

DMG MORI

AKTIENGESELLSCHAFT

AUTOMATION

DIGITIZATION

ADDITIVE MANUFACTURING

TECHNOLOGY EXCELLENCE

DMG MORI QUALIFIED PRODUCTS

EXCELLENCE *dynamic* **E**

**SUSTAINABILITY
REPORT
2019**



IN A FEW WORDS

Our goal: 2020 DMG MORI will be CO₂-neutral.

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Responsibility is a major issue for DMG MORI. Therefore, our sustainability concept is broadly based: from our suppliers, our production and our employees to our customers. We advocate a holistic approach to sustainability and maintain our high level of commitment even in economically challenging times.

BJÖRN BIERMANN
Member of the Executive Board

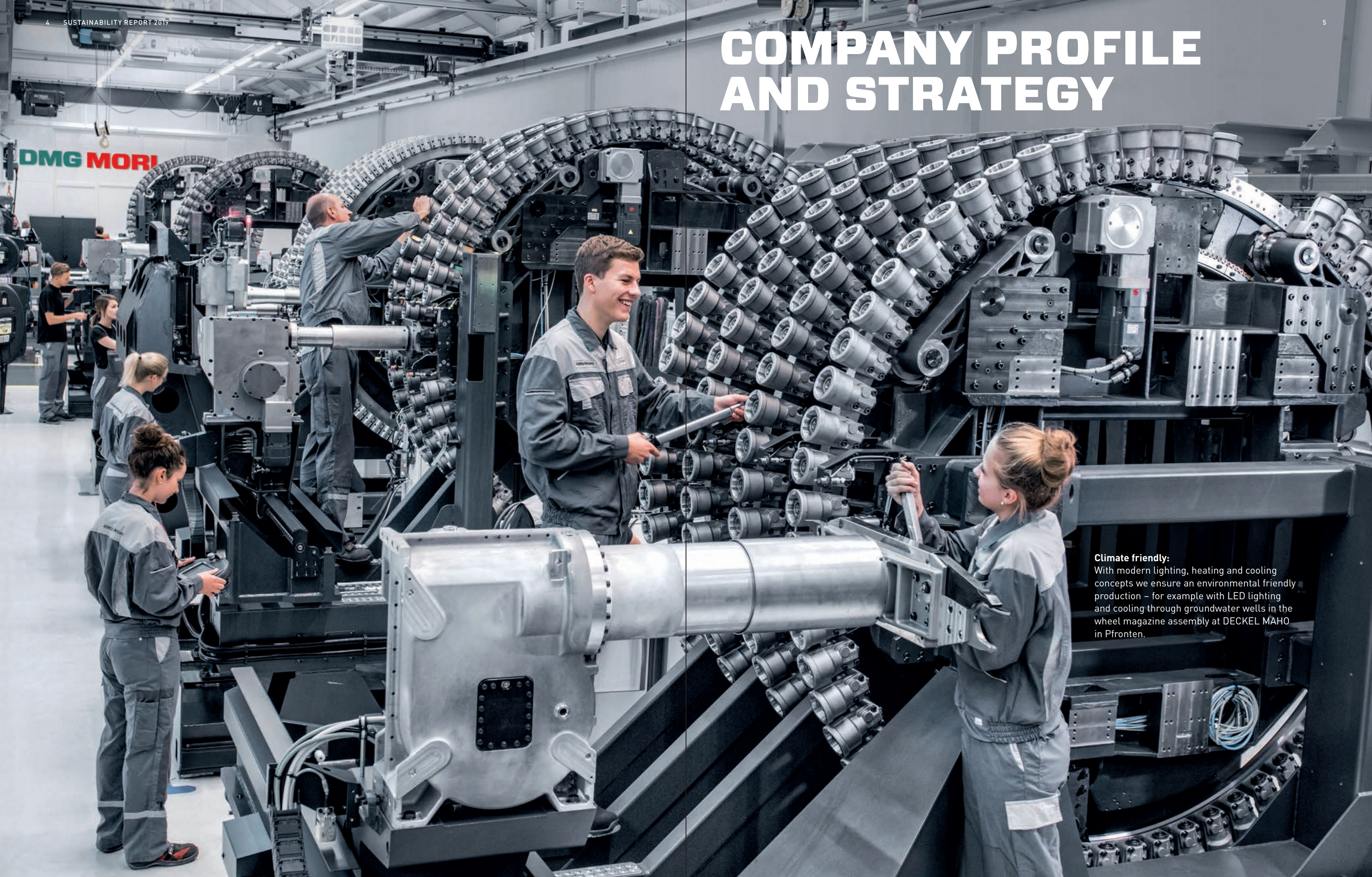
As a leader in technology and innovation, sustainability is at the center of all our activities at DMG MORI. Our strategic future fields show this: Automation and Digitization ensure maximum productivity and thus conserve resources and energy. Additive Manufacturing allows for the most economical use of materials. This year we are taking a big step forward and will be CO₂-neutral.

CHRISTIAN THÖNES
Chairman of the Executive Board

We know: It is always possible to become even more energy efficient, resourcesaving, productive and precise. At DMG MORI we are therefore continuously improving in the area of sustainability. Through the use of latest manufacturing and production technologies as well as the implementation of digital solutions in our own value chain we meet our high demands.

MICHAEL HORN
Member of the Executive Board

COMPANY PROFILE AND STRATEGY



Climate friendly:
With modern lighting, heating and cooling concepts we ensure an environmental friendly production – for example with LED lighting and cooling through groundwater wells in the wheel magazine assembly at DECKEL MAHO in Pfronten.

Future-oriented and innovative: At EMO Hanover, DMG MORI is the largest exhibitor, presenting a wide range of innovations on over 10,000 m² – 29 automation solutions, 30 digital products and Additive Manufacturing.



COMPANY PROFILE

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of more than € 2.7 billion and around 7,200 employees. As “Global One Company” – together with DMG MORI COMPANY LIMITED – we reach sales revenues of around € 4 billion.

With dynamic and excellence we advance future technologies. Our portfolio comprises turning and milling machines, the Advanced Technologies Ultrasonic, Lasertec and Additive Manufacturing as well as consistent automation and digitization solutions. Our modular products allow quick, easy and scalable access to digital manufacturing and end-to-end digitization along the entire process chain – from planning and preparatory work to production and monitoring to service.

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 spare parts service. The modern customer portal, “myDMG MORI” digitizes service processes.

More than 12,000 employees work for “Global One Company”. With 154 sales and service locations – including 14 production plants – we are present worldwide and deliver to more than 100,000 customers from 42 industries in 79 countries.

SEGMENTS OF DMG MORI AKTIENGESELLSCHAFT HEADQUARTERS: BIELEFELD



Further information on the group organizational structure can be found on the inside of the cover of the Annual Report 2019 and in the Group Business Report on page 16 et seqq.

SUSTAINABILITY STRATEGY AND MANAGEMENT

DMG MORI takes responsibility – for the quality of our products, for the environment and society as well as for our employees. In our Sustainability Report 2019 we use numerous initiatives and projects to demonstrate how we live corporate responsibility – sustainably and completely.

Sustainability is an integral part of the corporate strategy of DMG MORI. A respectful treatment of the environment and our employees is as much at the focus of our attention as the high quality of our products and services.

In our **sustainability strategy** we are taking a holistic approach. It includes our products and buildings as well as our suppliers, customers and employees. Through a variety of strategic measures, we are committed to make a positive contribution to people, society and environmental protection and to avoid negative effects of our business activities. Our sustainability strategy is based on the following principles:

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

Our sustainability management is a significant factor in the success of the company. As part of our integrated corporate responsibility approach, we bundle and optimize the topics of sustainability and compliance in one department that reports directly to the Executive Board as the highest decision-making

01 | SUSTAINABILITY MANAGEMENT



body. We pursue the goal of developing products, services and technology solutions in a way that enables our customers and partners to make processes in their own value chains more sustainable. We are continuously expanding our sustainability management with the knowledge gained.

DMG MORI's Sustainability Report 2019 is the third comprehensive presentation of its ambitions and goals for responsible corporate management. With a large number of voluntary details, we go far beyond the minimum legal requirements.

The Sustainability Report 2019

- informs about progress in the implementation of our sustainability strategy
- has been prepared in accordance with the "GRI Standards: Core Option"
- contains the separate, non-financial group report 2019 and meets the statutory requirements pursuant to German Commercial Code (HGB)
- presents the delimitation or the legally binding contents in the GRI Content Index under "Element of non-financial reporting in accordance with HGB"
- meets the requirements for the presentation of concepts in accordance with section 289c (3) of HGB by describing the management approaches in accordance with GRI (301) (hereinafter "management approaches")



Blue Competence:
We are partner of the sustainability initiative Blue Competence of the German machinery and plant building association (VDMA). With our a new partnership in the reporting year we commit ourselves to comply with the twelve sustainability principles of the machinery and plant building industry.



Alliance for development and climate:
We voluntarily commit ourselves to realizing the UN Agenda 2030 and the Paris Climate Agreement. We therefore joined the "Alliance for development and climate" in the reporting year.

Materiality analysis

We use a materiality analysis to weigh up various topics and carry out an assessment that takes into account both external stakeholders and our internal perspective. We also identify topics that have an impact on the legal aspects. To this end, we have reviewed the valuation of previous years. This was prepared on the basis of a pre-selection of topics, for example from supplier guidelines and customer questionnaires, as well as intensively discussed and determined by the sustainability coordinators. Due to the increased social and corporate significance of the topic of "emissions", the topic was re-evaluated and rated higher than in the previous year. Accordingly, we have also significantly increased our expenditure on this issue.

The materiality matrix summarizes the assessment of the topics and is divided into the categories low, medium and high materiality. The Y-axis reflects the importance for DMG MORI. The X-axis shows the impact on legal aspects. The importance for our stakeholders is shown with arrows. Topics in the category "High materiality" form the basis of our sustainability management system – and are thus the focus of this Sustainability Report. We also describe our focal points in our Corporate Responsibility Handbook, which is valid within the Group.

