

## 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 289c to 289e of the German Commercial Code (HGB), Heidelberger Druckmaschinen AG is publishing a separate combined non-financial report in line with the German CSR Directive Implementation Act enacted on April 19, 2017 for the first time for financial year 2017/2018 (April 1, 2017 to March 31, 2018) and annually from then on. 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 2017/2018 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, CO<sub>2</sub> emissions, waste, the recycling rate and the employee figures shown in the table 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 pages 8 and 9.

### 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. 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
- Fight against 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 or 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 2017/2018 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, 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.

But with everything that is new, the proven values are always retained. Customers are at the heart of our business, and our customer-centric approach is continually advanced. 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.

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 us and our customers. 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 equipment, consisting of machinery, software, service and consumables. We, too, share in the benefits this entails. With new digital business models, our interests are aligned with those of the cus-

tomers. It is in our own interest to ensure that the customer succeeds.

Beyond the printing industry, we are also addressing new markets with our digital platform for industrial customers. 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 around € 2.4 billion in the 2017/2018 financial year.

Together with our sales partners, around 11,600 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 2017/2018 Group management report under "Basic Information on the Group" on pages 9 to 26.

## Environmental issues

Sustainability is a firm fixture of the Heidelberg Group's organization. Group-wide ecological goals and issues are defined by the Eco Council, which reports to the Management Board on sustainability and environmental issues, and whose members include a representative of the Eco Steering Committee and representatives from the areas of Production, Digital Technologies, Product Development and Product Safety, Life Cycle Solutions (Service, Consumables), Quality, Investor Relations/Communications and Legal.

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](http://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 operation and product-related environmental protection is a matter of course for Heidelberg. We regularly coordinate the imple-

mentation of measures in both focus areas throughout the Group and draw up 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 800 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 will stick to this path and establish a detailed meter infrastructure. It will therefore be possible to track energy flows into individual quarters and to visualize and analyze them via the energy monitoring system. 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 the 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. On June 28, 2017, Germany's best energy scout projects were honored by Federal Environment Minister Dr. Barbara Hendricks. Three trainees from our site in Amstetten were invited in recognition of their project for the energy-efficient conversion of hall lighting.

### 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. We have made significant progress in

the structured evaluation of environmental aspects at division level with the revised ISO 9001:2015 and 14001:2015 standards successfully implemented last year. 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. At the start of 2018, the energy management system was successfully recertified yet again. In 2017, the site's energy efficiency was improved by 4.2 percent through the implementation of numerous energy-saving measures. The consistently demand- and load-based operation of air supply and exhaust systems, energy optimizations of production installations, the use of LED lighting and improvements to the heating and ventilation systems contributed to the substantial energy savings of recent years.

## 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
Energy in GWh/a	290
Energy in GWh/a (weather-adjusted) <sup>1)</sup>	288
Water in m <sup>3</sup> /a*	207,903
CO <sub>2</sub> emissions in metric tons <sup>2)</sup> *	105,153
Waste in metric tons*	35,980
Recycling rate in percent*	96.36

\* Voluntary disclosure, not checked by auditor

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

<sup>2)</sup> CO<sub>2</sub> 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 successively 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 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.

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 or production.

As the Company is undergoing a profound process of change, which is rearranging many structures and pro-

cesses, 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.

After running for exactly three years, our international Management Excellence Program was concluded in March of this year. In total, 120 managers were prepared for future management challenges in six iterations of three modules each, while an international network was established at the same time.

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.

### "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. In the past financial year, over 100 employees decided to take up the 4-day week offer and thus align their work-life balance to their individual needs.

Mobile working conditions in the form of alternating telework or the home-office model are, of course, an option, provided the respective job permits this.

### 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 proportion of young women has increased in recent years. They make up 15 percent of the trainees (3/2017) and 37.5 percent of the dual studies students (3/2017). With mentoring measures, we are also trying to continuously increase the proportion of women in management by helping them plan their careers at Heidelberg.

### Occupational health and safety

The fulfillment of statutory and employers' liability insurance requirements with regard to occupational safety is a matter of course for Heidelberg, and is the basis of our efforts to prevent accidents throughout the Group. The Corporate Safety Director reports directly to the Management Board member responsible according to the organizational chart. The Management Board is informed regularly and in writing via the Annual Occupational Safety Report. A safety management panel coordinates inter-site measures and further developments. In the future, representatives of sites throughout the Group, including abroad, are also to be involved in this body.

We check that our occupational safety standards are being complied with throughout Heidelberger Druckmaschinen AG with internal audits (occupational safety inspections), which we manage and document via our occupational safety management system. Internal guidelines extend the high German occupational safety standard to the entire Group, taking national requirements into account. In addition, compliance with these Heidelberg standards is delegated via a regular commitment of the local management and is monitored locally.

