 10.3 (2018: 93 reportable accidents) at the largest German production sites. Heidelberg is therefore still below the industry's average accident rate of 12.6 in 2017 (source: German Employers' Liability Insurance Association of the Wood and Metal Industry (BGHM)). The accident statistics include the largest German production sites by number of employees, namely Wiesloch-Walldorf (including the Heidelberg development site), Amstetten, Brandenburg and Ludwigsburg, which are allocated to BGHM, for each calendar year.

In a time defined by flexibility, speed, change and digitalization, however, Heidelberg goes far beyond the required measures to maintain and promote the health, motivation and fitness of its employees. As part of the extensive "WIEfit" concept, Heidelberg opened a health center at its largest site, Wiesloch-Walldorf, in April 2017. In addition to conventional fitness training, it offers prevention courses (such as stress management through mindfulness, back fitness, fascia training and functional training) and integrated physiotherapy in particular.

In its second year, around 500 employees used WIEfit as members, participants in prevention courses or physiother-

apy patients. Plans to increase the space available to WIEfit are currently being considered on account of the high demand.

The WIEfit Healthy Eating concept that was introduced in February 2017 and continued in the 2018/2019 financial year has now been accepted by large numbers of employees. More than half the food sold is "WIEfit food" on most days. Employees are also offered nutritional advice and weight-loss coaching.

The WIEfit principles are also still being implemented at other sites, where possible in terms of equipment and number of employees. For example, work situation analyses will be carried out for various employee groups at the Ludwigsburg production site from May. The results of this analysis will be used to identify which employee health issues to promote. Measures appropriate to these issues will then be derived and implemented.

Work management coaching has now been set up at the Wiesloch-Walldorf production site as part of the risk assessment of mental stress to aid employees' long-term work capability.

The WIE-Bike concept, which allows employees to enter work grounds on their own bicycles and lock them up close to where they work has proved highly popular. Around 875 employees have registered to bring their bicycles onto work grounds so far. Significantly more employees are therefore now cycling to work every day and thus doing something for their health.

* The number of reportable accidents in 2017 was amended retrospectively on account of accidents reported subsequently.

Social issues

As a global Group, Heidelberg contributes to regional economic development with its locations, employees and suppliers and thus makes an indirect contribution to the prosperity of society and individuals. The Company exerts a direct influence with targeted social engagement, which is planned and managed locally by the respective Company units.

Although this aspect is not a material aspect for the Heidelberg Group as defined by HGB, examples are demonstrated in this report.

Heidelberger Druckmaschinen AG focuses its social activities on education projects and is active in this field with its own projects and as a “Knowledge Factory – Companies for Germany” partner. Heidelberg, with the help of its trainees, supports projects at around 15 schools that give children hands-on experience of technology and science. Heidelberg’s Brandenburg production site is committed to the “Round Table for Youth and Business for Brandenburg”, whose goal is to improve the development prospects of young people, and is also a member of the state jury for “Youth Science” as a regional sponsor company in Brandenburg for Germany’s biggest school competition “Strong School”. We also support local projects and institutions at our international production sites.

The educational concept at Heidelberg encompasses not just subject-based learning but also the social and personal aspects of education. For this reason, a joint project work week for all new trainees and students is held at the beginning of each training year and the social projects developed here are subsequently implemented. A number of projects with kindergartens, a day care center and a nursing home were implemented in the reporting year. There were also various Christmas activities at training locations. The proceeds are donated and regularly benefit the region’s needy.

Fight against corruption and bribery

Our aim is still to continually enhance our compliance program for the prevention of corruption and bribery. To this end, our compliance management system is reviewed and modified regularly. The prevention of misconduct and the investigation and prosecution of violations are equally important conditions for our integrity.

We validate our standards with regular compliance checks in defined risk areas; Heidelberg Group companies’ departments are advised by the central Compliance Office, which reports directly to the Chief Compliance Officer. This means that our compliance program is continuously updated. Necessary or potential improvements are thus evaluated, and the implementation of defined improvements is tracked continuously.

At Heidelberg, the fight against corruption and bribery is based on extensive internal rules that managers and employees are obliged to comply with and that are binding globally. The central element of the internal rules are the values of the Heidelberg Group and our Code of Conduct, which also lays out our principles on the acceptance and treatment of gifts, invitations or other benefits. The neutrality of business transactions is ensured by a clear requirement to disclose potential conflicts of interest and by defining value limits as part of the approval process, which covers all obligations to third parties and adheres strictly to the dual control principle and the principle of the separation of functions.

The use of standardized processes to avoid corruption and manipulation has proven valuable and will continue. The central structure of standardized corruption prevention throughout the Group is the responsibility of the Compliance Committee, whose task is to define global standards and to implement them universally.