02 | MATERIALITY MATRIX

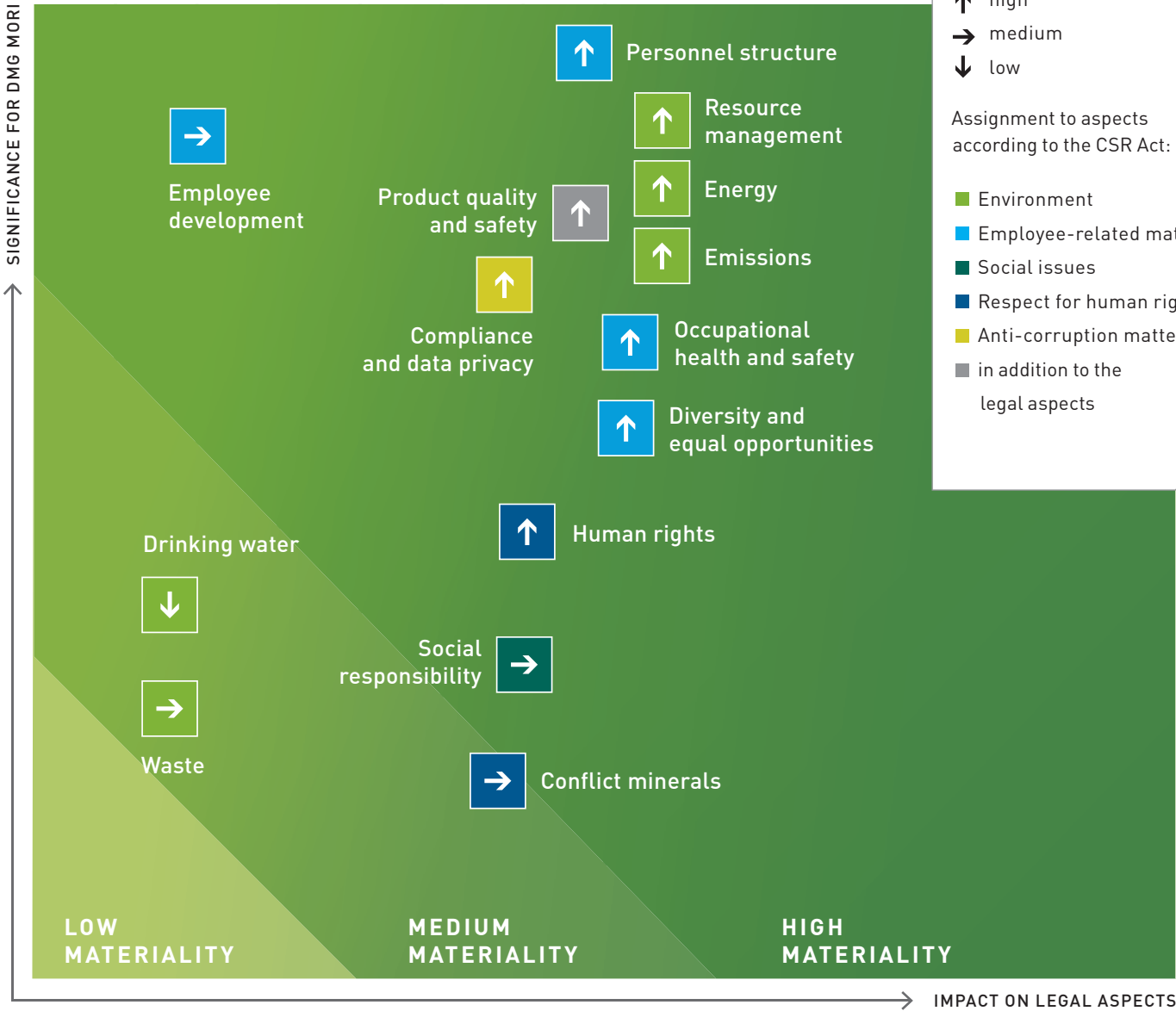


Figure 03 shows the main fields of action of our sustainability management along the simplified value chain (green). Within each stage of the value chain, we assign the topics that have an impact on the environment, people or society. Shown in black are the topics that have an impact and on which we actively exert influence, e.g. by generating internal and external

attention. In the reporting year, we adjusted the allocation: In addition to fields of action within our immediate sphere of influence, our commitment is now increasingly focused on the direct up- and downstream stages of the value chain. → [Partner and Supplier Management](#), p. 28 et seq.

03 | VALUE CHAIN

RAW MATERIALS	SUPPLIERS	DMG MORI	CUSTOMERS	DISPOSAL & RECYCLING
<div>+ Resource management</div> <div>+ Conflict minerals</div> <div>+ Human rights</div> <div>+ Occupational health & safety</div> <div>+ Energy</div> <div>+ Emissions</div> <div>+ Drinking water</div> <div>+ Waste</div>	<div>+ Resource management</div> <div>+ Energy</div> <div>+ Emissions</div> <div>+ Occupational health & safety</div> <div>+ Human rights</div> <div>+ Compliance & data privacy</div> <div>+ Drinking water</div> <div>+ Waste</div>	<div>+ Resource management</div> <div>+ Energy</div> <div>+ Emissions</div> <div>+ Product quality & product safety</div> <div>+ Human rights</div> <div>+ Personnel structure</div> <div>+ Employee development</div> <div>+ Diversity & equal opportunities</div> <div>+ Occupational health & safety</div> <div>+ Social responsibility</div> <div>+ Compliance & data privacy</div> <div>+ Drinking water</div> <div>+ Waste</div> <div>+ Conflict minerals</div>	<div>+ Resource management</div> <div>+ Energy</div> <div>+ Emissions</div> <div>+ Product quality & product safety</div> <div>+ Occupational health & safety</div> <div>+ Drinking water</div> <div>+ Waste</div>	<div>+ Product quality & product safety</div> <div>+ Energy</div> <div>+ Emissions</div> <div>+ Human rights</div> <div>+ Drinking water</div> <div>+ Waste</div>

In dialogue with our stakeholders

Satisfied customers, partners and employees – that is our goal. The employees of DMG MORI communicate daily with a large number of people and groups. Our stakeholders directly and indirectly influence our business activities. Their opinions, questions and comments provide important impulses to the “Corporate Responsibility” management. The basis for a continuous dialogue is the “Corporate Responsibility Manual”. Therefore, the sustainability coordinators determined the “particularly important” stakeholders in dialogue with external experts in 2017. These are shown in green in diagram 04. In addition, exemplary forms of dialogue with these stakeholders are listed, such as comprehensive customer and employee satisfaction analyses. Discussions with employee representatives and the interdisciplinary exchange in quarterly sustainability rounds also contribute to the further development

of our strategy. All replies as well as feedback from our social media channels get analyzed. These results are consistent with our assessment of materiality.

charta der vielfalt

SIGNED

Commitment to diversity: We support an appreciative and unprejudiced organizational culture. In the reporting year, we have voluntarily committed ourselves to this.



DMG MORI ONE: Our new intranet works on all devices – even on the shop floor monitors.

measures contribute to anchoring sustainability awareness in the business processes of DMG MORI and to meeting the transparency requirements of our stakeholders.

As a natural part of our corporate culture, we encourage our stakeholders to contact the Responsibility Helpdesk (responsibility@dmgmori.com) or anonymously an external lawyer of confidence, Dr. Carsten Thiel von Herff LL.M. (vertrauensanwalt@thielvonherff.de), if they suspect a violation of applicable regulations or our DMG MORI guidelines. The contact details can be found in the Code of Conduct, in DMG MORI ONE and on our website.

With our intranet **DMG MORI ONE** which was relaunched in the reporting year, we have an interactive platform for internal exchange with and between all employees. This way, we receive direct feedback from our employees on various sustainability issues and can launch targeted surveys on opinions or measures, for example.

Our stakeholders are interested in a wide range of topics without identifiable overarching priorities: In addition to diversity and equal opportunities, our employees are also mainly interested in environmental issues and youth development. Our customers care about our product quality, but also about topics such as the working conditions at our suppliers. This fits with our approach: sustainability only works holistically. That is why we are placing our strategy and reporting on a broad basis. Both internal and external communication

Further measures to extend the monitoring and improvement mechanisms are

- same escalation and reporting processes for sustainability as for compliance
- sustainability topics integrated in annual questionnaires to the management in order to promptly identify any need for action

Considering existing principles and measures (net risks), the risk calculation did not result in any material risks that meet the materiality criteria in accordance with §289c (3) No. 3 and 4 HGB. The risk assessment of sustainability issues is integrated into our “Responsibility Risk Assessment”. → [Compliance](#), p. 38 et seq.

04 | SIGNIFICANT STAKEHOLDERS & FORMS OF DIALOGUE

COOPERATION PARTNERS

Events with universities and schools
(Research) projects
Knowledge transfer

CAPITAL MARKET

Annual General Meeting
Investor Relations

SUPPLY PARTNER

Supplier audits
Supplier talks
Supplier convention
Platform Integrity Next



CUSTOMERS

Customer satisfaction analysis
Trade fairs
Marketing & PR

EMPLOYEES

Employee satisfaction analysis
Idea management
Employee appraisals
DMG MORI ONE

NGOs* AND ASSOCIATIONS

Forums and events
Committees

PUBLIC AUTHORITIES

Plant inspections
Talks

* NGOs = non-governmental organizations

Questions? responsibility@dmgmori.com

Information! www.dmgmori-ag.com

Tweets. [#dmgmorieu](https://twitter.com/dmgmorieu)

What guides us: our principles of conduct

At DMG MORI uniform values apply worldwide: responsibility, sustainability and integrity. This is exactly what brings DMG MORI together across borders and cultures. Our values determine our actions at all levels. They define for all DMG MORI partners and employees what we stand for, what we expect from them and what they can expect from DMG MORI. These values also play a major role in the cooperation with our customers.

The DMG MORI Code of Conduct forms the basis for our sustainability strategy and sustainability management. It contains our principles and values regarding the important sustainability aspects, such as employees, environment, supply chain, human rights and resources. The Code of Conduct is also the basis for dealing with all stakeholders. The Code describes objectives and rules that reflect our commitment to responsible, ethical and lawful conduct and sustainable value creation.

Newly recruited employees confirm in writing that they have received the Code of Conduct. Naturally, we also hand these over to our suppliers. DMG MORI expects them to comply with and promote the principles described therein. We will also have this confirmed in writing. We are constantly revising our Code of Conduct to ensure that it reflects the latest topics in our "Corporate Responsibility" strategy. In our intranet we regularly present chapters from the Code of Conduct in detail.

Every employee has the right and the duty to inform himself or herself regularly about the current status of the internal regulations. In addition, each manager should set an example to the employees through his or her own behavior. For this purpose, we conduct training courses. In addition, our "Leading Principles" form the basis of our sustainable management culture. Together with DMG MORI COMPANY LIMITED, we are committed to clear principles and values as part of the "Global One Company". The central leading principles are derived from the four cornerstones of our "Global One" strategy:

