

DMG MORI

AKTIENGESELLSCHAFT

ENVIRONMENT

RESPONSIBILITY

TRUST

SOCIALLY

QUALITY

EMPLOYEES

RESPONSIBILITY

**SUSTAINABILITY
REPORT
2018**

DMG MORI



Sustainable production: By automating machine tools, DMG MORI increases their efficiency and thus protects resources and the environment.

In a few Words



DMG MORI is the sustainable and global innovator in the manufacturing industry. Our integrated automation and digitization solutions guarantee the efficient and productive use of our plants around the clock – seven days a week. The higher the productivity, the better the sustainability balance. The low error rate enables our customers to save both materials and energy – and thus to protect the environment.

CHRISTIAN THÖNES

Chairman of the Executive Board



BJÖRN BIERMANN

Member of the Executive Board

Corporate activity is closely tied to sustainability. Today, more than ever before, we are expected to make our entire value chain sustainable – from the supplier to the employee through to the customer.



DR. MAURICE ESCHWEILER

Member of the Executive Board

Our employees give 100 % for DMG MORI. That is why we do the same for them. We take our responsibility very seriously and dedicate our activities to their health and satisfaction.



MICHAEL HORN

Member of the Executive Board

Products of the highest quality and precision with the maximum conservation of natural resources – that is our benchmark. It is also why from the very start of developing our machines we focus on efficiency, durability and sustainability.

COMPANY PROFILE AND STRATEGY

Innovative working environment:
DMG MORI sets benchmarks with modern
high-tech workstations in the wheel magazine
assembly at DECKEL MAHO in Pfronten.

Company Profile

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 2.6 billion and more than 7,500 employees. As “Global One Company” – together with DMG MORI COMPANY LIMITED – we reach sales revenues of more than € 3.8 billion.

Our integrated technology and automation solutions cover turning and milling machines, as well as Advanced Technologies, ULTRASONIC, LASERTEC and ADDITIVE MANUFACTURING. With our CELOS apps, exclusive Technology Cycles and Powertools we offer an easy, fast and scalable entry into digital production. The modular ISTOS and WERKBLIQ products further facilitate consistent digitization of the entire process chain: from the planning and preparatory work to production and monitoring to service. The open, manufacturer-independent ADAMOS IoT platform rounds off the product range for a digital factory.

Our technology excellence is bundled within the main sectors of “Aerospace”, “Automotive”, “Die & Mold”, and “Medical”. Our partner program “DMG MORI Qualified Products” (DMQP) allows us to offer perfectly matched peripheral products from a single source. Our customer-focused services covering the entire life cycle of a machine tool include training, repair, maintenance and a spare parts service.

More than 12,000 employees work for the “Global One Company”. With 157 sales and service locations – thereof 14 production plants – we are present worldwide and deliver to more than 100,000 customers from 42 industries in 79 countries.



ENERGYSAVING
Saving energy at our company through energy efficiency measures and state-of-the-art plant and building technology.



GREENMODE
Maximum efficiency through the energy-optimized design and operation of our machines. CELOS apps ensure transparency and optimize energy consumption.



DMG MORI headquarters in Bielefeld:
State-of-the-art production capacities and transparent processes make DMG MORI an attractive employer. In the Technology and Solution Center our customers can convince themselves of the high quality of our machines.

SEGMENTS OF DMG MORI AKTIENGESELLSCHAFT



Further information on the group organizational structure can be found on the inside of the cover of the Annual Report 2018 and in the Group Business Report on page 16 et seqq.

Sustainability Strategy and Management

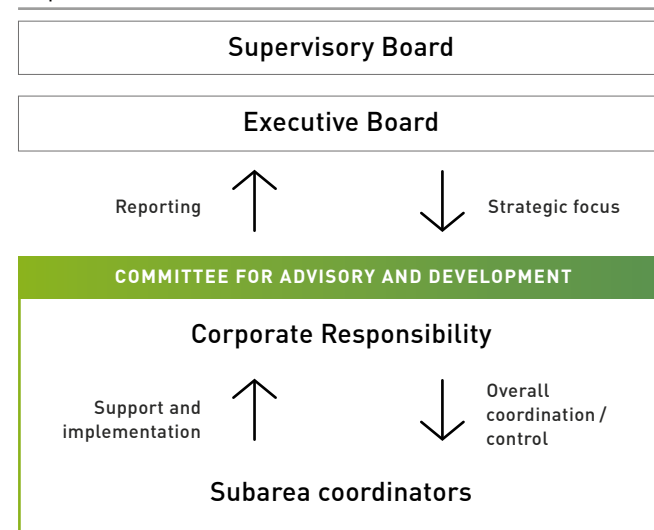
In numerous projects and initiatives we show how we are living up to our corporate responsibility. Sustainably and completely: from our products and buildings to our suppliers through to our customers and employees.

Appreciation for the environment, our employees, plus the high quality of our products and services all form part of our commitment. In implementing our integrated sustainability strategy we focus on:

- systematically documenting specific sustainability key figures
- sustainability as a part of our employee qualification
- an integrated approach in the new Corporate Responsibility department

Our sustainability management adds to our company's success. Our aspiration: a positive contribution to the protection of the environment, people and society – and to avoid negative impacts. Our "Corporate Responsibility" approach bundles and optimizes sustainability and compliance in one department

01 | SUSTAINABILITY MANAGEMENT



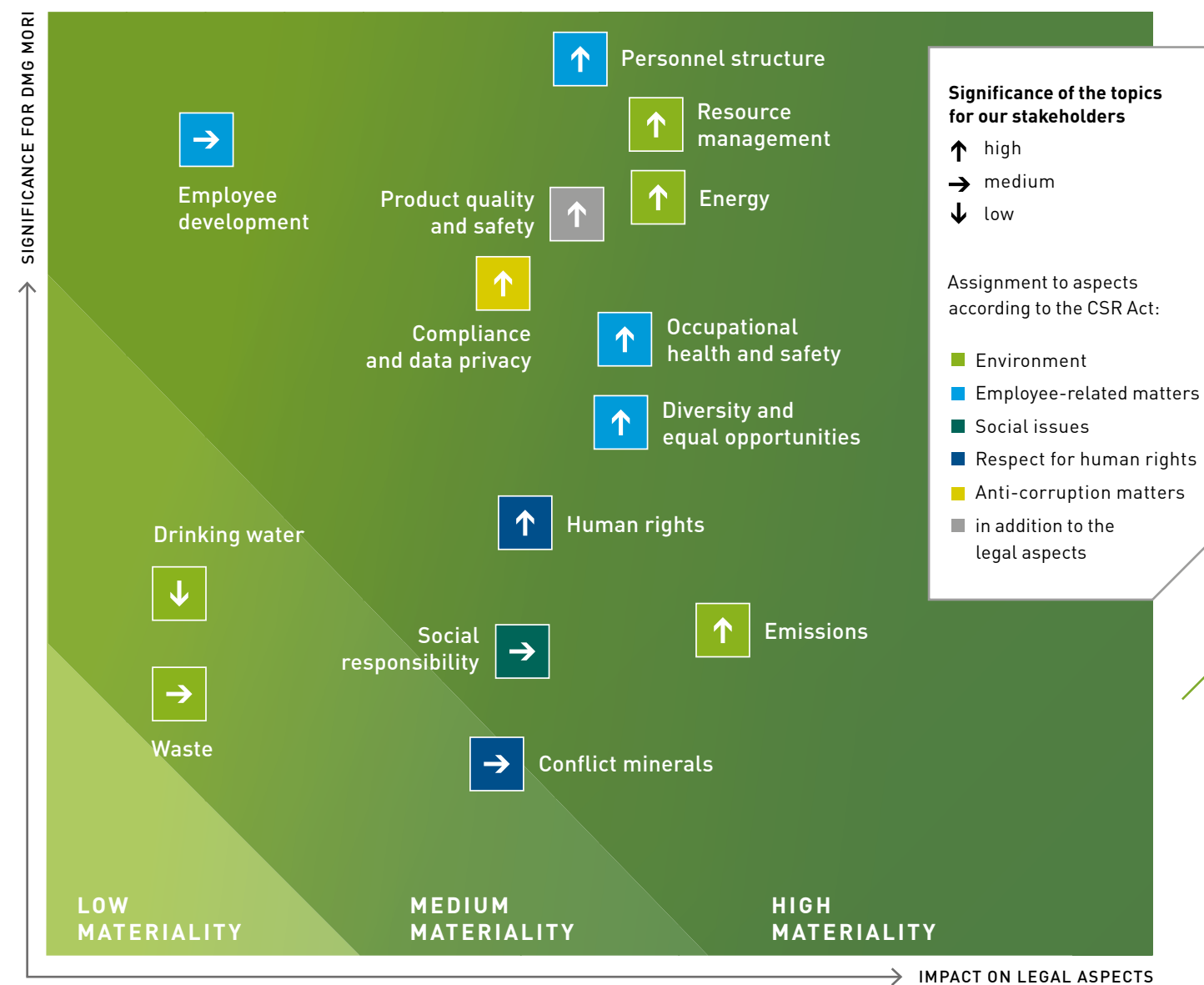
which reports directly to the Executive Board as the highest decision-making organ. We set ourselves the goal of developing products, services and technology solutions in such a way that our customers and partners can include these processes sustainably in their own value chains. All the knowledge we gain is used to constantly extend our sustainability management. The DMG MORI Sustainability Report 2018 is the second one to comprehensively set out the company's ambitions and goals for responsible corporate management. By including a wide variety of voluntary disclosures, we are going far beyond the minimum statutory requirements.

The Sustainability Report 2018:

- provides an update on the progress made in implementing our sustainability strategy
- has been prepared in accordance with the “GRI Standards: Core option”
- contains the separate non-financial group report 2018 and meets the statutory requirements pursuant to German Commercial Code (HGB)
- presents in the GRI content index under “Element of non-financial reporting in accordance with the HGB” the demarcation or legally binding content

The description of the business model, the materiality process as well as selected management approaches and key performance indicators have been subject to a business audit carried out by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) in compliance with the ISAE 3000 (revised) to perform a limited assurance engagement. Presentation of the management approaches in accordance with GRI (103) corresponds to the requirements of the presentation of policies under section 289c(3) HGB (hereinafter "management approaches"). The audited content and key performance indicators are marked in the GRI Content Index on page 40 et seq. The audit's scope and the assessment are set out in the Assurance Report on page 42. References – other than to the group business report and consolidated financial statements – are additional information and not a constituent part of the separate non-financial group report, and thus are not audited.