This body, led by the Heidelberg Group’s Chief Compliance Officer, who reports regularly to both the Management Board and the Audit Committee of the Supervisory Board of Heidelberger Druckmaschinen AG, evaluates and

makes decisions on global compliance measures. It met regularly in the reporting year, reviewing compliance with the Heidelberg Group's stipulations and coming up with proposals, for example, for how rules on the handling of corruption-related issues can be implemented effectively throughout the Group in line with the rules. International Heidelberg Group managers are among those represented in the Compliance Committee, with permanent seats. They are accompanied by experts from affected departments summoned for specific topics.

As a result of country-specific tax laws, there have previously been local requirements for Sales and Marketing for the handling of benefits. The Compliance Committee discussed adopting a Group-wide "Anti-Corruption and Bribery Policy" in the reporting year to standardize these requirements as far as possible.

Training was developed in the world languages relevant to Heidelberg in the 2018/2019 financial year, including on the Code of Conduct. This is reinforcing the common understanding of integrity, expanding the dialog with employees and further improving their awareness for potential conflict situations.

In our opinion, the issue of corruption and manipulation will also become a greater focus of compliance communication in the future, due in part to the increasing attention this topic has received from the public in recent years. Corresponding further training and advisory services for employees will also provide greater clarification and security for employees in everyday office life and in business dealings in the future.

Respect for human rights

Protecting and respecting human rights is an elementary component of Heidelberg's system of values. We hereby follow the international guidelines of the UN Global Compact and the United Nations Guiding Principles on Business and Human Rights. They are part of our Group-wide Code of Conduct, which is both a binding framework and a guide for our daily activity and our decisions – both within the Heidelberg Group and regarding third parties. We thus make laws and directives but also moral and ethical princi-

ples the basis of our action. Suppliers and contracting parties are included in our targets at our production sites and are asked to comply with similar standards.

Heidelberg complies with international labor laws and standards. The four fundamental principles of the International Labor Organization (ILO) give us a reference point here and are a key element of our entrepreneurial thinking and action and part of our Code of Conduct.

In its capacity as the body for the Group-wide control and observance of compliance, the Compliance Committee is also responsible for monitoring compliance with human rights and labor standards. The Chief Compliance Officer reports regularly to both the Management Board and the Audit Committee of the Supervisory Board of Heidelberger Druckmaschinen AG also in this regard.

We continued the systematic roll-out of our Code of Conduct in the supply and production chain in the 2018/2019 financial year, largely completing the process for Germany. The majority of our business partners, especially in Germany, have made a binding written commitment to our Code of Conduct or can provide evidence of their own equivalent regulations. Heidelberg also reserves the right to make inspections in this regard. This process is becoming more international in order to ensure compliance with the values of the Heidelberg Group and our Code of Conduct at our global service providers and suppliers as well.

Through the future introduction of internal (online) training, including on the content of the Code of Conduct, we want to achieve an even deeper global and shared understanding of Heidelberg's principles.

Employees' personal rights (discrimination and harassment) are protected by an established complaints system on the part of the Works Council. Employees and third parties are also able to use Heidelberg's ombudsman system to report abuses.

As part of the continuous expansion of our compliance management system, we introduced a Group-wide whistleblower/ombudsman system in 2016. Our ombudsman is still available to all employees and third parties so that they can report compliance violations, anonymously if desired. Communications about the ombudsman system have continued and been stepped up internationally with the assistance of the global Compliance organization.

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting¹⁾

To Heidelberger Druckmaschinen AG, Heidelberg

We have performed a limited assurance engagement on the combined separate non-financial report pursuant to §§ (Articles) 289b Abs. (paragraph) 3 and 315b Abs. 3 HGB] ("Handelsgesetzbuch": "German Commercial Code") of Heidelberger Druckmaschinen AG, Heidelberg, (hereinafter the "Company") for the period from 1 April 2018 to 31 March 2019 (hereinafter the "Non-financial Report").

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Non-financial Report in accordance with §§315b and 315c in conjunction with 289b to 289e HGB.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of non-financial reporting as well as making assumptions and estimates related to individual non-financial 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 Non-financial 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 Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; 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 Non-financial Report based on the assurance engagement we have performed.

Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Non-financial 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 nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from 1 April 2018 to 31 March 2019 has not been prepared, in all material aspects, in accordance with §§315b and 315c in conjunction with 289b to 289e HGB].

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 judgment.

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

- Obtaining an understanding of the structure of the sustainability organization
- Inquiries of personnel involved in the preparation of the Non-financial Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Non-financial Report
- Identification of the likely risks of material misstatement of the Non-financial Report
- Analytical evaluation of selected disclosures in the Non-financial Report
- Comparison of selected disclosures with corresponding data in the group management report
- Evaluation of the presentation of the non-financial information

¹⁾ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined separate non-financial report and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent assurance 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 Company's Non-financial Report for the period from 1 April 2018 to 31 March 2019 has not been prepared, in all material aspects, in accordance with §§315b and 315c in conjunction with 289b to 289e HGB.

Intended Use of the Assurance Report

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 about the results of the limited assurance engagement. The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Frankfurt am Main, 24 May 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Axel Faupel
Wirtschaftsprüfer
[German public auditor]