- Employee
- Customer
- Product
- Finances



EMPLOYEE

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



PRODUCT

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

CUSTOMER

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



FINANCE

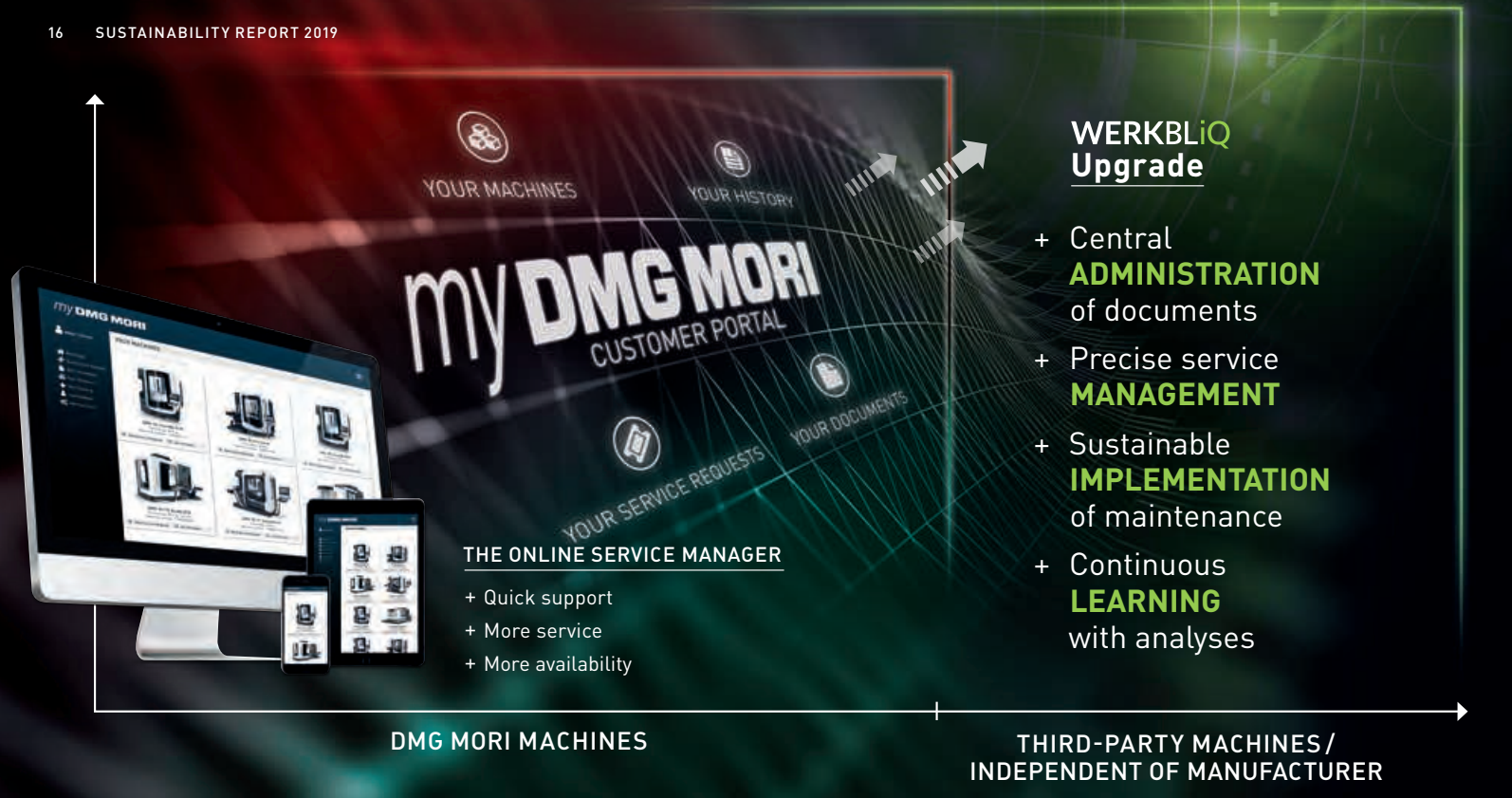
The efficient use of resources and constant identification of potential for improvement are essential to DMG MORI's commercial success.



PRODUCTS, ENVIRONMENT AND SOCIAL ISSUES



Together strong:
150 trainees from DMG MORI from all over the world took part in the cross-plant "DMG MORI Trainee Cup 2019" at the Schüco Arena in Bielefeld.



PRODUCT QUALITY AND SAFETY

100 % for our customers and for the environment

Product quality

Quality is a basic prerequisite for sustainability and customer satisfaction. With our "First Quality" strategy, we create standards that far exceed legal requirements – good is not good enough for us. Because our goal is: 100 % satisfied customers.

The certification of our production plants according to the latest quality standard ISO 9001-2015 forms the basis. We regularly monitor the implementation and effectiveness of the specifications by means of internal and external audits. And we go one step further: our global quality experts develop innovative processes tailored specifically to the industry and pass on the best solutions as quickly as possible after an intensive test phase. They are supported by the central quality management platform "conSense Global", which was introduced in the reporting year and in which we digitally compile all quality management manuals and make them available to our employees at all times.

The focus of our "First Quality" strategy is on noticeable customer benefits in daily use, while at the same time conserving resources as far as possible.

Our customers expect high durability, maximum availability over the entire product life cycle and innovations. To meet these requirements, holistic measures are needed along the entire value chain – from development to service.

Our products must meet the requirement criteria of the six-stage "design review process" and pass our stress tests, which go beyond actual customer conditions, before being launched on the market. From the very beginning, we therefore involve our suppliers, who have qualified as partners with the highest quality over many years, in the development. Our products are also put to the "acid test" in series production: Four days in total – for at least 100 hours each machine is checked and tested before it leaves one of our production plants. In the course of the advancing digitization, we adapted our proven "Design Review Process" specifically for software products in the reporting year. In addition to machines and DMG MORI Components, we now also cover the future fields of automation and digitization.

To ensure that our customers can get started right away, we inform them in advance about the ideal conditions for delivery and commissioning of their new machine. Commissioning is carried out exclusively by highly qualified service experts. At the same time, we familiarize our customers with all requirements for efficient, safe and resource-saving use.

In case of service requests, we provide fast and targeted help. With our innovative remote help system "DMG MORI NETservice" which is already installed as standard, we were able to solve more than 50 % of all service requests in Germany in the reporting year purely digitally from our service headquarters. In order to offer our customers even more transparency and convenience, we introduced the new customer portal "my DMG MORI" in September for service optimization. It provides direct contact to the "right" service expert, status overview of ongoing service activities and access to all relevant documents such as service protocols and manuals. More efficient communication and greater transparency mean that service requests can be resolved more quickly and easily.

Our measures are taking effect: -10 % fewer service calls per machine under warranty compared to the previous year.

We thereby increase our customer satisfaction and at the same time protect the environment. This is confirmed by our customer satisfaction analysis: 98 % of our customers are satisfied with their purchase decision and would recommend us to others. We continuously identify further improvement opportunities in personal discussions.

Product safety

Our machines meet the highest safety regulations. The basis for maximum product quality and safety is compliance with laws, directives and standards for machine protection, required working methods and proper operation by the user as well as occupational health and safety regulations. We ensure product safety at DMG MORI and continuously develop this further. In the "Design Review Process", we check compliance with machine safety by default – it is an essential point before market release. We are actively involved in the definition and further development of safety technology in national and international standardization circles (ISO, IEC). Internal experts, who are involved in professional associations and regularly receive further training, are responsible for implementing the guidelines and standards.

DMG MORI regularly carries out risk assessments of its products. In this way, we identify hazards and the necessary measures to eliminate them. This assessment includes all work carried out by persons throughout the life of a machine and thus concerns the protection of human health and the

environment against risks from chemicals and hazardous substances. We permanently supervise product safety by means of monitoring in sales and quality management. Unavoidable residual risks are described within the product manuals and indicated by warning or instruction signs and safety instructions on the user display. We consecutively work closely with the operators to reduce these residual risks even further in the future.

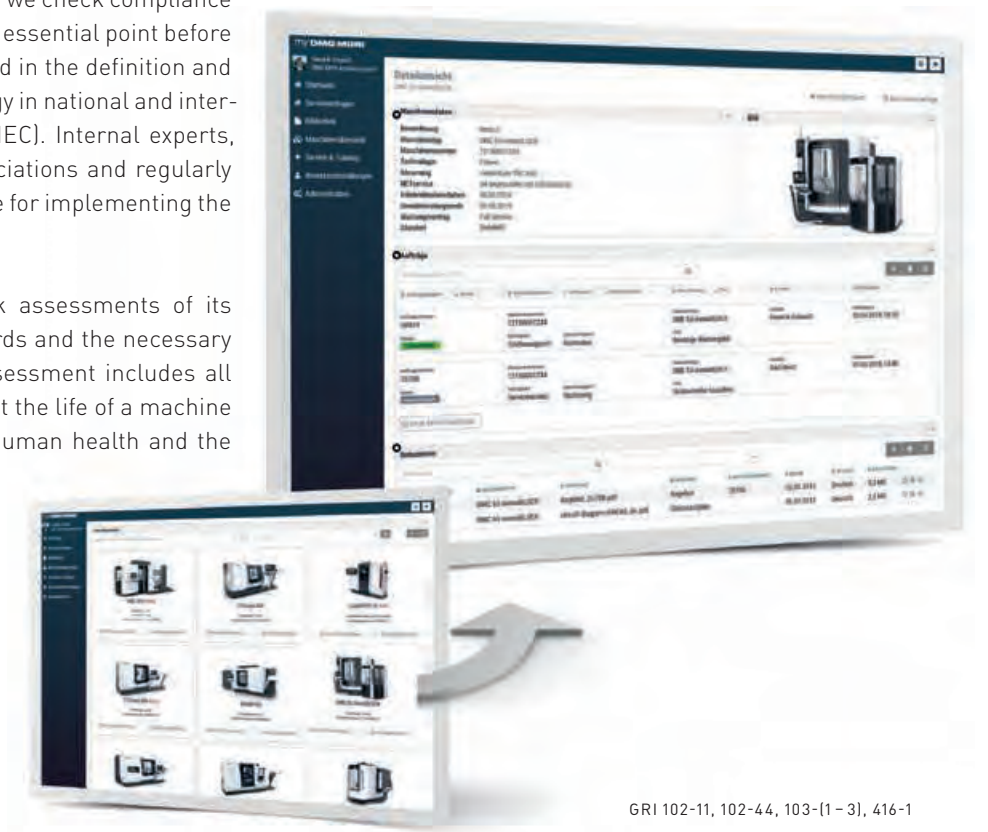
We also attach great importance to security for our digital products – "Product Security" is integrated into product development as an elementary component of the digitization strategy. New products like our NETservice are developed according to the "Security by Design" principle, i.e. security is an explicit requirement in the development process. For secure integration, we also recommend to our customers a multi-level "Defense in Depth" concept consisting of various security measures, ranging from controlled access to production buildings to a segmentation of the networks into production and office networks.

Important principles and guidelines at DMG MORI:

- Machinery Directive 2006/42/EC
- Electromagnetic Compatibility Directive (EMC), 2014/30/EU and EMC Act
- Directive on the provision of pressure equipment 2014/68/EU
- EU Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- ATEX directive 2014/34/EU (fire and explosion protection)
- Equipment and Product Safety Act and other EU directives affecting the product
- national and international product standards

Transparency and comfort:

Service requests can be initiated with only a few clicks in the new customer portal "my DMG MORI". Existing service activities are displayed transparent and in real time to resolve inquiries faster and easier.



CLIMATE AND ENVIRONMENT

Climate change is one of the greatest challenges society and industry are facing. That is why we consistently reduce the energy consumption of our machines and production – especially with regard to fossil energies such as coal, oil or natural gas. With one clear goal: 2020 we will be CO₂-neutral.

By switching to green electricity from 2020, we will avoid a large part of indirect CO₂ emissions at the stage they are generated. We reduce our emissions with concrete efficiency measures. We offset remaining and currently unavoidable CO₂ emissions with sustainable and certified compensation projects.

The five Corporate goals

We intend to continue our successful course in the years to come. We have therefore sharpened our goals once again:

- 1) **NEW** // 2020 DMG MORI will be CO₂-neutral.
- 2) **NEW** // At our certified sites we will reduce CO₂ emissions by a total of 500 t by the end of 2021 (base year: 2019).
- 3) We will increase our energy efficiency by 5 % until 2023 (benchmark: kWh/EUR value added, base year: 2017).
- 4) We are expanding the energy monitoring concept at the European Group sites by the end of 2020. In the reporting year, we launched further projects to achieve our goals.
- 5) By 2021 we want to save another 1,000,000 kWh (base year 2019). We have already achieved our 2016 target of realizing project-related savings of 1,000,000 kWh by the end of 2020. The new building in Pleszew and the optimization of the heating system in Geretsried were major contributing factors (approx. 820,000 kWh).

Targets for the individual locations are in turn derived from our five overarching Corporate goals. These are reviewed annually by the managing directors in the management assessments and in a central management review by the Executive Board.

Energy efficiency & energy saving measures

Our direct CO₂ emissions result from the consumption of energy in our production, assembly, sales and service processes. This also applies to our suppliers. Our measures take a holistic approach: We control our own energy consumption and emissions with our energy management system. We oblige our suppliers to use energy-saving and environmentally compatible processes. → [Partner and supplier management](#), p. 28 et seq.