02 | MATERIALITY MATRIX



Materiality analysis

By means of a materiality analysis we evaluate various topics and carry out an assessment, which takes account of external stakeholders and of our internal perspective. In addition we identify topics that have an impact on legal aspects. For this purpose we examined the previous year's assessment. It was prepared on the basis of an initial selection of topics, for example from supplier guidelines and customer surveys as well as a workshop for sustainability coordinators. This resulted in the following marginal changes compared to previous year: "Economic performance" is set out in detail and solely in the Annual Report 2018. In the Materiality Matrix the topic "Materials" has been re-named to "Resource management" in line with the corresponding chapter. As a result of expanding

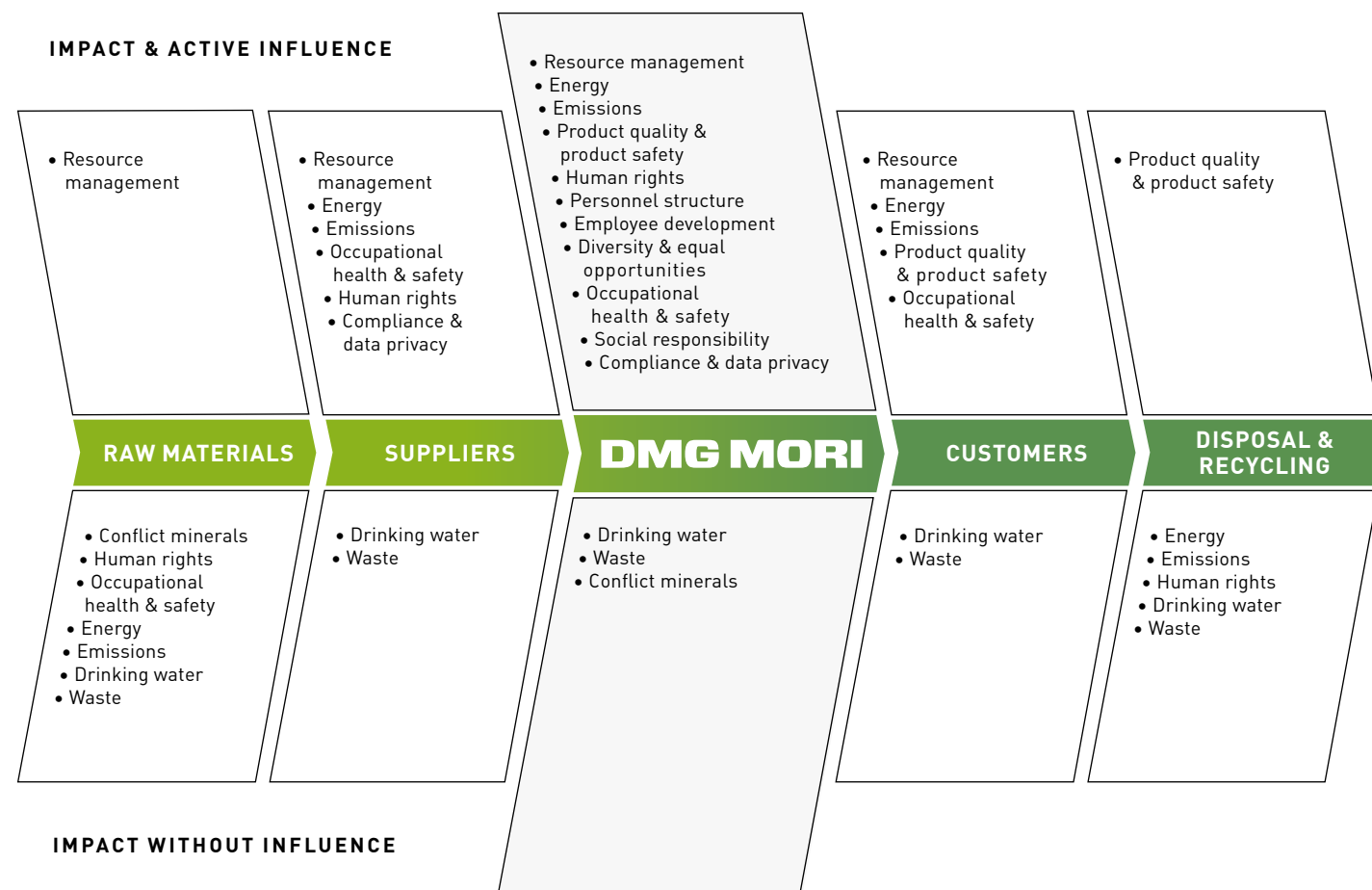
our corporate responsibility approach we have re-evaluated the topic of “social responsibility” and have assigned considerably more materiality to it than in the previous year.

The materiality matrix provides a summary of the topic assessments. The y-axis reflects their importance for DMG MORI. The x-axis shows the impact on legal aspects. The relevance for our stakeholders is marked by arrows. The more important topics are found in each case on the outer edges of the axes. They form the basis of our sustainability management system and hence are the focus of this report. We also set out our main topics in our Corporate Responsibility manual, which is valid throughout the group.

Figure 03 shows our material topics as assigned to a simplified value chain (green). Beneath each stage of the value chain we assign those topics that have an impact on the environment, people or society. Those topics that have an impact and that we can actively influence are assigned above the value chain. Further information on supply chain management can be found in the chapter “Partner and Supplier Management” on page 26 et seq.



03 | VALUE CHAIN



Young talent:
The apprentice Michael Zelmer demonstrates his skills in turning at the WorldSkills Germany – at the trade fair AMB – and becomes the German champion 2018.



speedMASTER motor spindle:
Robust and durable – the high quality of DMG MORI spindles preserves resources and energy and thus the environment.



Environmentally-friendly packaging:
DMG MORI ships spare parts and accessories resource-friendly. This packaging is FSC™ certified to support sustainable forestry in raw materials production.

In dialogue with our stakeholders

DMG MORI employees exchange information with a large number of people and groups on a daily basis. Our stakeholders have a direct and indirect influence on our corporate dealings. Their opinions, questions and comments give significant impetus to the "Corporate Responsibility" management. The new Corporate Responsibility manual provides a basis for continuous dialogue. The "particularly material" stakeholders were identified in a workshop with the sustainability coordinators. These stakeholders are shown in green in figure 04. Additionally, exemplary forms of dialogue are listed.

Satisfied customers and employees – that is our goal. For this reason we carried out comprehensive customer and employee surveys in the reporting year and specifically held talks with employee representatives. Their feedback and responses have been analyzed and compared with other feedback received via our social media channels and with our assessments in the materiality analysis. The results correspond to our own materiality assessment.

Our analysis and surveys have shown that our stakeholders are interested in many different topics and no specific main topics could be identified as being a priority. Environmental issues, for instance, are also important to our employees. External stakeholders, such as customers, are interested in our employment conditions and those of our suppliers. This confirms the appropriateness of our processes and the topics

selected for our reporting. Both internal and external communication measures play a role in integrating sustainability further in the DMG MORI business processes and in helping us meet the transparency requirements of our stakeholders.

In case of suspicion of a breach of applicable regulations – such as a breach of the Equality Act or a violation of our internal Code of Conduct – any stakeholder may turn to an independent legal counsel.

Further measures to expand the monitoring and improvement mechanisms are:

- the same escalation and reporting processes for sustainability as for compliance
- the inclusion of sustainability topics in the annual survey addressed to the managing directors in order to identify any need for action timely

An assessment of risks, taking the current principles and measures [net risks] into account, did not identify any significant risks that meet the materiality criteria pursuant to section 289c(3) para 3 and 4 of the HGB. In the reporting year we included the risk assessment of sustainability topics in our "Responsibility Risk Assessment". Further information on this is given on page 34.

04 | SIGNIFICANT STAKEHOLDERS & FORMS OF DIALOGUE



* NGOs = non-governmental organizations

Questions? responsibility@dmqmori.com

Information! www.dmgmori-aq.com

Tweets. #dmqmorieu



EMPLOYEE

EMPLOYEE

Motivated, dedicated and qualified staff are DMG MORI's key success factor.

Value: **Appreciation**



PRODUCT

PRODUCT

DMG MORI's success is based on innovative and high-quality products, services and solutions.

Value: **Technology Excellence & First Quality**



CUSTOMER

The customer comes first in our day-to-day activities.

Value: **Customer orientation**



CUSTOMER



FINANCE

FINANCE

The efficient use of resources and constant identification of potential for improvement are essential to DMG MORI's commercial success.

Value: **Efficiency**

Leading Principles:

Together with DMG MORI COMPANY LIMITED we have committed ourselves as part of the "Global One Company" to clear principles and values. We take our key leading principles from the four cornerstones of our "Global One" strategy (employees, customers, products, finances).

The "Leading Principles", newly developed in the reporting year, form the foundation of our sustainable management culture which is based on employee appreciation, customer focus and technology excellence as well as first quality

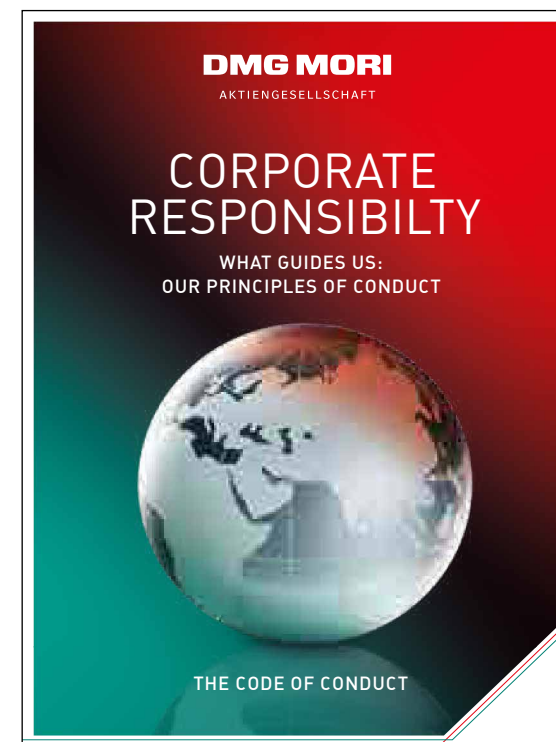
and efficiency. The focus of our daily activities is always on the customer. DMG MORI's goal is to be the Number 1 for every customer. We react timely and comprehensively to customer issues and give clear, binding responses.

We are only able to achieve our high standards with committed and skilled employees. They ensure our innovative capacity and strong performance and thus the entire success of our company. Excellent employee management is therefore a crucial factor for the success of

DMG MORI. Our employees are brand ambassadors of and for our company after all. A keen awareness of cost and resource efficiency goes without saying at DMG MORI and is vital to our business success. Anyone who works with us can rely on us treating them with respect and offering comprehensible solutions.



What guides us: our principles of conduct



Common values apply at DMG MORI worldwide. This is precisely what brings DMG MORI together across borders and cultures. Our values dictate our actions at all levels. They define for all DMG MORI partners and employees what we stand for, what we expect of them and what they can expect of DMG MORI. These values also play a major role when working with our customers.

The Code of Conduct of DMG MORI forms the basis for our sustainability strategy and management. It comprises our principles and values regarding important sustainability aspects, such as employees, the environment, the supply chain, human rights and resources. Moreover, the Code of Conduct provides the foundation for our dealings with all stakeholders. It describes the objectives and rules that reflect our commitment to act in a responsible, ethically irreproachable and lawful manner as well as sustainable value creation.

All employees have the right and the duty to inform themselves about the latest versions of and updates to internal regulations. Furthermore, each executive should set an example to employees through his or her own conduct. Therefore, we are holding training courses. Newly hired employees are given a copy of the Code of Conduct against signature.

Besides employees, potential suppliers also receive a copy of the Code of Conduct. Ultimately, DMG MORI also expects its suppliers to comply with the principles contained therein – including signed confirmation of receipt. In order to adhere to our "Corporate Responsibility" strategy, we revise continuously our Code of Conduct. The latest version now includes topics such as money-laundering and conflict minerals.