Mandatory safety training is carried out routinely every year. The risk assessments are checked and adjusted if necessary at least annually. Every reportable workplace accident at Heidelberger Druckmaschinen AG is analyzed. We thus reduce the employees' risk of accidents, occupational

illness or other health impairment. Specific, documented processes result in working conditions that comply with occupational safety requirements, even when third parties/service providers are deployed.

The average accident rate per one million working hours fell slightly from 10.8 (2016: 96 reportable accidents) to 10.5 (2017: 92 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 (e. g. stress management through mindfulness, back fitness, fascia training and functional training) and integrated physiotherapy in particular. In the first year, around 350 employees have already been persuaded to join.

In February 2017, the Company – based on an employee survey in the cafeteria in Wiesloch-Walldorf – enhanced the WIEfit concept with nutritional aspects and has since offered menus that reflect the latest nutritional advice. The WIEfit dishes are characterized above all by a modern, primarily Mediterranean diet that supports a healthy lifestyle and is based on quality criteria such as low sugar, carbohydrate-reduced, high in protein, max. 550 kcal, no flavor enhancers, no sweeteners, regional products. Nutritional advice and weight-loss coaching are offered at the same time.

The WIEfit principles are also implemented at other sites, where possible in terms of equipment and number of employees. At the Amstetten production site, for example, employees train twice a week on back trainers. In Brandenburg, all employees are invited to participate in a health check offered directly at the workplace by Potsdam University, which particularly looks out for "metabolic

**Employee figures**

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Number of employees (at end of reporting period; excluding trainees)	12,539	11,951	11,565	11,511	11,563
Trainees*	502	427	351	323	311
Specialized training days <sup>1)</sup> *	12,823	12,615	11,059	12,831	11,321
Turnover rate in percent <sup>2)</sup> *	6.5	8.2	5.9	1.6	1.5
Average seniority (in years)*	17.1	17.9	18.6	19.3	19.9
Percentage of female employees*	14.8	14.8	15.7	15.8	15.9
Percentage of part-time employees (excluding partial retirement)*	4.0	4.6	5.0	5.2	5.8

\* Voluntary disclosure, not checked by auditor

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

<sup>2)</sup> 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

syndrome". Metabolic syndrome is mainly responsible for secondary diseases such as diabetes, heart attack and stroke.

The next planned steps are work management coaching and the training of health promoters.

## 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 "Wissensfabrik – Unternehmen für Deutschland" (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 Business and Youth in the German

Federal State of Brandenburg", whose goal is to improve the development prospects of young people, and is a member of the state jury for "Jugend forscht" (Youth Science) as a regional sponsor company in Brandenburg for Germany's biggest school competition "Starke Schule" (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, zoos, a day care center and a nursing home were implemented in the reporting year. There are also various Christmas activities at training locations. The proceeds are donated and regularly benefit the region's needy.

The integration of refugees is also a highly important issue for us. Heidelberg launched various projects for the integration of refugees into the labor market. Places were offered at the Wiesloch-Walldorf production site as an aid year. This year, which also includes additional German classes, is intended to facilitate an entry to the world of work or subsequent training. The Amstetten production site is participating in a partial qualification program. Together with the employment agency, associations, chambers and other companies, this "TQplus" project was

launched to provide an entry option on the local labor market with additional language teaching, theoretical teaching and practical training in the metalworking sector.

## Fight against corruption and bribery

Our aim is 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. Therefore, the avoidance of corruption and manipulation is also accounted for with automated processes. The central structure of standardized corruption prevention throughout the Group is the responsibility of the Compliance Committee, whose task is to develop and 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 decides upon global compliance measures. It met on a quarterly basis 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 also represented in the Compliance Committee, in some cases with permanent seats. They are accompanied by experts from affected departments summoned for specific topics.

As a result of country-specific tax laws, there are currently local requirements for Sales and Marketing for the handling of gifts and other benefits. A future task for the Compliance Committee is to make these requirements more uniform throughout the Group.

In the past financial year 2017/2018, classroom training on topics including the Code of Conduct was carried out at seven Heidelberg Group sites in Germany and the rest of Europe as the first step. We discussed and debated specific questions from everyday work, especially on the issue of corruption. In dialog with the employees, we thus create a common understanding of integrity and raise awareness of potential conflict situations.

In our view, the issue of corruption and manipulation will also become a greater focus of compliance communication, 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 provide clarification and greater security for employees in everyday office life and in business dealings in the future.

## Respect for human rights

Heidelberg undertakes to support and observe the protection of international human rights. 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 Heidel-

berg Group and vis-à-vis third parties. We thus make laws and directives but also moral and ethical principles the basis of our action. Suppliers and contracting parties are also included in our targets at all 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 also reports regularly to both the Management Board and the Audit Committee of the Supervisory Board of Heidelberger Druckmaschinen AG in this regard.