Since 2015, DMG MORI has been operating an energy management system in accordance with ISO 50001 at all European production sites and since 2019 this system has focused on sites that are significant for energy consumption.* TÜV SÜD Management Service GmbH once again certified DMG MORI's effective energy management in the reporting year. A central energy manager coordinates all activities related to energy and is supported by local energy management teams and persons responsible for energy. In our energy management system, we analyze the energy consumption of our sites, considering local specifics. In doing so, we identify the main causes of energy demand and define targeted measures to reduce our consumption and the associated emissions. We summarize these under the term "ENERGYSAVING". In the reporting year, we have therefore installed ultramodern and energy-efficient new buildings and conversions in Pfronten and Pleszew, among other things. With our "Energy Policy", last revised in August 2019, we commit ourselves to the responsible use of energy and resources and the associated reduction of CO₂ emissions.



ENERGYSAVING measures 2019

- + Replacement of existing lighting systems with LED lighting
- + Implementation of modern heating, ventilation and cooling concepts as well as heat recovery / demand-oriented optimization of existing systems
- + Installation of new, efficient compressors and adaptation of the control system at various locations to improve the energy efficiency of the compressed air supply
- + Monitoring and analysis of energy consumption by the "Energy Monitor" software
- + Expansion of measurement technology for detailed recording of our consumption and analysis of measures
- + Installation of renewable energy generation plants



Tortona (Italy)

- + Five cooling units replaced by two new, more efficient units



Seebach

- + Modernization of the canteen
- + Renewal of the paint shops with efficient cross-section technologies



Bielefeld

- + Optimization of the plant control systems
- + Improved lighting control in the production halls



Idar-Oberstein

- + Expansion of the measuring technology by 20 new energy consumption measuring points

Pfronten

- + Triple glazing
- + LED lighting with day-light-dependent control
- + Construction of two new energy-efficient halls (2,200 m²) according to the requirements of EnEV 2016 (increased standard)
- + Construction of a multi-story car park with 48 e-charging stations
- + Expansion of the hall cooling system using ground water
- + Facade insulation



Pleszew (Poland)

- + Energy concept introduced in 2018 saves 771,332 kWh = 512 tons of CO_{2e} per year



The economical use of energy and the increase in our energy efficiency make a significant contribution to achieving our goals. We therefore regularly draw the attention of our employees and service providers to our guidelines on energy use, for example in annual energy training courses or with our “Green Office” campaign, which we successfully continued in the reporting year. Every day our employees help to achieve the energy goals of DMG MORI. Concrete instructions for action and a detailed energy management manual serve as a guide.

Energy consumption

Energy consumption is essentially calculated as the sum of the quantities of the energy sources electricity, natural gas, liquefied petroleum gas, heating oil and fuel as well as the quantities of electricity generated in-house. In production, we use electricity as the main energy source for assembly processes and technical building equipment. We need natural gas and a small proportion of heating oil to provide space heating. We also use natural gas to a small extent to generate electricity in combined heat and power plants. Fuel consumption accounts for 40 % of energy consumption. Table 05 shows the energy consumption within the organization. **In the reporting year we optimized our processes for evaluating energy consumption and included additional locations. We have also greatly expanded our capacities in Pfronten and Pleszew.** This results in an increase in energy consumption per added value to 222 kWh/€ K.



05 ENERGY CONSUMPTION WITHIN THE ORGANIZATION ^{1) 2)} in MWh		
	2019	2018
Fuel consumption from fossil energy sources	90,818	80,506
of which natural gas	33,611	32,491
of which liquid gas	338	364
of which heating oil	0	55
of which fuel	56,869	47,596
Electricity consumption	52,441	48,962
of which procured from the grid	49,696	47,489
of which self-generation from renewable sources	2,745	1,473
Energy consumption in total	143,259	129,468
Energy consumption per added value in kWh / € K	222	214

1) includes the following sites: Germany (Bielefeld, Pfronten, Seebach, new in 2019: Geretsried, Idar-Oberstein); Italy (Brembate di Sopra, Tortona); Poland (Pleszew); Russia (Ulyanovsk). 2018 also includes the Würzburg and Stuttgart locations. These locations and the vehicle fleet account for over 80 % of DMG MORI's global energy consumption.

2) The conversion factors for liquid gas and heating oil come from the Bundesverband der Energie- und Wasserwirtschaft e.V. (BDEW) 2017. The conversion factors for fuels come from the Federal Office of Economics and Export Control (BAFA) 2017.

Energy efficient new construction: The new XXL hall at FAMOT in Poland meets the most modern energy concepts and standards. We are thereby creating a pleasant and productive working area while simultaneously preserving the environment.

Emissions

DMG MORI causes direct emissions through the use of fuels in the vehicle fleet and through the use of natural gas and fuel oil for heat supply. Indirect emissions are caused by the purchase of electricity and business trips. Direct emissions in the reporting year account for 31%, indirect emissions for 69%.

Our goal is clear: we want to become CO₂-neutral. The focus is on reducing our own emissions – for example by producing regenerative energy at our locations. In 2019 we have

thereby saved over 1.500 tonnes of CO_{2e}. In order to reduce business travel and associated emissions, DMG MORI is increasingly using digital communication systems. In 2019, over 250,000 meeting participants exchanged information in over 80,000 video conferences – a positive contribution to reducing the number of business trips.

2018, we launched the joint project “Corporate Mobility Management”. Together with the city of Bielefeld and numerous well-known companies from East Westphalia-Lippe, DMG MORI

has set its goal to relieving the roads in and around Bielefeld – and thus reducing pollution. In a first step, the data of about 600 employees of DMG MORI were anonymously evaluated. The start of work, travel time, travel costs, CO₂ emissions and physical activity were visualized. Since then we have moved a lot and expanded our existing policies: We have specifically promoted carpooling and set up appropriate parking, for example. We have also created additional charging stations for electric cars and e-bikes as well as covered bicycle parking spaces. A pilot project on flexible mobility budgets was started. Our employees can make further suggestions for improvement via our company suggestion system and the Responsibility Helpdesk.

We will continue to implement further measures in 2020 to reduce our emissions. In the future, we will compensate for the remaining emissions through certified, sustainable projects. This did not yet take place in the reporting year. Nevertheless, we have already prepared a detailed CO₂-balance of

our direct and indirect emissions for 2019. For this purpose, we have introduced a completely new concept for determining and calculating emissions, and for the first time integrated all locations across the Group. Accordingly, there is no comparability with the previous year’s values. The emission data were balanced in accordance with the requirements of the Greenhouse Gas Protocol and verified by an external auditor. In doing so, we are laying the foundation stone for offsetting our CO₂-balance in 2020 and no longer leaving a carbon footprint.



Climate neutral refueling: Electronic cars can be charged climate friendly at our charging stations – the energy comes solely from solar and wind power plants.



Renewable energy: DMG MORI is setting standards with large solar parks at our production plants. Our Russian production site Ulyanovsk Machine Tools also produces a substantial part of the energy used by itself.

06 GROUP-WIDE CO ₂ -BALANCE ¹⁾²⁾	
in t CO _{2e}	2019
Scope 1	23,688
Energy source for internal combustion	7,753
Business trips with own vehicles	15,935
Scope 2 ³⁾	28,554
External provision of energy	28,554
Scope 3	24,513
Disposal / water	189
Business trips with external transportation	5,174
Upstream energy-related emissions	5,751
Commuting to work of employees	12,460
Consumables (production and office)	939
Total	76,754

1) The calculation was carried out using the Ecocockpit software from the Efficiency Agency NRW. The emission factors stored there are based on the GEMIS database. Missing emission factors were supplemented by the Probas database of the Federal Environment Agency. In addition to nitrogen trifluoride (NF₃), the six main greenhouse gases in accordance with the Kyoto Protocol were taken into account when calculating the CO₂ equivalents (CO_{2e}): carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrogen-containing fluorocarbons (HFC), perfluorinated hydrocarbons (HFCs) and sulfur hexafluoride (SF₆). Other emissions

occur only in small quantities and are not reported separately. The location-based method was chosen to calculate the indirect emissions.
2) The CO₂-balance was for the first time prepared in the form shown for 2019. For 2018 there is no comparable data as only data from seven locations were collected for Scope 1 (19,163 t CO_{2e}) and Scope 2 (21,385 t CO_{2e}).
3) without Brembate di Sopra and Tortona due to green electricity consumption (CO₂ factor = 0)

DMG MORI Green Manufacturing

With DMG MORI Green Manufacturing we offer a perfectly aligned, fully digitized and automated value chain. We hereby ensure that our customers use all production factors with highest efficiency and save significant amounts of material and energy – from planning and preparation to production, monitoring and service.

Efficient and flexible production planning and control

- + optimal overall capacity utilization
- + "First Time Right" through highest planning quality
- + fast, completely digital planning

DMG MORI Connectivity

free of charge as standard on all machines

Efficient and flexible automation solutions

for continuous production



myDMG MORI

Efficient service processes

- + new customer portal "myDMG MORI"
- + digital maintenance optimization with WERKBLiQ
- + remote service with NETservice and SERVICEcamera

Resource and energy efficient machines

Product-related measures ensure the greatest possible conservation of resources, for example through stress-based design or the use of recycled (as previous year: 48%*) and recyclable materials. Their use is firmly anchored in the development process. In the reporting year, recycling-oriented product design was added as a guidance. We do not purchase conflict minerals directly. → Compliance, p. 38 et seq.

We are also continuously pushing the energy efficiency of our machine tools. In doing so we are supported by a group-wide product development process. The energy efficiency of the newly introduced DMC 65 H monoBLOCK, for example, was increased by 30 % with GREENMODE.



Highest quality and accuracy

Lowest energy and material consumption per good part

80 % faster to productivity

through real-time simulation with the Digital Twin

Highest productivity through transparent monitoring

with DMG MORI Messenger

DMG MORI Cell Controller Technology flexible and highly efficient process organization

Efficiency through Technology Cycles

- + up to 60 % faster programming
- + complete technology integration
- + maximum accuracy over the entire product lifespan
- + protection against damage by MPC 2.0

Product lifespan of 20 years and more

- + "First quality" offensive for highest product quality
- + 36 months warranty on MASTER-series spindles
- + CELOS Update for all machines

Technology integration

Saving of special machines e.g. by turning, milling and grinding on one machine

Technology Excellence for highest efficiency

through early integration into the customer's development processes

Additive Manufacturing

Saving up to 60 % material through additive manufactured components

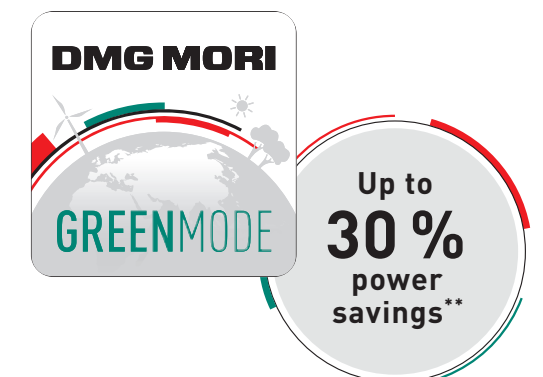
Simple reparability

and selective exchangeability of wear parts // revenue-based as in the previous year 31 % spare parts via exchange parts management

Annual brokerage of **over 600 high-quality used machines** as the world's largest dealer

* Specification based on weight in the material groups cast and sheet metal parts in machine tools and service. Cast and sheet metal parts have a significant weight share in our products. According to our suppliers, they contain around 51 % steel scrap (cast iron, sheet metal) and 10 % hard coal fly ash (mineral casting).