PRODUCTS, SOCIAL ISSUES AND ENVIRONMENT



Highly-skilled young employees: More than 396 apprentices and trainees are learning on high-tech machine tools at our production plants.

Product Quality and Safety

Accurate, powerful, efficient – so that everything runs smoothly from day one!



Machines, components or software solutions – from the very start of development quality takes first place.

At the customer's:
Connected to the service center by telephone and the SERVICEcamera directly sends the fitting images direct – in real time.

Service center: On their screen, our service experts can see what the customer sees.

If necessary more experts from the product plants can immediately join in the call. Directly and live. The problem can often be solved this way – on-site deployment and the associated gasoline consumption become unnecessary.

Service technicians: Not all problems can be solved digitally. In this case our service employees naturally drive to the customer in person.

Important fundamentals at DMG MORI

- Machinery Directive 2006/42/EC
- Directive on electromagnetic compatibility (EMC), 2014/30/EU and the German Electromagnetic Compatibility Act (EMV-Gesetz)
- Directive relating to the making available on the market of pressure equipment 2014/68/EU
- The German Equipment and Product Safety Act (Geräte- und Produktsicherheitsgesetz -GPSG) and other product-related EU directives
- Pertinent national and international product standards

Product quality

Getting even better every single day to achieve the maximum quality of our products and processes – that is the guiding principle of our “First Quality” strategy. Worldwide we bring our best solutions together in a central quality management system. This allows us to create quality standards that are way beyond the statutory requirements. The certification of the manufacturing plants in conformity with the ISO 9001 quality standard is the basis for our product and process quality. Implementation of the requirements, set procedures and newly-developed processes is regularly reviewed in internal and external audits, and documented in our quality management manuals. They are therefore transparently available to every employee in our intranet at all times.

The focus of all measures lies on the tangible customer benefit in the daily use of our products.

Our customers expect high durability and maximum availability over the entire life cycle of the product. In order to satisfy these demands, integrated measures along the whole value chain are necessary – from development to production through to service. Only after successfully meeting all the requirement criteria in our six-step design review process and completing our stress tests that far exceed the actual customer requirements, a market launch can take place. From the very

beginning we integrate our suppliers, who have qualified as partners by supplying top quality for years. Series production also undergoes thorough testing and is put through its paces. Every machine is inspected and tested for four days in total – at least 100 hours – before it leaves our production plant.

To ensure that everything runs smoothly for the customer from day one, the machine commissioning is performed by our service experts. In this way we help our customers to achieve all the pre-requisites for efficient, safe and resource-friendly use, starting with cyclical maintenance through to energy-saving functions.

In case of service queries we assist fast and accurately. With our innovative remote support, the DMG MORI NETservice, we can test customer programs digitally from our service center and optimize them in dialogue with the customer. If necessary, more experts can join in using the multi-user procedure. In this way a communications group emerges, made up of users, hotline responders, service technicians and specialists from the production plants, which can solve service queries immediately or can ideally prepare any necessary deployment. The experts are supported by the wireless DMG MORI SERVICEcamera, which transmits images in real time and thus simplifies communication. Together with our PPR system (Product Problem Report) service queries are dealt with faster, more efficiently and above

all a sustainable solution is found that preserves resources. Our measures work. This is confirmed in our customer satisfaction surveys: 98% of our customers are pleased with their purchasing decision and would recommend us. In personal talks we constantly seek to identify further potential for improvement. Consequently, we have been able to reduce the number of service deployments per warranty machine by 31% in the last five years.

Product safety

Our machines comply with the highest safety regulations. Maximum product quality and safety demands an integrated approach, which consists of compliance with laws, directives and machine protection standards, the required working practices and proper operation by machine operators as well as occupational health and safety. By following this approach, which we are continuously improving, we ensure product safety at DMG MORI. In the “design review process”, we carry out compliance checks for machine safety as standard, which is an essential factor prior to market release. In national and international standards groups (ISO; IEC), we are actively shaping the definition and development of safety technology. Internal experts at DMG MORI, who are active in professional

associations, such as the VDMA, the German professional organization for the machine and plant building industry, and the VDW, the German Machine Tool Builders' Association, are responsible for implementing the guidelines and standards. These employees are continuously improving their knowledge by attending specialist lectures presented by companies and employers' liability insurance associations.

DMG MORI regularly carries out risk assessments of its products. In this way we can identify potential hazards and the measures required to eliminate them. The risk assessment includes all the work anyone has carried out over the entire lifespan of a machine. It therefore involves the protection of human health as well as the protection of the environment against risks caused by chemicals and hazardous substances based on the EU Regulation REACH. A further aspect incorporated into machine safety is the ATEX Directive 2014/34/EU (fire and explosion protection).

We are constantly monitoring product safety via our sales and quality management. Potential residual risks are outlined in product manuals and by warning signs/notices and safety information on the user display. In addition, these residual risks are reduced in close cooperation between the manufacturer and operator.

Energy Efficiency

It is important to us and our stakeholders that we keep our energy consumption throughout the group as low as possible. Especially as the consumption of fossil fuels, such as coal, oil or natural gas, and the ensuing emissions are harmful to our environment and speed up climate change.

In particular, our assembly, sales and service processes consume energy and produce emissions. This equally affects our suppliers. Our measures take effect on both sides: We control our own energy consumption and emissions by means of an energy management system to keep them as low as possible. While for our suppliers' part, we require them to commit to energy-saving and environmentally-friendly processes. More details are given in the chapter "Partner and Supplier Management" on page 26 et seq.



ENERGYSAVING

All corporate and behavioral measures for the saving of energy at our company are summarized under the term "ENERGYSAVING". These include in particular:

- Replacing existing lighting systems with LED lighting
- Implementing up-to-date heating, ventilation and air conditioning concepts
- Energy improvement in the compressed air supply
- Installation of renewable energy generation plants
- Monitoring and analysis of energy consumption using the Energy Monitor software

Group-wide, three objectives for energy efficiency:

- 01** > Increase in energy efficiency of 5 % by 2023* (measured value: kWh/EUR value creation, base year: 2017)
- 02** > The establishment and rollout of energy monitoring concepts at the group's European sites by the end of 2020**
- 03** > Project-related savings amounting to 1,000,000 kWh by the end of 2020 (base year: 2016)**

* The first objective follows on from our previous year's objective of constantly reducing overall energy consumption. A specific key figure creates more transparency and commitment. We calculate the value as the ratio between kilowatt hour and sales revenues minus netto material costs.
** In the reporting year we launched further projects to achieve our targets.

Production and vehicles

Environmental and climate protection is an important issue for our production. Not only the product has to be sustainable and energy-saving but also its manufacture. Our energy policy, which was last revised in January 2017, binds us to the responsible use of energy and resources, as well as to an associated reduction in CO₂ emissions.

Our energy consumption and emissions are caused particularly by production plants and vehicles. Our aspiration to achieve maximum quality and customer satisfaction demands a high level of mobility from our service experts. Through our new remote service using the SERVICEcamera, service queries can be digitally analyzed and often be resolved immediately. In this way we reduce the service deployments to the customer's premises and as a result fuel consumption. In the financial year 2015 we introduced an energy management system that conforms to ISO 50001 and is subject to audit internally and externally every year. The system now covers 35 of 71 sites. These account for about 80 % of DMG MORI's energy consumption and include the production sites in Germany, Poland and Italy. GILDEMEISTER energy efficiency GmbH, a DMG MORI group company, is responsible for energy management and reports directly to the Executive Board. To further improve energy efficiency in production for our customers, we offer additional services: energy efficiency concepts, advice on the introduction of energy management systems and the performance of energy audits. In addition, our customers can also install the Energy Monitor measurement and analysis software based on a customized measurement concept.

Energy-saving measures

We regularly make our employees aware of energy saving potentials. Only with their support we will be able to achieve our targets. Guidelines are given in form of specific instructions as well as in an in-depth energy management manual. To reduce the miles flown per employee and the accompanying emissions in the future, we check for instance the need for meeting in person and reinforce the use of digital communication systems. More than 200,000 meeting participants took part in over 65,000 video conferences – a positive contribution towards reducing the number of business trips.

May 2018 marked the start of the joint project "enterprise mobility management". Together with the city of Bielefeld and numerous well-known companies in East Westphalia-Lippe we are setting a target to discharge traffic in and around Bielefeld and thus reducing harmful substances. The first stage involved analyzing the anonymous data from about 600 DMG MORI employees.

This means getting a picture of when they start work, their journey time, the cost, the CO₂ emissions and their physical activity. In the next stage this will be used to develop a concept from which measures can be designed to make the way to work more environmentally friendly. Our employees can also contribute suggestions for improvement using the works idea management system.

The targets for the individual sites are taken in turn from the three overall group objectives. The sites' ones are reviewed annually by the respective management in their own evaluations as well as in a central management review by the Executive Board. The effectiveness of the energy management system was last confirmed in December 2018 by the TÜV SÜD Management Service GmbH.

Measures taken in production in 2018

- > Replacement of existing lighting technology with LED lighting at various sites
- > Savings of 625 tonnes of CO_{2e} through self-generation of electricity

Pfronten

- > Extending the production hall cooling by cold extraction from groundwater wells/Inclusion of formerly electrically-cooled areas

Seebach

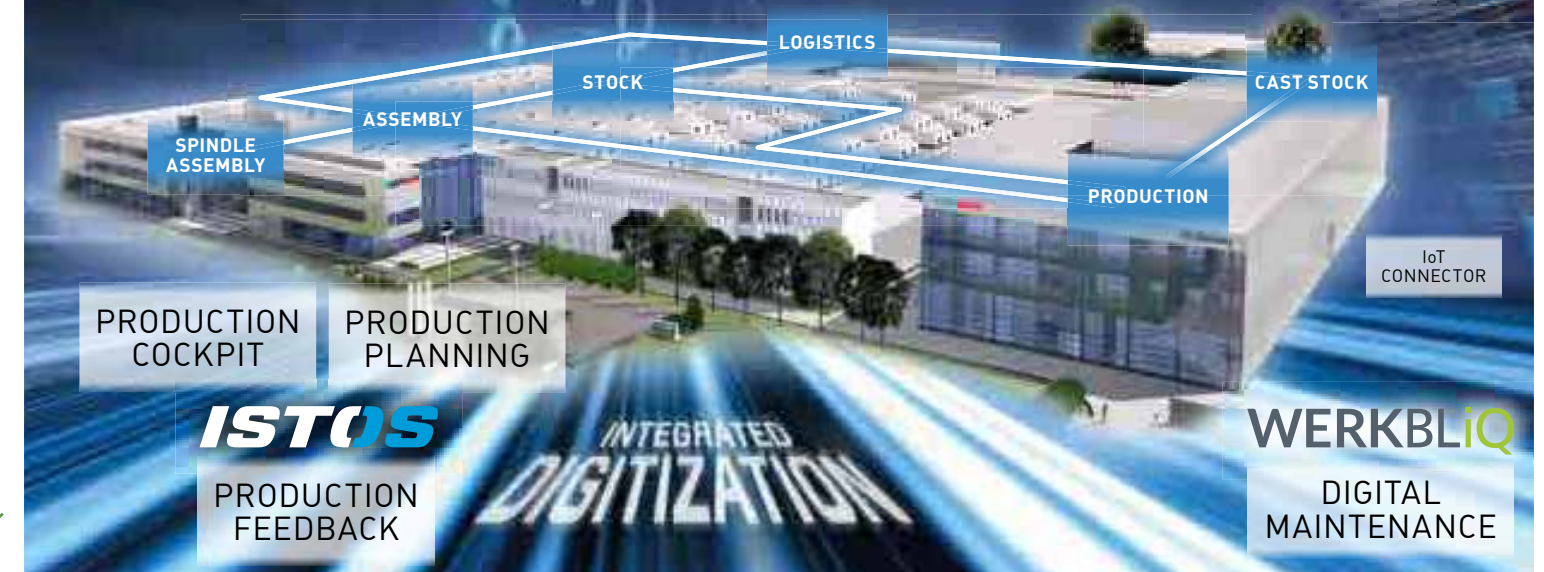
- > Updating the lighting in the mechanical production