In the past financial year 2017/2018, we began the systematic roll-out of our Code of Conduct to the supply and production chain, including by calling on around 1,500 of our business partners, primarily in Germany, to bindingly recognize this Code of Conduct in writing as part of our business relationship or to provide evidence of their own equivalent set of rules. Heidelberg also reserves the right to make inspections in this regard. After evaluating suitable IT infrastructure, we will make this process more international and thus gradually integrate the Company's global service providers and suppliers.

Through the future introduction of internal (online) training, including on the content of the Code of Conduct, we want to achieve a deeper global and shared understanding of Heidelberg's principles. In addition, global training on the Code of Conduct with an emphasis on Sales and Marketing is planned in the new financial year. At first, another approximately 500 employees in central roles are to be trained on and committed to the Code of Conduct in the classroom. As part of the continuous expansion of our compliance management system, we introduced a Group-wide whistleblower or ombudsman system in 2016. Our ombudsman is available to all employees and third parties, so that they can report compliance violations, anonymously if desired.

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.

#### **Independent auditor's report on a business audit to obtain limited assurance of non-financial reporting**

To Heidelberger Druckmaschinen AG, Heidelberg

We subjected the separate combined non-financial report according to sections 289b (3) and 315b (3) HGB of Heidelberger Druckmaschinen AG, Heidelberg (hereinafter the "Company") for the period from April 1, 2017 to March 31, 2018 (hereinafter the "non-financial report") to a business audit to obtain limited assurance.

#### **Responsibility of the legal representatives**

The legal representatives of the Company are responsible for preparing the non-financial report in compliance with sections 315b and 315c in conjunction with sections 289c to 289e HGB.

This responsibility of the Company's legal representatives includes selecting and applying appropriate methods for non-financial reporting and making assumptions and estimates with regard to individual non-financial disclosures that are appropriate given the circumstances. Furthermore, the legal representatives are responsible for the internal controls that they deemed 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 assurance of the audit firm**

We complied with German professional law in independence and other professional requirements.

Our audit firm applies the national statutory regulations and professional pronouncements – especially the Professional Charter for Auditors and Certified Accountants (BS WP/vBP) and the IDW Quality Assurance Standard 1 "Quality Assurance Requirements In Audit Practice" (IDW QS 1) issued by the Institute of Public Auditors in Germany (IDW) – and accordingly maintains an extensive quality assurance system, which comprises documented regula-

tions and measures with regard to compliance with professional conduct requirements, professional standards and binding statutory and other legal requirements.

### Responsibility of the auditor

Our responsibility is to express an audit opinion with limited assurance on the disclosures in the non-financial report based on our audit.

Our engagement does not involve the assessment of external sources of documentation or expert opinions referred to in the non-financial report.

We carried out our business audit according to the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by IAASB. This standard requires that we plan and perform the audit such that we can judge with limited assurance whether we have made findings that lead us to the conclusion that the Company’s non-financial report for the period from April 1, 2017 to March 31, 2018 was in all material respects not prepared in accordance with sections 315b and 315c in conjunction with 289c to 289e HGB.

In a business audit to obtain limited assurance, the audit procedures performed are less extensive than in a business audit to obtain reasonable assurance, so much lower assurance is obtained. The selection of audit procedures depends on the auditor’s professional judgment.

Among other things, we performed the following audit procedures and other activities during our audit:

- Acquisition of an understanding about the structure of the sustainability organization and the involvement of stakeholders
- Survey of relevant employees involved in the preparation of the non-financial report about the preparation process, the internal control system related to this process and about disclosures in the non-financial report
- Identification of probable risks of material misstatements in the non-financial report

- Inspection of relevant documents and data collection systems
- Analytical assessment of disclosures in the non-financial report
- Review of implementation of processes and standards for data collection
- Comparison of disclosures with the corresponding data in the Group management report
- Assessment of the presentation of the disclosures

### Audit opinion

On the basis of the audit procedures performed and the audit evidence obtained, we made no findings that lead us to the conclusion that the Company’s non-financial report for the period from April 1, 2017 to March 31, 2018 was in all material respects not prepared in accordance with sections 315b and 315c in conjunction with 289c to 289e HGB.

### Purpose of the auditor’s report

We issue this auditor’s report on the basis of the engagement agreed with the Company. The audit was performed for the purposes of the Company and the auditor’s report is intended only to inform the Company, about the results of the audit.

The auditor’s report is not intended to serve as a basis for third parties’ (investment) decisions. Our sole responsibility is to the Company. We take no responsibility vis-à-vis third parties.

Frankfurt am Main, May 24, 2018

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

ppa. Nicolette Behncke,    ppa. Axel Faupel  
German Public Auditor