** compared to the previous model



GREENMODE

In order to increase the energy efficiency of our machine tools, we summarize 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

Resource management

We actively manage the environmental impact of our business activities. Our aspiration: Each individual makes sure that his or her work has the least possible impact on the environment. We define this in our Code of Conduct for our business partners and employees. Internally, we are consolidating this awareness through training, among other things. Resource management is conceptually and firmly anchored in our sustainability management and is an integral part of our "Corporate Responsibility" manual.

We know: in future, only those who operate sustainably will be able to operate successfully. We are therefore successively increasing our contribution to environmental protection, especially in the area of non-renewable resources. We want to use renewable, recyclable and recycled materials in a high proportion in our products and services. We are continuously developing our concept further. We involve our employees in this process as well. Their ideas and suggestions will be examined at short notice and implemented if possible.

One example of this is the voluntary use of Ecosia GmbH's ecological search engine. According to its own information, it uses at least 80 % of its monthly profits to plant trees – in Madagascar, Peru, Brazil, Nicaragua, Ethiopia, Tanzania and many other countries. Based on Ecosia's calculations, we were able to contribute to over 600 trees in November and December 2019. Another measure to protect resources is the transfer of 106 retired company notebooks and desktop PCs to employees at the Bielefeld site for private use.



Certified environmentally friendly:
Our Polish production plant FAMOT was certified for the first time in 2019 according to DIN EN ISO standard 14001:2015. With this award, we actively commit ourselves to environmental protection in all processes and procedures.



CEOs for recycled paper

We support the "Pro Recycling Paper" initiative. With the associated campaign "CEOs for recycled paper", it calls on companies to use recycled paper bearing the "Blue Angel". This is one of our many contributions to environmental protection. In November we changed our internally used paper. Since then, our German locations have been purchasing 100 % recycled DIN A3 and DIN A4 paper certified with the "Blue Angel". According to the "Pro Recycling Paper" initiative, we have already been able to save 365,769 liters of water in this short time.

365,769l

litres of water saved in two months

Waste and water management

According to the materiality analysis, the topics of waste and water are still not a focus for the sustainability management and are therefore only briefly explained here. → [Sustainability strategy and management, p. 8 et seqq.](#)

Waste is of course disposed of in an environmentally friendly manner by qualified companies. Disposal is based on the type of waste and the recycling process; it is separate and safe. We comply with local regulations and classify waste as hazardous or non-hazardous in accordance with the respective national laws.

During the test phase of our machines in production we use small amounts of drinking water by using processing emulsion (water content 90 %). We reprocess used emulsion after the application.

Emulsions that can no longer be processed are disposed of in an environmentally friendly way by qualified partners. Machining emulsion is usually also used later by our customers in the production of workpieces. Metallic recyclable materials from the machining process at DMG MORI are fed into a sustainable recycling economy via our partner companies.

FAMOT – DIGITAL PRODUCTION

- + Integration & digitization of all processes – 100 %
- + Improving usage of production capacity – 30 %
- + Reduction of reaction time – 50 %



Paperless for the environment:

In 2018, we set benchmarks with the digitization of our Polish plant FAMOT: All processes from planning and work preparation to production and monitoring to service, work digitally and efficiently – we thus protect the environment by saving energy and resources as well as avoiding paper. During the reporting year, we have gradually transferred these advances to other plants: At DECKEL MAHO Pfronten, for example, order creation and processing is mostly digital.

In spindle assembly (below) we have successfully introduced the Manufacturing apps from TULIP. This allows our employees to learn and optimize processes directly at their workplace without having to search in printouts or manuals. The digitization of our plants thus also makes a significant contribution to paper avoidance and environmental protection.



PARTNER AND SUPPLIER MANAGEMENT

Sustainability can only be achieved holistically and with partners. That is why we also attach great importance to compliance with environmental and social standards when selecting our partners and suppliers.



DMG MORI Partner Award 2019:
At the EMO Hanover, DMG MORI honored seven strategic partners and suppliers who convinced the jury with their extraordinary achievements in close and constructive cooperation.

Our partner and supplier management is an essential element of our matrix organization. With a real net output ratio of 27 %, a substantial part of the value added is generated by our suppliers. Global compliance with environmental standards and social requirements is already a basic prerequisite for cooperation. Due to the procurement of complex assemblies, we work with predominantly globally positioned system suppliers. These represent the first stage in the supply chain and are responsible for both pre-assembly and coordination of sub-contractors. In the reporting year, we have purchased goods and services for our production only from our 2,800 existing direct suppliers.

The purchasing department reports to the Chairman of the Executive Board and is divided into material group management for production and non-production materials. In order to use synergy effects, material group management for production is carried out together with DMG MORI COMPANY LIMITED.

With the introduction of the new Integrity Next and SAP Ariba platforms in the reporting year, we laid the foundation for

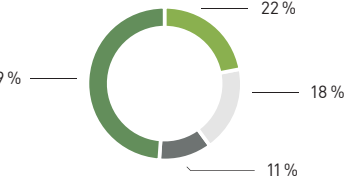
the uniform integration of our sustainability criteria into the purchasing and supplier organization throughout the Group. We successfully implemented the relevant IT systems in our production plants in 2019. The sales and service companies are to follow in 2020. Digitized processes enable us to increase transparency along the supply chain and thus evaluate and select our suppliers according to their sustainability performance.

07 | PROCUREMENT OF MATERIALS



■ Europe ■ Asia

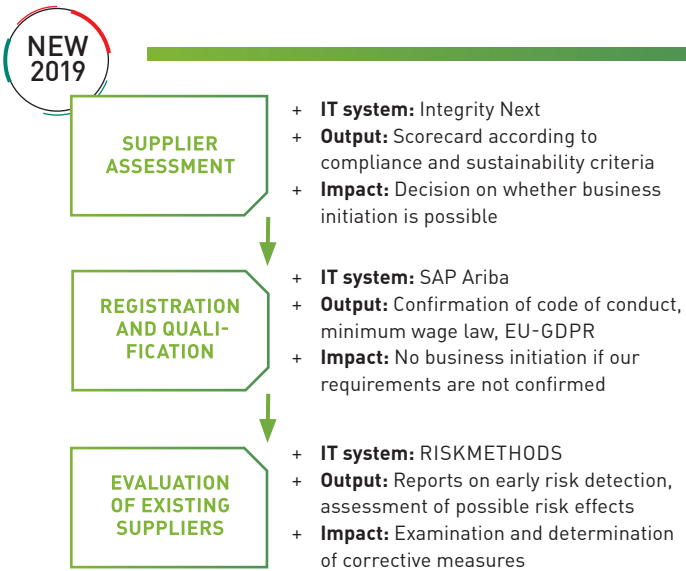
08 | MATERIAL COSTS by categories



■ Control and drives
■ Sheets and molded parts
■ External production
■ Other

Ensuring and monitoring sustainability

Our partner and supplier management ensures that all parties involved follow our voluntary commitment to sustainability and pass the requirements on along the supply chain. Potential suppliers who have confirmed in writing and with binding effect that they comply with our ethical and fundamental requirements qualify for our IT-supported selection process:



“Integrity Next” supplements our existing systems and further develops our management approach. By means of digital questionnaires, it enables a transparent examination of possible risk factors, such as quality, environmental standards and social requirements. As at the end of 2019, already 67 % of our TOP 100 suppliers filled out the questionnaires completely or partly. In the next step, we will use these responses to initiate targeted measures to consistently further develop our suppliers. If our requirements are met, the chances of winning tenders on our SAP Ariba purchasing platform increase. In the reporting year, 423 suppliers already signed up there, representing 55% of the total purchasing volume – and thus laid the foundation for the successful continuation of our business relationship. This process applies in particular to new suppliers: Only when our requirements have been confirmed in SAP Ariba, we can start working together. This procedure is an essential part of our purchasing guidelines. In the event of a rejection or suspicion of a breach of one of the ethical or principal requirements, an escalation process is defined. This regulates the further procedure in the partnership, either to define joint supplier development measures or to terminate the cooperation. In our purchasing conditions, we also refer

to sustainable procurement and determine the careful use of natural resources as well as energy-saving and environmentally friendly processes. Further information can be found on our website and the supplier platform. We regularly train our purchasers in relevant compliance and sustainability issues.

Risk management

When selecting suppliers from Asia and especially in the case of “global sourcing”, we evaluate criteria relating to environmental standards and social specifications separately in the supplier self-assessment. This includes, for example, working hours, employee salaries, existing environmental certificates such as DIN EN ISO 14001 and the clear rejection of child labor. A “Global Sourcing” team of nine purchasing and quality specialists in Asia takes care of supplier information. It coordinates the procurement processes and in particular the communication between suppliers and the production plant in the respective countries. As no new suppliers from Asia were added in the reporting year, no supplier self-assessment was carried out.

We use the “RISKMETHODS” early warning system to assess the risks of our existing direct suppliers:

- Timely information on risks to credit rating, delivery and quality performance and on risks to sustainability, such as violations of labor practices and human rights or environmental risks
- The people in charge are proactively notified when risks occur

With “RISKMETHODS” we control our TOP 100 suppliers, who account for 77% of the total purchasing volume, on a monthly basis. In the reporting year, the system reported no potential incident for the indicator “Violation of labor practices and human rights” and two potential incidents for the indicator “Environment”. The supplier concerned accounts for 0.9% of the purchasing volume for production materials. After close examination it was found that the notifications were not relevant and therefore no further action was required. The early warning system enables risk assessment by means of reports for each criterion and serves, on the one hand, as a basis for supplier discussions and development. On the other hand, this assessment flows as a partial result into the holistic supplier evaluation. This is how DMG MORI creates sustainability – right from the start.

EMPLOYEES

Our employees are the key to our success. To master challenging times, we need their full commitment. With trust, transparency and passion, we can achieve long-term and sustainable success together. In return, we offer secure and appealing jobs as well as comprehensive development and qualification opportunities.

Our employees are distinguished by their high professional qualifications and exemplary commitment. As an internationally active technology group, we see advantages in our cultural diversity: Diversity is an important driver of innovation. We attach great importance to the satisfaction of our employees and the personnel management strategically controlled by the Executive Board. We ensure the best possible employee support on site through our local personnel departments in the production plants and HR business partners in the sales and service companies.

We take our responsibility for our employees seriously and are an attractive employer. Diversity and equal opportunities, flexible and innovative working environments as well as training and personnel development are just as important to us as attractive remuneration models, health management, occupational safety and the strengthening of our corporate and management culture. In the medium term, we will take these aspects into account even more intensively in our international personnel activities. As at 31 December 2019, the company

09 EMPLOYEE STRUCTURE	2019	2018	Change against previous year
Total employee ¹⁾	7,245	7,503	-258
of whom employees	6,898	7,107	-209
of whom apprentices	347	396	-49
of whom national	4,391	4,546	-155
of whom international	2,854	2,957	-103
of whom Machine Tools segment	4,077	4,120	-43
of whom Industrial Services segment	3,081	3,299	-218
of whom Corporate Services segment	87	84	3
Total temporary workers ²⁾	313	484	-171
of whom Machine Tools segment	69	404	-335
of whom Industrial Services segment	242	79	163
of whom Corporate Services segment	2	1	1

1) The number of employees is based on the company's internal headcount personnel statistics.
2) In 2019, a total of 17 temporary workers were taken on as permanent employees.



had 7,245 employees, including 347 trainees. DMG MORI hired 583 employees in the reporting year. This corresponds to a recruitment rate of 8%. In the recruiting of new employees, age and gender do not influence the selection. In principle, we decide in a selection process whether a candidate is suitable for a position both professionally and personally. It goes without saying that we comply with the legal regula-

tions. Recruitment is approved in a multi-layered, digital approval process with final approval given by the Executive Board. Any discrimination, child labor or a circumvention of legal regulations is avoided through a high level of information transparency. The internal audit department regularly reviews our approval processes. → [Compliance, p. 38 et seq.](#)

Future-oriented: At the Open House in Bielefeld, the young junior staff of GILDEMEISTER Drehmaschinen GmbH and their trainer Hanno Hapke (L.) showed interested schoolchildren their skills, presented machines and provided support during customer appointments.