FAMOT (Poland)

- > New construction of an energy-efficient XXL hall (6,100 m²)
- > LED lighting
- > Central supply of cooling lubricant
- > Use of residual heat from compressors for heating the halls
- > Air conditioning and underfloor heating in the halls
- > Additional ventilation system for heating and air conditional at room temperature (23°C)
- > State-of-the-art insulation and less window pane surface area
- > Innovative and modern energy concept: Savings of 771,332 kWh/year = 512 tonnes CO_{2e}/year

FAMOT – DIGITAL FACTORY

- + Integration and digitization of all processes – 100 %
- + Improved use of production capacity – 30 %
- + Reduction of the reaction time – 50 %



Production of the future:
On 8 October 2018 a Grand Opening ceremony was held for the FAMOT production plant in Poland, which has been extended and continuously digitized. Not only does the FAMOT “Digital Factory” already act as a model for our customers and suppliers, it also sets new standards at DMG MORI.

Energy consumption

Energy consumption is essentially calculated as the sum of the amounts procured from the following energy sources: electricity, natural gas, liquid gas, heating oil and diesel, as well as the amount of self-generated electricity. In production, we use electricity as the main source of energy in the assembly process and for technical building equipment. Heating oil and natural gas are needed to provide heating. Furthermore, we use natural gas to a small extent to produce electricity in combined heat and power plants. Gasoline consumption accounts for 37% of energy consumption.



Table 05 shows the energy consumption within the organization. **Energy consumption per value creation declined by 11% or 26 kWh/€ K in the reporting period.** We have therefore achieved our target of further increasing energy efficiency.

| 05 ENERGY CONSUMPTION WITHIN THE ORGANIZATION ^{1) 4)} MWh | 2018 | 2017 | Change against previous year |
|---|----------------|----------------|------------------------------|
| Fuel consumption from fossil energy sources | 80,506 | 76,281 | 4,225 |
| of which natural gas | 32,491 | 30,681 | 1,810 |
| of which liquid gas | 364 | 325 | 39 |
| of which heating oil | 55 | 0 | 55 |
| of which fuel | 47,596 | 45,275 | 2,321 |
| Electricity consumption | 48,962 | 46,757 | 2,205 |
| of which procured from the grid | 47,489 | 45,456 | 2,033 |
| of which self-generation from renewable sources | 1,473 | 1,301 | 172 |
| Energy consumption in total | 129,468 | 123,038 | 6,430 |
| Energy consumption per gross value creation in kWh/€ K | -11 % 214 | 240 | -26 |

Major projects of GILDEMEISTER energy solutions GmbH:

The biggest solar park in Moldavia to date was connected to the grid in 2018 – an important project not only for GILDEMEISTER energy solutions but also for the country itself. With a capacity of 1 MW covering an area of 2.5 hectares, the energy park helps to strengthen security of energy supply.

Research also benefits from it. An agreement has been reached with the Academy of Sciences of Moldavia. The park is to be used to research the development of alternative energy sources and efficiency potential in the field of solar energy.

Emissions

DMG MORI causes direct greenhouse gas (GHG) emissions by using fuels in the vehicle fleet and employing natural gas and heating oil to supply heating. Indirect emissions arise in the procurement of electricity. Despite the increase in sales revenues by +13% in the reporting year, emissions from the production sites have risen only marginally by +6%. Compensation of CO₂ emissions does not take place yet. Direct emissions account for 47%, indirect emissions for 53%. By generating our own regenerative energy at the plants, we have saved 625 tonnes of CO_{2e} – an increase of 15%.

| 06 GHG EMISSIONS ^{1) 2) 3)} | 2018 | 2017 | Change against previous year |
|---|---------------|---------------|------------------------------|
| GHG emissions in total (Scope 1, Scope 2) in t CO_{2e} | 40,549 | 38,430 | 2,119 |
| Direct emissions (Scope 1) in t | 19,163 | 18,164 | 999 |
| Indirect emissions (Scope 2) in t | 21,385 | 20,266 | 1,119 |

1) Includes the following sites: Germany: Bielefeld, Pfronten, Seebach; Italy: Brembate di Sopra, Tortona; Poland: Pleszew; Russia: Ulyanovsk. These sites and the vehicle fleet account for more than 80% of DMG MORI’s energy consumption worldwide.

2) The GHG emissions were formed as a product of the energy used and the corresponding emission factor. The factors for calculating direct emissions (Scope 1) of heating oil, diesel, gasoline and natural gas, are taken from the Department for Environment, Food & Rural Affairs (Great Britain). The six main greenhouse gases (carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydroflourocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆), as defined by the Intergovernmental Panel on Climate Change (IPCC), were taken into account in calculating the CO₂ equivalents (CO_{2e}). The IPCC factors were used in the conversion. To calculate the indirect emissions (Scope 2) from electricity, country-specific factors were applied. The data was taken from “CO₂ Emissions from Fuel Combustion 2017”, “International Energy Agency, 2017”. Other emissions only occur in small quantities and are not reported individually.

3) The location-based method was chosen to calculate the indirect emissions.

4) The conversion factors for liquid gas and heating oil were taken from the “Bundesverband der Energie und Wasserwirtschaft e.V. (BDEW) 2017”. The conversion factors for fuels were taken from the German Federal Office for Economic Affairs and Export Control (BAFA) 2017.

Energy-efficient machines

We are permanently working on improving the energy efficiency of our machine tools. In doing so, we factor in the entire production process and thus also use the potential offered by automation and digitization. A group-wide product development process supports us in continuously achieving our objectives.

We were able to make the DMU 50 – one of our best-selling machines – perform a further 16 % more energy-efficiently in the third generation. This means that all our customers together are already making savings in the first year of its launch of about 1 million kWh of electricity – this is equal to about 100,000 liters of gasoline.

GREENMODE

To increase the energy efficiency of our machine tools, we have brought together the following machine and product-specific measures under the term "GREENMODE":

- CELOS apps ensure transparency and optimize energy consumption
- Intelligent, demand-oriented control of the machine and aggregates
- Use of consumption-optimized components such as LED lighting
- Energy recovery during braking processes

Up to 30 %
energy savings
compared to
the previous
model



Top quality – durability – productivity: DMG MORI spindles are a guarantor of sustainability!

16 % greater energy efficiency:

Right from the first year, all installed DMU50 third generation machines together save the equivalent of about 100,000 liters gasoline. With a lifespan of 20 years, this makes a saving of 2,000,000 liters – an extremely valuable contribution to protect the environment.

Consumption-optimized components:

- + Highly-efficient ventilation and pump motors conforming to IE3
- + Direct drive axes
- + Main drive with highly-efficient asynchronous motors

CELOS APP ENERGY SAVING:

Monitoring and management of energy consumption ex works in all machines



Recuperation:

energy recovery during braking processes

Best recycling capability ex works:

grey cast iron instead of polymer concrete

Intelligent, demand-oriented adjustment:

- + Automatic deactivation of components
- + Adjustment of the feed rate
- + Reduced and intelligently controlled warm-up

- + Hydraulic accumulator charging circuit instead of constant pump
- + LED technology for lighting and warning lights
- + FEM-optimized construction for accelerated smaller masses

Resource Management

DMG MORI stands for conscientious and exemplary action. As a company we accept responsibility for the environment. This is what our stakeholders expect from us, and we from them. All of this is set out in our Code of Conduct for our business partners and employees.

We also raise our employees' awareness by way of training courses. We plan to actively manage the ecological impacts of our business activities and to further increase our contribution to environmental protection. Especially with respect to non-renewable raw materials. These are a vital resource for industry and society, which are becoming increasingly scarce.

Resource management as a concept is firmly anchored in our sustainability management and therefore an essential part of our new Corporate Responsibility manual. Our aspiration: Each individual employee should pay attention that their work has the least possible impact on the environment. Our intention is to use renewable, recyclable and recycled materials to a large extent in our products and services. Hence, we are constantly developing and improving upon our concept. To this end we especially involve our employees. As for all our business partners, our employees can send their questions, comments and suggestions to responsibility@dmgmori.com.

These are checked timely and implemented if possible. In the reporting year, we therefore carried out the "Green Office" information campaign giving all our employees tips on saving energy and resources for their daily office routine.

We achieve materials savings, for instance, by consistently designing our products and their structural parts according to the mechanical stress. For our customers and for us, the additive production of structural parts is particularly effective for this, as demonstrated by the LASERTEC 30 SLM. At the present time we are using about a dozen additively manufactured structural parts in our products and we intend to increase that number constantly in the coming years.

ADDITIVE MANUFACTURING allows us to conserve resources – we are already making material savings of 30 % to 60 % (when) compared with conventional production!

Key technology ADDITIVE MANUFACTURING

Effective material-savings through:

- + lightweight design
- + integrated functions
- + integral construction
- + toolless manufacturing

LASERTEC 30 SLM Milling tool

- + 30 % less weight with the same torsional rigidity
- + increased durability through optimized cooling agent jets



LASERTEC 30 SLM Concentric nozzle

- + 27 % material savings
- + 34 % faster manufactured
- + 33 % cheaper



The greater use of recyclable and recycled materials is anchored in our development process. In the reporting year, DMG MORI used 48 % (weight-based) recycled materials in its molds and sheet metals materials groups (previous year: 47 %) in the machine tools and services. Molds and sheet metal make up a significant proportion in terms of weight of our products. According to the declarations of our suppliers they contain 51 % scrap steel (cast iron, sheets) and 10 % hard coal fly ash (mineral casting).

With our "First Quality" policy we are ensuring that our products contribute to conserving resources and avoiding waste by their long lifetime usability of 20 years and more. Information on this can be found in the chapter "Product Quality and Safety" on page 16 et seq. With respect to machine components, we pay attention to their capability for repair and selective replacement of wearing parts. In the reporting year we were able to replace 31 % of the necessary parts through our spare parts management (previous year: 29 %). Moreover, DMG MORI brokers arrangements for more than 600 high-quality used machines annually, thus sustainably conserving resources. We only source conflict materials indirectly as raw materials. Further information on this subject can be found in the chapter "Compliance" on page 34 et seq.

Conserving resources:
Automation minimizes machine idle times and thus reduces the consumption of energy and resources.

Waste and water management

Our waste is disposed of in an environmentally friendly way by qualified companies. Disposal is based in each case on the type of waste and the recycling procedure; it takes place separately and safely. In disposing of our waste, we follow the local requirements and categorize waste as hazardous or non-hazardous in accordance with the respective national laws and legislation.

In production, we consume small amounts of drinking water in the use of machining emulsion during the testing stage of our machines (dilution ratio 1:10 with water). During disposal, this mixture is separated again in a splitting plant and the water is recirculated. Machining emulsion is usually used again later by our customers in producing workpieces. We are reducing our drinking

As a leader in innovation, we also think one step further on the subject of sustainability: our innovative automation and digitization solutions enable our customers to highly-efficiently use our machines, tools and other production factors and thus to save both materials and energy.

Automation: Robo2Go

- flexible workpiece handling
- intuitive operation via CELOS using predefined program modules

Digitization

- PRODUCTION PLANNING, CELOS, WERKBLIQ – integrated digitization from planning through to monitoring in production – first comprehensively implemented at FAMOT in Poland

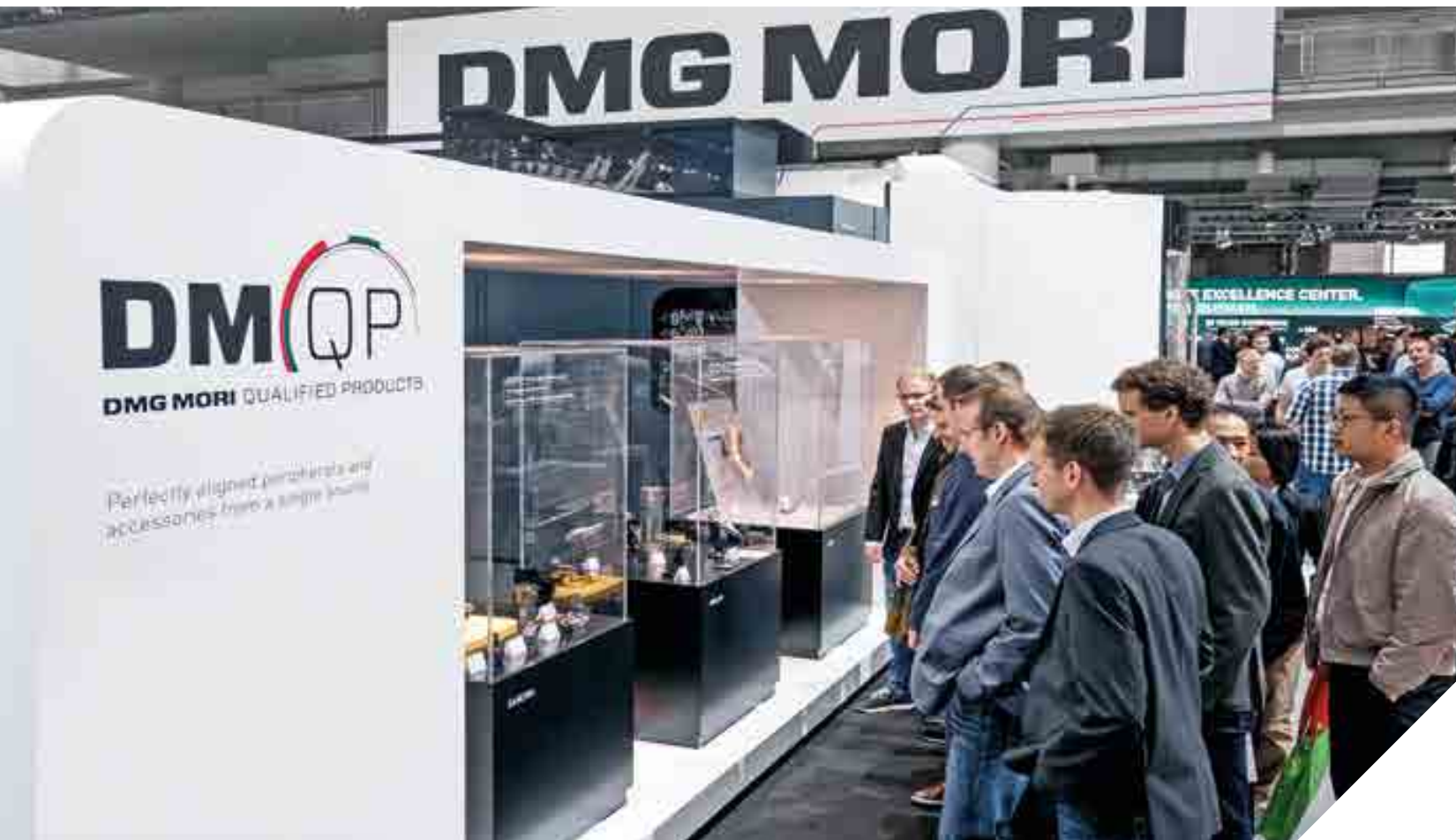
Technology cycles

- up to 60 % faster than standard programming
- integration of complex geometries such as gearSKIVING and Grinding



Partner and Supplier Management

Our own company is where the responsibility starts. But is that where it stops, too?
For DMG MORI the answer is a clear no. Our partner and supplier management is therefore an essential element of sustainable value creation.



Certified quality: DMG MORI offers a wide range of accessories and peripherals for its high-tech machine tools. Our proven partner program “DMG MORI Qualified Products” (DMQP) inspects and certifies our partners and their products.

Compliance with environmental standards and social requirements in our relationship with suppliers is crucial for us. Supplier management is an essential element in our matrix organization. Due to the procurement of complex subassemblies, supplier management takes place with predominantly globally positioned system suppliers. They represent the first step in the supply chain and at the same time take over both preassembly and the coordination with subsuppliers. This reduces the procurement effort. Procurement falls under the responsibility of the Chairman of the Executive Board. It is organized centrally and

decentral in the material group management for both production and non-production materials. To take advantage of synergy effects, material group management for production is carried out jointly with DMG MORI COMPANY LIMITED. With the launch of the new procurement platform we are laying the foundation for integrating our sustainability criteria further in the purchasing and supplier organization group-wide. This digitalized process will allow us to increase transparency over the entire length of the supply chain. In future we will thus assess and select our suppliers according to their sustainability performance.

Safeguarding and monitoring sustainability

Our Code of Conduct provides the foundation for acting responsibly and in compliance with environmental standards and social requirements for cooperation with new supply partners. Our partner and supplier management provides that our partners adhere to the DMG MORI self-commitment with a view to sustainability.

We expect our suppliers to:

- make a binding commitment to comply with our ethical and principle requirements prior to any cooperation
- comply with our guiding principles
- pass our requirements down the supply chain

This process is an essential component of our purchasing guidelines. In the event of a refusal to comply or the suspicion of a breach of the ethical or principal requirements, an escalation process has been provided for in the purchasing guidelines. This process determines how the partnership will continue, either by determining joint supplier development measures or even by terminating the cooperation. In addition to the purchasing guidelines, sustainable procurement is also referred to in the DMG MORI purchasing terms and conditions. These also set out the conservative use of natural resources as well as energy-saving and environmentally-friendly procedures. We keep a digital record of confirming the acceptance of our Code of Conduct on a group-wide platform. Our training program gives our purchasing staff the important fundamentals for taking account of compliance and sustainability issues when dealing with suppliers.

Risk management and assessments

Especially in the case of global sourcing and when selecting suppliers from Asia, we assess criteria regarding environmental standards and social requirements separately in the supplier self-assessment. This includes, for example, working

times, employee wages, current environmental certificates, such as DIN EN ISO 14001, and the clear rejection of child labor. A global sourcing team in Asia of nine purchasing and quality specialists deals with supplier information. The team coordinates the procurement processes and, more especially, communication between the suppliers and the plant in each country. As no new suppliers were added in the reporting period from Asia, no supplier self-assessment was carried out.

To assess the risk for our current direct suppliers, we use our early warning system “RISKMETHODS”.

- Timely information on risks relating to creditworthiness, supply and quality performance as well as sustainability risks such as violations of working practices and human rights, or environmental risks
- Those in charge are informed proactively if a risk occurs in the supply chain or with an individual supplier
- Monthly checks of the TOP 100 suppliers (accounting for 79% of the total purchasing volume for production materials)

For these suppliers, the system notified one potential issue regarding the “breach of labor practices and human rights” indicator and two potential issues regarding the “environment” indicator. The supplier involved accounted for 0.6% of the purchasing volume for production materials. Following a more thorough examination of the notification, it became apparent that the notifications were not relevant and thus no further action was required. The early warning systems facilitates a risk assessment based on reports. The corresponding overall score per risk criterion is decisive and serves firstly as the basis for supplier talks with the aim of reducing the number of suppliers exposed to risk. Secondly, the score is included as a partial result in the overall supplier assessment. This is how DMG MORI creates sustainability – right from the start.

Employees

Our employees provide the foundations for the success and the sustainable growth of DMG MORI. Their professional qualifications and commitment set them apart. That is why we offer them secure and attractive workplaces, and extensive opportunities for further development and qualifications. As an internationally operating technology group, we see our cultural diversity as an enormous advantage: diversity is an important source of inspiration for innovations and therefore the driver of our success.

For DMG MORI, the employees and the personnel management which is strategically managed by the Executive Board are very important. We ensure the best possible on-site support for employees via our local personnel departments at the production plants and our HR business partners at the sales and service companies.

We take our responsibility for our employees very seriously and are an attractive employer. Diversity and equal opportunities, flexible and innovative working environments, as well as further training and personal development are just as important to us as attractive remuneration models, occupational health and safety, and strengthening our corporate and management culture. In the medium term, we intend to take these aspects more strategically into account in our international personnel activities. As at 31 December 2018, we had 7,503 employees, including 396 apprentices. In the reporting

period, DMG MORI hired 936 new employees. This represents a hiring ratio of 12 %. In the recruiting of new employees, age and gender do not influence the selection. Basically, we decide in a selection process whether a candidate is personally and professionally suited to a position. In doing so, we naturally comply with statutory provisions. The hiring of new employees follows a multi-stage, digital approval process with final approval given by the chairman of the Executive Board. We ensure that any discrimination or circumvention of the statutory regulations, such as child labor, is prevented by a high level of information transparency. The internal audit department regularly reviews the approval process. Further details are given in the chapter "Compliance" on page 34 et seq.

In financial year 2018 a total of 571 employees left the group. The resulting fluctuation was 7.7 % (previous year: 8.3 %). At the same time, the percentage of employees in key positions or of

high-potentials who left our company (dysfunctional fluctuation) was 2.6 %. However, we are ensuring the seamless transfer of knowledge through our structured succession planning and a comprehensive induction program.

Satisfied, motivated and healthy employees are a particularly important success factor at DMG MORI. We place a high value on a culture that encourages a transparent exchange of opinions and open feedback. Event highlights, such as the DMG MORI classic concert or the DMG MORI sustainability day, strengthen interactions and the feeling of belonging to the company.

Our employee satisfaction surveys play a vital role in continually developing our culture of open feedback. In the reporting year, our employees responded to a survey covering a total of twelve topics, including working conditions, their direct supervisor's behavior, professional development and remuneration. The participation rate of 64.2 % at domestic companies is good owing to the high proportion of industrial employees. In Europe, India and China the participation rate was 72.9 %. Based on the results of the employee survey, both the positive and the negative key topics were analyzed in the reporting period. Our companies drew up and implemented the pertinent individual measures needed to achieve improvement.