A total of 841 employees left the Group in the reporting year. The resulting fluctuation amounted to 9.9%. The proportion of employees in key positions or of high-potentials who left our company (dysfunctional fluctuation) was 2.0%. With structured succession planning and extensive induction training, we ensure a seamless transfer of knowledge.

Satisfied, motivated and healthy employees are a particularly important success factor for DMG MORI. We attach great importance to a transparent exchange of opinions and an open feedback culture. The employee satisfaction analysis in particular contributes to the further development of this culture. In 2018, employees were surveyed on a total of twelve topics for the first time – including working conditions, supervisor

behavior, professional development and remuneration. Based on the subsequent analysis, more than 300 individual measures, particularly in the category of communication and information, were developed and implemented in our companies in the reporting year. The employee satisfaction analysis will take place again in 2020.

At least once a year, a detailed employee interview is held by the manager responsible. In addition, we have consistently implemented and consolidated the management guidelines ("Leading Principles") implemented in 2018. They form the basis of our modern corporate and management culture.
→ Sustainability strategy and management, p. 12 et seq.



We strengthen cooperation and a sense of belonging to the company with numerous measures, such as employee days and events, as well as a comprehensive range of health and sports programs, sports competitions and company runs. In this regard the "7th DMG MORI Trainee Cup" with over 150 participants from Japan, Poland, Russia and Germany again took place in 2019 – this time in the stadium of the DSC Arminia Bielefeld.

We are also committed to making everyday life easier for our employees – for example with free fruit and water at many locations. In Bielefeld, for instance, we have also been offering our employees a cleaning service since August 2019. Moreover, for the first time in the reporting year, we offered

a special, free-of-charge childcare program during the summer and autumn holidays. Up to 60 children of employees at the Bielefeld site visited the "Arminia football camp" for a week during the summer holidays. In addition to an exclusive tour of the Schüco Arena, everything revolved around football training. The kids even had the opportunity to meet the professional players of Arminia Bielefeld. For creative minds there was the holiday program "Art hall for kids" in Bielefeld. Here the participants learned tips, tricks and techniques for creative design and visited the exhibition and sculpture park. Special highlight: On the last day, the young artists surprised their parents with their own little exhibition, where they presented the results of their holiday week.

During the autumn holidays, a voyage of discovery into the digital world on the topic of "Bits & Bytes" was on the agenda. Accompanied by experienced trainers, the children got to know a variety of digital creative tools at the DMG MORI headquarters in Bielefeld. They programed their own games, animations and even small cartoons, built and controlled robots, designed "game controllers" and went on photo safaris.

Our employees are offered attractive remuneration packages. These comprise market-based basic and variable, performance-related payments. Through our Group bonus model, all employees also participate in the economic success of DMG MORI. The Executive Board has agreed a Group-wide, international model with the Group Works Council that allows employees to participate in the company's success based on service frequency and results. The premium volume awarded amounted to around €11 million in the reporting year.



Employee Day Bielefeld: At the end of the Open House exhibition at the Bielefeld headquarters, DMG MORI invited families and friends to convince themselves of the innovative strength of the Global One Company.



Our commitment is paying off: “Focus Money” again awarded DMG MORI the title “TOP Career Opportunities” in the reporting year. The study covers topics such as development and promotion opportunities, talent management, employee loyalty and equal opportunities. DMG MORI took first place in the mechanical and plant engineering sector with 100 out of 100 points.

The business magazine “stern” awarded DMG MORI the title “Company with a future”. The experts analyzed the four categories “Employer Profile”, “Demographic Management”, “Digital Transformation” and “Entrepreneurial Focus”.

We also take the Co-determination and Works Constitution Act very seriously and maintain a regular, open exchange between management and employee representatives. In this way, both the Group Works Council and the local works councils receive information on relevant topics at an early stage. DMG MORI

naturally complies with local regulations on employee participation. Collective agreements, such as collective bargaining agreements, apply to about 61% of our employees.

Diversity and equal opportunities

At DMG MORI, all employees and applicants are valued and treated equally regardless of nationality or ethnic origin, gender, age, religion, sexual orientation or physical impairment. This is explicitly exemplified by the Executive Board through the DMG MORI Code of Conduct and modern leading principles. → Sustainability strategy and management, p. 10 et seqq. As a globally operating group, we always approach our customers and business partners in a target group-oriented manner with our diverse workforce.

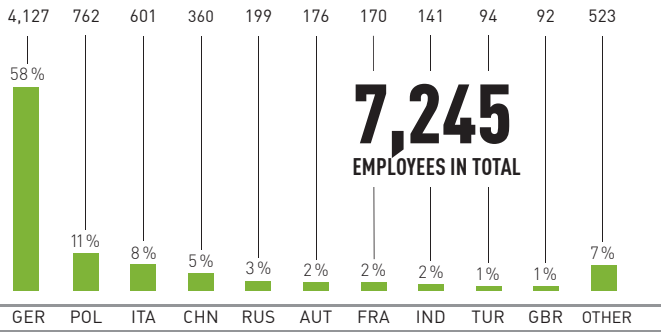
We value our long-standing and older employees especially for their experience. We offer attractive partial retirement models. In the reporting year, there were 80 contracts under the partial retirement scheme. 125 employees with severe

disabilities worked in the German companies. This corresponds to a quota of 3.1%. DMG MORI pays around € 170,000 as a direct compensation charge for the disability quota. Approximately € 200,000 is paid as deductible payments to sheltered workshops.

Since 4 May 2018, the Supervisory Board has been composed of five female (42%) and seven male (58%) members. The average age in the reporting period was 53 years. The Executive Board was composed exclusively of male members with an average age of 45 years. Further information on the legal requirements regarding female quotas on the Supervisory Board and in senior management is given in the Corporate Governance chapter on page 26 of the Annual Report 2019. The age structure at DMG MORI (figure 12) is balanced.

In order to introduce young women to mechanical and plant engineering, we again took part in Girls' Day in March 2019. Numerous girls from the 5th grade onwards informed themselves about the technical training professions at DMG MORI and on 28 March, they were given an insight into the fascinating world of machine tools – with a focus on practical experience, of course. In addition, DMG MORI supports projects such as “MINTrelation”, which aim at inspiring girls and women to take up scientific and technical professions.

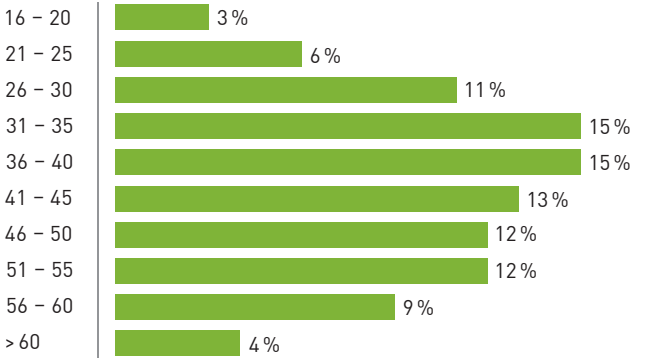
10 | NATIONALITIES



11 | EMPLOYEE CATEGORIES

	2019	2018	Change against previous year
Total employees	7,245 (100 %)	7,503	-258
of whom female	839 (12 %)	870	-31
of whom male	6,406 (88 %)	6,633	-227
Total managing directors	65 (100 %)	71	-6
of whom female	0 (0 %)	1	-1
of whom male	65 (100 %)	70	-5
Total employees with supervisory function	325 (100 %)	332	-7
of whom female	46 (14 %)	49	-3
of whom male	279 (86 %)	283	-4
Staff including apprentices	6,855 (100 %)	7,100	-245
of whom female	793 (12 %)	820	-27
of whom male	6,062 (88 %)	6,280	-218

12 | AGE STRUCTURE in %



Training and personnel development

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

Our talent management naturally includes taking on trainees and dual students. In addition, we particularly promote potential managers and talented junior staff through the “High Potential Program”. In total, we provide training in ten different professions. We also offer courses of study in cooperation with regional universities of cooperative education and universities of applied sciences. We are continuously expanding and developing these cooperations. In the reporting year, we took on 106 new apprentices and trainees. 43 young skilled workers have been taken in as permanent employees after successfully completing their training. This is how we bind young talents to DMG MORI at an early stage.

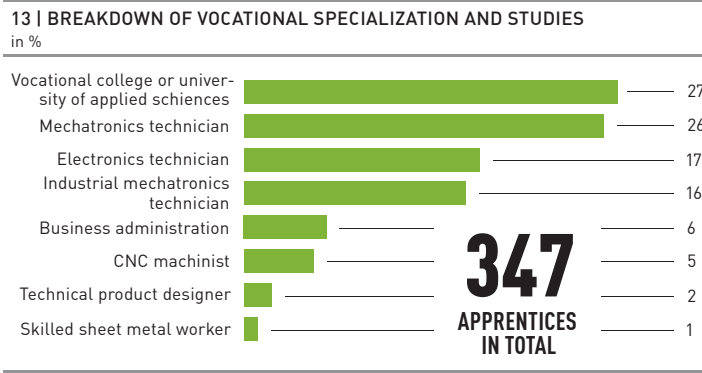
Students and interns regularly have the opportunity to get to know the operative daily business. It is particularly important to us that interns do not replace full-time positions, but that learning is the main focus. In addition, interns at DMG MORI also receive appropriate remuneration.

As a leading global provider of integrated technology, automation and digitization solutions, we offer our employees numerous opportunities to accompany international projects. With our “Exchange Program”, managers, junior staff and trainees regularly travel to our Japanese and German production plants – also to further promote international cooperation.

Our membership in “FairCompany” – Germany’s largest and best-known employer initiative for junior staff – underlines our special commitment as an attractive employer. The business magazines “Capital” and “Focus Money” once again honored DMG MORI as “Germany’s best trainer” in the reporting year.



The distribution of the training specializations at DMG MORI is as follows:



For years we have been placing a high value on the qualification of our employees. The qualification structure is at a high level: 97 % of all employees have a qualified education or are undertaking one.

14 PERSONNEL DEVELOPMENT	2019	2018	Change against previous year
Number of employees on further training courses	4,740	4,896	-156
of whom female	495	496	-1
of whom male	4,245	4,400	-155
Cost of apprenticeships and further training	€ 18.5 million	€ 18.3 million	€ 0.2 million
Days for further training	20,674	22,485	-1,811

Team spirit: Every year, the DMG MORI China “Excellence Cup” generates enthusiasm and strengthens the team spirit of the employees.

Extraordinary performance: Simon Pankratz, application engineer at GILDEMEISTER Drehmaschinen GmbH, made it into the TOP 10 at the WorldSkills 2019 in Kazan, Russia.



Fair-trade organic coffee:
At the request of our employees, we purchase fair-trade organic coffee and cocoa at our headquarters in Bielefeld – and at other locations in the future. In this way we ensure that this coffee and cocoa has not been produced using forced or child labor, support the people and families in the growing regions and at the same time the health of our employees.