Part of employee motivation involves employees having at least one official appraisal every year with their responsible manager. In addition, in the reporting period we drew up and implemented specific "leading principles". These form the basis of our modern corporate and management culture. Further information is given in the chapter "Sustainability Strategy and Management" on page 12 et seq.

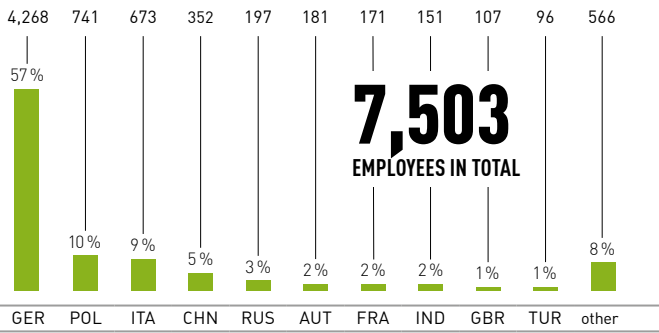
| 07 EMPLOYEE STRUCTURE | 2018 | 2017 | Change against previous year |
|---------------------------------------|-------|-------|------------------------------|
| Total employees ¹⁾ | 7,503 | 7,101 | 402 |
| of whom employees | 7,107 | 6,742 | 365 |
| of whom apprentices | 396 | 359 | 37 |
| of whom national | 4,546 | 4,220 | 326 |
| of whom international | 2,957 | 2,881 | 76 |
| of whom Machine Tools segment | 4,120 | 3,875 | 245 |
| of whom Industrial Services segment | 3,299 | 3,142 | 157 |
| of whom Corporate Services segment | 84 | 84 | 0 |
| Total temporary workers ²⁾ | 484 | 436 | 48 |
| of whom Machine Tools segment | 404 | 373 | 31 |
| of whom Industrial Services segment | 79 | 61 | 18 |
| of whom Corporate Services segment | 1 | 2 | -1 |

1) The number of employees is compiled on the basis of the company's internal headcount-personnel statistics.
2) In 2018 a total of 59 temporary workers were taken on permanently.



Strong together: 150 apprentices from DMG MORI took part in the inter-plant "DMG MORI Azubi Cup 2018" from 22 to 24 June at DECKEL MAHO in Pfronten.

08 | NATIONALITIES



Our employees are offered attractive remuneration packages. These comprise market-based basic salaries and variable, performance-related payments. Our group premium model enables all our employees to share in the economic success of DMG MORI. The Executive Board has agreed an international model with the group works council which is applicable throughout the group and allows our staff to benefit from profit-related participation in the company's success. In the reporting period, all permanent and temporary employees benefited from a premium amount of approximately € 11 million.

Our commitment is paying off: "Focus Money" once again singled out DMG MORI in the reporting period in its "TOP career opportunities" study, which among others covered opportunities for career development and promotion, talent management, employee loyalty and equal opportunities. DMG MORI took 2nd place with 96 out of a possible 100 points.



We take the German Co-determination and Works Constitution Act very seriously and foster regular, open dialog between management and employee representatives. In this way, both the group works council and the local works councils are informed of any pertinent issues at an early stage. DMG MORI complies with local regulations on employee co-determination as a matter of course. Collective agreements, such as collective bargaining agreements, apply to about 59% of our employees.

Diversity and equal opportunities

All employees and applicants are valued and treated equally at DMG MORI, irrespective of their nationality, ethnic origin, gender, age, religion, sexual orientation or physical impairment. The Executive Board expresses this through the DMG MORI Code of Conduct and modern leading principles. Details and contact partners for employees are given in the chapter "Sustainability Strategy and Management" on page 8 et seqq. As a globally operating group, we always approach our customers and business partners in a manner that is appropriate for the target group by means of our diverse employees.

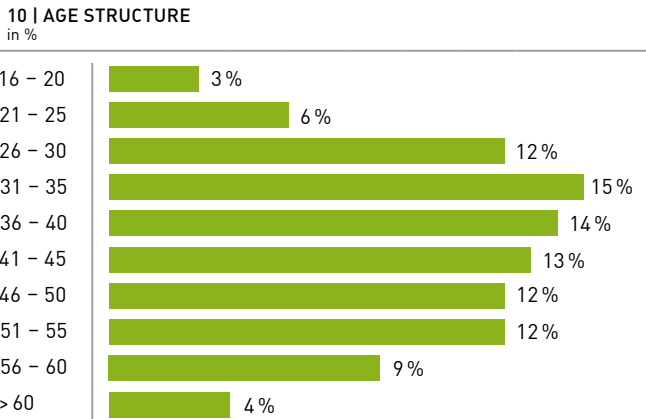
Our long-standing and older employees are especially appreciated for their experience. We offer attractive partial retirement schemes. In the reporting period the partial retirement arrangement covered 78 employment agreements. 123 disabled employees worked at the German companies. This corresponds to a disability quota of 2.9%. DMG MORI pays about € 170,000 as a compensation charge for the disability quota. Some € 240,000 are paid to sheltered workshops as deductible payments.

Since 4 May 2018, the Supervisory Board comprises five female (42%) and seven male members (58%). The average age in the reporting period was 52 years. The Executive Board is comprised solely of male members, whose average age is 44 years. Further information on statutory provisions for female quotas on the Supervisory Board and at the highest executive levels is given in the chapter "Corporate Governance" on page 25 of the Annual Report 2018.

To introduce young women to the machine and plant building industry, GILDEMEISTER Drehmaschinen GmbH once again organized a "Girls' Day". Enthusiastic pupils from all over the region gained an insight into the fascinating world of machine tools. In addition to this, DMG MORI supports projects such as "MINTrelation" to specifically encourage girls and young women to develop an interest in scientific and technical careers.

| 09 EMPLOYEE CATEGORIES | 2018 | 2017 | Change against previous year |
|---|---------------|-------|------------------------------|
| Total employees | 7,503 (100 %) | 7,101 | 402 |
| of whom female | 870 (12 %) | 835 | 35 |
| of whom male | 6,633 (88 %) | 6,266 | 367 |
| Total managing directors | 71 (100 %) | 72 | -1 |
| of whom female | 1 (1 %) | 1 | 0 |
| of whom male | 70 (99 %) | 71 | -1 |
| Total employees with supervisory function | 332 (100 %) | 366 | -34 |
| of whom female | 49 (15 %) | 45 | 4 |
| of whom male | 283 (85 %) | 321 | -38 |
| Staff including apprentices | 7,100 (100 %) | 6,663 | 437 |
| of whom female | 820 (12 %) | 789 | 31 |
| of whom male | 6,280 (88 %) | 5,874 | 406 |

The age structure at DMG MORI is balanced and the range is depicted as follows:



Training for the future: At the "Future Day", Harry Junger, managing director of GILDEMEISTER Drehmaschinen GmbH (2nd from left), and training officer Hanno Hapke (right) together with apprentices inform more than 400 local pupils about the various career opportunities at DMG MORI.



„Girls' Day" in April 2018: At GILDEMEISTER Drehmaschinen GmbH young schoolgirls take a look behind the scenes at a traditional "male" profession.



Best industrial mechatronics technician in the Allgäu: Stefan Schneider from DECKEL MAHO Pfronten GmbH passed his final exam in production technology with a top mark of 1.3.

Apprenticeships and career development

In addition to apprenticeships and the group-wide trainee program, we also offer our employees attractive individual and target group-specific further training opportunities.

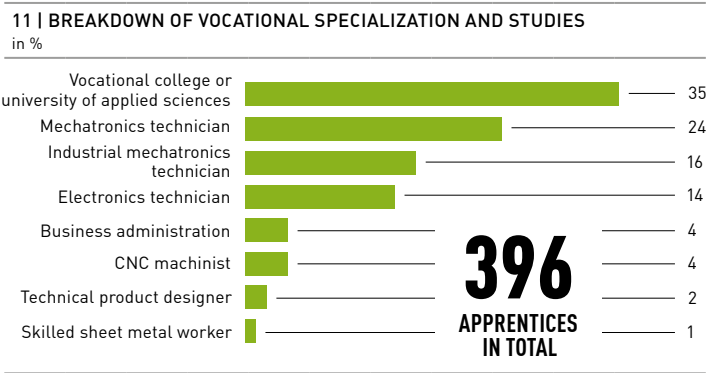
Our talent management naturally includes taking on apprentices and students who are following a dual study program which combines university study with professional training. Furthermore, we especially foster potential future managers and talented junior employees through our “high potential program”. Overall, we offer vocational training in ten different occupations. In addition, we offer courses of study together with regional colleges of advanced vocational education and universities of applied sciences. We are continually expanding and developing these cooperations. In the reporting period we took on 154 new apprentices and trainees. Following the successful completion of their vocational training, 83 young specialists were offered permanent employment. In this way we bind young talents to DMG MORI at an early stage.

Students and interns have regular opportunities to get to know the day-to-day operations at DMG MORI. We place particular importance on interns not being taken on to replace full-time staff, rather their focus should be primarily on learning. Moreover, interns at DMG MORI receive appropriate remuneration.



Double victory for DMG MORI at the WorldSkills Germany 2018 (left to right): Training officer Hanno Hapke is delighted together with the German champion in CNC turning, Michael Zelmer, and the second placed Simon Pankratz. As a “Global Industry Partner” of WorldSkills International, DMG MORI supports the talented on their way to becoming top specialists.

Apprenticeships and study courses at DMG MORI cover the following specialist areas:



| 12 PERSONNEL DEVELOPMENT | 2018 | 2017 | Change against previous year |
|---|----------------|----------------|------------------------------|
| Number of employees on further training courses | 4,896 | 4,321 | 575 |
| of whom female | 496 | 477 | 19 |
| of whom male | 4,400 | 3,844 | 556 |
| Cost of apprenticeships and further training | € 18.3 million | € 16.2 million | € 2.1 million |
| Days for further training | 22,485 | 19,867 | 2,618 |

For years we have been placing a high value on our employees’ skills. We have a high level of skilled employees: 97% of all employees have a professional qualification or are currently receiving vocational training.



Occupational health and safety

Occupational health and safety is a key component of our value-added system both nationally and internationally. We are fully aware that healthy, motivated employees are a basic condition for our economic success. DMG MORI complies with national statutory provisions governing occupational health and safety – and goes beyond this.

New employees receive all relevant health and safety training as a matter of principle during their induction. Appropriate first aid facilities in the event of emergency are available. Additionally, each site makes its own individual arrangements for occupational health and safety. Hence our German Service companies have an HSE management (Health, Safety, Environment) that promotes occupational health and safety as well as environmental protection. The “Corporate Mobility & Security” department assumes the management of higher-level security measures and is responsible, among others, for the travel safety of our employees. As a result, our employees are actively prepared for their journeys. The group maintains regular contact with those employees traveling to countries with a high security risk.

Through regular health reports, company-financed check-ups and personal return-to-work discussions, we are working on further reducing the sickness rate. This was 3.9% in the reporting period and was therefore, as in the previous year, below the industry average of 5.2%. In the reporting period there were 198 work-related injuries, either at work or on the journey to or from work. In relation to the total number of employees, this corresponds to an injury rate of 2.6%.



Delicious sustainability: Chairman of the Executive Board Christian Thönes (second from left), Executive Board Members Dr. Maurice Eschweiler (left), and Björn Biermann (2nd from right) are delighted with the “Climate healthy company canteen” award, together with Bettina Willner, environmental advisor at Verbraucherzentrale NRW, Bernhard Kampmann (3rd from right), head chef and owner of the Schlichte Hof restaurant, plus Martin Wörmann, head of the environmental agency (right).



Sustainability pays off. True to this motto, DMG MORI held a sustainability day at its Bielefeld headquarters together with the consumer advice center for NRW and the Bielefeld environmental agency, and received the award of “Climate healthy works canteen” (“Klimagesunde Betriebsküche”) for its company restaurant. Ever since the start of 2018, the new canteen concept including a carbon footprint balance is something to be proud of: regional sourcing, seasonal offerings and sustainability are taken seriously. A concept that enthuses everyone. The man in charge, Bernhard Kampmann, who is also the head chef and owner of the “Schlichte Hof” restaurant, sources most products from the region. The percentage of convenience products, which was formerly 70 %, has now been brought down to less than 15 %. Flavor enhancers belong to the past. This is sustainability you can taste! As a result, the number of daily meals has nearly doubled within just a few months to about 700. Thus DMG MORI is keeping its environmental footprint as small as possible. For one of the criteria linked to the award was consciously following energy-saving in the kitchen – for example with regards to cooling, ventilating and lighting.

DMG MORI places a particularly high value on the motivation, health and satisfaction of its employees. Numerous stands on the sustainability day invited participation: on a sports course and goal-shooting contest, employees could compete with professionals from Arminia Bielefeld. Participant’s own knowledge of healthy eating was put to the test on the active nutrition course. In addition, the consumer advice center and the environmental agency provided information on healthy eating and climate protection. Taster courses for the latest sports trends boosted physical fitness and ensured a completely successful event.

Compliance

In our worldwide firmly established compliance management system (CMS), we specify the rules and processes necessary to comply with our principles and values.

Our values are an inherent part of our daily processes and our compliance work. They provide the foundation of the DMG MORI corporate culture and, alongside the Code of Conduct, also form the basis of our compliance management system (CMS):

Our goal: to be able to respond optimally and timely to company-specific risks

Fast and effective: to avoid, detect and sanction compliance breaches

Building trust: contributing to the company's success

Broadly positioned: full integration of the antitrust law, anti-corruption and anti-bribery, and export control areas

New in 2018: further areas fully integrated – IT security, data privacy, tax compliance and money laundering

We analyze risks systematically and follow a standardized procedure. Compliance risks may occur in any area and company. Laws, regulations and company-internal guidelines can be violated. Our scenario-based risk analysis is carried out annually in all the above areas and in each case covers the following three financial years.

The company-specific risk position is assessed for all operating group companies on the basis of centrally defined criteria. This is performed both centrally and locally. In the reporting year the compliance risks were assessed as being manageable overall.

CORPORATE RESPONSIBILITY HELPDESK

All employees, customers, suppliers and other business partners may address any questions and comments relating to compliance to responsibility@dmgmori.com. The helpdesk also offers the possibility of following up on any suspicions of illegal or unethical behavior. Independent legal counsel is also available to provide assistance.

Compliance organization and program

The Chief Compliance Officer is the main person in charge and responsible for the overarching development and global coordination of all compliance activities. He reports directly to the Executive Board and at least once a year to the Finance and Audit Committee of the Supervisory Board.

Central coordinators, together with the local coordinators, implement the principles and measures developed in all areas. The latest issues are discussed regularly in a committee comprising the central coordinators and representatives of the central responsibility management.

We regularly raise our employees' awareness with various internal communication measures. To firmly establish principles of conduct and guidelines in the company long-term, DMG MORI provides regular training courses for the relevant employees. We already took steps since May 2016 to extend our training concept by online training. Since then, more than 80 % of the employees who registered for eLearning – excluding production staff – have completed the basic training course. Assuming an average time of one hour, this means that 1,095 hours were invested in the reporting year. The basic training course particularly deals with teaching the contents of our Code of Conduct. In addition, the Chief Compliance Officer and the central area coordinators train all managing directors on new developments and update them on the latest issues.

To ensure that all rules and regulations are complied with, DMG MORI employs a guidelines management. We make sure that all regulations are permanently accessible to our employees via SharePoint. The latest compliance guidelines applicable throughout the group are contained in our Code of Conduct, which is accessible on our website.

→ en.dmgmori-ag.com/corporate-responsibility/responsibility/code-of-conduct

In addition, the integrity of potential agents and dealers is specifically checked. How precisely they are checked depends on the respective level of risk.

Auditing and improvement

Every year, the managing directors receive a survey in order to timely identify any need for clarification and action. In addition, a focus in the reporting year was placed on the implementation and appropriateness of new areas (tax compliance and money-laundering). Furthermore compliance with guidelines was reviewed among others by Internal Audit as an independent management unit.

Data privacy and information security

Data privacy is constantly gaining importance and at DMG MORI it has long been a part of responsible corporate management. To meet the enhanced requirements of the European General Data Protection Regulation (EU-GDPR) in force since May 2018, we have implemented the following measures among others:

- local data protection officers and coordinators in each European company
- data protection manual
- integration of a data protection management system in the CMS
- amendment of the data privacy statements in the internet
- eLearning in addition to traditional seminars

Since October 2018, eLearning is obligatory for all employees affected by the EU-GDPR. More than half of the employees who are registered for the data privacy module successfully completed the eLearning course in the reporting year.

Human rights

Our dealings are in conformity with the pertinent health and social standards of the International Labour Organization (ILO) that are applicable worldwide. We promote fair working conditions and are against any form of child or forced labor. A clear

acknowledgement of the right to freedom of association and the right to collective bargaining are a matter of course for us. Our customers and employees also expect appropriate standards from us and our suppliers.

Due to our complex, multi-stage global supply chain, there is a risk that we may find ourselves faced with legal violations or breaches of human rights. We counter these primarily with the relevant due diligence processes. Details of this can be found in the chapter "Partner and Supplier Management" on page 26 et seq. We do not procure any (conflict) minerals, such as gold, tantalum, wolfram and tin, in their pure state. However, they may find their way into our production in tiny amounts via our complex, multi-stage global supply chain. The procurement of these minerals may prove problematic as they originate in part from mines in the Congo or neighbouring states and are used to finance armed conflicts, which may lead to breaches of human rights. Using our company-wide digitization strategy, we intend to improve transparency in our supply chain in future. In this way it should be easier for us to gauge the origin and quantity of the minerals.

Through appropriate measures, notably through our eLearning and group training courses, we ensure that our high standards within DMG MORI are adhered to and applied worldwide. Further information on our management approach to human rights can be found in the chapter "Employees" on page 28 et seqq.



Transparency, fairness, trust:
Our compliance management system ensures that we comply with our leading principles and values – for fair working conditions and satisfied employees.

Social and Local Commitment

We feel an obligation towards the community and invest in the confidence of the general public. This forms an integral part of our values and our policy. Many of our employees play a role in giving back to society.

DMG MORI sponsors projects in the areas of the community, education, science, the arts, culture, sport and particularly for young talents. The focus of our social commitment is on our employees, young people, schools and universities as well as charitable associations.

“Social responsibility” takes on great significance at DMG MORI and, as per our materiality analysis, now forms one of the priorities of our sustainability management for the reporting period. Our activities do not follow a management approach within the meaning of the CSR Act and the GRI standards. At this point we are reporting on our community projects and our voluntary activities, for social commitment is dear to our hearts and a matter of course.

In the reporting period, we invited employees to an exceptional evening for the first time: by means of a German-Japanese classical concert in the Rudolf-Oetker Hall in Bielefeld, we gave expression to our values in a completely different manner. At the same time, we supported the modernization

of the renowned concert venue. This event was a very special part of our local sponsoring approach in the fields of sport, the arts and culture. It also reflected the broad cultural diversity of our “Global One Company”. In the future, DMG MORI will continuously organize a classical concert for its employees, customers, partners and business associates.

Universities and charitable associations

We support schools and universities through donations, cooperation as well as a lively exchange of ideas and knowledge. Our guiding principle: our research and innovations must quickly become integral to the training. We therefore regularly take part in the “Future Day” and “Girls’ Day” and facilitate visits to our production sites for schoolchildren and students. In addition, at all our sites we become involved in local organizations and projects to actively form networks and through these to be able to support the interests of the respective region.

Illuminated in the company colors: The Rudolf-Oetker Hall glows in the colors of DMG MORI on the evening of the German-Japanese classical concert.



DMG MORI classical concert: The Bielefeld Philharmonic orchestra conducted by Alexander Kalajdzic opened an exceptional evening with more than 1,000 invited guests in the Rudolf-Oetker Hall. The remarkable accordion player, Mario Batkovic (below), gave cause for standing ovations.

German-Japanese harmony:
The young talent Miki Kawashima delighted the audience with the solo “Prelude and Fugue” by Johann Sebastian Bach and, accompanied by the Bielefeld Philharmonic orchestra, with the piano concerto # 2 f-Moll op. 21 by Frédéric Chopin.



Crowning finale:
Kyohei Sorita, an outstanding young Japanese pianist, and the Bielefeld Philharmonic orchestra impressed the audience with piano concerto # 2 c-Moll op. 18 by Sergei Rachmaninov.





BI

In the reporting period we invested about € 450,000 in donations and sponsorships, thereby supporting our European sites in their local commitments. In Bielefeld and the East-Westphalia-Lippe region, DMG MORI has been heavily involved for years in sponsoring the Arminia Bielefeld football club. Our commitment is particularly aimed at encouraging young talent. Additionally, in November 2018, together with famous partners from the region, DMG MORI acquired shares in the Schüco-Arena, the Arminia Bielefeld stadium. Moreover, we have sponsoring agreements with Bielefeld Marketing GmbH and the Bielefeld Kunstverein (art association).

Our donations are made nearly exclusively to the benefit of local associations and institutions, as well as to universities, such as Kempten University, and to fostering young talent (the machine building foundation for young people). This year the focus was primarily on children: for instance, € 10,000 went to the Edith & Alois Berger foundation which takes care of children in need in Germany and Africa. A further € 6,000 benefited the charitable organization "Hoffnungstern Uganda-Freunde e.V." Additionally, DMG MORI donated € 5,000 to the "Fruchtalarm" project for children suffering from cancer. Our FAMOT production plant supported a local kindergarten in Pleszew also with € 5,000.

DMG MORI memberships

People are the driving force. They create the innovative capacity in the machine tools industry. Our primary goal is therefore to foster the skills and competence of employees. A decisive requirement for this is education. As part of its commitment, DMG MORI is therefore a member of various industry associations and is heavily involved in others:

VDMA – Verband Deutscher Maschinen- und Anlagenbau (German Engineering Federation) // VDW – Verein Deutscher Werkzeugmaschinenfabriken e.V. (German Machine Tool Builders' Association) // The Ostwestfalen Chamber of Commerce and Industry in Bielefeld // DKE – Deutsche Kommission Elektrotechnik (German Electrotechnical Commission) // Elektronik Informationstechnik im DIN und VDE (Electronic IT in the DIN and VDE) // TÜV – Technischer Überwachungsverein (Technical Inspection Association) // Employers' liability insurance association // OWL Machine building // BME – Bundesverband Materialwirtschaft, Einkauf und Logistik (Association for Supply Chain Management, Procurement and Logistics) // DSW – Deutsches Studentenwerk (German National Association for Student Affairs) // It's owl e.V. – Intelligent technical systems association in East-Westphalia-Lippe

Run & Roll for a good cause:

DMG MORI paid the starting fee for every employee for the Run & Roll Day 2018 in Bielefeld and donated € 10 for every committed runner to the Kinderkrebshilfe HandanHand Bielefeld e.V., a children's cancer charity.