Successful concept: The business restaurant at the Bielefeld headquarters was extensively modernized.

Occupational safety and health management

Occupational safety and health protection are central components of our value system both nationally and internationally. We are aware that healthy and motivated employees are a basic prerequisite for our economic success. DMG MORI complies with the national, legal regulations of occupational health and safety.

New employees receive all relevant health and safety training during their induction period. Appropriate first aid facilities are available for emergencies. In addition, the individual locations individually structure occupational safety and health management. Our German service companies, for example, have HSE (Health, Safety, Environment) management that promotes both health and safety and environmental protection. The management of higher-level security measures is the responsibility of the Corporate Mobility & Security division, which, among other things, ensures the travel safety of our employees and actively prepares them for their travels. The Group maintains regular contact with travelers when travelling to countries with increased security risks.

We are working to further reduce the sickness rate with regular health reports, company-sponsored check-ups and personal return-to-work consultations. This amounted to 3.9 % in the reporting year and was thus, as in the previous year, below the industry average of 5.7 %. There were 175 commuting and work accidents in the reporting year. In relation to the total number of employees, this corresponds to a rate of 2.4 %.

The Sustainability Day in November 2019 at the Bielefeld headquarters was held under the motto “Well rested and climate-healthy”. In addition to a digital sleep type analysis and a professional lecture on healthy sleep, our employees were given numerous tips and tricks on the topics of sleep, climate, health and energy saving. These contributions are also available to the entire Group in DMG MORI ONE.

The company restaurant at the Bielefeld headquarters has been awarded the title of “Climate-healthy company canteen”. The canteen concept introduced in 2018, including the climate balance, is a very impressive one: Regionality, seasonality and sustainability are given high priority. A concept that inspires. Operator Bernhard Kampmann – at the same time chef and owner of the restaurant “Schlichte Hof” – obtains most of his products from the region. The convenience level, previously 70 %, has been reduced to below 15 %. Flavor enhancers are a thing of the past. DMG MORI keeps the ecological footprint as small as possible. Because another criterion for the award of the certificate was awareness of energy savings in the kitchen – for example in cooling, ventilation and lighting. In the reporting year, we made further progress and comprehensively modernized the façade, air conditioning and building services of our company restaurant. A new room concept also offers space for more seats and a bright, friendly atmosphere. We also introduced our successful canteen concept at our locations in Pfronten and Geretsried in the reporting year and thoroughly modernized our canteen in Seebach.

COMPLIANCE

As “Global One Company” we follow clear compliance guidelines. Responsibility, sustainability and integrity determine our business activities and are an integral part of our daily operations.

Our values are the basis of the DMG MORI corporate culture and, in addition to the code of conduct, also form the basis of the compliance management system. In this way, we establish rules and processes in order to comply with our principles and values:

Our goal: to be able to react to company-specific risks in the best possible and timely manner

Fast and effective: avoid, detect and sanction compliance violations

Building trust: contributing to the company’s success

Broad-based: fully integrated sub-areas anti-corruption and the rejection of bribery, export control, tax compliance, anti-money laundering, data protection, IT security and antitrust law.

We analyze risks systematically and in a standardized manner. Compliance risks can potentially arise in all divisions and companies. Laws and regulations as well as internal company guidelines can be violated. Our scenario-based risk analysis is carried out annually for all sub-areas and covers the next three financial years. The company-specific risk situation is assessed centrally and locally on the basis of uniformly defined criteria for all operating group companies. Overall, compliance risks were manageable in the reporting year.

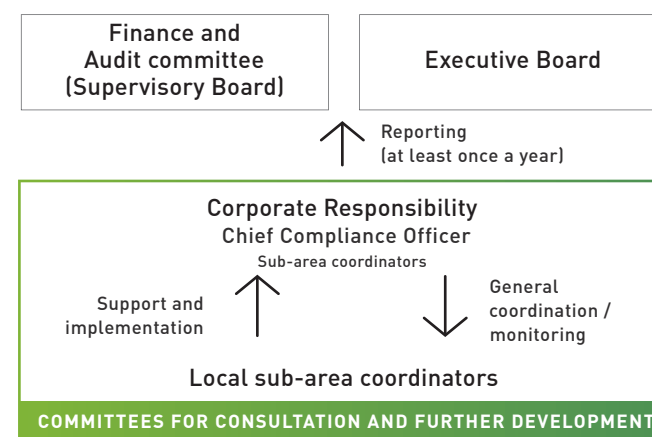
Compliance organization and program

We regularly sensitize our employees through various internal communication measures. DMG MORI uses a guideline management system to ensure that all rules are followed. Through DMG MORI ONE, we ensure that all regulations are permanently available to our employees. The current group-wide compliance guidelines can be found in the Code of Conduct on our website. In addition, the integrity of potential agent and dealers is specifically checked. How precisely depends on the respective risk level. For questions, suggestions

and concerns, e.g. regarding illegal or unethical behavior, our stakeholders can contact the Compliance Helpdesk or an external lawyer of confidence.

→ Sustainability strategy and management, p. 11

15 | COMPLIANCE ORGANIZATION



Digitization is a top priority at DMG MORI – this also applies to compliance processes. In our customer relationship management system, we check customers for anti-money laundering risks. For processes relating to anti-corruption, we use our digital workflow system, for example for the approval and documentation of gifts and invitations. In this way we make our processes more efficient and transparent.

For the first time, an integrated effectiveness test was carried out in six sub-areas (antitrust law, anti-corruption, export control, IT security, tax compliance and anti-money laundering). The effectiveness has been fully confirmed. In addition, our data protection concept was successfully tested. For the audit, more than 70 interview partners from 17 companies were questioned and numerous documents were examined. In addition, adherence to the guidelines is monitored by, among others, Internal Audit as an independent management unit.



Human Rights

Expectations for ourselves and our suppliers:

- Alignment with the worldwide labor and social standards of the International Labour Organization
- Promotion of fair working conditions
- Rejection of all child and forced labor
- Freedom of association and right to collective bargaining

Our customers and employees also expect corresponding standards from us and our suppliers. The Executive Board is committed to respecting human rights in the Code of Conduct and in the “Modern Slavery Statement”, which is published annually together with DMG MORI UK Limited. The statement is mandatory for companies with business activities in Great Britain pursuant to the British “Modern Slavery Act”. In addition, in the reporting year we began preparing for the until now voluntary requirements of the German Federal Government’s National Action Plan “Business and Human Rights” (NAP). Due to our complex, multi-tiered and global supply chain, there is a certain risk that we may be indirectly confronted with violations of the law or human rights. We counteract this above all with appropriate due diligence processes. → Partner and supplier management, p. 28 et seq.

We do not purchase [conflict] minerals such as gold, tantalum, tungsten or tin in pure form. However, these can reach production in very small quantities via our complex, multi-tiered and global supply chain. Conflict minerals can be problematic in procurement, as some of them come from mines in Congo or neighboring states and are used to finance armed conflicts, which can lead to human rights violations. In the reporting year, we standardized and digitized our supplier questionnaires. This has enabled us to further increase transparency in the supply chain.

As part of the integrated responsibility approach, all elements of this management system also apply to human rights. With appropriate measures, e.g. our e-learning and classroom training, we ensure that our high standards are also observed and applied within DMG MORI worldwide.

→ Employees, p. 30 et seqq.

Training concept

Basic training for all employees (online seminar)

- + Focus: Code of Conduct of DMG MORI
- + Completion rate: 84 %¹⁾
- + 1,042 hours in the reporting year²⁾

Data protection (online seminar)

- + Focus: EU-GDPR
- + For all employees affected by the EU-GDPR
- + Completion rate: >75 %³⁾

Classroom training (especially for managing directors)

- + Regular, personal training by Chief Compliance Officer and central sub-area coordinators
- + Focus: updates and current topics

Current measures

- Information from the Executive Board on important, current requirements for managing directors
- Annual questionnaire to the managing directors regarding need for information and action
- Deep anchoring of the compliance guidelines in the corporate culture

Data protection and information security

We handle the data of our employees and business partners confidentially and sensitively – because their personal rights are important to us. Data protection and information security are part of the integrated compliance management system and are centrally controlled by the Head of Group Privacy and IT Security. In doing so, we comply with the requirements of the EU-GDPR and orient ourselves to the ISO/IEC 27001 standard for information security. The aim of these measures is to protect the information and data within the Group against theft, loss, unauthorized disclosure, illegal access or misuse.

1) of the employees registered in e-learning (except production staff) since May 2016

2) assumed average duration: 1 hour

3) of employees registered in the data protection module since October 2018

SOCIAL AND LOCAL COMMITMENT

Trust and cooperation are integral parts of our values and of our strategy. Social responsibility is therefore of great importance to DMG MORI and a focal point in our sustainability management. We are committed to society.

In the reporting year, we concretized our internal compliance guidelines for handling invitations, gifts, donations and sponsoring. Our new, Group-wide donation and sponsoring strategy defines the fields in which we are involved and the processes and value limits that must be observed. In addition, many of our employees make a voluntary contribution to society. We are happy to support them in doing so: In the reporting year our production plant DECKEL MAHO in Pfronten was awarded the title "Volunteer-friendly company" by the Bavarian Ministry

of the Interior, for example. A total of 150 employees – more than 10 % – of DECKEL MAHO Pfronten are engaged in voluntary work. Therefore, we free them from work: for emergency situations, but also for training and exercises during working hours. A flexible work organization and management of working hours facilitate voluntary work. There is an additional bonus system as a special incentive for members of the plant fire brigade.

Always ready for action: If there is an emergency in Pfronten, the DECKEL MAHO works fire brigade is ready around the clock, 365 days a year – on average 45 times a year.



Running for a good cause: More than 50 DMG MORI employees participated in the annual "Run & Roll Day" in Bielefeld and supported non-profit organisations with their participation.



Dedicated: DECKEL MAHO Pfronten Managing Director Reinhard Musch accepted the award as "Volunteer-friendly company".

DMG MORI supports projects in the fields of community, education, science, art, culture, sports and especially young talent. The focus of our social commitment is on our employees, young people, schools and universities, as well as non-profit organizations. Here, we report on our charitable projects and voluntary activities in an exemplary manner – because social commitment is close to our hearts.

We help directly and on site. Our locations decide for themselves which projects they support. At the beginning of the fiscal year, the Executive Board reviews the planned supports based on the new donation and sponsoring strategy. The release of donations and sponsoring during the year is carried out by the respective management or the Board of Directors via our digital workflow system. To ensure

the strategy is being followed, the Corporate Responsibility and Corporate Communications departments review the donation and sponsoring activities by sample regarding the purpose and amount of funding as well as the adherence to approval processes. Local Controlling monitors the annual budget. No donations are made to political or party-related organizations or to politicians. In legally permissible exceptions, the approval of the Executive Board is required.





Girls' Day 2019: At DMG MORI, interested schoolgirls were given an insight into the fascinating world of machine tools. Numerous "hands-on" stations invited visitors to get to know a technical profession in a playful way.