We provide assistance directly and locally. Our sites decide on their own which projects they want to support. Approval is given, depending on the project, by the respective management or the Executive Board, as provided for in our internal compliance guidelines. We have digitalized this process in the reporting period and integrated it in our workflow system. This has enabled us to create even more transparency on all the group donations.

Water for the world: Benjamin Adrion, former St. Pauli footballer, is the founder of the Viva con Agua de St. Pauli e.V. initiative.



Since July 2018 we have been supporting the project "Viva con Agua". Viva con Agua de St. Pauli e.V. is a developmental non-profit organization that was founded in 2006 and is based in Hamburg. We procure the mineral waters "Laut" and "Leise" from Sankt Pauli for our headquarters in Bielefeld: part of the sales price of every bottle sold is donated and goes, for example, towards drilling wells for drinking water in Africa, Brazil and India / Nepal.



GRI Content Index



This Sustainability Report follows the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the “GRI Standards: core option”. In addition, in February 2019 we completed a “Materiality Disclosures Service”. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the German version of the report. In addition, the demarcation of the non-financial report pursuant to HGB requirements is marked.

| GRI disclosures | | Pages in the Sustainability Report 2018 | Pages in the Annual Report 2018 | Element of non-financial reporting in accordance with HGB | Externally audited by PwC ¹⁾ |
|------------------------|--|---|---------------------------------|---|---|
| GRI 101: | FOUNDATION 2016 | | | | |
| GRI 102: | GENEREL DISCLOSURES 2016 | | | | |
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| 102-2 | Activities, brands, products and services | 6 et seq. | | | |
| 102-3 | Location of headquarters | 6 | | | |
| 102-4 | Location of operations | 6 | Cover GB | | |
| 102-5 | Ownership and legal form | 6 | 19 – 20 | | |
| 102-6 | Markets served | 6 | 19 – 20 | | |
| 102-7 | Scale of the organization | 6 | Cover GB, 45 – 50 | | |
| 102-8 | Information on employees and other workers ²⁾ | 6, 28 – 33 | | | |
| 102-9 | Supply chain | 10, 26 et seq. | | | |
| 102-10 | Significant changes to the organization and its supply chain | | 19 – 20 | | |
| 102-11 | Precautionary principle or approach | 16 et seq., 25, 27 | 65 – 69 | | |
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| STRATEGY | | | | | |
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| ETHICS AND INTEGRITY | | | | | |
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| STAKEHOLDER ENGAGEMENT | | | | | |
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| GRI disclosures | | Pages in the Sustainability Report 2018 | Pages in the Annual Report 2018 | Element of non-financial reporting in accordance with HGB | Externally audited by PwC ¹⁾ |
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| CATEGORY: ECONOMIC | | | | | |
| GRI 205: | ANTI-CORRUPTION 2016 | | | sec. 289c para.2 no. 5 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 26 et seq., 34 et seq. | | sec. 289c para.3 | ✔ without "Value Creation" and "Structures" |
| 205-1 | Operations assessed for risks related to corruption | 34 | | sec. 289c para.3 | ✔ section "Compliance" |
| CATEGORY: ENVIRONMENTAL | | | | | |
| GRI 301: | MATERIALS 2016 | | | sec. 289c para.2 no. 1 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 24 et seq., 26 et seq. | | sec. 289c para.3 | |
| 301-2 | Recycled input materials used | 25 | | sec. 289c para.3 | |
| GRI 302: | ENERGY 2016 | | | sec. 289c para.2 no. 1 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 18 – 21 | | sec. 289c para.3 | ✔ |
| 302-1 | Energy consumption within the organization | 20 et seq. | | sec. 289c para.3 | ✔ table 05 |
| GRI 305: | EMISSIONS 2016 | | | sec. 289c para.2 no. 1 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 18 – 21 | | sec. 289c para.3 | ✔ |
| 305-1 | Direct (Scope 1) GHG emissions | 21 | | sec. 289c para.3 | ✔ table 06 |
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| 305-6 | Emissions of ozone-depleting substances (ODS) ⁵⁾ | | | sec. 289c para.3 | |
| GRI 308: | SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 | | | sec. 289c para.2 no. 1 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 26 et seq. | | sec. 289c para.3 | ✔ without "Value Creation" and "Structures" |
| 308-1 | New suppliers that were screened using environmental criteria | 27 | | sec. 289c para.3 | ✔ section "Risk Management and Assessments" |
| CATEGORY: SOCIAL | | | | | |
| GRI 401: | EMPLOYMENT 2016 | | | sec. 289c para.2 no. 2 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 28 – 30 | | sec. 289c para.3 | |
| 401-1 | New employee hires and employee turnover ⁶⁾ | 28 et seq. | | sec. 289c para.3 | |
| GRI 403: | OCCUPATIONAL HEALTH AND SAFETY 2016 | | | sec. 289c para.2 no. 2 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 26 et seq., 28 – 30, 33 | | sec. 289c para.3 | |
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities ⁷⁾ | 33 | | sec. 289c para.3 | |
| GRI 404: | TRAINING AND EDUCATION 2016 | | | sec. 289c para.2 no. 2 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 28 – 30, 32 | | sec. 289c para.3 | |
| 404-1 | Average hours of training per year per employee ²⁾ | 32 | | sec. 289c para.3 | |
| GRI 405: | DIVERSITY AND EQUAL OPPORTUNITY 2016 | | | sec. 289c para.2 no. 2 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 – 13, 28, 30 et seq. | | sec. 289c para.3 | ✔ on p. 30 only "Diversity and Equal Opportunities" |
| 405-1 | Diversity of governance bodies and employees ²⁾ | 30 et seq. | | sec. 289c para.3 | ✔ table 09 |
| GRI 412: | HUMAN RIGHTS ASSESSMENT 2016 | | | sec. 289c para.2 no. 4 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 – 13, 26 et seq., 28, 35 | | sec. 289c para.3 | ✔ without "Value Creation" and "Structures" |
| 412-2 | Employee training on human rights policies or procedures | 34 | | sec. 289c para.3 | |
| GRI 414: | SUPPLIER SOCIAL ASSESSMENT 2016 | | | sec. 289c para.2 no. 4 | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 26 et seq. | | sec. 289c para.3 | ✔ without "Value Creation" and "Structures" |
| 414-1 | New suppliers that were screened using social criteria | 27 | | sec. 289c para.3 | ✔ section "Risk Management and Assessments" |
| GRI 416: | CUSTOMER HEALTH AND SAFETY 2016 | | | | |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) | 9 et seq., 16 et seq. | | sec. 289c para.3 | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 17 | | sec. 289c para.3 | |
| IN ADDITION TO THE GRI: PRESENTATION OF SOCIAL ENGAGEMENT ⁸⁾ | | | | sec. 289c para.2 no. 3 | |
| | Not a concept within the meaning of the CSR Directive Implementation Act | 36 | | sec. 289c para.4 | ✔ |
| GRI 103: | Management approach 2016 (103-1, 103-2, 103-3) ⁸⁾ | 9, 36 – 39 | | | |
| | Amount of donations and sponsorships | 38 | | sec. 289c para.3 | ✔ section "Universities and Charitable Associations" |
| IN ADDITION TO THE GRI: PRESENTATION OF ADDITIONAL MINIMUM ELEMENTS OF THE NON-FINANCIAL REPORT | | | | | |
| | Presentation of the business model | 6 et seq. | 16 – 20, 36 – 43 | sec. 289c para.1 | ✔ |
| | Results of the risk assessment | 11 | | sec. 289c para.3 no. 3-4 | ✔ |
| | Information on the framework used | 8 | | sec. 289d | ✔ |




1) See audit report of the independent auditors on page 42.
2) No further subclassification of the categories and data as these are not of material significance for our sustainability management.
3) Restatements will be outlined accordingly as required (102-48).
4) The Sustainability Report is published annually, most recently on 13 March 2018, and covers the financial year 1 January to 31 December 2018.
5) The use of or the emission of ozone-depleting substances could not be determined at DMG MORI.

6) As information on age and gender does not present any significant information regarding the hiring and departure of employees, this is not analyzed at DMG MORI.
7) Due to the low number of injuries at work, or traveling to and from work at DMG MORI, this information does not provide any key figures and consequently the resulting absenteeism rate has not been analysed separately.
8) The topic was classified as material only in the reporting year. The implementation of a management system is planned for 2019.

Assurance Report

Independent Practitioner’s Report on a Limited Assurance Engagement on Non-financial Reporting and Sustainability Information¹⁾

To DMG MORI AKTIENGESELLSCHAFT, Bielefeld

We have performed a limited assurance engagement on the disclosures denoted with  in the GRI-Content-Index of the sustainability report (hereinafter the “disclosures denoted with ”) in the separate non-financial group report pursuant to § (Article) 315b Abs. (paragraph) 3 HGB (“Handelsgesetzbuch”: “German Commercial Code”) (hereinafter the “Non-financial Report”) of DMG MORI AKTIENGESELLSCHAFT, Bielefeld (hereinafter the “Company”), for the period from 1 January to 31 December 2018 contained in the Sustainability Report 2018. Our engagement in this context relates solely to the disclosures denoted with .

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Sustainability Report 2018 in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter: “GRI-Criteria”) and the Non-financial Report contained in the Sustainability Report 2018, in accordance with §§ 315b and 315c in conjunction with §§ 289c to 289e HGB and the relevant GRI-Criteria and for the selection of the Sustainability Information to be evaluated.

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 Qualitäts-sicherungsstandard 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 disclosures denoted with  in 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 disclosures denoted with  in the Company’s Non-financial Report for the period from 1 January to 31 December 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with §§ 289c to 289e HGB and the relevant GRI-Criteria.


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 and of the stakeholder engagement*
- *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*
- *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 information*

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 disclosures denoted with  in the Company’s Non-financial Report for the period from 1 January to 31 December 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with §§ 289c to 289e HGB and the relevant GRI-Criteria.

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, 11 March 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Pia Schnück
Wirtschaftsprüferin
[German public auditor]

1) PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the “Sustainability Report 2018” and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent assurance report.

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Forward-looking statements

This report contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management’s current expectations and specific assumptions. They are subject to risks, uncertainties and other factors that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIENGESELLSCHAFT to differ materially from or be more negative than those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a range of risks and uncertainties, which may likewise render a forwardlooking statement, estimate or forecast inaccurate. Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results expressed, expected, anticipated, intended, planned, aimed at, estimated, projected or implied in these statements. Forward-looking statements must not be understood as a guarantee or assurance of the future developments or events contained therein.

There are two companies using the name “DMG MORI”: DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Nara, Japan. DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to “DMG MORI”, this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporation Act (Aktiengesetz – AktG). If reference is made to “Global One Company”, this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

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Languages

This report is available in German and English language.

Order

We will gladly send additional copies and further information on DMG MORI free-of-charge upon request.

 www.dmgmori-ag.com

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STRATEGY

HEALTH

DIVERSITY

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RECYCLING

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