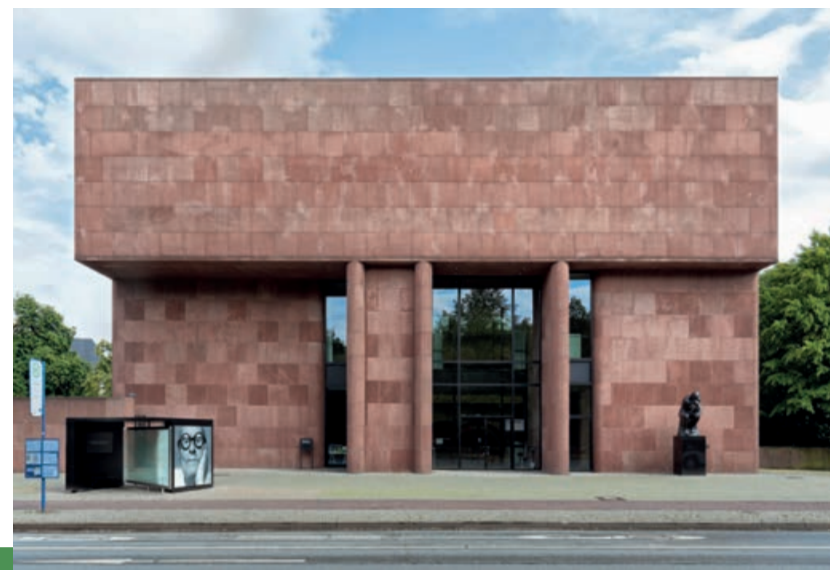
Universities and non-profit organizations

We support schools and universities through donations, co-operation and a lively exchange of knowledge. It's our guiding principle that our research and our innovations reach the educational community quickly. We regularly participate in events such as the "Future Day" and "Girls' Day" and enable schoolchildren and students to visit our production sites. In addition, we are involved in local associations and projects at many locations in order to actively form networks and be able to commit ourselves to the respective region.

In the reporting year, we invested around € 385,000 in donations and sponsoring, thereby strengthening the local commitment of our locations. In Bielefeld and the region of East Westphalia-Lippe, DMG MORI has been involved for years as a sponsor of the Arminia Bielefeld football club. This commitment particularly aims to support young people. In addition, sponsoring agreements exist with the University of Bielefeld, "Bielefeld Marketing GmbH" and the "Bielefeld Kunstverein" (art association). The donations almost exclusively benefited local clubs, institutions and universities, such as Kempten University, as well as the youth development (machine building foundation for young people). For example,

€ 1,000 went to the Ostalb children's hospice and € 2,000 to the "Sennestädter Ferienspiele". Additionally, € 2,000 went to the "Musikverein Bielefeld" (Bielefeld music association) on the occasion of its 200th anniversary. Our production plant FAMOT supported a kindergarten in Pleszew with € 5,000.

Art hall in Bielefeld: As a landmark and architectural monument, the Bielefeld-based art hall "Kunsthalle" impresses with paintings by famous artists, such as Pablo Picasso and Yoko Ono. (Copyright: Kunsthalle Bielefeld / Philipp Ottendörfer)



German-Japanese Community: The East Asian Association (OAV) together with the Chamber of Commerce and Industry Japan (AHK Japan) and the German-Japanese Business Circle (DJW) invited to the New Year's Reception at DMG MORI in Bielefeld.

DMG MORI Memberships

Our employees are the basis of our success and our greatest asset. Thanks to their high professional qualifications and extraordinary commitment, we have achieved sustained success. Our primary goal is therefore to further promote the skills of our employees. The decisive prerequisite for this is education. Among other things, DMG MORI is involved with memberships in various industry associations:

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 // Energy efficiency network East Westphalia // Youth engineering foundation "Nachwuchsstiftung Maschinenbau"



Refreshingly sustainable: At our headquarters in Bielefeld, we have been purchasing the regional mineral water "Blaues Heimatwunder" since October 2019. For every bottle purchased, a portion of the proceeds goes to the "OWL zeigt Herz" association, which supports social projects in East Westphalia-Lippe. Due to the short transport distances we also protect the environment.

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, the demarcation of the non-financial report in accordance with HGB is marked.

GRI standard	GRI disclosures	Pages in the Sustainability Report 2019	Pages in the Annual Report 2019	Element of non-financial reporting in accordance with HGB
GRI 101: Foundation 2016	FOUNDATION			
	GENERAL DISCLOSURES			
GRI 102: General disclosures 2016	ORGANIZATIONAL PROFILE			
	102-1 Name of the organization	7		
	102-2 Activities, brands, products and services	7		
	102-3 Location of headquarters	7		
	102-4 Location of operations	7	Cover AR	
	102-5 Ownership and legal form	7	20 – 21	
	102-6 Markets served	7	20 – 21	
	102-7 Scale of the organization	7	Cover AR, 51 – 56	
	102-8 Information on employees and other workers ¹⁾	7, 30 – 37		
	102-9 Supply chain	10, 28 et seq.		
	102-10 Significant changes to the organization and its supply chain		20 – 21	
	102-11 Precautionary principle or approach	16 et seq., 25, 29	73 – 77	
	102-12 External initiatives	8, 10, 26, 34, 39		
	102-13 Membership of associations	43		
	STRATEGY			
	102-14 Statement from decision-makers	3	10 – 13	
	ETHICS AND INTEGRITY			
	102-16 Values, principles, standards, and norms of behavior	12, 39		
	GOVERNANCE			
	102-18 Governance structure	8	29 – 33	
	STAKEHOLDER ENGAGEMENT			
	102-40 List of stakeholder groups	11		sec. 289c para.3
	102-41 Collective bargaining agreements	34		
	102-42 Identifying and selecting stakeholders	10 et seq.		sec. 289c para.3
	102-43 Approach to stakeholder engagement	9 – 11		sec. 289c para.3
	102-44 Key topics and concerns raised	9 – 11, 17, 32		sec. 289c para.3
	REPORTING PRACTICE			
	102-45 Entities included in the consolidated financial statements	47	151 – 153	
	102-46 Defining report content and topic boundaries	9 – 11		sec. 289c para.3
	102-47 List of material topics	9		sec. 289c para.3
	102-48 Restatements of information ²⁾	46		
	102-49 Changes in reporting	9 et seq.		
	102-50 Reporting period ³⁾	46		
	102-51 Date of most recent report ³⁾	46		
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	102-54 Claims of reporting in accordance with the GRI Standards	8, 44		
	102-55 GRI content index	44 – 46		
	102-56 External assurance ⁴⁾	46		

GRI standard	GRI disclosures	Pages in the Sustainability Report 2019	Pages in the Annual Report 2019	Element of non-financial reporting in accordance with HGB
CATEGORY: ECONOMIC				
Anti-Corruption				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 28 et seq., 38 et seq.		sec. 289c para.2 no. 5
	103-2 The management approach and its components	11 et seq., 28 et seq., 38 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	38 et seq.		sec. 289c para.3
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	38		sec. 289c para.3
CATEGORY: ENVIRONMENTAL				
Materials				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 24, 26, 28 et seq.		sec. 289c para.2 no. 1
	103-2 The management approach and its components	11 et seq., 24 – 29		sec. 289c para.3
	103-3 Evaluation of the management approach	24 et seq.		sec. 289c para.3
GRI 301: Materials 2016	301-2 Recycled input materials used	25		sec. 289c para.3
Energy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 18, 28 et seq.		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 18 – 23, 28 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	18, 20		sec. 289c para.3
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20		sec. 289c para.3
Emissions				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 18, 22, 28 et seq.		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 18 – 23, 28 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	18, 22 et seq.		sec. 289c para.3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	23		sec. 289c para.3
	305-2 Energy indirect (Scope 2) GHG emissions	23		sec. 289c para.3
	305-6 Emissions of ozone-depleting substances [ODS] ⁵⁾	46		sec. 289c para.3
Supplier environmental assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 28 et seq.		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 28 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	29		sec. 289c para.3
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	29		sec. 289c para.3
CATEGORY: SOCIAL				
Employment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 30		sec. 289c para.2 no. 2
	103-2 The management approach and its components	11 et seq., 30 – 34		sec. 289c para.3
	103-3 Evaluation of the management approach	30 – 34		sec. 289c para.3
GRI 401: Employment 2016	401-1 New employee hires and employee turnover ⁶⁾	30 – 32		sec. 289c para.3
Occupational health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 28 – 30, 37		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 28 – 34, 37		sec. 289c para.3
	103-3 Evaluation of the management approach	37		sec. 289c para.3
GRI 403: Occupational health and safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities ⁷⁾	37		sec. 289c para.3

GRI standard	GRI disclosures	Pages in the Sustainability Report 2019	Pages in the Annual Report 2019	Element of non-financial reporting in accordance with HGB
CATEGORY: SOCIAL				
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 30, 36		sec. 289c para.2 no. 2
	103-2 The management approach and its components	11 et seq., 30 – 34, 36		sec. 289c para.3
	103-3 Evaluation of the management approach	36		sec. 289c para.3
GRI 404: Training and education	404-1 Average hours of training per year per employee ¹⁾	36		sec. 289c para.3
Diversity and equal opportunity				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 30, 34		sec. 289c para.3
	103-2 The management approach and its components	10 – 12, 30 – 35		sec. 289c para.3
	103-3 Evaluation of the management approach	34 et seq.		sec. 289c para.3
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees ¹⁾	34 et seq.		sec. 289c para.3
Human rights assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 28 et seq., 39		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 28 et seq., 31, 38 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	29, 38 et seq.		sec. 289c para.3
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	39		sec. 289c para.3
Supplier social assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 28 et seq.		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 28 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	29		sec. 289c para.3
GRI 414: Supplier environmental assessment 2016	414-1 New suppliers that were screened using social criterion	29		sec. 289c para.3
Customer health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 16 et seq.		sec. 289c para.3
	103-2 The management approach and its components	11 et seq., 16 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	16 et seq.		sec. 289c para.3
GRI 416: Customer health and safety 2016	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				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9 et seq., 40		sec. 289c para.3
	103-2 The management approach and its components	40 – 43		sec. 289c para.3
	103-3 Evaluation of the management approach	40 – 42		sec. 289c para.3
	Amount of donations and sponsorships	42		sec. 289c para.3
In addition to the GRI: presentation of additional minimum elements of the non-financial report				
	Presentation of the business model	7	16 – 21, 36 – 47	sec. 289c para.1
	Results of the risk assessment	11		sec. 289c para.2 no. 3-4
	Information on the framework used	8		sec. 289d

1) No further subclassification of the categories and data as these are not of material significance for our sustainability management.

2) Restatements will be outlined accordingly as required (102-48).

3) The Sustainability Report is published annually, most recently on 12 March 2019, and covers the financial year 1 January to 31 December 2019.

4) There was no external audit this year.

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 commuting or work injuries at DMG MORI, this information does not provide any significant figures and consequently the resulting absenteeism rate has not been analyzed separately.

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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. Forwardlooking 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.

Your contact to DMG MORI

DMG MORI AKTIENGESELLSCHAFT
Gildemeisterstraße 60
D-33689 Bielefeld
www.dmgmori.com

ISIN: DE0005878003

Corporate Communications

Stephan Knüttel
Phone: +49 (0) 52 05 / 74 - 3030
Fax: +49 (0) 52 05 / 74 - 3081
E-Mail: stephan.knuettel@dmgmori.com

Leonie Williams
Phone: +49 (0) 52 05 / 74 - 3005
Fax: +49 (0) 52 05 / 74 - 3081
E-Mail: leonie.williams@dmgmori.com

Languages

This report is available in German and English language.

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DMG MORI AKTIENGESELLSCHAFT

Gildemeisterstraße 60

D-33689 Bielefeld

Local Court Bielefeld HRB 7144

Phone: + 49 (0) 52 05 / 74 - 0

Fax: + 49 (0) 52 05 / 74 - 3273

E-Mail: info@dmgmori.com

www.dmgmori.com